



Center for Medicaid, CHIP and Survey & Certification

Nirav R. Shah, M.D.
Commissioner
Office of Health Insurance Programs
New York Department of Health
Empire State Plaza
Corning Tower Building
Albany, NY 12237

Dear Dr. Shah:

We are pleased to inform you that the extension of the New York Medicaid section 1115 demonstration, the Partnership Plan (11-W-00114/2), has been approved in accordance with section 1115(a) of the Social Security Act (the Act).

Our approval of this demonstration project is subject to the limitations specified in the attached waiver and expenditure authorities. The State may deviate from Medicaid State plan requirements to the extent those requirements have been specifically waived or, with respect to expenditure authorities, listed as inapplicable to expenditures for demonstration expansion populations and other services not covered under the State plan. The approval is also conditioned upon continued compliance with the enclosed Special Terms and Conditions (STCs), defining the nature, character, and extent of anticipated Federal involvement in the project. The award is subject to our receiving your written acknowledgement of the award and acceptance of the STCs, waiver, and expenditure authorities within 30 days of the date of this letter.

The waiver and expenditure authorities have been revised to more accurately reflect the renewed demonstration program. A full listing of the approved waiver and expenditure authorities, as well as the revised STCs, is enclosed.

Since your extension request was submitted in March 2009, a number of significant changes have been incorporated into the STCs through demonstration amendments processed in January and April 2010. This extension provides continued authority for the State to operate these new elements; however, there are several changes to the demonstration included in this approval that are noteworthy. They include:

- Expenditure authority for Designated State Health Programs (DSHP) up to \$477.2 million for the extension period. FFP claimed by the State under this authority will enable the State to conduct two new hospital quality demonstrations. The Hospital-Medical Home Demonstration will seek to improve the coordination, continuity, and quality of care for individuals receiving primary care in hospital outpatient departments and other settings affiliated with teaching hospitals, and facilitate incorporation of

patient-centered medical homes concepts into residency training. The Potentially Preventable Readmissions Demonstration will test strategies for reducing the rate of preventable readmission within the Medicaid population. FFP from DSHP will also support an increase in funding for the State's Indigent Care Pool, which provides financial assistance to Federally Qualified Health Centers and other community safety net providers.

- Trend rates reflecting the President's Federal fiscal year 2011 budget of 6.6 percent for children and 6.4 percent for adults for the three full years of the extension period. Current projections indicate that the State will continue to have significant savings from the demonstration at the end of the extension.

Additionally, the STCs reference compliance with all Federal laws, regulations, and policies. New tribal consultation requirements are included in the STCs consistent with section 5006 of the American Recovery and Reinvestment Act.

The demonstration extension is approved for the period from August 1, 2011 through December 31, 2014, upon which date, unless reauthorized, all waivers and authorities granted to operate this demonstration will expire. Some components of the demonstration will have different expiration dates, however, reflecting the implementation of the Affordable Care Act (ACA). Expenditure authority for the Family Health Plus demonstration population, the Family Planning Expansion Program, and the Safety Net Adults expansion population will expire December 31, 2013. By July 1, 2012, the State must develop a transition plan in collaboration with CMS to identify coverage options that the State seeks to pursue for expansion populations and, where applicable, to assist participants in these programs transition to a coverage option available under the Affordable Care Act, such as the expanded Medicaid program or an Affordable Insurance Exchange. Expenditure and waiver authority for the Medicaid managed care program, and administrative waivers related to Medicaid Eligibility Quality Control, facilitated enrollment services, and a twelve-month continuous eligibility period, will expire March 31, 2014, which is also the expiration date for the State's companion Federal-State Health Reform Partnership Demonstration. Expenditure authority for the Home and Community Based Expansion Program will also be extended through March 31, 2014.

Your project officer for this demonstration is Jessica Schubel. She is available to answer any questions concerning your section 1115 demonstration. Ms. Schubel's contact information is as follows:

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Official communication regarding program matters should be sent simultaneously to Ms. Schubel and to Mr. Michael Melendez, Associate Regional Administrator in our New York Regional Office. Ms. Melendez's contact information is as follows:

Centers for Medicare & Medicaid Services
New York Regional Office
Division of Medicaid and Children's Health
26 Federal Plaza
New York, New York 10278

If you have questions regarding the terms of this approval, please contact Victoria Wachino, Director, Children and Adults Health Programs Group, at (410) 786-5647.

Sincerely,

/S/

Cindy Mann
Director

Enclosures

cc: Michael Melendez, ARA, CMS Region II
Jason Helgerson, Deputy Commissioner, New York Department of Health
Vallencia Lloyd, Office of Health Insurance Programs, New York Department of Health