

New York State 1115 Waiver Amendment and the Federal Climate for Waiver Approval

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April 26, 2022

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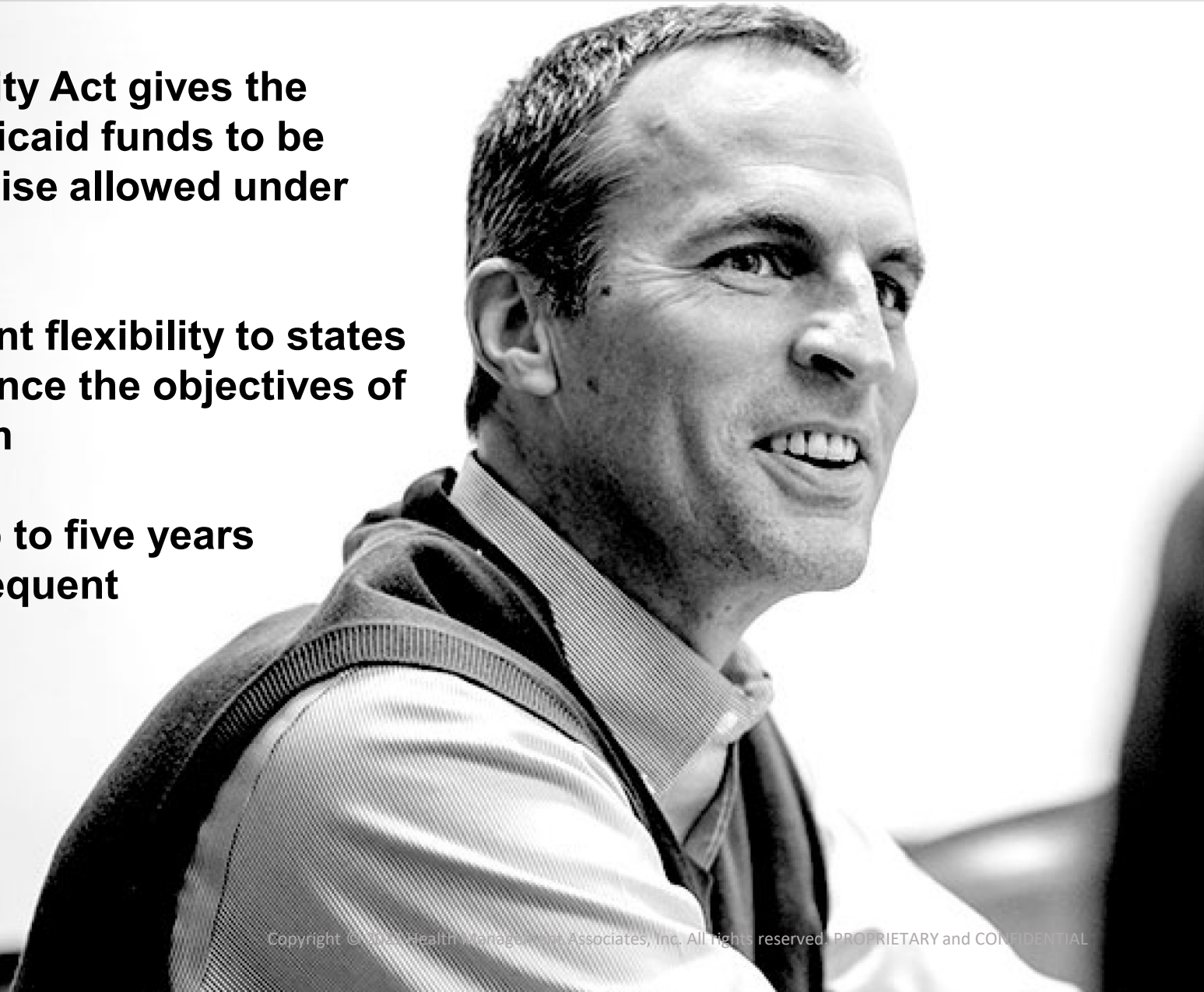


WAIVER STRUCTURE

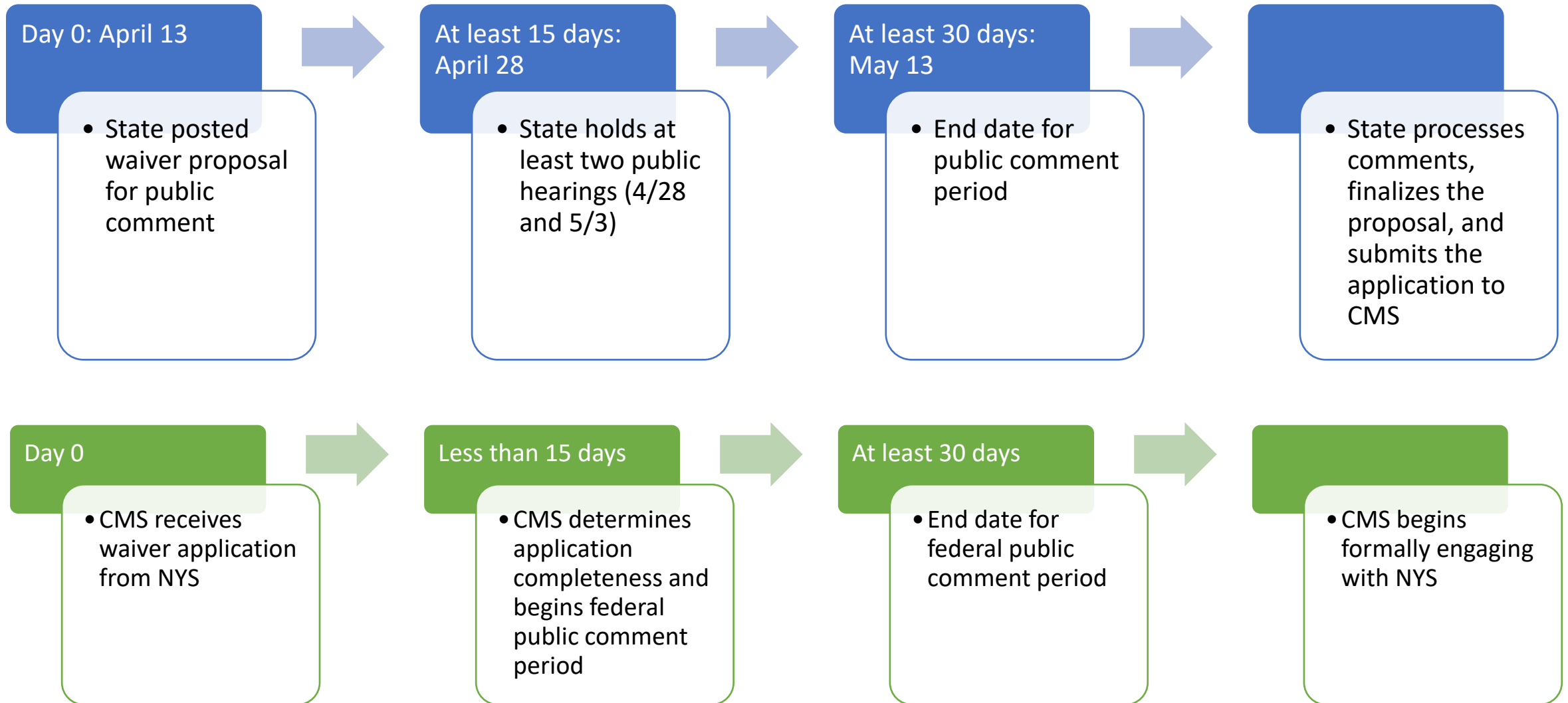
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WHAT IS AN 1115 WAIVER?

- + **Section 1115 of the Social Security Act gives the Secretary authority to allow Medicaid funds to be used in ways that are not otherwise allowed under federal rules.**
- + **1115 Demonstration Waivers grant flexibility to states for innovative projects that advance the objectives of Title XIX of the Medicaid program**
- + **A Waiver can be approved for up to five years and the State may request subsequent extensions.**



WAIVER TIMELINE



HISTORY OF NEW YORK'S 1115 WAIVER

The NYS Medicaid Redesign Team (MRT) Waiver (formerly the Partnership Plan) has been in operation since 1997.

- + New York's 1115 MRT Waiver was last renewed on December 6, 2016 effective through March 31, 2021.
- + **New York 1115 MRT Waiver Programs:**
 - + Medicaid Managed Care, including Mainstream Medicaid Managed Care, Health And Recovery Plans (HARPs), Home and Community Based Services (HCBS), Managed Long-Term Care (MLTC), and Long-Term Services and Supports (LTSS) (**Currently In Place, Extended Through March 31, 2027**)
 - + Delivery System Reform Incentive Payment (DSRIP) Program (**Waiver Demonstration Ended April 1, 2020**)



OVERVIEW OF NEW YORK'S 1115 WAIVER AMENDMENT REQUEST

New York is requesting \$13.5 billion over five years to fund an 1115 Waiver Amendment.

The Amendment includes four main goals:

Goal #1:

Building a More Resilient, Flexible and Integrated Delivery System that Reduces Health Disparities, Promotes Health Equity, and Supports the Delivery of Social Care

Goal #2:

Developing and Strengthening Supportive Housing Services and Alternatives for the Homeless and Long-Term Institutional Populations

Goal #3:

Redesign and Strengthen System Capabilities to Improve Quality, Advance Health Equity, and Address Workforce Shortages

Goal #4:

Creating statewide digital health and telehealth infrastructure

INITIATIVES IN THE WAIVER AMENDMENT

Goal #1: Building a more resilient, flexible and integrated delivery system that reduces health disparities, promotes health equity, and supports the delivery of social care

Health Equity Regional Organizations (HEROs)

Social Determinant of Health Networks (SDHNs) Development and Performance

Advanced Value Based Payment (VBP) Models that Fund the Coordination and Delivery of Social Care via an Equitable, Integrated Health and Social Care Delivery System

Capacity Building and Training to Achieve Health Equity Goals

Ensuring Access for Criminal Justice-Involved Populations

Goal #2: Developing and strengthening supportive housing services and alternatives for the homeless and long-term institutional populations

Investing in Supportive Housing Services and Alternatives for the Homeless and Long-Term Institutional Populations

Goal #3: Redesign and strengthen system capabilities to improve quality, advance health equity, and address workforce shortages

COVID-19 Unwind Quality Restoration Pool for Financially Distressed Hospitals and Nursing Homes

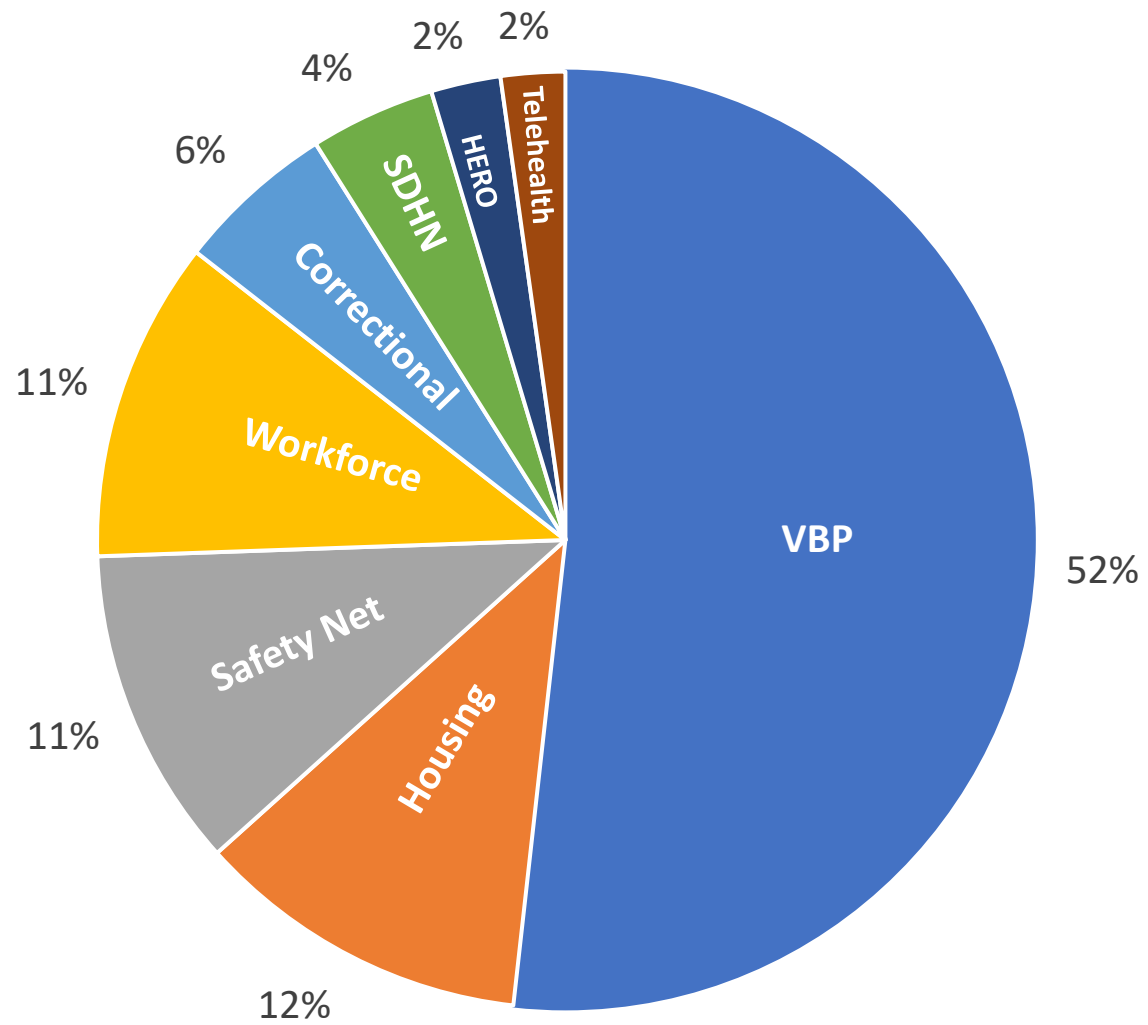
Developing a Strong, Representative, and Well-Trained Workforce

Goal #4: Creating statewide digital health and telehealth infrastructure

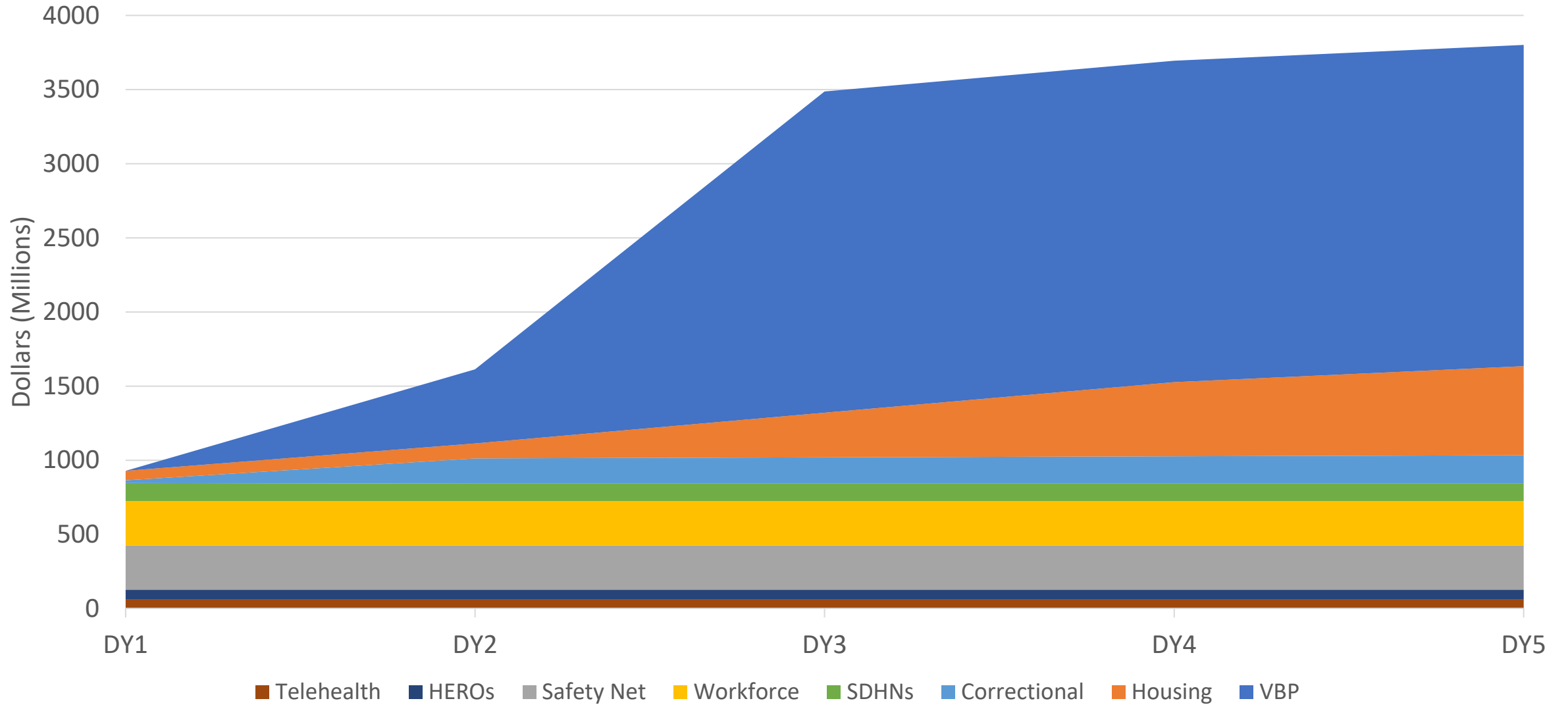
HOW THE MONEY IS EARMARKED

| Waiver Proposal Initiatives | Funding in Conceptual Framework (in millions) | Funding in Draft Amendment (in millions) | % Change |
|---|---|--|---------------|
| Goal #1: Health equity-focused system redesign | | | |
| HEROs | \$250 | \$325 | +30% |
| SDHNs | \$1,750 | \$585 | -66% |
| Advanced VBP models | \$8,000 | \$7,000 | -12.5% |
| Goal #2: Supportive Housing | \$3,000 | \$1,565 | -47.8% |
| Goal #3: Prepare for Future Pandemics | | | |
| Safety Net Funding | \$2,500 | \$1,500 | -40% |
| Workforce Training | \$1,000 | \$1,500 | +50% |
| Goal #4: Digital Health and Telehealth | \$500 | \$300 | -40% |
| Total | \$17,000 | \$13,500 | -20.5% |

PROPORTION OF DOLLARS IN THE AMENDMENT



FUNDING DISTRIBUTION OVER TIME



FUNDING DISTRIBUTION OVER TIME

| | Proposal | DY1 | DY2 | DY3 | DY4 | DY5 | Total | Funding Description | Recipient |
|---------|--------------------------------------|-------|-------|---------|---------|---------|---------|--|---|
| Goal #1 | HEROs | \$65 | \$65 | \$65 | \$65 | \$65 | \$325 | Flat funding per year based on Medicaid enrollment in the associated region | HERO (Existing or NewOrg) |
| | SDHNs | \$121 | \$116 | \$116 | \$116 | \$116 | \$585 | Initial upfront funding for CBO infrastructure support; flat funding per year in DY2-DY5 based on Medicaid enrollment in the associated region | SDHN (Existing or NewOrg) CBOs |
| | Advanced VBP Models | \$0 | \$500 | \$2,167 | \$2,167 | \$2,167 | \$7,000 | Gradually increasing funds with significant investment ramping up between DY2 and DY3 | MCOs VBP Lead Entity Eligible Provider Networks |
| | Criminal Justice-Involved Population | \$19 | \$171 | \$178 | \$185 | \$192 | \$745 | Gradually increasing funds tied to the phasing of eligible incarcerated populations | Eligible Medicaid Service Providers Health Home CM |
| Goal #2 | Supportive Housing | \$63 | \$101 | \$301 | \$501 | \$601 | \$1,565 | Gradually increasing funds over full five years, ramping up with Medicaid housing resource development | SDHN (Existing or NewCo) CBOs Housing Providers |
| Goal #3 | Safety Net | \$300 | \$300 | \$300 | \$300 | \$300 | \$1,500 | Flat funding per year | Hospitals Nursing Homes |
| | Workforce Training | \$300 | \$300 | \$300 | \$300 | \$300 | \$1,500 | Flat funding per year | WIOs |
| Goal #4 | Telehealth | \$60 | \$60 | \$60 | \$60 | \$60 | \$300 | Flat funding per year | Technology Resources for Providers: CMs, SNFs, RTFs, CHWs, Dental, CBOs, etc. |



WHAT'S DIFFERENT

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■ WHAT DID NYS LEARN FROM DSRIP?

- + The funds flow approach outlined would make fixed, discrete investments to entities, such as HEROs and SDHNs, versus the performance driven, draw-down model for PPSs under DSRIP.
- + Hospital and other provider-specific investments are made outside of the HERO through separate funding vehicles. HERO funds are distinct and tied to HERO-specific deliverables and objectives.
- + The incentives to engage in VBP are larger and more aligned between payors and providers
- + The need for regional alignment about objectives
- + CBOs need to be paid for meeting Social Care Needs
- + “BH providers should be included in the governance and design of VBP arrangements that promote whole person care”
- + Workforce initiatives require regional coordination
- + Reduce the number of intermediary entities to create administrative simplification
- + Leverage existing planning activities



■ HOW IS THE AMENDMENT REQUEST DIFFERENT FROM THE CONCEPTUAL FRAMEWORK?

- + **Total Funding Amount:** DOH reduced its original funding request from \$17.5B to \$13.5B over 5 years
- + **Statewide Social Needs Data Platform:** There will be competitive procurement for a statewide IT platform
- + **Equity Measure and Assessment Development:** The State (not the HERO) will develop a health-equity measure set (informed by the CAGs) and will choose a standardized assessment tool
- + **HERO and SDHN Regions:** DOH will create separate regions Westchester and Rockland; DOH will further subdivide regions based on compelling evidence
- + **Global Prepayment Model:** State will develop a global prepayment VBP model (based on directed payment models)
- + **Reimbursement for Screening and Social Care:** VBP arrangements will have a portion of funding dedicated to the provision of uniform screening and social care services. The State will also develop a statewide menu of social services with rates.
- + **In Reach Medicaid Services for Incarcerated Individuals:** Seeking approval for targeted Medicaid services for incarcerated individuals 30 Days prior to release
- + **COVID Unwind Quality Restoration Pool:** Revised from an open investment pool to a VBP-driven pool for Safety Net organizations (hospitals and nursing homes) to enable quality improvement, workforce investments, and participation in waiver initiatives
- + **Eliminates HCBS Funding Under Housing Goal:** Housing investments are now discrete to housing planning conducted by HEROs and Enhanced Supportive Housing Pool
- + **Eliminates Therapeutic Investment Pilot:** In reach services replaced initiatives for correctional populations in the Conceptual Framework



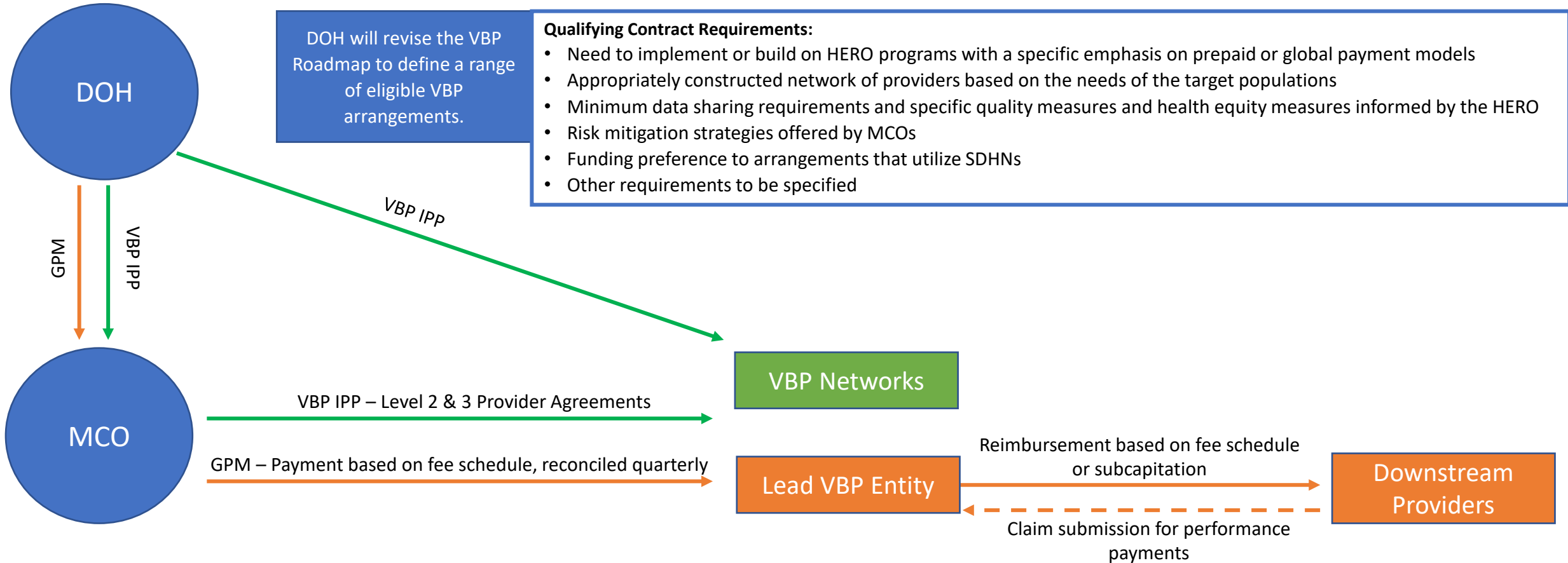
WAIVER INITIATIVES

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VBP INCENTIVE FUNDS: GLOBAL PREPAYMENT VS VBP IPP

| | Medicaid Global Prepayment Model | Value Based Payment Incentive Payment Pools |
|--|---|---|
| Overall Description | Global prepayment modeled after other directed payment models (convert global budget dollars into a minimum fee schedule paid to the lead VBP entity by MCOs, which would be reconciled quarterly to align with the fixed annual budget) | Incentive payments intended to further stimulate VBP adoption for Medicaid Managed Care populations |
| Eligible Providers and Responsibilities | Lead VBP entities are eligible (defined as lead or dominant health system or financially integrated provider-based organization with demonstrated ability to manage PH & BH care of targeted population). Responsible for: <ul style="list-style-type: none"> managing the total cost of care establishing provider-payor relationships negotiating and effectuating contracts providing data and analytics for performance measurement continuous improvement around established quality measures | Provider networks engaging in VBP arrangements at Level 2 or 3 (Shared Risk or Capitation) |
| Funds Flow | DOH → MCO → Lead VBP Entity → Downstream Provider Entities | DOH → MCO → Networks or DOH → Networks |

VBP INCENTIVE POOLS OVERVIEW



MCO Eligibility

Required to meaningfully participate in HEROs and engage in VBP contracts with an appropriately constructed network of providers for the population specific VBP arrangement.

Who Can Serve as Lead/Fiduciary?

- LLC or Non-Profit (New or Existing Entity)
- Existing PPSs
- IPAs (including BH IPAs)
- LGUs
- PHIPs
- Other Stakeholders

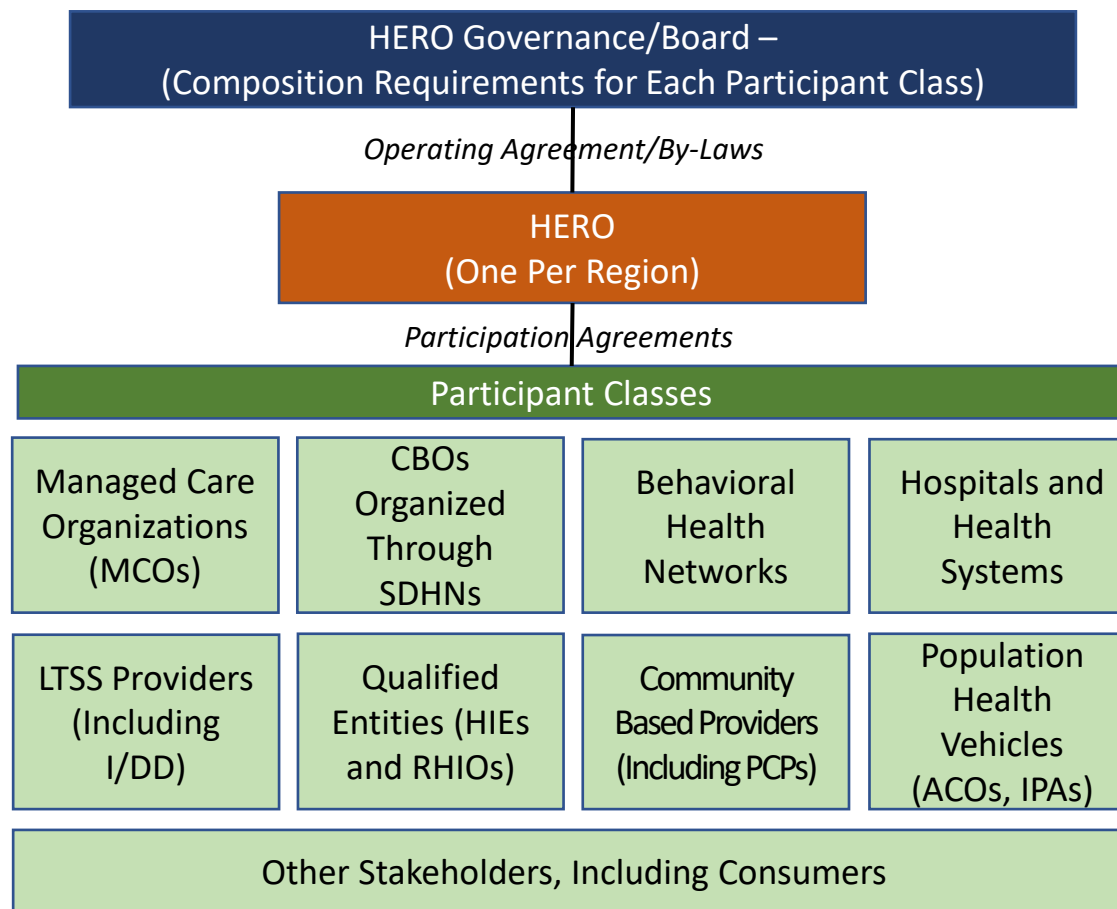
Funding/Sustainability

- Award size based on Medicaid enrollment per region
- Existing Medicaid payments from DOH and MCOs remain intact
- HEROs would receive limited planning grants; HEROs would not receive and distribute waiver dollars
- Envisioned to extend beyond the period of the waiver and become self-sustaining
- HERO participants could contribute funding to HEROs after the waiver period to fund future activities

HEROS AT-A-GLANCE (HEALTH EQUITY REGIONAL ORGANIZATIONS)

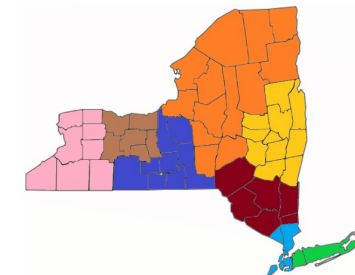
Governance Requirements

Must be mission-based and build a regionally-focused coalition of stakeholders



Regional Distribution

- Aligned with MC rating regions with Westchester/Rockland separated from NYC (9 Across the State) with option to further subdivide



Core Activities

- Regional health equity and social care need planning, including data sharing and integration of care management platforms, activities and efforts

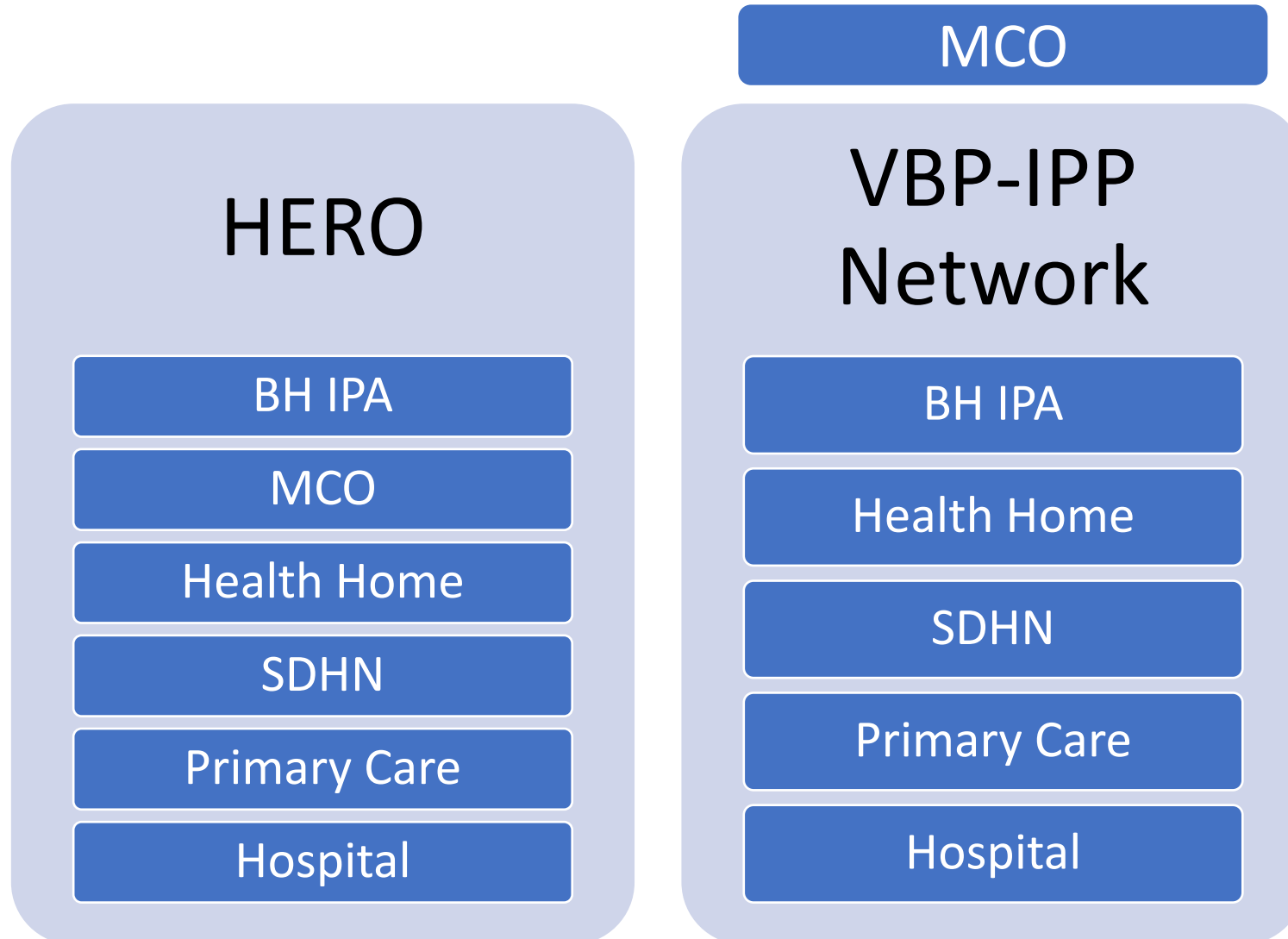
Deliverables

- Annual Regional Plan
- Measure Selection
- VBP Intervention Design
- Housing Program Inventory

HERO ≠ PPS*

***The waiver amendment does refer to utilizing legacy systems and infrastructure created under DSRIP, including potential utility for PPS under a redesigned/reimagined equity and social-care focused structure. All PPSs would need to reconfigure and/or transform their current structure and governance to become HEROs.**

HEROS AND THE VBP INCENTIVE POOLS REQUIRE SIMILARLY COMPREHENSIVE NETWORKS



Who Can Serve as Lead/Fiduciary?

- The State will select a lead applicant within each region, which may be a CBO itself or a network entity (e.g., IPA, ACO) composed of CBOs.

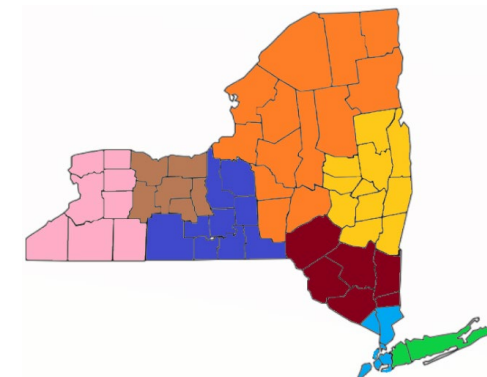
SOCIAL DETERMINANT OF HEALTH NETWORKS (SDHNS) AT-A-GLANCE

Governance Requirements

Each SDHN would consist of a network of CBOs within each region of the State (which should overlap with the regions and subregions that align with HEROs)

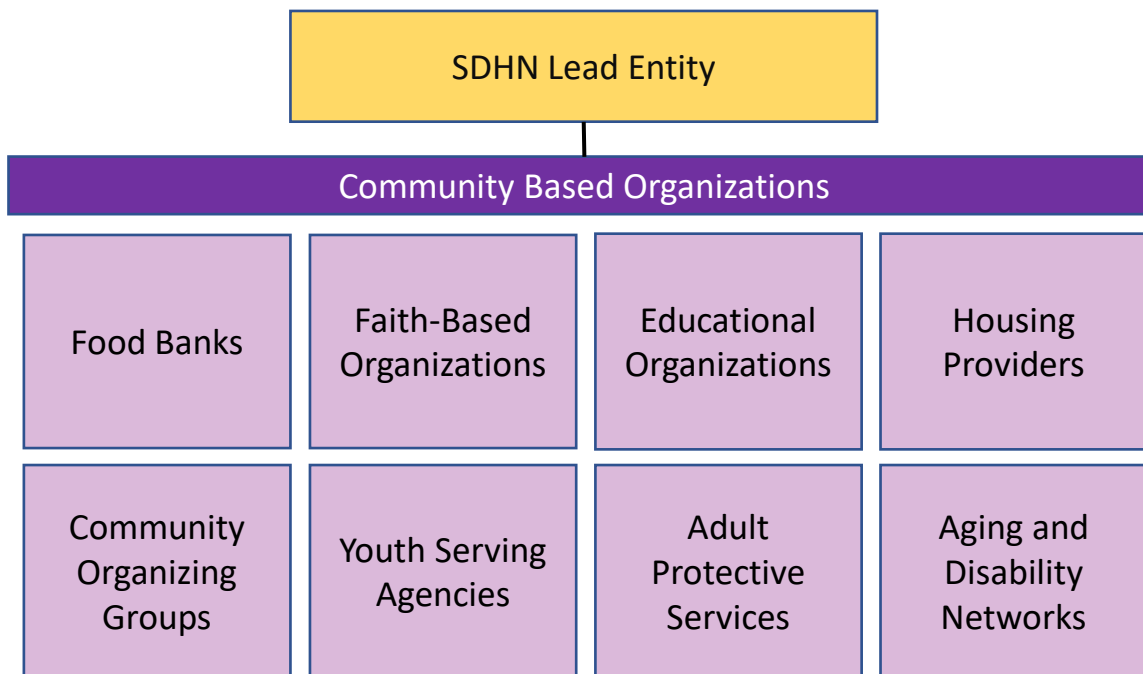
Regional Distribution

- Aligned with HERO regions (Target is 9 Across the State)



Funding/Sustainability

- SDHNs will receive direct waiver investments to develop the infrastructure
- CBOs in these networks will also receive funding to integrate into this network and provide services.
- CBO funding will be tied to specific deliverables.
- DOH will support the integration of SDHN services into MCO contracts and VBP arrangements beyond the life of the waiver



Activities & Deliverables

- Formally organize CBOs to perform SDH interventions
- Coordinate a referral network
- Create a single point of contracting for SDH arrangements
- Screen Medicaid enrollees for key SDH social care issues and make referrals
- Wrap a social service provider network around existing MCO clinical provider networks

As part of the SDHN initiative, DOH will also release a competitive procurement for a **statewide social needs IT platform**. Up to \$30M for a five-year period will be dedicated to the creation, training and maintenance of the statewide platform.

■ SOCIAL CARE NEEDS SERVICES COVERED BY NC'S HEALTHY OPPORTUNITIES PILOT

+ Housing Supports

- + First, last, security
- + Utilities
- + Navigation, inspection, remediation, modification, moving
- + Short-term post hospitalization

+ Interpersonal Violence/Toxic Stress

- + IPV CM
- + Home visiting
- + Parenting curriculum

+ Food

- + Food and Nutrition CM
- + Healthy Food Box
- + Medically Tailored Meal

+ Transportation

- + Public and Private
- + CM Add-on

+ High-intensity Enhanced CM

+ Medical Respite

+ Linkage to Health-Related Legal Support

■ SOCIAL CARE BENEFITS INCLUDED IN OTHER STATE WAIVERS

| | OR (1115) <i>(pending)</i> | CA (1915(b)) <i>(approved)</i> | NC (1115) <i>(pilot approved)</i> |
|---|-------------------------------|-----------------------------------|--------------------------------------|
| Housing Supports | X | X | X |
| Interpersonal Violence/Toxic Stress | | | X |
| Food | X | X | X |
| Transportation | X | | X |
| High Intensity Enhanced CM | X | X | X |
| Medical Respite | | | X |
| Linkage to Health-Related Legal Support | | | X |

OTHER WAIVER INITIATIVES INCLUDED IN THE AMENDMENT REQUEST

| Goal | Initiative | Description |
|---|--|---|
| <p>Goal #1: Building a more resilient, flexible and integrated delivery system that reduces racial disparities, promotes health equity, and supports the delivery of social care.</p> | <p>Capacity Building and Training to Achieve Health Equity Goals</p> | <p>NYS will fund the expansion of the number of community health workers, care navigators and peer support workers, drawing from low-income and underserved communities to ensure the workforce reflects the community they serve.</p> |
| | <p>Ensuring Access for Criminal Justice Involved Populations</p> | <p>Provision of Targeted Medicaid Services to Incarcerated Individuals 30 Days Prior to Release: NYS seeks approval from CMS to provide a targeted set of in-reach Medicaid services for incarcerated individuals 30 days prior to release, including care management and discharge planning, clinical consultant services, peer services, and medication management plan development and delivery of certain high priority medications to ensure active engagement in services upon release and to assist with the successful transition to community life. Coverage for these services is suggested to be phased in, beginning with individuals incarcerated in State facilities, followed by local jails.</p> |

OTHER WAIVER INITIATIVES INCLUDED IN THE AMENDMENT REQUEST

| Goal | Initiative | Description |
|---|---|--|
| <p>Goal #2: Developing Supportive Housing and Alternatives to Institutions for the Long-Term Care Population</p> | <p>Comprehensive Housing Planning through HEROs</p> | <p>The regional HEROs will work with local Continuum of Care (COC) planning bodies and others to identify housing gaps and potential housing solutions. HEROs will use Medicaid and homeless data to identify individuals who are high utilizers of Medicaid that need additional engagement with the system. They will also use Money Follows the Person (MFP) and other programs that serve the institutional population to identify individuals who need further assistance to return to community-based housing.</p> |
| | <p>Enhanced Supportive Housing Initiative</p> | <p>DOH will establish an Enhanced Supportive Housing Pool that will fund enhanced housing services, targeted to at-risk high utilizers and institutionalized individuals (as identified above). The Pool's funding will be supplemented with MCO and VBP arrangement funding as appropriate. Funds will be used to reimburse SDHNs for engaging with these members and helping them to find and stay in housing through supportive housing services (HCBS).</p> |

OTHER WAIVER INITIATIVES INCLUDED IN THE AMENDMENT REQUEST

| Goal | Initiative | Description |
|--|--|--|
| <p>Goal #3: Redesign and Strengthen System Capabilities for Future Pandemics & Natural Disasters</p> | <p>COVID Unwind Quality Restoration Pool</p> | <p>VBP pool available specifically to financially distressed safety net hospitals and nursing homes, defined as those with a high Medicaid payer mix. Funds would be available for:</p> <ul style="list-style-type: none"> • Quality improvement and health equity activities; • Workforce training efforts to support the above initiatives and pandemic-related needs; and • Supporting safety net institutions' capacity to engage in other waiver initiatives, including VBP and HERO initiatives. |
| | <p>Workforce Investments</p> | <p>This proposal would expand WIO initiatives from their DSRIP-era focus on long-term care to include health care workers from across the care continuum. Funds would go to initiatives that:</p> <ul style="list-style-type: none"> • Expand and enrich the workforce to address shortages across the health care continuum, recruit people of color in medical professions, and provide workers with a greater range of opportunities for advancement; • Support the career pathways of frontline health care workers in entry-level positions where there are occupational shortages; • Support regional collaboration and training initiatives; • Expand the community health worker and related workforce, including care navigators and peer support workers; and • Standardize occupations and job training. |

OTHER WAIVER INITIATIVES INCLUDED IN THE AMENDMENT REQUEST

| Goal | Initiative | Description |
|---|---|--|
| <p>Goal #4: Creating a Digital Health and Telehealth Infrastructure</p> | <p>Equitable Virtual Care Access Fund</p> | <p>DOH has identified a preliminary set of investments for this fund, which include:</p> <ul style="list-style-type: none"> • \$15M for care management and check-in services to reduce avoidable hospitalizations • \$9M to equip approximately 600 Skilled Nursing Facilities (SNF) who are not dually enrolled in Medicare with telehealth equipment for their residents • \$9M per year to connect approximately 19,000 homebound enrollees and those living in residential facilities with equipment and virtual care subscriptions • \$7.5M for 124 Medicaid Community Health Workers (CHW) (two per county) to outfit CHWs with a backpack needed to facilitate telehealth in the community • \$3.7M for Medicaid Community Dental Health Coordinators (CDHC) and for a backpack containing tele-dental equipment, including high resolution tele-dental cameras • \$3.7M to provide telehealth kiosks to at least three homeless shelters in each county • \$5M for to develop and deliver provider and member training to promote telehealth and digital literacy • \$7M to supply 10,000 tablets to providers and enrollees who lack access to technology necessary for telehealth services. |

■ CONSIDERATIONS AND STAKEHOLDER OPPORTUNITIES

- + NYS' submission to CMS will kick off the next phase in negotiations with the Administration
- + Addressing health equity is an overarching priority for the Administration in addition to coverage and access and initiatives to promote whole person care
- + Concepts included in North Carolina and California's recently approved CalAIM demonstration program provide strong indications of the extent of CMS' authority and posture for approving certain concepts (e.g. health equity initiatives including parameters for reimbursing services)
- + Consider providing additional comments through the federal process that reinforce the link between those goals and the proposed initiatives
- + Provide data and analysis that identify health disparities and evidence-based information on the services and approaches NYS is proposing to reduce disparities and advance person-centered services
- + Reinforce concepts that build upon existing programs and pilot initiatives

■ NEXT STEPS

- + This is a unique opportunity for investment in New York's Medicaid across a variety of services and programs and stakeholders
 - + For every dollar New York generates in federal tax receipts we receive 90 cents back in federal spending, compared to the national average of \$1.21
 - + This is an opportunity to rebalance a (very) little bit
- + The immediate action step is organizing and developing comments and feedback on the State's plan for both the State and Federal public feedback processes
 - + What changes would make a big difference?
 - + What can/should be added?
- + Providers should begin developing strategies and partnerships that will enable them to access these new sources of funding

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