



December 31, 2014

Jason Helgeson
State Medicaid Director and Deputy Commissioner
Office of Health Insurance Programs
New York State Department of Health
Empire State Plaza
Corning Tower (OCP-1211)
Albany, NY 12237

Dear Mr. Helgeson:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) is granting a temporary extension to New York's Medicaid section 1115 demonstration, entitled the Partnership Plan (Project No. 11-W-00114/2). The temporary extension is effective through March 31, 2015.

The extension period will give CMS and New York the opportunity to have more detailed discussions of the issues involved in approving a new demonstration period, including review of New York budget neutrality.

Please note that while some waiver and expenditure authorities will continue into the temporary extension period, other authorities will expire as of December 31, 2014. The following authorities will expire as of December 31, 2014:

- Expenditure authority to receive federal financial participation (FFP) for expenditures for designated state health programs to support the state's funding of the Hospital-Medical Home (H-MH) demonstration, the Potentially Preventable Readmission (PPR) demonstration and an indigent care pool that pays for health care services for low-income or uninsured individuals. Direct funding for the indigent care pool also expires.
- FFP for expenditures for New York's designated state health program that provides transitional Family Health Plus coverage for parents and caretaker relatives with incomes up to 150 percent of the federal poverty level (FPL), and subsidies for such coverage for other individuals. .

All other waiver and expenditure authorities in the current demonstration will continue during the temporary extension period, including the expenditure authority for continuous eligibility for specified populations. The expenditure authorities for the DSRIP must continue in accordance with STC 14 in Section VIII for Limits on Federal Financial Participation applicable to Year 1 of the delivery system reform incentive payment (DSRIP) program, prorated for the length of the temporary extension period. The expenditures for the Interim Access Assurance Fund (IAAF) are limited to the remaining amount of

funds applicable to 2014, for the remaining period allowed for the IAAF in accordance with STC 1(b) in Section VIII.

With this letter, CMS is also granting your request to amend Partnership Plan effective January 1, 2015, with the understanding that conforming changes will be incorporated into the STCs when the demonstration is next considered for an amendment or renewal. This amendment approval enables New York to extend long term nursing facility services to enrollees of New York's Mainstream Medicaid Managed Care (MMMC) and Managed Long Term Care (MLTC) populations, thereby removing the following populations from the list of exclusions from MMMC and MLTC:

- For MMMC – Patients in residential health care facilities (RHCF) at the time of enrollment and residents in an RHCF who are classified as permanent.
- For MLTC – Residents of RHCF at the time of enrollment.

Please note that this approval is contingent upon the agreement between New York and CMS of the following:

- New York will implement conflict-free long term services and supports (LTSS) assessments via an enrollment broker.
- New York will have an Independent Consumer Support Program in place 30 days prior to making the long term nursing facility benefits available in any geographic area that has demonstrated readiness.
- New York will submit nursing home contract amendments to CMS for review and approval 30 days prior to implementation of the nursing home benefit into managed care.
- New York continues with its comprehensive outreach with managed care organizations (MCO), providers, beneficiaries and stakeholders.
- New York ensures that educational procedures related to MCO plan choice are in accordance with the special terms and conditions (STCs).
- CMS and New York will determine appropriate quality measures related to long term nursing facility services for non-duals in the 1115 demonstration, including measures similar to those under the state's currently approved Fully-Integrated Dual Advantage (FIDA) demonstration.

New applicants will have their eligibility determined by the local district, and an LTSS assessment performed by the enrollment broker before enrollment into a MCO plan. Beneficiaries already enrolled in a managed care plan, but newly in need of long term nursing facility services, will be provided this benefit and will no longer be disenrolled to receive long term nursing facility services. Beneficiaries currently receiving nursing facility services may voluntarily enroll in a managed care plan that provides these services, or remain in fee for service. This amendment will also be part of the continuing discussion on budget neutrality for the entire demonstration, and budget neutrality will also be adjusted for the state's duals demonstration. At the end of its section 1115A duals demonstration, the CMS Office of the Actuary (OACT) will estimate and certify actual title XIX savings to date under the duals demonstration attributable to populations and services provided under the 1115(a) demonstration. This amount will be subtracted from any 1115(a) budget neutrality savings.

CMS also looks forward to being in communication with New York related to actuarial certification for future managed care reimbursement for calendar year 2016 that promotes community integration.

We ask that you contact your project officer, Jessica Woodard, in order to facilitate discussions related to finalizing the extension to Partnership Plan. Ms. Woodard can be reached at (410) 786-9249 or Jessica.Woodard@cms.hhs.gov. We look forward to continuing to work with you and your staff on your section 1115 demonstration extension.

Sincerely,

/s/

Cindy Mann
Director

cc: Michael Melendez, Associate Regional Administrator, CMS New York