



New York State Medicaid Redesign Team (MRT) Waiver Amendment

ACHIEVING THE TRIPLE AIM





TABLE OF CONTENTS

Medicaid Redesign Team Waiver Amendment Overview 3

New York’s Reinvestment Strategy – Achieving the Triple Aim 14

Primary Care Expansion 16

Health Home Development Fund 27

New Care Models 36

Expand the Vital Access Provider Program and Safety Net Provider Program 41

Public Hospital Innovation 45

Medicaid Supportive Housing Expansion 57

Long Term Care Transformation and Integration to Managed Care 64

Capital Stabilization for Safety Net Hospitals 70

Hospital Transition 75

Ensuring the Health Workforce Meets the Needs in the New Era of Health Care Reform 79

Public Health Innovation 90

Regional Health Planning 103

MRT and Waiver Evaluation Program 108

MRT Expenditure Plan 118

Supporting Exhibits 139

OVERVIEW

Introduction

New York State is well positioned to lead the nation in Medicaid reform. Governor Andrew M. Cuomo's Medicaid Redesign Team (MRT) has developed a multi-year action plan to reform Medicaid. This plan not only aims to improve health outcomes and quality of care for more than five million New Yorkers, but also bends the state's Medicaid cost curve. Significant federal savings have already been realized through New York's MRT process, and this action plan should help accrue additional substantial savings.

To fully implement this action plan, a groundbreaking new Medicaid 1115 waiver amendment is necessary. The waiver amendment will allow the state to reinvest in its health care infrastructure, facilitate innovation, and pave the way for implementation of national health care reform.

This document serves as an overview of the MRT action plan and the 1115 waiver amendment. A companion document provides a complete overview of the MRT action plan, and is available on the Department's web site. This summary represents a first step in both a state-federal dialogue and a state-stakeholder discussion on how a new Medicaid waiver amendment can help implement the MRT plan and prepare New York for national health care reform.

Medicaid Redesign Team – An Overview

New York State is committed to redesigning the nation's largest Medicaid program. When Governor Cuomo took office, state-share Medicaid spending was on path to grow by 13 percent. This rapid rate of growth was driven primarily by out of control Fee-for-Service (FFS) spending in areas such as non-institutional long term care and prescription drugs. To combat this, Governor Cuomo created the MRT in January 2011 with the express purpose of putting together a multi-year action plan that would achieve the Triple Aim: improving care, improving health, and reducing per capita costs. After months of work, the team finalized the action plan and it is now being implemented.

New York State developed the MRT action plan with an unprecedented level of stakeholder engagement. After soliciting thousands of ideas across various forums, Department staff culled, organized, and prioritized the best ideas on how to redesign the program. This MRT process serves as a national model on how to move stakeholders beyond the common rancor to real dialogue that generates creative, thoughtful reform. Thanks to the MRT and the process it created, New York State is now unified in its overall approach to Medicaid reform.

The MRT action plan is built on a foundation of fiscal discipline. To achieve sustainable growth, the MRT recommended a new multi-year Medicaid Global Spending Cap. The cap applies to the state share of Medicaid spending, controlled by the Department of Health, and is now state law. The annual spending cap grows at the 10-year rolling average of CPI-Medical, or 4 percent in 2012. The Commissioner of Health also has “super powers” under which he can modify the program without legislative approval to rein in spending within the cap. Targets and actual spending by sector are reported out monthly. This has transformed how New York State oversees the Medicaid program and has introduced a new era of unprecedented transparency.

Another major tenet of the MRT is that the state can achieve better health, better care, and lower costs through effective care management. The MRT made the historic recommendation that the state phase-out the uncoordinated fee-for-service (FFS) program and replace it with a new system of *care management for all*. This new system will rely on a variety of health plans (many provider-based) that will eventually provide fully-integrated managed care for all Medicaid members. It will take New York State between three to five years to fully implement the state’s care management vision. While New York State has administered a managed care program for more than twenty years, many of the state’s highest need/highest cost populations have been excluded, as have many of the highest cost service categories.

In addition to contracting with health plans, MRT also recommended that the state invest in provider level care management strategies such as Patient Center Medical Homes (PCMHs) and Health Homes. While full capitation helps better align incentives so as to reward value over volume, there is a clear need to drive provider-level cooperation and meaningful improvement in service provision at the point of care. New York State is now on path to ensure that all Medicaid members enjoy the benefits of high quality primary care through nationally accredited PCMH’s and that every high need/high cost Medicaid member is enrolled in a new Health Home. These provider-level strategies are being integrated within the overall “care management for all” approach in a way that will be seamless for Medicaid members.

MRT Waiver Amendment – Preparing for National Health Care Reform

New York State is poised to successfully implement the Affordable Care Act (ACA). However, to fully capitalize on the opportunities that the ACA will provide, this must be done in concert with Medicaid reform. This is a natural relationship since New York’s vision for both Medicaid reform and ACA implementation is aligned and well summarized by the Triple Aim. Both the ACA and MRT are focused on improving quality, improving health, and reducing per capita costs. The MRT waiver amendment will allow New York State to address all three goals in a coordinated fashion while also fulfilling the promise laid out in the ACA.

The state’s vision for a new MRT waiver amendment is to use reinvested federal dollars that will prepare the state for the ACA and maximize the value of key ACA provisions. In particular, New York’s fragile health care safety net must be modernized and primary care access must be expanded in order to prepare for new enrollees.

MRT Waiver Amendment Overall Framework

The MRT waiver is an amendment to the state's existing 1115 Partnership Plan waiver. The Partnership Plan has been the primary vehicle used by the state to expand access to managed care and, therefore, naturally aligns with the MRT's "care management for all" plan. The Partnership Plan waiver also has substantial remaining budget neutrality capacity (\$41 billion) which will be further augmented by the MRT action plan.

Operating since 1997, the Partnership Plan has been critical for improving access to health services and outcomes for the poorest and most at-risk residents. The waiver allows the state to provide a mandatory Medicaid managed care program designed to improve the health of members by providing comprehensive and coordinated health care; offer comprehensive health coverage to low-income uninsured adults who have income and/or assets above Medicaid eligibility standards (Family Health Plus Program); and provide family planning services to women losing Medicaid eligibility at the conclusion of their postpartum period and certain other adults of child bearing age (Family Planning Expansion Program).

The recently renewed Partnership Plan has been extremely successful in enhancing the health status of low-income New Yorkers. It has improved health by increasing access to health care for the Medicaid population, improving the quality of health services, and expanding coverage to additional low-income residents, all by using resources generated through managed care efficiencies. The Partnership Plan has also generated savings well beyond the amounts needed to fund program expansions.

Quality of care is the cornerstone of the Partnership Plan and data indicates continuous improvement in the quality of care provided by Medicaid managed care plans to meet or exceed national and commercial benchmarks on many key measures. Through managed care, Medicaid beneficiaries have access to a larger number of health care providers than in fee-for-service Medicaid. In addition, more previously uninsured New Yorkers have joined the ranks of the insured due to expansion initiatives within the Partnership Plan.

Obviously, no waiver can be approved unless the federal government can be assured that the waiver is cost neutral. In this way, the MRT waiver amendment is closely modeled on the successful New York Federal-State Health Reform Partnership (F-SHRP) waiver. Under F-SHRP, the state reinvested federal savings resulting from reforms such as managed care expansions and Medicaid fraud and abuse recoveries. These funds have allowed countless hospitals, nursing homes and other providers to become more cost-effective. Again, New York State hopes to utilize one-time funds, which in this case, will be used to drive key MRT reforms, as well as prepare the provider community for national health care reform.

The state's budget neutrality argument will be linked to the state's new Medicaid Global Spending Cap which is already working to control cost growth despite sharp enrollment growth. This Medicaid Global Spending Cap will generate significant out-year savings for both the state and federal governments. Currently, estimates suggest that MRT Phase 1 initiatives will save the federal government \$17.1 billion over the next five years. Phase 2 recommendations will increase the savings amount, especially in FY13-14 and FY14-15.

New York State's proposed waiver amendment is on the same scale as waivers recently approved in other states. Specifically, New York State requests that the federal government allow the state to reinvest \$10 billion of the \$17.1 billion in federal MRT savings over a five-year period. Even with this targeted reinvestment, the proposed waiver is budget neutral to the federal government. New York State will ensure that all federal reinvestment funds are matched by state and local dollars not currently used for federal claiming.

The MRT waiver amendment will be restricted to the portion of the Medicaid program controlled by the Department of Health. Specifically excluded from the 1115 waiver amendment are those Medicaid services provided through waivers administered by the Office for People with Developmental Disabilities (OPWDD). Due to the complexity of the OPWDD system in New York, the state is currently pursuing a different waiver agreement that will encompass services/waivers that relate to people with developmental disabilities. However, both this waiver amendment and the OPWDD waiver are consistent in their approaches to cost containment and in their commitment to improving outcomes. In particular, both waivers will rely on care management as the primary method for driving change and innovation.

Waiver Amendment Stakeholder Engagement Process

New York is committed to engaging stakeholders and the greater public in Medicaid reform and ACA implementation. The MRT is a national model for how stakeholders can work together to develop a comprehensive reform agenda even during the most trying times. New York used a similar approach to engage stakeholders around key ACA provisions such as the health insurance exchange and Health Homes and continued the MRT tradition of rigorously engaging the public, and ensuring transparency while finalizing the 1115 Medicaid waiver amendment.

A website for all waiver amendment materials was created and is easily accessible from the Department website. The waiver amendment website includes links to: the waiver summary paper; the full public notice; an application with a sufficient level of detail to provide the public with an opportunity to review and provide meaningful input; and information on related public engagement opportunities, including public hearings and webinars. The public notice and tribal notification letters are included in this document in Appendix VI. More information is available at: http://www.health.ny.gov/health_care/medicaid/redesign/mrt_waiver.htm.

An online survey tool was created and made available for several weeks to receive public input. New York also used an electronic e-mail listserv, which distributes information to more than 1600 subscribers, along with various social media tools to notify interested members of the public of the availability of these items and any additional updates on the waiver amendment website. New York will also include a link to the relevant page on the CMS website regarding the State's waiver amendment application.

New York utilized stakeholder engagement strategies that were successfully deployed during the MRT process and also introduced new methods for determining public preferences for how and where New York should invest waiver resources.

Public Forums and Webinars

The Department held public forums throughout the state to provide information on the MRT waiver amendment and to seek public feedback. Hearings took place in Buffalo, Syracuse, Albany and the Bronx between June 12, 2012 and June 20, 2012.

At the MRT Waiver Amendment Public Forums, Department members gave a presentation on the MRT waiver amendment and proposed areas of reinvestment. Members of the public had the opportunity to speak for two minutes to allow for as many comments as possible. Interested citizens, Medicaid members, representatives from associations, providers and community-based organizations were all represented at the forums. More than 400 people attended the forums, and more than 100 spoke and provided their thoughts and ideas. Comments were recorded as members of the public spoke, and were reviewed with relevant state staff working on each of the reinvestment areas. Attendees were also able to submit written comments which were disseminated to staff working on specific reinvestment sections of the MRT waiver amendment.

Major themes in the comments heard at public forums included support for:

- Reinvestment into primary care programs, including support for expansion of Patient Centered Medical Homes, addressing primary care shortages in both urban and rural areas, ensuring primary care providers have access to funding to support their full range of services; recognizing the need for expanded access to dental services and support for dental providers, and support for Doctors Across New York, which encourages providers to practice in underserved areas;
- Public health initiatives, especially to expand successful programs like Nurse Family Partnership;
- Financial assistance for safety net providers throughout the state, including funding to support planning initiatives and provide technical assistance to interested providers and parties to develop proposals to be funded with waiver dollars;
- Expanding supportive housing and using supportive housing to assist in addressing employment, peer support and access to community-based services; and
- Workforce training, including examining scope of practice issues, expanding the community-based workforce and developing key competencies in the move to care management, expanding peer support programs, training providers from doctors to nurses to aides to community workers; and focusing on the need for cultural, disability, and LGBT competency.

General support was also expressed for other areas of reinvestment including new care models, regional planning, quality measurement, Health Home expansion, and transition planning. Other suggestions and comments referenced a desire for continued transparency throughout the waiver amendment process, addressing health disparities in each of the reinvestment areas, and maintaining the ability of Medicaid members to have choices. Comments that were taken were shared with staff leads of the reinvestment areas and incorporated into the development of the waiver amendment application.

In addition to the public forums, the Department held three topic-specific webinars to seek additional feedback. The webinars focused on specific technical aspects of individual waiver amendment components and offered an opportunity for questions and feedback. The webinars were organized in a way to align related reinvestment strategies. Members of the public were able to sign up and view the webinar online, or dial in and connect via conference call if they did not have computer access. Information on the public forums and topic-specific webinars was posted to the MRT Waiver web site and announced through the MRT listserv. More than four hundred people participated in the webinars. Archived versions were posted to the MRT Waiver web site.

Tribal Consultation

The state also provided notice and consulted with tribes in accordance with its federally approved tribal consultation process. The changes sought in the waiver amendment are expected to have minimal impact on tribal nations. A letter and relevant materials were mailed to tribal representatives and Indian Health contacts on June 6, 2012 announcing of the State's intent to seek a waiver amendment.

An additional letter was sent on June 28, 2012 to schedule a conference call to consult with tribal nations on the waiver amendment. A conference call was held on July 17, 2012 to provide an overview of the waiver amendment and seek feedback. One nation participated in the call, and requested more opportunities to provide comment on the Medicaid program in general, to which the state committed.

Medicaid Member Focus Groups

The views of Medicaid members too often go unheard when it comes to Medicaid reform. New York worked with providers and community-based organizations to form member focus groups to help gather their important perspective on the waiver amendment. Three member focus groups were held in mid-July in New York City, Binghamton and Queensbury, and a total of 23 Medicaid members participated. A diverse group of members participated from various Medicaid programs. The focus groups provided an opportunity for the Medicaid Director to interact directly with Medicaid members and hear their concerns and issues with the Medicaid program, what they like most about the Medicaid program, and where reinvestment dollars could help.

Members discussed areas of concern including issues with enrolling and recertifying Medicaid eligibility. A consistent request in all three focus groups was for assistance in navigating the program so individuals could better understand the enrollment process and what programs would apply to individual situations. Many questions and concerns revolved around misunderstanding of the Medicaid program either by eligibility workers or members themselves – a resource to assist members would help communicate information about the Medicaid program and changes, and help to reduce those misunderstandings. Concerns were also raised about the quality of transportation services, and the issues are being addressed with our transportation management contractor. Access to dentists, specialists and mental health services was also mentioned as an area of concern. These issues vary from region to region. Questions about managed care transitions were raised, and opinions were generally positive on the experience of moving to managed care coverage, once initial issues were resolved.

Additional requests and suggestions regarding the Medicaid program included: training for eligibility workers and medical providers on HIV, cultural competence, LGBT, behavioral health, substance abuse and disparities issues; expansion of supportive housing; support for peer services and peer supports, which could also address unemployment issues; requests for Medicaid to cover preventative wellness services currently not covered including alternative therapies; language translation as a covered benefit; and expanded electronic records so doctors can coordinate care.

There were positive comments on several areas of the Medicaid program. The consumer directed personal assistance program was praised for the quality of services provided and as a vehicle for members to have control of their care. Additionally, members who live in supportive housing described the positive impact that the housing and services provided have made in their health and quality of life. Members who participated also expressed their appreciation for the Medicaid program and the benefits they receive. While it varied regionally, some members reported they did not have to wait long for doctor appointments, and were very happy with the quality of care received.

Specific concerns and suggestions that were raised in the focus groups helped to inform the objectives and descriptions of reinvestment sections in this document. More Medicaid member focus groups will be held regularly in the future to solicit additional suggestions, concerns and general comments on the state of the Medicaid program and experiences of Medicaid members.

Survey Tool

New York developed an MRT Waiver Amendment State Survey tool to capture feedback from the public on its waiver design and various reinvestment proposals. The survey tool was created through SurveyMonkey and sought feedback on the waiver amendment and proposed reinvestment areas.

The public was able to complete the survey for two weeks between July 10-23, 2012. Seven-hundred nine individuals responded to the survey. As shown in Table 1, the majority of respondents identified themselves as either health care providers or workers (48%), and approximately 18% identified

themselves as patients or patient advocates. Responses to demographic questions revealed that those that took the survey were largely female (69%), non-Hispanic (94%), and white (86%).

Respondents were asked to rate the importance of each of 13 initiatives on a scale of 0 (not important) to 5 (very important). If a respondent rated any of the 13 initiatives as 3, 4, or 5, they were directed to answer related questions specific to the initiative. The percentage of respondents rating each initiative as a 3 or higher ranged from 79 percent to 93 percent.

Table 2 shows the proportion of members who responded with a rating of 3, 4, or 5 for each of the 13 major area questions. High levels of support were seen for each major initiative of the waiver with 90 percent of respondents rating several initiatives 3, 4, or 5. Overall, the results demonstrate that the public strongly supports the use of New York State's reinvestment funds for these projects.

Table 1: Respondent Demographics

	N	%
Respondent's Role (n=659)		
Health care provider/ worker	317	48.1
Patient or patient advocate	119	18.1
Long Term Care Provider	61	9.3
Government	75	11.4
Research/evaluation	21	3.2
Health plan, insurance company	14	2.1
Lobbyist	14	2.1
Hospital provider	38	5.8
Gender (n=657)		
Male	201	30.6%
Female	456	69.4%
Ethnicity (n=652)		
Yes, Hispanic or Latino	41	6.3%
No, Not Hispanic or Latino	611	93.7%
Race (n=655)		
White	566	86.4%
Black or African-American	33	5.0%
Asian	25	3.8%
Native Hawaiian or other Pacific Islander	3	0.5%
American Indian or Alaska Native	1	0.2%
Other	37	5.6%

Table 2: Overall Importance Ratings for Each Waiver Initiative

	Answered Question N	Rating 3,4, or 5 %
How important is using New York State's reinvestment funds for primary care expansion?	662	93
How important is using New York State's reinvestment funds for health home development?	519	86
How important is using New York State's reinvestment funds for new care models?	490	90
How important is using New York State's reinvestment funds to expand vital access provider program and safety net provider program?	466	91
How important is using New York State's reinvestment funds for care for the uninsured?	449	90
How important is using New York State's reinvestment funds for Medicaid supportive housing expansion?	446	91
How important is using New York State's reinvestment funds for the managed long term care preparation program?	434	87
How important is using New York State's reinvestment funds for capital stabilization for safety net hospitals?	421	84
How important is using New York State's reinvestment funds for hospital transition?	413	79
How important is using New York State's reinvestment funds for workforce training?	405	87
How important is using New York State's reinvestment funds for public health innovation?	397	89
How important is using New York State's reinvestment funds on regional health planning?	395	85
How important is using New York State's reinvestment funds on MRT and waiver evaluation programs?	382	82

Public Reporting and Engagement – Implementation Phase

New York is committed to continuing the public engagement process even after the MRT waiver amendment is approved. New York will leverage three existing stakeholder groups and publish regular implementation reports in order to provide an opportunity for on-going feedback throughout the demonstration period. Each of these groups and their role in oversight is described below:

PUBLIC HEALTH AND HEALTH PLANNING COUNCIL (PHHPC)

PHHPC is a statewide health planning and oversight body that meets regularly to discuss important health matters. Among other key responsibilities, PHHPC is the state's governing body for the Certificate of Need program as well as the principal health planning body in the state. PHHPC is uniquely situated to provide the state with advice and counsel as the MRT waiver amendment is implemented. New York proposes to brief PHHPC twice a year and seek board member suggestions on how the waiver activities can be linked to other reform efforts occurring across the State.

MEDICAID ADVISORY COMMITTEE (MAC)

New York, like all states, has a Medicaid Advisory Committee. The role of the MAC is to advise the state on all Medicaid related matters. Since the MRT is no longer active, the MAC will provide the state with advice and counsel on MRT waiver amendment implementation from a very broad stakeholder perspective. The MAC will be briefed on a bi-annual basis on waiver implementation with the hopes of hearing from providers, advocates and members on how best to ensure that the waiver assists the state in achieving the Triple Aim.

MEDICAID MANAGED CARE ADVISORY REVIEW PANEL (MMCARP)

New York has a very active Medicaid managed care advisory group that has helped the state successfully implement managed care over many years. This group, which has strong advocate participation, is uniquely situated to assist the state in implementing the MRT waiver amendment. Since the MRT waiver amendment is being applied to the existing Partnership Plan Waiver, which has been the state's primary vehicle to implement mandatory managed care, it is especially appropriate to use MMCARP in this important role. The state will brief MMCARP on a bi-annual basis and will utilize the input received to successfully implement the waiver.

BI-ANNUAL IMPLEMENTATION REPORT

New York will publish an implementation report on a bi-annual basis which will ensure transparency and public accountability during implementation. Each report will include a detailed accounting of expenditures as well as track performance measures for each waiver funded program. Updates on budget neutrality will also be included. This report will be published to the MRT website and the state will hold webinars at which the key findings of the report will be discussed in detail.

Conclusion

New York State is well positioned to lead the nation in Medicaid reform and ACA implementation. Governor Cuomo's MRT has developed a multi-year action plan that if fully implemented will not only bend the state's Medicaid cost curve but also improve health outcomes for more than five million New Yorkers.

Thanks to the ACA, Medicaid reform has the potential to effect broader health system reform in New York State. The MRT action plan and the ACA -- if implemented in tandem -- will lead to sweeping changes in health care delivery that will benefit the state's 19 million residents.

To fully implement the MRT action plan and ensure that ACA's full vision is achieved, New York State requires a groundbreaking new Medicaid 1115 waiver amendment. The waiver amendment will allow the state to reinvest in its health care infrastructure that will both lower Medicaid costs and ensure that the one million newly-insured New Yorkers will have access to cost-effective health care services.

New York State is united in support of reform and is ready to lead and invest the effort needed to fundamentally reshape how health care is delivered. Governor Cuomo's innovative MRT has ensured that its action plan has broad support, is aligned with the ACA, and is already saving both state and federal dollars. New York State looks forward to developing this new waiver in collaboration with our federal partners and the broader New York public.