

**CENTERS FOR MEDICARE & MEDICAID SERVICES**  
**SECTION 1115 OF THE SOCIAL SECURITY ACT MEDICAID DEMONSTRATION**  
**NEW YORK PARTNERSHIP PLAN**  
**WAIVER NUMBER 11-W-00114/2**

Partnership Plan - Approval Period: August 1, 2011 – December 31, 2014; as Amended April 14, 2014

**CENTERS FOR MEDICARE & MEDICAID SERVICES  
WAIVER AUTHORITY**

**NUMBER:** 11-W-00114/2

**TITLE:** Partnership Plan Medicaid Section 1115 Demonstration

**AWARDEE:** New York State Department of Health

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly waived in this list, shall apply to the demonstration, beginning April 14, 2014 through December 31, 2014.

The following waivers shall enable New York to implement the approved Special Terms and Conditions (STCs) for the New York Partnership Plan Medicaid section 1115 demonstration.

**1. Statewide** **Section 1902(a)(1)**

To permit the exclusion of some residents of some counties in New York from participation in Mandatory Mainstream Managed Care (MMMC) and Managed Long Term Care (MLTC) under this demonstration.

**2. Income Comparability** **Section 1902(a)(17)**

To enable New York to apply a more liberal income standard for individuals who are deinstitutionalized and receive home and community-based services (HCBS) through the managed long term care program than for other individuals receiving community-based long term care.

**3. Freedom of Choice** **Section 1902(a)(23)(A)**

To the extent necessary to enable New York to require beneficiaries to enroll in managed care plans, to the extent of the services furnished through the MMMC and MLTC programs. Beneficiaries shall retain freedom of choice of family planning providers.

**4. Payments to Providers Under the State Plan** **Sections 1902(a)(13)(A) and  
1902(a)(30)(A)**

To the extent necessary to permit the state to elect to reduce supplemental payments to institutional providers otherwise authorized under the approved state plan in order to prioritize funding for delivery system reform incentive payments.

**CENTERS FOR MEDICARE & MEDICAID SERVICES**

## EXPENDITURE AUTHORITY LIST

**NUMBER:** 11-W-00114/2

**TITLE:** Partnership Plan Medicaid Section 1115 Demonstration

**AWARDEE:** New York State Department of Health

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by New York for the items identified below, which are not otherwise included as expenditures under section 1903 of the Act shall, for the period beginning April 14, 2014, until the ending date specified for each authority, be regarded as expenditures under the state's title XIX plan.

The following expenditure authorities shall enable New York to implement the approved Special Terms and Conditions (STCs) for the New York Partnership Plan Medicaid Section 1115 demonstration.

1. **Demonstration-Eligible Populations.** Expenditures for healthcare related costs for the following populations that are not otherwise eligible under the Medicaid state plan. (End Date: December 31, 2014).
  - Demonstration Population 9 (HCBS Expansion). Medically needy individuals who are receiving HCBS, and who are medically needy after application of community spouse and spousal impoverishment eligibility and post-eligibility rules under 1924 of the Act are applied.
  - Demonstration Population 10 (Individuals Moved from Institutional Settings to Community Settings for Long Term Care Services). Expenditures for health care related costs for individuals moved from institutional nursing facility settings to community settings for long term services and supports who would not otherwise be eligible based on income, but whose income does not exceed a more liberal income standard, and who receive services through the managed long term care program under the demonstration.
2. **Twelve-Month Continuous Eligibility Period.** Expenditures for health care related costs for individuals who have been determined eligible under groups specified in Table 1 of STC 4 in Section IV for continued benefits during any periods within a twelve month eligibility period when these individuals would be found ineligible if subject to redetermination (End Date: December 31, 2014)
3. **Twelve-Month Continuous Eligibility Period.** Expenditures for health care related costs for individuals in the new adult population determined eligible under the Modified Adjusted Gross Income (MAGI) methodology. This population will receive continued benefits during any period within a twelve month eligibility period when these individuals would be found ineligible if subject to redetermination. To reflect that only the regular matching rate is available for these demonstration expenditures, the state shall, make a downward adjustment

of 2.6 percent in claimed expenditures for federal matching at the enhanced federal matching rate and will instead claim those expenditures at the regular matching rate.

4. **Facilitated Enrollment Services.** Expenditures for enrollment assistance services provided by organizations that do not meet the requirements of Section 1903(b)(4) of the Act, as interpreted by 42 CFR 438.810(b)(1) and (2). Inasmuch as these services may be rendered by MCOs and therefore included in the MCOs' capitation payments, no expenditures other than these payments may be submitted for FFP. (End Date: December 31, 2014)
5. **Designated State Health Programs Funding.** Expenditures for the designated state health programs specified in STC 12 in Section VII which provide health care services to low-income or uninsured New Yorkers in an amount not to exceed \$531.2 million of the demonstration period, including \$186.2 million for direct funding for an indigent care pool. (End Date: December 31, 2014.)
6. **Designated State Health Programs Funding.** Expenditures for the designated state health program specified in STC 12 in Section VII which provides transitional Family Health Plus (FHPlus) benefits to parents and caretaker relatives with incomes up to 150 percent of the federal poverty level (FPL). This authority expires December 31, 2014.
7. **Designated State Health Programs Funding.** Expenditures for the designated state health program specified in STC 12 in Section VII which provides premium subsidies to FHPlus individuals and new applicants between 133 percent and 150 percent FPL who have coverage through the Marketplace. This authority expires December 31, 2014.
8. **Designated State Health Programs Funding.** Expenditures for the designated state health program specified in STC 15 in Section VIII of the STCs, not to exceed \$188 million in FFP in calendar year 2014.
9. **Delivery System Reform Incentive Payment (DSRIP) Program.** Expenditures for incentive payments and planning grant payments for the DSRIP program specified in STC 1 – 40 in Section VIII of the STCs, not to exceed \$120 million of FFP in calendar year 2014.
10. **Interim Access Assurance Fund (IAAF).** Expenditures for payments to providers from the IAAF specified in STC 1 in Section VIII of the STCs, not to exceed \$500 million in FFP in calendar year 2014.

**CENTERS FOR MEDICARE & MEDICAID SERVICES**

**SPECIAL TERMS AND CONDITIONS**

**NUMBER:** 11-W-00114/2

**TITLE:** Partnership Plan Medicaid Section 1115 Demonstration

**AWARDEE:** New York State Department of Health

## **I. PREFACE**

The STCs have been arranged into the following subject areas:

- I. Preface
- II. Program Description and Objectives
- III. General Program Requirements
- IV. Populations Affected by and Eligible Under the Demonstration
- V. Demonstration Benefits and Enrollment
- VI. Delivery Systems
- VII. Quality Demonstration Programs and Clinic Uncompensated Care Funding
- VIII. Delivery System Reform Program Description and Objectives
- IX. General Reporting Requirements
- X. General Financial Requirements
- XI. Monitoring Budget Neutrality
- XII. Evaluation of the Demonstration
- XIII. Schedule of State Deliverables for the Demonstration Extension

Additionally, attachments have been included to provide supplementary information and guidance for specific STCs.

## **II. PROGRAM DESCRIPTION AND OBJECTIVES**

The state's goal in implementing the Partnership Plan section 1115(a) demonstration is to improve access to health services and outcomes for low-income New Yorkers by:

- Improving access to health care for the Medicaid population;
- Improving the quality of health services delivered;
- Expanding access to family planning services; and
- Expanding coverage with resources generated through managed care efficiencies to additional low-income New Yorkers.

The demonstration is designed to use a managed care delivery system to deliver benefits to Medicaid recipients, create efficiencies in the Medicaid program, and enable the extension of coverage to certain individuals who would otherwise be without health insurance. It was approved in 1997 to enroll most Medicaid recipients into managed care organizations (MCOs) (Medicaid managed care program). As part of the demonstration's renewal in 2006, authority to require some disabled and aged populations to enroll in mandatory managed care was transferred to a new demonstration, the Federal-State Health Reform Partnership (F-SHRP). Effective April 1, 2014, this authority was restored to this demonstration as F-SHRP was phased out.

In 2001 the Family Health Plus (FHPlus) program was implemented as an amendment to the demonstration, providing comprehensive health coverage to low-income uninsured adults, with and without dependent children, who have income greater than Medicaid state plan eligibility standards. FHPlus was further amended in 2007 to implement an employer-Partnership Plan - Approval Period: August 1, 2011 – December 31, 2014; as Amended April 14, 2014

sponsored health insurance (ESHI) component. Individuals eligible for FHPlus who have access to cost-effective ESHI are required to enroll in that coverage, with FHPlus providing any wrap-around services necessary to ensure that enrollees get all FHPlus benefits. FHPlus expires on December 31, 2013 and will become a state-only program, but federal matching funding for state expenditures for FHPlus will continue to be available as a designated state health program through December 31, 2014..

In 2002 the demonstration was expanded to incorporate a family planning benefit under which family planning and family planning-related services are provided to women losing Medicaid eligibility and to certain other adults of childbearing age (family planning expansion program). The family planning expansion program expires on December 31, 2013 and becomes a state plan benefit.

In 2010 the Home and Community Based Services Expansion program (HCBS expansion program) was added to the demonstration. It provides cost-effective home and community based services to certain adults with significant medical needs as an alternative to institutional care in a nursing facility. The benefits and program structure mirrors those of existing section 1915(c) waiver programs, and strives to provide quality services for individuals in the community, ensure the well-being and safety of the participants and increase opportunities for self-advocacy and self-reliance.

As part of the 2011 extension, the state was authorized to develop and implement two new initiatives designed to improve the quality of care rendered to Partnership Plan recipients. The first, the Hospital-Medical Home (H-MH) project, will provide funding and performance incentives to hospital teaching programs in order to improve the coordination, continuity and quality of care for individuals receiving primary care in outpatient hospital settings. By the end of the demonstration extension period, the hospital teaching programs which receive grants under the H-MH project will have received certification by the National Committee for Quality Assurance as patient-centered medical homes and implemented additional improvements in patient safety and quality outcomes.

The second 2011 initiative was intended to reduce the rate of preventable readmissions within the Medicaid population, with the related longer-term goal of developing reimbursement policies that provide incentives to help people stay out of the hospital. Under the Potentially Preventable Readmissions (PPR) project, the state will provide funding, on a competitive basis, to hospitals and/or collaborations or hospitals and other providers for the purpose of developing and implementing strategies to reduce the rate of PPRs for the Medicaid population. Projects will target readmissions related to both medical and behavioral health conditions.

Finally, in 2011 CMS began providing matching funding for the state's program to address clinic uncompensated care through its Indigent Care Pool. Prior to this extension period, the state funded (with state dollars only) this program which provides formula-based grants to voluntary, non-profit and publicly-sponsored Diagnostic and Treatment Centers (D&TCs) for services delivered to the uninsured throughout the state.

In 2012, New York added to the demonstration an initiative to improve service delivery and coordination of long term care services and supports for individuals through a managed care model. Under the Managed Long Term Care (MLTC) program, eligible individuals in need of more than 120 days of community-based long term care are enrolled with managed care providers to receive long term services and supports as well as other ancillary services. Other covered services are available on a fee-for-service basis to the extent that New York has not exercised its option to include the individual in the Mainstream Medicaid Managed Care Program (MMMC). Enrollment in MLTC was phased in geographically and by group.

The state's goal specific to managed long term care (MLTC) are as follows:

- Expanding access to managed long term care for Medicaid enrollees who are in need of long term services and supports (LTSS);
- Improving patient safety and quality of care for enrollees in MLTC plans;
- Reduce preventable inpatient and nursing home admissions; and
- Improve satisfaction, safety and quality of life.

In April 2013 New York had three amendments approved. The first amendment was a continuation of the state's goal for transitioning more Medicaid beneficiaries into managed care. Under this amendment, the Long Term Home Health Care Program (LTHHCP) participants were transitioned from New York's 1915(c) waiver into the 1115 demonstration and into managed care. Second, this amendment eliminated the exclusion from MMMC of, both foster care children placed by local social service agencies and individuals participating in the Medicaid buy-in program for the working disabled.

Additionally the April 2013 amendment approved expenditure authority for New York to claim FFP for expenditures made for certain designated state health program beginning April 1, 2013 through March 31, 2014. During this period, the state was also required to submit several deliverables to demonstrate that the state was successful in its efforts to transform its health system for individuals with developmental disabilities.

A December 2013 amendment was approved to ensure that the demonstration made changes that were necessary in order to coordinate its programs with the Medicaid expansion and other changes made under the Affordable Care Act (ACA) implementation beginning January 1, 2014.

Effective April 1, 2014 CMS approved an amendment to extend several authorities that expired in calendar year 2014. As part of the amendment CMS extended authorities related to the transitioning of parents into state plan coverage and other authorities that provide administrative ease to the state's programs and continuing to provide services to vulnerable population, i.e. HCBS Expansion program and individuals moved from institutional settings into community based settings.

Also effective April 1, 2014, the Federal-State Health Reform Partnership (F-SHRP) demonstration phased out and populations receiving managed care of managed long term



care in the 14 counties that encompassed the F-SHRP demonstration were moved into the Partnership Plan demonstration.

The amendment approved on April 14, 2014 allows New York to take the first steps toward a major delivery system reform to be supported by a Delivery System Reform Incentive Payment (DSRIP) program. We have reached agreement on the basic structure of Medicaid funding for New York State's longer-term transformation efforts, which aim to significantly improve care, change how public and safety net providers are organized, and reform how Medicaid pays for health services. This amendment to the Partnership Plan demonstration will provide for an Interim Access Assurance Fund (IAAF) to ensure that sufficient numbers and types of providers are available in the community to participate in the transformation activities contemplated by the DSRIP Program. The DSRIP program will incentivize providers through additional payments beginning contingent on the 5-year renewal of the demonstration in 2015.

### III. GENERAL PROGRAM REQUIREMENTS

1. **Compliance with Federal Non-Discrimination Statutes.** The state must comply with all applicable federal statutes relating to non-discrimination. These include, but are not limited to, the Americans with Disabilities Act of 1990, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975.
2. **Compliance with Medicaid Law, Regulation and Policy.** All requirements of the Medicaid program expressed in law, regulation and policy statement, not expressly waived or identified as not applicable in the waiver and expenditure authority documents (of which these terms and conditions are part), must apply to the demonstration.
3. **Changes in Medicaid Law, Regulation and Policy.** The state must, within the timeframes specified in law, regulation or policy statement, come into compliance with any changes in federal law, regulation or policy affecting the Medicaid program that occur during this demonstration approval period, unless the provision being changed is expressly waived or identified as not applicable.
4. **Impact on Demonstration of Changes in Federal Law, Regulation and Policy.**
  - a. To the extent that a change in federal law, regulation or policy requires either a reduction or an increase in federal financial participation (FFP) for expenditures made under this demonstration, the state must adopt, subject to CMS approval, a modified budget neutrality agreement for the demonstration as necessary to comply with such change. The modified agreement will be effective upon the implementation of the change. The trend rates for the budget neutrality agreement are not subject to change under this subparagraph.
  - b. If mandated changes in the federal law require state legislation, the changes must take effect on the day such state legislation becomes effective, or on the last day such legislation was required to be in effect under the law.

5. **State Plan Amendments.** The state will not be required to submit title XIX state plan amendments for changes affecting any populations made eligible solely through the demonstration. If a population eligible through the Medicaid state plan is affected by a change to the demonstration, a conforming amendment to the state plan may be required, except as otherwise noted in these STCs.
6. **Changes Subject to the Amendment Process.** Changes related to program design, eligibility, enrollment, expansion of program benefits, sources of non-federal share of funding and budget neutrality must be submitted to CMS as amendments to the demonstration. All amendments are subject to approval at the discretion of the Secretary in accordance with section 1115 of the Social Security Act (the Act). The state must not implement changes to these elements without prior approval by CMS. Amendments to the demonstration are not retroactive, and FFP will not be available for changes to the demonstration that have not been approved through the amendment process outlined in STC 7 of this section.
7. **Amendment Process.** Requests to amend the demonstration must be submitted to CMS for approval no later than 120 days prior to the planned date of implementation of the change and may not be implemented until approved. Amendment requests must include, but are not limited to, the following:
  - a. An explanation of the public process used by the state, consistent with the requirements of STC 14 of this section, to reach a decision regarding the requested amendment;
  - b. A data analysis which identifies the specific “with waiver” impact of the proposed amendment on the current budget neutrality agreement. Such analysis shall include current total computable “with waiver” and “without waiver” status on both a summary and detailed level through the current approval period using the most recent actual expenditures, as well as summary and detailed projections of the change in the “with waiver” expenditure total as a result of the proposed amendment, which isolates (by eligibility group/EG) the impact of the amendment;
  - c. A detailed description of the amendment, including impact on beneficiaries, with sufficient supporting documentation; and
  - d. If applicable, a description of how the evaluation design will be modified to incorporate the amendment provisions.
8. **Extension of the Demonstration.**
  - a. Should the state intend to request an extension of the demonstration under section 1115(a), 1115(e), or 1115(f), the state must submit an extension request no later than 6 months prior to the expiration date of the demonstration. The chief executive officer of the state must submit to CMS either a demonstration extension request or a phase-out plan consistent with the requirements of STC 9 of this section.

- b. Compliance with Transparency Requirements of 42 CFR 431.412. Effective April 27, 2012, as part of the demonstration extension requests, the state must provide documentation of compliance with the transparency requirements of 42 CFR 431.412 and the public notice and tribal consultation requirements outlined in STC 14 of this section regarding Public Notice, Tribal Consultation and Consultation with Interested Parties.

**9. Demonstration Phase-Out.** The state may suspend or terminate this demonstration in whole, or in part, consistent with the following requirements:

- a. **Notification of Suspension or Termination:** The state must promptly notify CMS in writing of the reason(s) for the suspension or termination, together with the effective date and phase-out plan. The state must submit its notification letter and a draft phase-out plan to CMS no less than 4 months before the effective date of the demonstration's suspension or termination. Prior to submitting the draft phase-out plan to CMS, the state must publish on its website the draft phase-out plan for 30 day public comment period. In addition, the state must conduct tribal consultation in accordance with its approved tribal consultation state plan amendment. Once the 30 day public comment period has ended, the state must provide a summary of each public comment received, the state's response to the comment, and the way the state incorporated the received comment into a revised phase-out plan.

CMS must approve the phase-out plan prior to the implementation of the phase-out activities. There must be a 14 day period between CMS approval and the phase-out plan implementation of phase-out activities.

- b. **Phase-Out Plan Requirements:** The state must include, at a minimum, in its phase out plan its process by which it will notify affected beneficiaries, the content of said notices (including information on the beneficiary's appeal rights), the process by which the state will conduct administrative reviews of Medicaid eligibility for the affected beneficiaries, and any community outreach activities.
- c. **Phase-Out Procedures:** The state must comply with all notice requirements found in 42 CFR § 431.206, § 431. 210 and § 431.213. In addition, the state must ensure all appeal and hearing rights afforded to demonstration participants as outlined in 42 CFR § 431.220 and § 431.221. If a demonstration participant requests a hearing before the date of action, the state must maintain benefits as required in 42 CFR § 431.230. In addition, the state must conduct administrative renewals for all affected beneficiaries in order to determine whether they qualify for Medicaid eligibility under a different eligibility category as discussed in the October 1, 2011 State Health Official Letter #10-008.
- d. **Federal Financial Participation (FFP):** If the project is terminated or any relevant waivers suspended by the state, FFP shall be limited to normal closeout costs associated with terminating the demonstration including services and administrative costs of disenrolling participants.

**10. CMS Right to Terminate or Suspend.** CMS may suspend or terminate the demonstration, subject to adequate public notice, (in whole or in part) at any time before the date of expiration, whenever it determines following a hearing that the state has materially failed to comply with the terms of the project. CMS will promptly notify the state in writing of the determination and the reasons for the suspension or termination, together with the effective date.

**11. Finding of Non-Compliance.** The state does not relinquish its rights to challenge CMS findings that the state materially failed to comply.

**12. Withdrawal of Waiver Authority.** CMS reserves the right to withdraw waivers or expenditure authorities at any time it determines that continuing the waivers or expenditure authorities would no longer be in the public interest or promote the objectives of title XIX of the Act. CMS will promptly notify the state in writing of the determination and the reasons for the withdrawal, together with the effective date and afford the state an opportunity to request a hearing to challenge CMS' determination prior to the effective date. If a waiver or expenditure authority is withdrawn, FFP is limited to normal closeout costs associated with terminating the waiver of expenditure authority, including services and administrative costs of disenrolling participants.

**13. Adequacy of Infrastructure.** The state must ensure the availability of adequate resources for implementation and monitoring of the demonstration, including education, outreach and enrollment; maintaining eligibility systems; compliance with cost sharing requirements; monitoring and oversight of managed care plans providing long term services and supports including quality and enrollment processes; and reporting on financial and other demonstration components.

**14. Public Notice, Tribal Consultation and Consultation with Interested Parties.** The state must comply with the state Notice Procedures set forth in 59 Fed. Reg. 49249 (September 27, 1994). The state must also comply with the tribal consultation requirements in section 1902(a)(73) of the Act as amended by section 5006(e) of the American Recovery and Reinvestment Act (ARRA) of 2009 and the tribal consultation requirements contained in the state's approved state plan, when the state proposes any program changes to the demonstration, including (but not limited to) those referenced in STC 6 of this section.

In states with federally recognized Indian tribes, consultation must be conducted in accordance with the consultation process outlined in the July 17, 2001 letter or the consultation process in the state approved Medicaid state plan, if that process is specifically applicable to consulting with tribal governments on waivers (42 CFR § 431.408(b)(2)).

**15. Transformed Medicaid Statistical Information Systems (T-MSIS) Requirements.** The state shall comply with all data reporting requirements under Section 1903(r) of the Act, including but not limited to Transformed Medicaid Statistical Information Systems Requirements. More information on T-MSIS is available in the August 23, 2013 State Medicaid Director Letter. On August 23, 2013, a State Medicaid Director Letter entitled, "Transformed Medicaid Statistical Information System (T-MSIS) Data", was released. It

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states that all States are expected to demonstrate operational readiness to submit T-MSIS files, transition to T-MSIS, and submit timely T-MSIS data by July 1, 2014. Among other purposes, these data can support monitoring and evaluation of the Medicaid program in New York against which the premium assistance demonstration will be compared.

Should the MMIS fail to maintain and produce all federally required program management data and information, including the required T-MSIS, eligibility, provider, and managed care encounter data, in accordance with requirements in the State Medicaid Manual Part 11, FFP may be suspended or disallowed as provided for in federal regulations at 42 CFR 433 Subpart C, and 45 CFR Part 95.

#### **IV. POPULATIONS AFFECTED BY AND ELIGIBILITY UNDER THE DEMONSTRATION**

**1. Demonstration Components.** The Partnership Plan includes five distinct components, each of which affects different populations, some of which are eligible under the state plan and some of which are eligible only as an expansion population under the demonstration.

**a. Mainstream Medicaid Managed Care Program (MMMC).** This component provides Medicaid state plan benefits through a managed care delivery system comprised of managed care organizations (MCOs) and primary care case management (PCCM) arrangements to most recipients eligible under the state plan. All state plan eligibility determination rules apply to these individuals.

Specifically the state has authority to expand mandatory enrollment in mainstream managed care to all individuals identified in Table 2 (except those otherwise excluded or exempted as outlined in STC 9 of this section). When the state intends to expand mandatory managed care enrollment to additional counties, it must notify CMS 90 days prior to the effective date of the expansion and submit a revised assessment of the demonstration's budget neutrality agreement, which reflects the projected impact of the expansion for the remainder of the demonstration approval period.

**b. Managed Long Term Care (MLTC).** This component provides a limited set of Medicaid state plan benefits including long term services and supports through a managed care delivery system to individuals eligible through the state plan who require more than 120 days of community based long term care services.

Services not provided through the MLTC program are provided on a fee-for-service basis. The state has authority to expand mandatory enrollment into MLTC to all individuals identified in Table 3 (except those otherwise excluded or exempted as outlined in STC 10 of this section) with initial mandatory enrollment starting in any county in New York city and then expanding statewide based on the enrollment plan outlined in Attachment F. When the state intends to expand into a new county outside of New York City, it must notify CMS 90 days prior to the effective date of the expansion and submit a revised assessment of the demonstration's budget neutrality agreement along with all other required materials as outlined in STC 6 in Section V.

**c. Home and Community Based Services Expansion Program (HCBS Expansion).**

This component provides home and community based services to those provided under three of the state's section 1915(c) HCBS waivers (Long Term Home Health Care Program/LTHHCP, Nursing Home Transition and Diversion Program/NHTD, and Traumatic Brain Injury Program/TBI) to certain medically needy individuals. These services enable these individuals to live at home with appropriate supports rather than in a nursing facility.

- 2. Individuals Eligible under the Medicaid State Plan (State Plan Eligibles).** Mandatory and optional Medicaid state plan populations derive their eligibility through the Medicaid state plan and are subject to all applicable Medicaid laws and regulations in accordance with the Medicaid state plan, except as expressly waived and as further described in these STCs.
- 3. Individuals Not Otherwise Eligible under the Medicaid State Plan.** Individuals made eligible under this demonstration by virtue of the expenditure authorities expressly granted include those in the HCBS Expansion component of the demonstration and are subject to all applicable Medicaid laws and regulations in accordance with the Medicaid state plan, except as specified as not applicable in the expenditure authorities for this demonstration.
- 4. Continuous Eligibility Period.**

**a. Duration.** The state is authorized to provide a 12 month continuous eligibility period to the groups of individuals specified in Table 1, regardless of the delivery system through which they receive Medicaid benefits. Once the state begins exercising this authority, each newly eligible individual's 12 month period shall begin at the initial determination of eligibility; for those individuals who are redetermined eligible consistent with Medicaid state plan rules, the 12-month period begins at that point. At each annual eligibility redetermination thereafter, if an individual is redetermined eligible under the Medicaid state plan the individual is guaranteed a subsequent 12 month continuous eligibility period. 12 month continuous eligibility is also authorized for the new adult group under section 1902(a)(10)(A)(i)(VIII) of the Act.

**b. Exceptions.** Notwithstanding subparagraph (a), if any other following circumstances occur during an individual's 12 month continuous eligibility period, the individual's Medicaid eligibility shall be terminated:

- i.** The individual cannot be located.
- ii.** The individual is no longer a New York State resident.
- iii.** The individual requests termination of eligibility.
- iv.** The individual dies.
- v.** The individual fails to provide, or cooperate in obtaining a Social Security Number, if otherwise required.
- vi.** The individual provided an incorrect or fraudulent Social Security Number.
- vii.** The individual was determined eligible for Medicaid in error.

- viii. The individual is receiving treatment in a setting where Medicaid eligibility is not available (e.g. institution for mental disease).
- ix. The individual is in receipt of long term care services.
- x. The individual is receiving care, services or other supplies under a section 1915 waiver.
- xi. The individual was previously otherwise qualified for emergency medical assistance benefits only, based on immigration status, but is no longer qualified because the emergency has been resolved.
- xii. The individual fails to provide the documentation of citizenship or immigration status required under federal law.
- xiii. The individual is incarcerated.

**Table 1: Groups Eligible for a 12 Month Continuous Eligibility Period**

State Plan Mandatory and Optional Groups	Statutory Reference (Social Security Act(
Pregnant women aged 19 or older	1902(a)(10)(A)(i)(III) or (IV); and 1902(a)(10)(A)(ii)(I) and (II)
Children aged 19 or 20	1902(a)(10)(A)(ii)(I) and (II)
Parents or other caretaker relatives aged 19 or older	1902(a)(10)(A)(ii)(I) and (II)
Members of low income families, except for children	1931 and 1925
Medically needy pregnant women, children and parents/caretaker relatives	Without spend down under 1902(a)(10)(C)(i)(III)

5. **Individuals enrolled in MMMC.** Table 2 below lists the groups of individuals who receive Medicaid benefits through the Medicaid managed care component of the demonstration, as well as the relevant expenditure reporting category (demonstration population) for each.

**Table 2: Mainstream Medicaid Managed Care Program**

State Plan Mandatory and Optional Groups	FPL and/or Other Qualifying Criteria	Expenditure and Eligibility Group Reporting
Pregnant Women	Income up to 200% of FPL	Demonstration Population 2/Temporary Assistance to Needy Families (TANF) Adult
Children under age 1	Income up to 200% of FPL	Demonstration Population 1/TANF Child
Children 1 through 5	Income up to 133% of the FPL	Demonstration Population 1/TANF Child
Children 6 through 18	Income up to 133% of FPL	Demonstration Population 1/TANF Child
Children 19 through 20	Income at or below the monthly income standard (determined annually)	Demonstration Population 1/TANF Child

Foster Children Aged 0 through 20, (IV-E Foster Children and non IV-E Foster Children)	Categorically Medicaid Eligible, Disregard all Income	Demonstration Population 1/TANF Child
The New Adult Group (effective January 1, 2014)	Income up to 133% of FPL	New Adult Group
Parents and Caretaker Relatives	Income at or below the monthly income standard (determined annually)	Demonstration Population 2/TANF Adult

6. **Individuals enrolled in MLTC.** Table 3 below lists the groups of individuals who may be enrolled in the Managed Long Term Care component of the demonstration as well as the relevant expenditure reporting category (demonstration population) for each. To be eligible, all individuals in this program must need more than 120 days of community based long term care services and for MAP and PACE have a nursing home level of care.

**Table 3: Managed Long Term Care Program**

State Plan Mandatory and Optional Groups	FPL and/or Other Qualifying Criteria	Expenditure and Eligibility Group Reporting
Adults aged 65 and older	Income at or below SSI level	Demonstration Population 11/MLTC Adults 65 and above – Duals
Adults/children aged 19 through 64	Income at or below SSI level	Demonstration Population 10/MLTC Adults 18 through 64 – Duals
Adults aged 65 and older	Income at or below the monthly income standard, or with spend down to monthly income standard	Demonstration Population 11/MLTC Adults 65 and above - Duals
Adults/children aged 18 through 64 blind and disabled	Income at or below the monthly income standard, or with spend down to monthly income standard	Demonstration Population 10/MLTC Adults 18 through 64 – Duals
Aged 18 through 64 Medicaid Buy In for Working People with Disabilities	Income up to 250% of FPL	Demonstration Population 10/MLTC Adults 18 through 64 – Duals
Parents and Caretaker Relatives 21 through 64	Income at or below the monthly income standard, or with spend down to monthly income standard	Demonstration Population 10/MLTC Adults 18 through 64 – Duals
Children aged 18 through 20	Income at or below the monthly income standard or with spend down	Demonstration Population 10/MLTC Adults 18 through 64 – Duals



Pregnant Women	Income up to 200% of FPL	Demonstration Population 10/MLTC Adults 18 through 64 – Duals
Poverty Level Children Aged 18 through 20	Income up to 133% of FPL	Demonstration Population 10/MLTC Adults 18 through 64 – Duals
Foster Children Aged 18 through 20	In foster care on the date of 18 <sup>th</sup> birthday	Demonstration Population 10/MLTC Adults 18 through 64 – Duals
Individuals Moved from Institutional Settings to Community Settings for Long Term Care Services	Income based on higher income standard to community settings for long term services and supports pursuant to STC 8 of this section	Demonstration Population 10 and 11/MLTC Adults 18 through 64 and MLTC Adults 65 and above

**7. Individuals enrolled in HCBS Expansion Program.** This group, identified as Demonstration Population 9/HCBS Expansion, includes married medically needy individuals:

- a. Who meet a nursing home level of care;
- b. Whose spouse lives in the community; and
- c. Who could receive services in the community but for the application of the spousal impoverishment eligibility and post-eligibility rules of section 1924 of the Act.

**8. Individuals Moved from Institutional Settings to Community Settings for Long Term Services and Supports.** Individuals discharged from a nursing facility who enroll into the MLTC program in order to receive community based long term services and supports or who move from an adult home as defined in subdivision twenty-five of section two of the social services law, to the community and, if applicable, enroll into the MLTC program, are eligible based on a special income standard. Spousal impoverishment rules shall not apply to this population. The special income standard will be determined by utilizing the average Housing and Urban Development (HUD) Fair Market Rent (FMR) dollar amounts for each of the seven regions in the state, and subtracting from that average, 30 percent of the Medicaid income level (as calculated for a household of one) that is considered available for housing. The seven regions of the state include: Central, Northeast, Western, Northern Metropolitan, New York City, Long Island and Rochester.

The state shall work with Nursing Home Administrators, nursing home discharge planning staff, family members and the MLTC health plans to identify individuals who may qualify for the housing disregard as they are able to be discharged from a nursing facility back into the community and enrolled into the MLTC program. Spousal impoverishment rules shall apply to individuals who have a spouse living in the community who enroll into the MLTC program.

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Enrollees receiving community based long term services and supports must be provided with nursing facility coverage through managed care, if nursing facility care is needed for 120 days or less and there is an expectation that the enrollee will return to community based settings. During the short term nursing facility stay, the state must retain the enrollees' community maintenance needs allowance. In addition, the state will ensure that the MLTC Managed Care Organizations (MCOs) work with individuals, their families, nursing home administrators, and discharge planners to help plan for the individual's move back into the community, as well as to help plan for the individual's medical care once he/she has successfully moved into his/her home. For dually eligible enrollees, the MCO is responsible for implementing and monitoring the plan of care between Medicare and Medicaid. The MCO must assure the services are available to the enrollee.

- 9. Exclusions and Exemptions from MMMC.** Notwithstanding the eligibility criteria in STC 1 of this section, certain individuals cannot receive benefits through the MMMC program (i.e. excluded), while others may request an exemption from receiving benefits through the MMMC program (i.e. exempted). Tables 4 and 5 list those individuals either excluded or exempted from MMMC.

**Table 4: Individuals Excluded from MMMC**

Individuals who become eligible for Medicaid only after spending down a portion of their income
Residents of state psychiatric facilities or residents of state-certified or voluntary treatment facilities for children and youth
Patients in residential health care facilities (RHCF) at time of enrollment and residents in an RHCF who are classified as permanent
Participants in capitated long term care demonstration projects
Medicaid eligible infants living with incarcerated mothers
Individuals with access to comprehensive private health insurance if cost effective
Foster care children in the placement of a voluntary agency
Certified blind or disabled children living or expected to live separate and apart from their parents for 30 days or more
Individuals expected to be Medicaid eligible for less than 6 months (except for pregnant women)
Individuals receiving hospice services (at time of enrollment)
Individuals with a "county of fiscal responsibility" code of 97 (Individuals residing in a state Office of Mental Health facility)
Individuals with a "county of responsibility" code of 98 (Individuals in an Office for People with Developmental Disabilities/OPWDD facility or treatment center)
Youth in the care and custody of the commissioner of the Office of Family & Children Services
Individuals who are under 65 years of age (screened and require treatment) in the Centers for Disease Control and Prevention breast, cervical, colorectal or prostate cancer, and who are not otherwise covered under creditable health coverage
Individuals who are eligible for Emergency Medicaid

**Table 5: Individuals who may be exempted from MMMC**

Individuals with chronic medical conditions who have been under active treatment for at least 6 months with a sub-specialist who is not a network provider for any Medicaid MCO in the service area or whose request has been approved by the New York State Department of Health Medical Director because of unusually severe chronic care needs. Exemption is limited to six months
Individuals designated as participating in OPWDD-sponsored programs
Individuals already scheduled for a major surgical procedure (within 30 days of scheduled enrollment) with a provider who is not a participant in the network of any Medicaid MCO in the service area. Exemption is limited to six months
Individuals with a developmental or physical disability receiving services through a Medicaid home and community based services (HCBS) waiver authorized under section 1915(c) of the Act
Residents of alcohol/substance abuse long term residential treatment programs
Native Americans
Individuals with a “county of fiscal responsibility code of 98” (OPWDD) in Medicaid Management Information System/MMIS) in counties where program features are approved by the state and operational at the local district level to permit these individuals to voluntarily enroll

**10. Exclusions and Exemptions from MLTC.** Notwithstanding the eligibility criteria in STC 1 of this section, certain individuals cannot receive benefits through the MLTC program (i.e. excluded while others may request an exemption from receiving benefits through the MLTC program (i.e. exempted). Tables 8 and 9 list those individuals either excluded or exempted from MLTC.

**Table 6: Individuals excluded from MLTC**

Residents of psychiatric facilities
Residents of residential health care facilities (RHCF) at time of enrollment
Individuals expected to be Medicaid eligible for less than six months
Individuals eligible for Medicaid benefits only with respect to tuberculosis-related services
Individuals with a “county of fiscal responsibility” code 99 in MMIS (Individuals eligible only for breast and cervical cancer services)
Individuals receiving hospice services (at time of enrollment)
Individuals with a “county of fiscal responsibility” code of 97 (Individuals residing in a state Office of Mental Health facility)
Individuals with a “county of fiscal responsibility” code of 98 (Individuals in an OPWDD facility or treatment center)
Individuals who are under 65 years of age (screened and require treatment) in the Centers for Disease Control and Prevention breast, cervical, colorectal and/or prostate early detection program and need treatment for breast, cervical, colorectal or prostate cancer and who are not otherwise covered under creditable health coverage
Residents of intermediate care facilities for the mentally retarded (ICF/MR)
Individuals who could otherwise reside in an ICF/MF, but choose not to

Residents of alcohol/substance abuse long term residential treatment programs
Individuals eligible for Emergency Medicaid
Individuals in the Office for People with Developmental Disabilities Home and Community Based Services (OPWDD HCBS) section 1915(c) waiver program
Individuals in the following section 1915(c) waiver programs: Traumatic Brain Injury (TBI), Nursing Home Transition & Diversion (NHTD), and Long Term Home Health Care Program (LTHHCP) in certain counties <sup>1</sup> (see Attachment F)
Residents of Assisted Living Programs
Individuals in receipt of Limited Licensed Home Care Services
Individuals in the Foster Family Care Demonstration

**Table 7: Individuals who may be exempted from MLTC**

Individuals aged 18 through 20 who are nursing home certifiable and require more than 120 days of community based long term care services
Native Americans
Individuals who are eligible for the Medicaid buy in for the working disabled and are nursing home certifiable
Aliessa Court Ordered Individuals

## 11. Population-Specific Program Requirements.

- a. **MMMC Enrollment of Individuals Living with HIV.** The state is authorized to require individuals living with HIV to receive benefits through MMMC. Once the state begins implementing MMMC enrollment in a particular district, individuals living with HIV will have 30 days in which to select a health plan. If no selection is made, the individual will be auto-assigned to an MCO. Individuals living with HIV who are enrolled in an MCO (voluntarily or by default) may request transfer to an HIV Special Needs Plan (SNP) at any time if one or more HIV SNPs are in operation in the individual's district. Further, transfers between HIV SNPs will be permitted at any time.
- b. **Restricted Recipient Programs.** The state may require individuals participating in a restricted recipient program administered under 42 CFR §431.54(e) to enroll in MMMC. Furthermore, MCOs may establish and administer restricted recipient programs, through which they identify individuals that have utilized Medicaid services at a frequency or amount that is not medically necessary, as determined in accordance with utilization guidelines established by the state, and restrict them for a reasonable period of time to obtain Medicaid services from designated providers only. The state must adhere to the following terms and conditions in this regard.
  - i. Restricted recipient programs operated by MCOs must adhere to the requirements in 42 CFR §431.54(e)(1) through (3), including the right to a hearing conducted by the state.

<sup>1</sup> New York is using a phased in approach to transition LTHHCP individuals into the MLTC program. There are six phases (see Attachment F).  
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- ii. The state must require MCOs to report to the state whenever they want to place a new person in a restricted recipient program. The state must maintain summary statistics on the numbers of individuals placed in restricted recipient programs, and the reasons for those placements, and must provide the information to CMS upon request.
- c. Managed care enrollment of individuals using long term services and supports for MMMC and MLTC.** The state is authorized to require certain individuals using long term services and supports to enroll in either mainstream managed care or managed long term care as identified in STC 1 of this section. In addition, the populations that are exempted from mandatory enrollment, based on the exemption lists in STCs 9 and 10 of this section may also elect to enroll in managed care plans. Once these individuals begin to enroll in managed care, the state will be required to provide the following protections for the population<sup>2</sup>.
- i. Person Centered Service Planning. The state, through its contracts with its MCOs and/or Prepaid Inpatient Health Plans (PIHPs), will require that all individuals utilizing long term services and supports will have a person centered individual service plan maintained at the MCO or PIHP. Person centered planning includes consideration of the current and unique psycho-social and medical needs and history of the enrollee, as well as the person's functional level, and support systems.
    - A. The state must establish minimum guidelines regarding the person centered plan (PCP) that will be reflected in MCO/PIHP contracts. These must include at a minimum, a description of:
      - 1. The qualification for individuals who will develop the PCP;
      - 2. Types of assessments;
      - 3. How enrollees are informed of the services available to them; and
      - 4. The MCOs' responsibilities for implementing and monitoring the PCP.
    - B. The MCO/PIHP contract shall require the use of a person centered and directed planning process intended to identify the strengths, capacities and preferences of the enrollee, as well as to identify an enrollee's long term care needs and the resources available to meet those needs, and to provide access to additional care options as specified by the contract. The person centered plan is developed by the participant with the assistance of the MCO/PIHP, provider and those individuals the participant chooses to include. The plan includes the services and supports that the participant needs.
    - C. The MCO/PIHP contract shall require that service plans must address all enrollees' assessed needs (including health and safety risk factors) and personal

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<sup>2</sup> All beneficiary protections apply to both MMMC and MLTC, unless otherwise noted in Section V Partnership Plan - Approval Period: August 1, 2011 – December 31, 2014; as Amended April 14, 2014

goals, taking into account an emphasis on services being delivered in home and community based settings.

- D.** The MCO/PIHP contract shall require that a process is in place that permits the participants to request a change to the person centered plan if the participant's circumstances necessitate a change. The MCO contract shall require that all service plans are updated and/or revised at least annually or when warranted by changes in the enrollee's needs.
  - E.** The MCO/PIHP shall ensure that meetings related to the enrollee's person centered plan will be held at a location, date and time convenient to the enrollee and his/her invited participants.
  - F.** The MCO/PIHP contract shall require development of a backup plan to ensure that needed assistance will be provided in the event that the regular services and supports identified in the individual service plan are temporarily unavailable. The backup plan may include other individual assistance or services.
  - G.** The MCO/PIHP contract shall require that services be delivered in accordance with the service plan, including the type, scope, amount and frequency.
  - H.** The MCO/PIHP contract shall require that enrollees receiving long term services and supports have a choice of provider, where applicable, which has the capacity to serve that individual within the network. The MCO/PIHP must contract with at least two providers in each county in its service area for each covered service in the benefit package unless the county has an insufficient number of providers licensed, certified, or available in that county.
  - I.** The MCO/PIHP contract shall require policies and procedures for the MCO/PIHP to monitor appropriate implementation of the individual service plans, including the qualifications of individuals developing service plans, types of assessments conducted and the method for how enrollees are notified of available services.
- ii.** Verification of MLTC Plan Enrollment. The state shall implement a process for MLTC plans, network and non-network providers for the state to confirm enrollment of enrollees who do not have a card or go to the wrong provider before developing a person-centered service plan.
  - iii.** Health and Welfare of Enrollees. The state through its contracts with its MCOs/PIHPs shall ensure a system is in place to identify, address, and seek to prevent instances of abuse, neglect, and exploitation of its enrollees on a continuous basis. This should include provisions such as critical incident monitoring and reporting to the state, investigations of any incident including, but not limited to, wrongful death, restraints, or medication errors that resulted in an injury. In each quarterly report, the state will provide information regarding any such incidents by plan. The state will also ensure

that children and adults receiving MLTC are afforded linkages to child and/or adult protective services through all service entities, including the MCOs/PIHPs.

- iv. Maintaining Accurate Beneficiary Address. New York will complete return mail tracking for enrollment notification mailings. The state will use information gained from returned mail to make additional outreach attempt through other methods (phone, email, analysis of prior claims, etc.).
- v. Independent Consumer Support Program. To support the beneficiary's experience receiving and applying to receive long term services and supports in a managed care environment, the state shall create and maintain a permanent independent consumer support program to assist beneficiaries in understanding the coverage model and in the resolution of problems regarding services, coverage, access and rights.
- vi. Core Elements of the Independent Consumer Support Program.
  - A. *Organizational Structure.* The Independent Consumer Support Program shall operate independently from any Partnership Plan MCO. Additionally, to the extent possible, the program shall also operate independently of the Department of Human Services. The organizational structure of the program shall support its transparent and collaborative operation with beneficiaries, MCOs, and state government.
  - B. *Accessibility.* The services of the Independent Consumer Support Program are available to all Medicaid beneficiaries enrolled in Partnership Plan who are in need of LTSS (institutional, residential and community based). The Independent Consumer Support Program must be accessible through multiple entryways (e.g., phone, internet, office) and must reach out to beneficiaries and/or authorized representatives through various means (mail, phone, in person), as appropriate.
  - C. *Functions.* The Independent Consumer Support Program assists beneficiaries to navigate and access covered LTSS. Where an individual is enrolling in a new delivery system, the services of this program help individuals understand their choices and resolve problems and concerns that may arise between the individual and a provider/payer. The following list encompasses the program's scope of activity.
    - 1. The program shall offer beneficiaries support in the pre-enrollment state, such as unbiased health plan choice counseling and general program-related information.
    - 2. The program shall serve as an access point for complaints and concerns about health plan enrollment, access to services and other related matters.

3. The program shall help enrollees understand the fair hearing, grievance and appeal rights and processes within the health plan and at the state level, and assist them through the process if needed/requested.
  4. The program shall conduct trainings with Partnership Plan MCO as well as providers on community-based resources and supports that can be linked with covered plan benefits.
- D. Staffing.** The Independent Consumer Support Program must employ individuals who are knowledgeable about the state's Medicaid programs; beneficiary protections and rights under Medicaid managed care arrangements; and the health and service needs of persons with complex needs, including those with a chronic condition, disability, and cognitive or behavioral needs. In addition, the Independent Consumer Support Program shall ensure that its services are delivered in a culturally competent manner and are accessible to individuals with limited English proficiency.
- E. Data Collection and Reporting.** The Independent Consumer Support Program shall track the volume and nature of beneficiary contacts and the resolution of such contacts on a schedule and manner determined by the state, but no less frequently than quarterly. This information will inform the state of any provider or contractor issues and support the reporting requirements to CMS.
- vii. Independent Consumer Support Program Plan.** The state shall submit a plan to CMS describing the structure and operation of the Independent Consumer Support Program that aligns with the core elements provided in this STC no later than January 1, 2014.
- viii. Network of Qualified Providers.** The provider credentialing criteria described at 42 CFR § 438.214 must apply to providers of long-term services and supports. If the MCO's/PIHP's credentialing policies and procedures do not address non-licensed/non-certified providers, the MCO/PIHP shall create alternative mechanisms to ensure the health and safety of its enrollees. To the extent possible, the MCO/PIHP shall incorporate criminal background checks, reviewing abuse registries as well as any other mechanism the state includes within the MCO/PIHP contract.
- d. MLTC enrollment.** Including the protections afforded individuals in subparagraph (c) of STC 11 of this section, the following requirements apply to MLTC plan enrollment:
- i. Transition of Care Period:** Initial transition into MLTC from fee-for-service. Each enrollee who is receiving community-based long-term services and supports that qualifies for MLTC must continue to receive services under the enrollee's pre-existing service plan for at least 90 days after enrollment, or until a care assessment has been completed by the MCO/PIHP, whichever is later. Any reduction, suspension, denial or termination of previously authorized services shall trigger the required notice under 42 CFR § 438.404 which clearly articulates the enrollee's right to file an appeal (either expedited, if warranted, or standard), the right to have



authorized service continue pending the appeal, and the right to a fair hearing if the plan renders an adverse determination (either in whole or in part) on the appeal. For initial implementation of the auto-assigned population, the plans must submit data for state review on a monthly basis reporting instances when the plan has issued a notice of action that involves a reduction of split shift or live-in services or when the plan is reducing hours by 25 percent or more. The plan will also report the number of appeals and fair hearings requested regarding these reductions. The state shall ensure through its contracts that if an enrollee is to change from one MCO/PIHP to another, the MCO/PIHPs will communicate with one another to ensure a smooth transition and provide the new MCO/PIHP with the individual's current service plan.

- ii. Assessment of LTSS Need. The following requirements apply until the state implements an independent and conflict-free long-term services and supports (LTSS) assessment process (as required by subparagraph (iii) of this STC).
  - A. MLTC plans conduct the initial assessment for an individual's need for LTSS using a standardized assessment tool designated by the state. The following requirements apply to the activities that must be undertaken by a MLTC plan as it assesses individuals for need for LTSS.
    - 1. The state shall ensure all individuals requesting LTSS are assessed in a timely manner.
      - a. The state shall ensure the Semi-Annual Assessment of Members (SAAM) tool (or successor tool designated by the state) to determine if the individual has a need for LTSS.
      - b. In addition to the SAAM tool, the MCO/PIHP may use other assessment tools as appropriate. The state must review and approve all other assessment tools used by the MCO/PIHP.
    - 2. The state must ensure through its contracts that each MCO/PIHP must complete the initial assessment in the individual's home of all individuals referred to or requesting enrollment in an MLTC plan within 30 days of that referral or initial contract. MCO/PIHP compliance with this standard shall be reported to CMS in the quarterly reports required under STC 4 in Section IX. The state shall take corrective action against MLTC plans that do not meet this 30 day requirement.
      - a. The MCO/PIHP shall complete a re-assessment at least annually, or when an enrollee's needs change.
      - b. If the assessed individual is not already a Medicaid recipient, the MCO/PIHP shall:
        - 1. Provide the individual with the results of the assessment.

2. If the assessment indicates that the individual meets the criteria for LTSS, explain that the results of the assessment will be forwarded to the individual's county social services office for a formal Medicaid eligibility determination.
  3. If the assessment indicates that the individuals do not meet the criteria for LTSS, explain that the results of the assessment do not indicate that the individual is eligible for Medicaid and provide a written notice to the individuals that they have the right (consistent with 42 CFR §435.906) to request a formal Medicaid eligibility determination from the county social services office.
- c. If the assessed individual is already a Medicaid recipient, the MCO/PIHP shall:
1. Provide the recipient with the results of the assessment.
  2. If the assessment indicates that the recipient meets the criteria for LTSS, explain that the individual is eligible for enrollment in an MLTC.
  3. Provide the recipient with information about all the MLTC plans in which the recipient can enroll.
3. The state shall require each MCO/PIHP, through its contract, to report to the enrollment broker the names of all individuals for whom an assessment is completed. If the individual has not been referred by the enrollment broker, the MCO/PIHP shall report the date of initial contact by the individual and the date of the assessment to determine compliance with the 30-day requirement.
  4. The state shall use this information to determine if individuals have been assessed incorrectly.
- B. The state shall review a sample of the MLTC plan LTSS assessments every six months, either through the External Quality Review Organization (EQRO) or by the state, to verify the correct determinations were made.
- C. The state must submit to CMS for review and comment, and subsequently approval of the written notice required in subparagraph (d)(ii)(A)(2) no later than May 31, 2013.
- iii. Transformation of LTSS Needs Assessment. The state shall begin implementation of an independent and conflict-free LTSS needs assessment system for newly eligible Medicaid recipients, as applicable, no later than December 1, 2014. After that implementation has begun, MLTC plans will not complete any LTSS needs assessments for individuals requesting such services prior to the enrollment in the plan. Non-dually eligible individuals requesting LTSS will be assessed to see if they meet the criteria to be enrolled in a MLTC plan or alternate waiver program prior to being told their enrollment options. In order to achieve this milestone, the state must:

- A. Submit to CMS an initial plan for implementing this transformation by December 31, 2013.
- B. Submit to CMS a final plan with specific action items and timeframes by May 31, 2014.
- C. Report progress on the plan in each quarterly report required under STC 4 in Section IX.

iv. Marketing Oversight.

- A. The state shall require each MCO/PIHPs through its contracts to meet 42 CFR §438.104, and state marketing guidelines which prohibit cold calls, use of government logos and other standards.
  - B. All materials used to market the MCO/PIHP shall be prior approved by the state.
  - C. The state shall require through its contracts that each MCO/PIHP provide all individuals who were not referred to the plan by the enrollment broker with information (in a format determined by the state) describing managed long term care, a list of available plans and contact information to reach the enrollment broker for questions or other assistance. The plan shall report the number of individuals receiving these materials to the state on a quarterly basis pursuant to STC 4 in Section IX.
- e. **Demonstration Participant Protections.** The state will ensure that adults in LTSS in MLTC programs are afforded linkages to adult protective services through all service entities, including the MCO's/PIHP's. The state will ensure that these linkages are in place before, during, and after the transition to MLTC as applicable.
  - f. **Non-duplication of Payment.** MLTC Programs will not duplicate services included in an enrollee's Individualized Education Program under the Individuals with Disabilities Education Act, or services provided under the Rehabilitation Act of 1973.

**V. DEMONSTRATION BENEFITS AND ENROLLMENT**

- 1. **Demonstration Benefits and Cost Sharing.** The following benefits are provided to individuals eligible for the Medicaid managed care components of the demonstration:
  - a. **Mainstream Medicaid Managed Care (MMMC).** State plan benefits delivered through MCOs or, in certain districts, primary care case management arrangements, with the exception of certain services carved out of the MMMC contract and delivered directly by the state on a fee-for-service basis. All MMMC benefits (regardless of delivery method), as well as the co- payments charged to MMMC recipients, are listed in Attachment A.
  - b. **Managed Long Term Care.** State plan benefits delivered through MCOs or, in certain districts, prepaid inpatient health plans, with the exception of certain services carved out

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of the MLTC contract and delivered directly by the state on a fee-for-service basis. All MLTC benefits are listed in Attachment B.

2. **Alternative Benefit Plan.** The Affordable Care Act Low-Income Adult Group will receive benefits provided through the state's approved Alternative Benefit Plan (ABP) SPA.
3. **Home and Community Settings Characteristics.** MLTC enrollees, including individuals who receive services under the demonstration's HCBS Expansion program described in STC 1(c) in Section IV, must receive services in residential settings located in the community, which meet CMS standards for HCBS settings as articulated in current 1915(c) policy and as modified by subsequent regulatory changes, in accordance with the plan submitted by the state (required in Attachment G). This plan shall be due no later than December 31, 2013. Residential settings include characteristics such as providing full access to facilities such as kitchen and cooking facilities, small dining areas, convenient privacy for visitors and easy access to resources and activities in the community. A full list of home and community based characteristics are provided in Attachment C.
4. **Option for Consumer Directed Personal Assistance Program.** Enrollees shall have the option to elect self-direction. The state shall ensure through its contracts with the MCOs/PIHPs that enrollees are afforded the option to select self-direction and enrollees are informed of CDPAP as a voluntary option to its members. Individuals who select self-direction must have the opportunity to have choice and control over how services are provided and who provides the service.
  - a. **Information and Assistance in Support of Participant Direction.** The state/MCO shall have a support system that provides participants with information, training, counseling, and assistance, as needed or desired by each participant, to assist the participant to effectively direct and manage their self-directed services. Participants shall be informed about self-directed care, including feasible alternatives, before electing the self-direction option.
  - b. **Participant Direction by Representative.** The participant who self-directs the personal care service may appoint a volunteer designated representative to assist with or perform employer responsibilities to the extent approved by the participant. Services may be directed by a legal representative of the participant. Consumer-directed services may be directed by a non-legal representative freely chosen by the participant. A person who serves as a representative of a participant for the purpose of directing services cannot serve as a provider of personal attendant services for that participant.
  - c. **Participant Employer Authority.** The participant (or the participant's representative) must have decision-making authority over workers who provide personal care services.
    - i. **Participant.** The participant (or the participant's representative) provides training, supervision and oversight to the worker who provides services. A Fiscal/Employer Agent that follows IRS and local tax code laws functions as the participant's agent in

performing payroll and other employer responsibilities that are required by federal and state law.

- ii. **Decision-Making Authorities.** The participants exercise the following decision making authorities: Recruit staff, hire staff, verify staff's ability to perform identified tasks, schedule staff, evaluate staff performance, verify time worked by staff and approve time sheets, and discharge staff.

- d. **Disenrollment from Self-Direction.** A participant may voluntarily disenroll from the self-directed option at any time and return to a traditional service delivery system through the MMMC or MLTC program. To the extent possible, the member shall provide his/her intent to withdraw from participant direction. A participant may also be involuntarily disenrolled from the self-directed option for cause, if continued participation in the consumer-directed services option would not permit the participant's health, safety, or welfare needs to be met, or the participant demonstrates the inability to self-direct by consistently demonstrating a lack of ability to carry out the tasks needed to self-direct services, or if there is fraudulent use of funds such as substantial evidence that a participant has falsified documents related to participant-directed services. If a participant is terminated voluntarily or involuntarily from the self-directed service delivery option, the MCO/PIHP must transition the participant to the traditional agency direction option and must have safeguards in place to ensure continuity of services.

- e. **Appeals.** The following actions shall be considered adverse action under both 42 CFR 431 subpart E and 42 CFR 438 subpart F:

- i. A reduction, suspension or termination of authorized CDPAP services;
- ii. A denial of a request to change Consumer Directed Personal Assistance Program services.

- 5. **Adding Services to the MMMC and/or MLTC plan benefit package.** At any point in time the state intends to add to either the MMMC or MLTC plan benefit package currently authorized state plan or demonstration services that have been provided on a fee-for-service basis, the state must provide CMS the following information, with at least 30 days' notice prior to the inclusion of the benefit, either in writing or as identified on the agenda for the monthly calls referenced in STC 3 in Section IX:

- a. A description of the benefit being added to the MCO/PIHP's benefit package;
- b. A detailed description of the state's oversight of the MCO/PIHPs readiness to administer the benefit including: readiness and implementation of activities, which may include onsite reviews, phone meetings and desk audits reviewing policies and procedures for new services, data sharing to allow plans to create services plans as appropriate, process to communicate the change to enrollees, MCO/PIHP network development to include providers of that service and any other activity performed by the state to ensure plan readiness.

- c. Information concerning the changes being made to the MMMC and/or MLTC contract provisions and capitation payment rates in accordance with STC 2 in Section VI.

CMS reserves the right to delay implementation of the benefit transition until such time as appropriate documentation is provided showing evidence of MCO/PIHP readiness. In addition, new services that are not currently authorized under the state plan or demonstration may be added only through approved amendments to the state plan or demonstration.

CMS will notify the state of concerns within 15 days. If no comments are received, the state may proceed with the scheduled benefit transition.

**6. Expanding MLTC enrollment.** Any time the state is ready to expand mandatory MLTC plan enrollment into a new geographic area for populations approved for managed care through an amendment, the state must provide CMS notification at least 90 days prior to the expansion. Such notification will include:

- a. A list of the counties that will have approved populations moving to mandatory enrollment;
- b. A list of MCO/PIHPs with an approved state certificate of authority to operate in those counties demonstrating that enrollees will be afforded choice of plan within the new geographic area;
- c. Confirmation that the MCO/PIHPs in the new geographic area have met the network requirements in STC 10 in Section VI for each MCO/PIHP.

The state must also apply the requirements of STC 5 of this section when applicable to the MLTC population or geographic area being added to the MLTC program.

CMS reserves the right to delay implementation of the geographic expansion until such time as notification documentation is provided.

CMS will notify the state of concerns within 15 days. If no comments are received, the state may proceed with the scheduled geographic expansion.

**7. Assurances during expansion of MLTC enrollment.** The assurances below pertain to future MLTC expansions authorized under this demonstration. To provide and demonstrate smooth transitions for beneficiaries, the state must:

- a. Send sample notification letters. Existing Medicaid providers must receive sample beneficiary notification letters via widely distributed methods (mail, email, provider website, etc.) so that providers are informed of the information received by enrollees regarding their managed care transition.
- b. Provide educational tours for enrollees and providers. The educational tour should educate enrollees and providers on the MLTC plan enrollment options, rights and responsibilities and other important program elements. The state must provide webinars, meeting plans, and send notices through outreach and other social media (e.g. state's

website). The enrollment broker, choice counseling entities, ombudsman and any group providing enrollment support must participate.

- c. Operate a call center independent of the MLTC plans for the duration of the demonstration. This entity must be able to help enrollees in making independent decisions about plan choice and be able to document complaints about the plans. During the first 60 days of implementation the state must review all call center response statistics to ensure all contracted plans are meeting requirements in their contracts. After the first 60 days, if all entities are consistently meeting contractual requirements the state can lessen the review of call center statistics, but no more than 120 days should elapse between reviews.
- d. Review the outcomes of the auto-assignment algorithm to ensure that MLTC plans with more limited networks do not receive, are the same or larger number of enrollees, as plans with larger networks.
- e. The state shall require MCO/PIHPs to maintain the current worker/recipient relationship for no less than 90 days.

- 8. Operation of the HCBS Expansion Program.** The individuals eligible for this component of the demonstration will receive the same HCBS as those individuals determined eligible for and enrolled in the state's Long Term Home Health Care Program (LTHHCP), Nursing Home Transition and Diversion Program (NHTDP) and Traumatic Brain Injury Program (TBIP) authorized under section 1915(c) of the Act. The specific benefits provided to participants in this program are listed in Attachment C.

The state will operate the HCBS Expansion program in a manner consistent with approved LTHHCP, NHTDP and TBIP 1915(c) waiver programs and must comply with all administrative, operational, quality improvement and reporting requirements contained therein. The state shall provide enrollment and financial information about the individuals enrolled in the HCBS Expansion program as requested by CMS.

- 9. Facilitated Enrollment.** Facilitated enrollers, which may include MCOs, health care providers, community-based organizations, and other entities under state contract, will engage in those activities described in 42 CFR § 435.904(d)(2), as permitted by 42 CFR § 435.904(e)(3)(ii), within the following parameters:
- a. Facilitated enrollers will provide program information to applicants and interested individuals as described in 42 CFR §435.905(a).
  - b. Facilitated enrollers must afford any interested individual the opportunity to apply for Medicaid without delay as required by 42 CFR §435.906.
  - c. If an interested individual applies for Medicaid by completing the information required under 42 CFR §435.907(a) and (b) and 42 CFR §435.910(a) and signing a Medicaid

application, that application must be transmitted to the LDSS for determination of eligibility.

- d. The protocols for facilitated enrollment practices between the LTSS and the facilitated enrollers must:
  - i. Ensure that choice counseling activities are closely monitored to minimize adverse risk selection; and
  - ii. Specify that determinations of Medicaid eligibility are made solely by the LTSS.

## VI. DELIVERY SYSTEMS

1. **Contracts.** Procurement and the subsequent final contracts developed to implement selective contracting by the state with any provider group shall be subject to CMS approval prior to implementation. Payments under contracts with public agencies, that are not competitively bid in a process involving multiple bidders, shall not exceed the documented costs incurred in furnishing covered services to eligible individuals (or a reasonable estimate with an adjustment factor no greater than the annual change in the consumer price index).
2. **Managed Care Contracts.** No FFP is available for activities covered under contracts and/or modifications to existing contracts that are subject to 42 CFR 438 requirements prior to CMS approval of model contract language. The state shall submit any supporting documentation deemed necessary by CMS. The state must provide CMS with a minimum of 45 days to review and approve changes. CMS reserves the right, as a corrective action, to withhold FFP (either partial or full) for the demonstration, until the contract compliance requirement is met.
3. **Managed Care Data Requirements.** All managed care organizations shall maintain an information system that collects, analyzes, integrates and reports data as set forth at 42 CFR §438.242. This system shall include encounter data that can be reported in a standardized format. Encounter data requirements shall include the following:
  - a. **Encounter Data (Health Plan Responsibilities).** The health plan must collect, maintain, validate and submit data for services furnished to enrollees as stipulated by the state in its contracts with the health plans.
  - b. **Encounter Data (State Responsibilities).** The state shall, in addition, develop mechanisms for the collection, reporting, and analysis of these, as well as a process to validate that each plan's encounter data are timely, complete and accurate. The state will take appropriate actions to identify and correct deficiencies identified in the collection of encounter data. The state shall have contractual provisions in place to impose financial penalties if accurate data are not submitted in a timely fashion. Additionally, the state shall contract with its EQRO to validate encounter data through medical record review.
  - c. **Encounter Data Validation Study for New Capitated Managed Care Plans.** If the state contracts with new managed care organizations, the state shall conduct a validation study 18 months after the effective date of the contract to determine completeness and



accuracy of encounter data. The initial study shall include validation through a sample of medical records of demonstration enrollees.

**d. Submission of Encounter Data to CMS.** The state shall submit encounter data to the Medicaid Statistical Information System (MSIS) and when required T-MSIS (Transformed MSIS) as is consistent with federal law and per STC 15 in Section III. The state must assure that encounter data maintained at managed care organizations can be linked with eligibility files maintained at the state.

**4. Interpretation Services and Culturally Competent Care.** The MCOs must have interpretation services and provide care that is consistent with the individual's culture. MCOs must conduct analyses to determine any gaps in access to these services and will expand its workforce accordingly. The MCOs may also require the use of remote video and voice technology when necessary.

**5. Managed Care Benefit Package.** Individuals enrolled in either MMMC or MLTC must receive from the managed care program the benefits as identified in Attachments A or B, as appropriate. As noted in plan readiness and contract requirements, the state must require that, for enrollees in receipt of LTSS, each MCO/PIHP coordinate, as appropriate, needed state plan services that are excluded from the managed care delivery system but available through a fee-for-service delivery system, and must also assure coordination with services not included in the established benefit package.

**6. Revision of the State Quality Strategy.** The state must update its comprehensive Quality Strategy to reflect all managed care plans (MCO/PIHPs) operating under MMMC and MLTC programs proposed through this demonstration and submit to CMS for approval of the most recent amendment within 90 days of approval of the most recent amendment. The state must obtain the input of recipients and other stakeholders in the development of its revised comprehensive Quality Strategy and make the Strategy available for public comment. The state must revise the strategy whenever significant changes are made, including changes through this demonstration. Pursuant to STC 5 in Section IX, the state must also provide CMS with annual reporting on the implementation and effectiveness of the updated comprehensive quality strategy, as it impacts the demonstration. The CQS must also address the following elements:

- a.** The state's goals for improvement, identified through claims and encounter data, quality metrics and expenditure data. The goals should align with the three part aim but should be more specific in identifying specific pathways for the state to achieve these goals.
- b.** The specific quality metrics for measuring improvement in the goals. The metrics should be aligned with the Medicaid and CHIP adult and child core measures, and should also align with other existing Medicare and Medicaid federal measure sets where possible.
- c.** Metrics should be measured at the following levels of aggregation: the state Medicaid agency, each managed care entity, and each direct health services provider. The state will work with CMS to further define what types of metrics will be measured for direct service providers.
- d.** The specific methodology for determining benchmark and target performance on these metrics for each aggregated level identified above (state, plan and provider).

- 7. Required Components of the State Quality Strategy.** The revised comprehensive Quality Strategy shall meet all the requirements of 42 CFR 438 Subpart D. The quality strategy must include components relating to managed long term services and supports. The Quality strategy must address the following regarding the population utilizing long term services and supports: level of care assessments, service planning, and health and welfare of enrollees. The state should also incorporate performance measures for outcomes related to quality of life and community integration related to health system transformation for individuals with developmental disabilities.
- 8. Required Monitoring Activities by the State and/or EQRO.** The state's EQR process for the mainstream managed care and MLTC plans shall meet all the requirements of 42 CFR 438 Subpart E. In addition, the state, or its EQRO shall monitor and annually evaluate the MCO/PIHPs performance on specific new requirements under mandatory enrollment of individuals utilizing long term services and supports. The state shall provide an update of the processes used to monitor the following activities as well as the outcomes of the monitoring activities within the annual report in STC 5 in Section IX. The new requirements include, but are not limited to the following:
- a. MLTC Plan Eligibility Assessments.** To ensure that approved instruments are being used and applied appropriately and as necessary, and to ensure that individuals being served with LTSS meet the MLTC plan eligibility requirements for plan enrollment. The state will also monitor assessments conducted by the plan where individuals are deemed ineligible for enrollment in an MLTC plan.
  - b. Service Plans.** To ensure that MCOs/PIHPs are appropriately creating and implementing service plans based on enrollee's identified needs.
  - c. MCO/PIHP credentialing and/or verification policies.** To ensure that LTSS services are provided by qualified providers.
  - d. Health and welfare of enrollees.** To ensure that the MCO/PIHP, on an ongoing basis, identifies, addresses, and seeks to prevent instances of abuse, neglect and exploitation.
- 9. Access to Care, Network Adequacy and Coordination of Care Requirements for Long Term Services and Supports (LTSS).** The state shall set specific requirements for MCO/PIHPs to follow regarding providers of LTSS, consistent with 42 CFR 438 Part D. These requirements shall be outlined within each MCO/PIHP contract. These standards should take into consideration individuals with special health care needs, out of network requirements if a provider is not available within the specific access standard, ensuring choice of provider with capacity to serve individuals, time/distance standards for providers who do not travel to the individual's home, and physical accessibility of covered services. The MLTC or mainstream managed care plan is not permitted to set these standards.
- 10. Demonstrating Network Adequacy.** Annually, each MCO/PIHP must provide adequate assurances that it has sufficient capacity to serve the expected enrollment in its service area

and offers an adequate coverage of benefits as described in Attachment A and B for the anticipated number of enrollees in the service area.

- a. The state must verify these assurances by reviewing demographic, utilization and enrollment data for enrollees in the demonstration as well as:
  - i. The number and types of providers available to provide covered services to the demonstration population;
  - ii. The number of network providers accepting the new demonstration population; and
  - iii. The geographic location of providers and demonstration populations, as shown through GeoAccess, similar software or other appropriate methods.
- b. The state must submit the documentation required in subparagraphs (i) – (iii) above to CMS with each annual report.
- c. Enrollees and their representatives must be provided with reference documents to maintain information about available providers and services in their plans.

**11. Advisory Committee as required in 42 CFR 438.** The state must maintain for the duration of the demonstration a managed care advisory group comprised of individuals and interested parties appointed pursuant to state law by the Legislature and Governor. To the extent possible, the state will attempt to appoint individuals qualified to speak on behalf of seniors and persons with disabilities who are impacted by the demonstration's use of managed care, including individuals with developmental disabilities, regarding the impact and effective implementation of these changes on individuals receiving LTSS.

**12. Health Services to Native Americans Populations.** The plan currently in place for patient management and coordination of services for Medicaid-eligible Native Americans developed in consultation with the Indian tribes and/or representatives from the Indian health programs located in participating counties shall continue in force for this extension period.

## **VII. QUALITY DEMONSTRATION PROGRAMS AND CLINIC UNCOMPENSATED CARE FUNDING**

**1. Hospital-Medical Home (H-MH) Demonstration.** The purpose of this demonstration is to improve the coordination, continuity, and quality of care for individuals receiving primary care in hospital outpatient departments operated by teaching hospitals, as well as other primary care settings used by teaching hospitals to train resident physicians. The demonstration will be instrumental in influencing the next generation of practitioners in the important concepts of patient-centered medical homes. Training sites, in particular, due to the structural discontinuity imposed by rotating residents and attending physicians' schedules, present a significant opportunity to improve patient experience and care through residency redesign.

During this extension period, entities that serve as clinical training sites for primary care residents will work toward transforming their delivery system consistent with the National

Partnership Plan - Approval Period: August 1, 2011 – December 31, 2014; as Amended April 14, 2014

Committee on Quality Assurance (NCQA) requirements for medical home recognition under its Physician Practice Connections® - Patient-Centered Medical Home™ program (PPC@PCMH™) and the “Joint Principles” for medical home development articulated by primary care professional associations.

In addition, hospitals which receive funding under this demonstration shall be required to implement a number of patient safety and systemic quality improvement projects.

2. **H-MH Demonstration Eligibility and Selection.** All teaching institutions in New York State will be eligible to participate in the H-MH demonstration. However, because the state does not intend to use a public competitive process to select awardees, the selection criteria for the H-MH demonstration will include for each:
  - a. The extent to which the hospital has existing arrangements with training sites in the community (such as federal qualified health centers) to provide clinical experience to its primary care residents;
  - b. An attestation as to their willingness and commitment to accomplish all milestones outlined in STC 3 of this section, including achieving NCQA PPC@PCMH™ Level 2 recognition or above (in accordance with the standards applicable at the time that recognition is awarded) by the end of the second year of the demonstration;
  - c. An agreement to track and report the clinical performance metrics required in STC 4 of this section; and
  - d. An agreement to implement both the system improvement and patient safety initiatives consistent with STC 5 and 6 of this section.

To ensure that a mix of both academic medical centers and community teaching hospitals receive awards under the H-MH demonstration, the Department must submit its recommendations (along with proposed award amounts) to CMS for review before making final awards. An institution that already has achieved at least PPC@-PCMHTM Level 2 recognition under an earlier set of NCQA standards may participate if its goal is to renew or upgrade its recognition under later, more stringent NCQA standards.

3. **H-MH Milestones related to achievement of National Committee for Quality Assurance (NCQA) PPC@PCMH™ for all awardees.** The key milestone for receiving demonstration funding will be the achievement of NCQA PPC@-PCMHTM Level 2 or Level 3 recognition within 2 years from the start date of the program. The state will receive from NCQA a monthly ‘roster’ of practices, which have achieved NCQA PPC@-PCMHTM Level 2 or Level 3 recognition. In the interim, programs must demonstrate the achievement of the following milestones throughout the duration of the project:
  - a. **A detailed work plan after award.** Each awardee must submit a redesign strategy and detailed work plan to the state that documents how funds will be used for the following approved purposes: consultation services for practice re-design; staff development

activities to support 'team' design to assuring continuity of care for patients; activities associated with curriculum changes; workforce retraining and retooling, and NCQA certification costs. The work plan must also:

- i. Indicate the clinical performance metrics that will be used (as discussed in STC 4 of this section), and provide baseline rates for each measure,
        - ii. Describe how the awardee will implement the H-MH System Improvement Initiatives described in STC 5 of this section, and
        - iii. Indicate which H-MH Quality and Safety Improvement Projects that the awardee will undertake, along with associated milestones.
  - b. **Baseline assessment within six months.** Each awardee must submit a formal baseline assessment to the state (using the NCQA tool or one developed by a primary care professional organization) that compares current practice with NCQA standards, along with a revised work plan and timeline.
  - c. **Interim report at the end of year 1.** Each awardee must submit to the state a report of interim progress in meeting the first year milestones and goals identified through the baseline assessment tool with revised plan as appropriate.
  - d. **MH recognition.** Each awardee must achieve NCQA PPC®-PCMHTM Level 2 or Level 3 recognition, using 2011 standards, by the end of year 2.
4. **H-MH clinical performance metrics for years 2 and 3.** Each awardee must develop at least five clinical performance metrics which shall be consistent with the standardized measures used by the New York State Department of Health in its Quality Assurance Reporting Requirements (QARR) system and/or meaningful use measures and relevant to the population being served, for internal practice measurement and improvement. Baseline and yearly rates for each measure must be submitted in the annual progress report.
5. **H-MH System Improvement Initiatives.** Each awardee's project work plan and subsequent progress reports must incorporate the awardee's strategy for accomplishing the implemented initiatives as well as the milestones to measure success.
  - a. Each awardee must implement an initiative to restructure operations to enhance patient's continuity of care experience in conjunction with developing a patient centered medical home. Awardees shall extend the ambulatory, continuity training experience of residents within the limits of residency requirements from the Residency Review Committee of the Accreditation Council for Graduate Medical Education. This could be accomplished by increasing the number of continuity training sites, expanding sites beyond the hospital environment (if the program is based in a hospital), increasing resident time in ambulatory settings, or other activities or combinations of approaches. These sites would also be required to provide care consistent with medical home requirements and achieve formal recognition within two years of program start date. The project work plan must include:

- i. A method for objective measurement of progress which may include number of new continuity sites, percent increase in ambulatory training experience for residents;
  - ii. How these activities will support core activities of medical home transformation; and
  - iii. How these restructuring changes will be sustained following the termination of the demonstration.
  
- b. Further, each awardee must select at least one of the following four initiatives to implement during the grant award period:
  - i. Care Transitions/Medication Reconciliation Programs. Hospital awardees may be ideally suited to coordinate care between inpatient and outpatient settings given that they are frequently the same providers of care. This initiative would allow programs to develop a better ‘bridge’ for this transition, particularly with respect to medication reconciliation and management but also for outpatient primary and specialty care follow up. While the methods and staffing used to improve coordination could vary, all proposals must incorporate the evidence-based components of effective medication reconciliation. Programs would be required to:
    - A. Develop a registry of patients who have participated (directly through contact/outreach or indirectly through shared electronic information or medication lists) in medication reconciliation. The registry must contain sufficient unique identifiers to enable linkage to Medicaid claims data and be completed by the end of Year 1.
    - B. Participate as needed (sharing lists), with the Department, in periodic evaluation of readmissions and other utilization and quality metrics for patients receiving care transition/medication reconciliation services, including the tracking of quarterly progress, either on pilot unit or hospital wide.
    - C. Develop standardized clinical protocols for communication with patients/families during and post-discharge and care transition processes focused on most common causes of avoidable readmissions.
    - D. Develop integrated information systems between hospital inpatient and outpatient sites to enable improved continuity and follow up care.
    - E. Create system to identify patients at highest risk of subsequent avoidable hospitalization and create a patient stratification approach to allocation of resources to facilitate community linkages, including primary and specialty care services.
  
  - ii. Integration of Physical-Behavioral Health Care. Medicaid has a large number of members with co-existing physical and mental health/substance abuse co-morbidities. Optimal care requires integration of services and providers so that care is coordinated and appropriate for the well-being of the entire person, not just for a single condition. There are many barriers between behavioral and physical health care including different providers, varying locations, multiple agencies, confidentiality rules and regulations, historic lack of communication between providers, and more. This initiative will require training programs to find ways to integrate care for their

patients with behavioral health conditions within the medical home. The project work plan must include details on:

- A.** A strategy for integration which includes a means of improving referrals to behavioral health providers, enhanced communication with mental health/substance abuse providers, process for obtaining appropriate consents for sharing personal health information, and procedures for coordinated case management (particularly for cases in which patients may have more than one provider).
  - B.** Developing a linkage to the Office of Mental Health Psychiatric Services and Clinical Knowledge Enhancement System (PSYKES) project, which provides data and recommendations for potential problems of polypharmacy and metabolic syndrome exacerbation for Medicaid members using Medicaid databases within the first year of the program start date. The linkage will require creating systems to receive, and act on, reports generated by PSYKES. The linkage must be completed by the end of Year 1.
  - C.** Developing training for primary care clinicians in behavioral health care with particular focus on integrating depression screening and pain management with appropriate treatment modalities and referral.
  - D.** Assessing demand and capacity to provide co-located services or other approaches to decrease wait times and improve access to behavioral health services.
- iii. Improved Access and Coordination between Primary and Specialty Care.** There is a tremendous opportunity to promote access and coordination between primary and specialty providers who are both providing care within the same delivery system, often in close physical proximity. Despite that opportunity, there are many examples in which the level of coordination is suboptimal, having the greatest adverse impact on those patients with more advanced, chronic diseases.
- A.** Programs will be required to put into place systems that would facilitate the ready access to specialty care when appropriate, with improved bilateral communication between primary and specialty care providers/clinics through transparent, standardized, referral processes. Specific goals include improving timely access to specialists, completed referral forms with required clinical information and reason(s) for referral, timely response of findings/recommendations from the specialist and higher rates of satisfaction on the part of providers and patients with respect to specialty care services.
  - B.** Programs will be required to generate measures of access and coordination. These measures should be incorporated into a baseline assessment and annual evaluations and include patient and provider experiences related to wait times, follow up with primary care provider after specialty visit (as appropriate), delayed or rejected referrals, patient/provider satisfaction.

- C. Identify gaps in care and coordination for specialty services including collection of baseline data on wait times and appointment backlogs; survey primary care providers and specialists regarding the referral process and access and develop improvement plan based on findings with at least quarterly data collection, which will consider expansion of selected specialists, training of primary care providers in provision of select low level specialty care, inclusion of specialists in team care, protocols for primary-specialty care co-management.

iv. Enhance Interpretation Services and Culturally Competent Care.

- A. Programs will conduct an analysis to determine gaps in access to language services, and implement language access policies and procedures.
- B. Programs may expand workforce within interpreter services by hiring, training, and/or certifying interpreters, or determining other methods for increasing patients' access to appropriate language services.
- C. Programs may include use of remote video and voice technology for instantaneous qualified health care interpretations.
- D. Develop programs to improve staff cultural competence and awareness through evidence based training.
- E. Develop capacity to generate prescription labels in patient's primary language with easy to understand instructions.

**6. H-MH Quality and Safety Improvement Projects (QSIP).** In addition, each awardee shall implement at least two of the six Quality and Safety Improvement Projects outlined in this STC.

These QSIPs will include interventions that have been demonstrated to produce measurable and significant results across different types of hospital settings, including in safety net hospitals; have a strong evidence base, meaning interventions that have been endorsed by a major national quality organization, with reasonably strong evidence established in the peer reviewed literature, including within the safety net; and are meaningful to hospital patients.

An awardee is precluded from choosing any QSIP for which it has achieved top performance for at least 4 consecutive quarters, in aggregate in all process and outcomes measures within the intervention, where "top performance" is defined as being in the Top Quartile. Each QSIP below has specific measures that an awardee must include; however, awardees may include additional milestones to enable the implementation of the measures specified for the intervention.

Milestones for the QSIPs can include infrastructure, redesign, implementation of evidence-based processes, and measurement and achievement of evidence-based outcomes. Awardees must include for each year a milestone for reporting the data on each QSIP to the Department. Improvement Targets will be determined based on the progress an awardee has already made on the improvement project pursuant to baseline data collected as of January 1, 2012. The 3-year end goals for each measure will be to move from one performance band to



the next, except in the case of hospitals that are in the Top Band where the goal will be to move into the Top Quartile. Hospitals will be placed in one of 3 bands based on baseline performance as compared to state or national data on hospital performance, including safety net hospital performance, as follows:

- a. “Lower band” performers, as defined as the bottom one-third (1-33 percentile) of hospitals will target moving into the middle-third performance band;
- b. “Middle band” performers, as defined as the middle third (34-64 percentile) of hospitals, will target moving into the top performance band; and
- c. “Top band” performers, as defined as the top third (66-100 percentile) of hospitals, will target moving into the top quartile.

Hospitals that have achieved performance in the top quartile will be expected to maintain or exceed top performance.

**d. Severe Sepsis Detection and Management**

**i. Elements**

- A. Implement the Sepsis Resuscitation Bundle: to be completed within 6 hours for patients with severe sepsis, septic shock, and/or lactate > 4mmol/L (36mg/dl).
- B. Implement the Sepsis Management Bundle: to be completed within 24 hours for patients with severe sepsis, septic shock, and/or lactate > 4 mmol/L (36 mg/dl).
- C. Make the elements of the Sepsis Bundles more reliable.

**ii. Key Measures**

- A. Percent compliance with four elements of the Sepsis Resuscitation Bundle, as measured by percent of hospitalization with sepsis, severe sepsis or septic shock and/or an infection and organ dysfunction where targeted elements of the Sepsis Resuscitation Bundle were completed.

**B. Sepsis mortality**

**e. Central-Line-Associated Bloodstream Infection (CLABSI) Infection Prevention**

**i. Elements**

- A. Implement the central line bundle.
- B. Make the process for delivery all bundle elements more reliable.

**ii. Key Measures**

- A. Compliance with Central Line Bundle

**B. Central Line Bloodstream Infections**

**f. Surgical Complications Core Processes (SCIP)**

**i. Elements**

**A. Surgical site infection prevention**

**B. Beta blockers continuation**

**C. Venous Thromboembolism (VTE) prophylaxis**

**ii. Key Measures**

**A. SCIP Composite Process Measure:**

- 1. SCIP-Inf-2:** Prophylactic antibiotic selection for surgical patients.
- 2. SCIP-Inf-3:** Prophylactic antibiotics discontinued within 24 hours after surgery end time/48 hours for cardiac patients.
- 3. SCIP-Inf-4:** Cardiac surgery patients with controlled 6 a.m. postoperative serum glucose.
- 4. SCIP-Inf-6:** Surgery patients with appropriate hair removal.
- 5. SCIP-Inf-9:** Urinary catheter removed on postoperative day 1 (POD 1) or postoperative day 2 (POD 2) with day of surgery being day zero.
- 6. SCIP-Card- 2:** Surgery patients on a beta-blocker prior to arrival who received a beta-blocker during the perioperative period.
- 7. SCIP-VTE-1:** Surgery patients with recommended venous thromboembolism prophylaxis ordered  
**SCIP-VTE-2:** Surgery patients who received appropriate venous thromboembolism prophylaxis within 24 hours prior to surgery to 24 hours after surgery.

**B. Rate of surgical site infection for Class 1 and 2 wounds within 30 days of surgery.**

**g. Venous Thromboembolism (VTE) Prevention and Treatment**

**i. Element** – Provide appropriate VTE Prophylaxis, including pharmaceutical and mechanical approaches based on national guidelines

**ii. Key Measures**

**A. VTE Discharge Instructions**

**B. VTE Prophylaxis**

**h. Neonatal Intensive Care Unit (NICU) Safety and Quality**

**i. Elements**

- A.** Participation in Vermont Oxford Network (VON) quality/safety measurement and improvement activities or New York State Obstetric and Neonatal Quality Collaborative (NYSONQC) sponsored Neonatal Enteral Nutrition Project and Statewide Collaborative to decrease NICU central line associated bloodstream infections.
- B.** Assess current areas of need for performance improvement based on relative performance of hospital NICU to VON benchmarks and/or state level performance.
- C.** Develop improvement projects (at least 2 which may include, but is not limited to, enteral nutrition or central line projects above) focusing on areas of greatest need making use of VON network quality improvement strategies and/or other evidence based care bundles.

**ii. Key Measures.** Use of appropriate metrics for quality, safety, morbidity, complications, and risk adjusted mortality based on improvement project, including but not limited to:

- A.** Nosocomial sepsis rates (per 1000 patient days) from NYS NICU Module;
- B.** Central line associated bloodstream infection rates per 1000 central line days using the NYS hospital acquired infection data reporting system;
- C.** Maintenance checklist use per total number of days of central line use; and
- D.** Percent infants discharged from NICU at less than 10th percentile weight born <31 weeks gestation.

**i. Avoidable Preterm Births: Reducing Elective Delivery Prior to 39 Weeks Gestation.**

**i. Elements.** Use of evidence based interventions for evaluation, measurement, and improvement of preventable preterm births using findings from NICHQ/CMS Neonatal Outcomes Improvement Project and/or California Toolkit to Transform Maternity Care:

- A.** Identification and treatment of chronic medical conditions and high risk behaviors
- B.** Early identification of mothers at high risk for preterm delivery
- C.** Use of antenatal steroids in appropriate patients
- D.** Reducing elective inductions/cesarean sections without appropriate medical or obstetric indication

**ii. Key Measures**

- A. Percent of scheduled inductions at 36(0/7) to 38(6/7) weeks without medical or obstetrical indication documented of all scheduled deliveries
- B. Percent of scheduled inductions at 36(0/7) to 38(6/7) weeks without medical or obstetrical indication documented of all scheduled inductions
- C. Percent of scheduled C-sections at 36(0/7) to 38(6/7) weeks without medical or obstetrical indication documented of all scheduled deliveries
- D. Percent of scheduled C-sections at 36(0/7) to 38(6/7) weeks without medical or obstetrical indication documented of all scheduled C-sections
- E. Percent of all scheduled deliveries at 36(0/7) to 38(6/7) weeks without medical or obstetrical indication documented of all scheduled deliveries
- F. Percent of infants born at 36(0/7) to 38(6/7) weeks gestation by scheduled delivery who went to neonatal intensive care unit
- G. Percent of mothers informed about risks and benefits of scheduled deliveries 36(0/7) to 38(6/7) weeks gestation documented in the medical record
- H. Percent scheduled deliveries at 36(0/7) to 38(6/7) weeks that have documentation in the medical record of meeting optimal criteria of gestational age assessment
- I. IHI Elective Induction Bundle Elements: Percentage of times that all four of the following elements are in place:
  - 1. gestational age  $\geq$  39 weeks
  - 2. monitor fetal heart rate for reassurance of fetal status
  - 3. pelvic exam: assess to determine dilation, effacement, station, cervical position and consistency, and fetal presentation
  - 4. monitor and manage hyperstimulation (tachysystole).

7. **H-MH Funding Distribution.** Awardees will receive demonstration funds based on the number of Medicaid recipients served and the number of primary care residents trained. Eighty percent of an awardee's funds will be based on Medicaid patient volume and twenty percent will be based on primary care residents trained in that facility. The formula will be proportionally allocated using these criteria. Facilities will not be included if they do not satisfy the requirements for one of the supplemental program initiatives. Full or partial funding is contingent on achieving each year's goals. In no instance will an awardee receive funding beyond year 2 unless the awardee has achieved NCQA PPC®-PCMHTM Level 2 or Level 3 recognition.

- a. **Year 1 Funds.** Each awardee will receive one-fourth of the first year's funding amount upon award. The remaining first year payment will be issued once the awardee has documented that the applicable first-year program milestones (as stipulated in STC 3 (a), (b), and (c) in this section) have been met. If the first year milestones are not met by the end of year 1, the awardee will forfeit the remaining funding for that year but would be allowed to continue to work toward meeting the milestones and eligible for subsequent year funding.
- b. **Year 2 Funds.** Each awardee will receive one-fourth of the second year's funding amount upon completion of the applicable year one milestones. Upon achieving NCQA PPC®-PCMHTM Level 2 or Level 3 accreditation, the remainder of the second year's funds will be made available, provided all other requirements for Quality Service

Improvement Programs (QSIP) projects are up to date. If an awardee does not achieve accreditation by the end of year two or, for a hospital awardee, make progress on the additional initiatives that are required as a condition of funding, the remainder of year two funding will be forfeited.

- c. **Year 3 Funds.** Third year funding will be provided only to awardees that have achieved NCQA PPC®-PCMHTM Level 2 or Level 3 recognition and, for hospital awardees, meet the applicable milestones for the additional initiatives as stipulated in the hospital's approved work plan. Awardees will receive one-fourth of the funding amount at the start of the year and the remainder after submission of the third year milestones.

#### **8. H-MH Reporting.**

- a. The state shall include updates on activities related to the H-MH demonstration in the quarterly operational reports required under STC 4 in Section IX including updated expenditure projections reflecting the expected pace of disbursements under the demonstration.
- b. The state shall provide an assessment of the H-MH demonstration by summarizing each awardee's activities during the demonstration year in each annual report required under STC 5 in Section IX.
- c. The state shall include an assessment of the success of the H-MH demonstration in the evaluation required by STC 1 in Section XII including the milestones in STC 3(c) in this section, the hospital improvement projects in STC 2(d) in this section as well as the outcome measures for each supplemental program initiative implemented by the awardees.

- 9. **Potentially Preventable Readmissions (PPR) Demonstration.** The purpose of this demonstration is to test strategies for reducing the rate of preventable readmission within the Medicaid population, with the related longer-term goal of developing reimbursement policies that provide incentives to help people stay out of the hospital. It is intended to assist hospitals with reducing the rate of PPRs in advance of the implementation of the Hospital Readmissions Reduction Program (authorized by section 3025 of the Patient Protection and Affordable Care Act) on October 1, 2012. Beginning with FFY 2012, hospitals will face reductions in Medicare payments if they have readmission rates higher than what would be expected for specific conditions.

Hospitals will be asked to devise unique strategies that target each hospital's particular experiences, strengths, weaknesses and patient profile. Projects will focus on improved quality and cost savings and will include reporting and evaluation components to ensure that the projects are replicable and sustainable. Activities will include a review of policies and operational procedures that may be contributing to high rates of avoidable readmissions; reengineering the discharge planning process; and appropriate management of post-hospital/transition care; coordination with outpatient and post-discharge providers, including institutions and community providers, to address transitional care needs.

- a. **Eligibility.** All hospitals in the state will be eligible to participate in the PPR demonstration.

**b. Selection.** The state will develop and issue a Request for Grant Application (RGA). Awards will be made based on the published criteria in the RGA, and funding will be made available over the demonstration extension period as specified in the RGA. The RGA shall also include requirements for evaluating the success of the implemented strategies

**c. Reporting.**

**i.** Once grantees are in place, the state shall include in the quarterly operational report under STC 4 in Section IX, the following information:

- A.** A summary of the interventional strategies each grantee intends to implement.
- B.** Baseline assessment of each grantee's readmission rate.
- C.** Interim assessments (as data is available) of each grantee's success in reducing PPRs.
- D.** Updated expenditure projections reflecting the expected pace of disbursements under the demonstration.

**ii.** The state shall provide a progress report in the implementation of the PPR demonstration in each annual report required under STC 5 in Section IX.

**10. Clinic Uncompensated Care Funding.** The state shall provide grants to voluntary, non-profit and publicly-sponsored Diagnostic and Treatment Centers (D&TCs) for services delivered to the uninsured throughout the state through an Indigent Care Pool (ICP).

**a. Eligibility.** In order to receive ICP funds, each facility must provide a comprehensive range of primary health care or mental health care services, have at least 5 percent of their visits providing services to uninsured individuals and have a process to collect payments from third-party payers.

**b. Reporting.**

**i.** The state shall include updates on activities related to ICP grants in each quarterly operational report required under STC 4 in Section IX, including the extent to which actual expenditures for the grants are consistent with projections.

**ii.** The state shall also include the following information on each facility which received a grant in the annual report required in STC 5 in Section IX.

**A.** The total amount of ICP funds awarded.

**B.** The total amount of funding that each clinic received from other federal agencies, including but not limited to, the Health Resources and Services Administration and the Substance Abuse and Mental Health Services Administration.

- C. The extent to which the clinic participates in any medical home initiative, including a summary of the initiative.
- D. The extent to which the clinic has implemented certified electronic health records (EHRs) for its patients.
- E. The number of providers practicing predominantly within a Federally Qualified Health Center (FQHC) grantee who are meaningful users of certified EHRs consistent with 42 CFR §495.6.

**11. Funding for Quality Demonstrations and Clinic Uncompensated Care.** Federal funds will be used to pay the full cost of these programs. Accordingly, Federal Financial Participation (FFP) will be available for state funds for the Indigent Care Pool (beginning August 1, 2011 and ending December 31, 2014) and the Designated State Health Programs (DSHP) described in STC 11 of this section (beginning August 1, 2011 and ending December 31, 2014), as certified on each quarterly CMS Form 64 expenditure reports.

**a. Limitations on FFP.**

- i. FFP is limited to no more than \$531.2 million over the demonstration extension period as follows:
  - A. \$325 million for the H-MH demonstration;
  - B. \$20 million for the PPR demonstration; and
  - C. \$186.2 million for the ICP, but only to the extent that the state appropriates and expends at least \$186.2 million over the extension period. Otherwise, FFP for the ICP may be no more than one-half of total ICP spending (both federal and state funds).
- ii. The state shall be eligible to receive FFP over the demonstration period for its own expenditures for:
  - A. The Indigent Care Pool (for ICP expenditures made between August 1, 2011 and December 31, 2014); and
  - B. DSHP (for DSHP expenditures made between August 1, 2011 and December 31, 2014).

**b. Reporting.**

- i. Updated expenditure projections shall be provided by the state in each quarterly operational report required under STC 4 in Section IX.
- ii. Expenditure Reporting for the H-MH demonstration. DSHP expenditures used to draw down federal funds for the H-MH demonstration shall be reported on the CMS-64 under waiver name MH Demo – DSHP.

iii. Expenditure Reporting for the PPR demonstration. DSHP expenditures used to draw down federal funds for the PPR demonstration shall be reported on the CMS-64 under waiver name PPR Demo – DSHP.

iv. Expenditure Reporting for Clinic Uncompensated Care.

A. The state’s own expenditures for ICP grants shall be reported on the CMS-64 under waiver name ICP – Direct.

B. DSHP expenditures used to draw down federal funds for Clinic Uncompensated Care shall be reported on the CMS-64 under waiver name ICP – DSHP.

c. **Reconciliation and Recoupment.** By the end of the demonstration extension period, if the amount of DSHP claimed over the demonstration period results in the state receiving FFP in an amount greater than what the state actually expended for quality demonstrations and clinic uncompensated care, the state must return to CMS federal funds in an amount that equals the difference between claimed DSHP and actual state expenditures made for these initiatives.

i. As part of the annual report required under STC 5 in Section IX, the state will report both DSHP claims and expenditures to date for the quality demonstrations and clinic uncompensated care.

ii. The reported claims and expenditures will be reconciled at the end of the demonstration with the state’s CMS-64 submissions

iii. Any repayment required under this subparagraph will be accomplished by the state making an adjustment for its excessive claim for FFP on the CMS-64 by entering an amount in line 10(b) of the Summary sheet equal to the amount that equals the difference between claimed DSHP and actual expenditures made for these initiatives during the extension period.

**12. Designated State Health Programs.** Subject to the conditions outlined in STC 12 of this section, FFP may be claimed for expenditures made for the following designated state health programs beginning August 1, 2011 through December 31, 2014. Designated state health program funding described in paragraphs (m) and (n) below begins January 1, 2014.

- a. Homeless Health Services
- b. HIV-Related Risk Reduction
- c. Childhood Lead Poisoning Primary Prevention
- d. Healthy Neighborhoods Program
- e. Local Health Department Lead Poisoning Prevention Programs
- f. Cancer Services Programs
- g. Obesity and Diabetes Programs
- h. TB Treatment, Detection and Prevention
- i. TB Directly Observed Therapy
- j. Tobacco Control
- k. General Public Health Work
- l. Newborn Screening Programs



- m. The state may claim as allowable expenditures under the demonstration the payments made through its state-funded program to provide subsidies for parents and caretaker relatives with incomes above 133 percent of the FPL through 150 percent of the FPL who purchase health insurance through the Marketplace. Subsidies will be provided on behalf of individuals who: (1) are not Medicaid eligible but who are parents or caretaker relatives of individuals under the age of 21; (2) are eligible for the advance premium tax credit (APTC); and (3) whose income is above 133 percent of the FPL through 150 percent of the FPL. Federal financial participation for the premium assistance portion of QHP subsidies for citizens and eligible qualified aliens will be provided through the Designated State Health Programs pursuant to this STC. Authority to claim federal matching for this program will end on December 31, 2014.
- n. The state may claim as allowable expenditures under the demonstration, the payments made through its state-funded program to provide FHPlus benefits to parents and caretaker relatives with incomes up to and including 150 percent of the FPL who are no longer eligible under the demonstration. Authority to claim federal matching for this program will end on December 31, 2014.

### **13. Designated State Health Programs (DSHP) Claiming Process.**

- a. Documentation of each DSHP's expenditures must be clearly outlined in the state's supporting work papers and be made available to CMS.
- b. Federal funds must be claimed within two years after the calendar quarter in which the state disburses expenditures for the DSHPs in STC 12 of this section. Claims may not be submitted for state expenditures disbursed after December 31, 2014.
- c. Sources of non-federal funding must be compliant with section 1903(w) of the Act and applicable regulations. To the extent that federal funds from any federal programs are received for the DSHPs listed in STC 12 of this section, they shall not be used as a source of non-federal share.
- d. The administrative costs associated with DSHPs in STC 12 of this section and any others subsequently added by amendment to the demonstration shall not be included in any way as demonstration and/or other Medicaid expenditures.
- e. Any changes to the DSHPs listed in STC 12 of this section shall be considered an amendment to the demonstration and processed in accordance with STC 7 in Section III.

## **VIII. DELIVERY SYSTEM REFORM PROGRAM DESCRIPTION AND OBJECTIVES**

### **1. Medicaid Redesign Team (MRT)**

#### **a. BACKGROUND**

The purpose of this demonstration amendment is to describe a structure under which the federal government will provide up to \$8 billion in new federal funds for all Medicaid Redesign Team (MRT) activities including delivery system reform in the waiver, managed care programming and state plan amendment (SPA) activities. The purpose of one component of MRT, the Partnership Plan - Approval Period: August 1, 2011 – December 31, 2014; as Amended April 14, 2014

Delivery System Reform Incentive Payment (DSRIP) program, is to provide incentives for Medicaid providers to create and sustain an integrated, high performing health care delivery system that can effectively and efficiently meet the needs of Medicaid beneficiaries and low income uninsured individuals in their local communities by improving care, improving health and reducing costs. Up to \$6.42 billion of the new MRT funding is available for DSRIP payments to providers. An additional \$500 million in temporary, time limited, funding is available from an Interim Access Assurance Fund (IAAF) for payments to providers to protect against degradation of current access to key health care services in the near term. And, up to \$1.08 billion in federal funding for non-DSRIP Medicaid Redesign purposes, with specific uses of that funding still to be discussed and finalized.

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Only initial funding of this structure is authorized in 2014; continued authority for operations and funding must be authorized upon renewal of the overall Partnership Plan demonstration, and is contingent on satisfactory initial implementation.

The DSRIP program is focused on the following goals: (1) safety net system transformation at both the system and state level; (2) accountability for reducing avoidable hospital use and improvements in other health and public health measures at both the system and state level; and (3) efforts to ensure sustainability of delivery system transformation through leveraging managed care payment reform.

- i. Safety Net System Transformation.** The DSRIP funds provider incentive payments to reward safety net providers when they undertake projects designed to transform the systems of care that support Medicaid beneficiaries and low income uninsured by addressing three key elements, which must be reflected in all DSRIP projects proposed by safety net providers participating in DSRIP (referred to as “Performing Provider Systems”). DSRIP projects will be designed to meet and be responsive to community needs while ensuring overall transformation objectives are met. As such, all projects must include the following elements, whose core components and associated outcome measures are further described in the DSRIP Strategies Menu and Metrics (Attachment J):

- A. Element 1: Appropriate Infrastructure.** The DSRIP will further the evolution of infrastructure and care processes to meet the needs of their communities in a more appropriate, effective and responsive fashion to meet key functional goals. This will include changes in the workforce. Infrastructure evolution must support the broader goals of DSRIP, and key outcomes reflect the kinds of infrastructure to be supported under DSRIP. Appropriate infrastructure should ensure access to care, particularly to outpatient resources as well as effective care integration. In support of linking settings, the transforming infrastructure should place more emphasis on outpatient settings. Also, critical services such as care coordination may need to be expanded to meet the broad needs of the population served.

Indicators related to this objective are included in the System Transformation Milestones (Domain 2) described in more detail in DSRIP Strategies Menu and Metrics (Attachment J). Because many of these indicators are difficult to benchmark, the state will be

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accountable for ensuring that these indicators are moving overall in the right directions across all systems as part of the statewide accountability described in STC 14 (f) of this section.

**B. Element 2: Integration across settings.** The DSRIP will further the transformation of patient care systems to create strong links between different settings in which care is provided, including inpatient and outpatient settings, institutional and community based settings, and importantly behavioral and physical health providers. The goal will be to coordinate and provide care for patients across the spectrum of settings in order to promote health and better outcomes, particularly for populations at risk, while also managing total cost of care. The DSRIP will fund projects that include new and expanded care coordination programs, other evidence based, data driven interventions and programs focused on key health and cost drivers and opportunities for providers to share information and learn from each other.

Key outcomes to be measured are expected to reflect this ongoing transformation. Integration across settings will create alignments between providers. The DSRIP will include restructuring payments to better reward providers for improved outcomes and lower costs.

Indicators related to this objective are included in the Clinical Improvement Milestones (Domain 3) described in more detail in DSRIP Strategies Menu and Metrics (Attachment J). Each system will be accountable for these indicators, and in addition, because the state should also work to support this goal, the state will also be accountable for statewide performance on these outcomes as described in STC 14(g) of this section.

**C. Element 3: Assuming responsibility for a defined population.** The DSRIP projects will be designed in ways that promote integrated systems assuming responsibility for the overall health needs of a population of Medicaid beneficiaries and low income uninsured people, not simply responding to the patients that arrive at the doors of a hospital. The state will approve a defined population for each DSRIP project based on geographic and member service loyalty factors, as described in DSRIP Program Funding and Mechanics Protocol (Attachment I). Safety net providers may propose to develop integrated systems that target the individuals served by a set of aligned community-based providers, or more ambitious systems to tackle accountability for an entire geographic population. Patient and beneficiary engagement through tools including community needs assessment and responsiveness to public health needs will be an important element of all DSRIP projects.

Each indicator used to determine DSRIP awards should reflect a population, rather than the patients enrolled in a particular intervention. In addition, DSRIP performing provider systems will be required to report on progress on priorities related to the Prevention Agenda as included in the Population-wide Strategy

Implementation Milestones (Domain 4) described in more detail in DSRIP Strategies Menu and Metrics (Attachment J).

- D. Element 4: Procedures to reduce avoidable hospital use: guidepost for statewide reform.** New York has identified a statewide goal of reducing avoidable hospital use and improving outcomes in other key health and public health measures. Effectively reducing avoidable hospital use requires alignment of outpatient and inpatient settings, requires systems that can take responsibility for a population, and requires investments in key infrastructure--and so this is a guidepost that can ensure that these transformations are aligned with our shared goals of better health, and better care at lower cost.

Consistent with the fact that this is an integral guidepost to system transformation, key improvement outcomes for avoidable hospital use and improvements in other health and public health measures will be included for each project, and the state will be held accountable for these measures as part of the statewide accountability described in STC 14 (f) of this section.

- E. Element 5: State managed care contracting reforms to establish and promote DSRIP objectives.** The state must also ensure that its managed care payment systems recognize, encourage and reward positive system transformation. To fully accomplish DSRIP goals and ensure sustainability of the initiatives supported by this demonstration, as a condition of receiving DSRIP project funding, the state shall develop and execute payment arrangements and accountability mechanisms with its managed care contractors. These payment and accountability changes, described further in STC 39 of this section, must be reflected in the state's approved state plan and managed care contracts, and are funded through the approved state plan (without separate DSRIP funding). These changes are a condition for overall DSRIP project funding to be released.

This goal will also be monitored as part of the statewide accountability test described in STC 14(f) of this section and will be tracked not at a DSRIP project level, but at the state level. The state must ensure state payments to managed care plans reflect and promote the establishment and continuation of integrated service delivery systems and procedures to reduce avoidable hospital use and ensure improvements in other health and public health measures.

- ii. State and Provider Accountability.** Overall DSRIP project funding is available up to the amounts specified in the special terms and conditions. Such funding is subject to the Performing Provider System meeting ongoing milestones established pursuant to this demonstration, and the state meeting overall state milestones as described in the STCs and DSRIP Program Funding and Mechanics Protocol (Attachment I). In addition, statewide achievement of performance goals and targets must be achieved and maintained for full access to the funding level as specified in the STCs. Specific reductions from statewide funds are taken from the state starting in Year 3 accordance with STC 14 (h) of this section if these targets are not achieved.

Individual projects are awarded based on the merit of the proposal itself, its support of the overall DSRIP goals, and the projected breadth and depth of the impact on Medicaid beneficiaries. Public transparency, a process that allows for community input, and independent expert evaluation are critical to the approval and funding levels for each project.

It should be noted that federal funding for DSRIP activities is limited in any phase of the demonstration period to the amounts set forth in this demonstration authority, subject to all of the reductions based on milestones, even if the state expenditures exceed the amount for which federal funding is available.

**b. Interim Access Assurance Fund (IAAF).** Temporary, time limited, funding is available from an IAAF to protect against degradation of current access to key health care services in the near term. The IAAF is available to provide supplemental payments that exceed upper payment limits, DSH limitations, or state plan payments, to ensure that current trusted and viable Medicaid safety net providers, according to criteria established by the state consistent with these STCs, can fully participate in the DSRIP, transformation without unproductive disruption. The IAAF is authorized as a separate funding structure from the DSRIP program to support the ultimate achievement of DSRIP goals. To the extent available funds are not expended in this time-limited IAAF, they are available for the DSRIP program itself. In addition, a separate fund is authorized to make DSRIP project design grants to providers. The IAAF and the design grant funds are both part of the overall DSRIP total funding.

**i. Interim Access Assurance Fund.** To protect against degradation of current access to key health care services, limit unproductive disruption, and avoid gaps in the health delivery system, New York is authorized to make payments for the financial support of selected Medicaid providers.

**A. Limit on FFP.** New York may expend up to \$500 million in FFP for Interim Access Assurance payments for the period from the date of approval of the IAAF expenditure authority until December 31, 2014. Contingent upon renewal of the demonstration, the authority could be extended until March 31, 2015. To the extent available funds are not expended in this time-limited IAAF, they are available for the DSRIP program itself. Additional funding may be available to the extent that FFP for Health Homes is not fully utilized in the same time period.

**B. Funding.** The non-federal share of IAAF payments may be funded by state general revenue funds and transfers from units of local government that are compliant with section 1903(w) of the Act. Any IAAF payments must remain with the provider receiving the payment to be used for health care related purposes, and may not be transferred back to any unit of government, directly or indirectly, or redirected for other purposes. The IAAF payments received by providers cannot be used for the non-federal share of any expenditures claimed under a federally-supported grant.

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**ii. Interim Access Assurance Fund Requirements.**

- A.** The state will make all decisions regarding the distribution of IAAF payments to ensure that sufficient numbers and types of providers are available to Medicaid beneficiaries in the geographic area to provide access to care for Medicaid and uninsured individuals while the state embarks on its transformation path. The IAAF payments shall be limited to providers that serve significant numbers of Medicaid individuals, and that the state determines have financial hardship in the form of financial losses or low margins. In determining the qualifications of a safety net provider for this program and the level of funding to be made available, the state will take into consideration both whether the funding is necessary (based on current financial and other information on community need and services) to provide access to Medicaid and uninsured individuals. The state will also seek to ensure that IAAF payments supplement but do not replace other funding sources.
- B.** Before issuing any payments to providers, the state must post on its Website a list of qualifications that providers must meet to receive payments under this section, provide an opportunity for public comment for at least 14 days, and consider such comments. On the day the proposed qualifications list is posted, the state must provide to CMS the URL where the list can be found. The state must take the public comments into account when qualifying providers and distributing funds from this account.
- C.** Following the end of the public comment period in (ii), the state will initiate an open application period of at least 14 days duration for providers to submit applications.
- D.** If a provider otherwise meeting the qualifications of this section is also receiving funds through the state's vital access program, or any other supplemental payment program for which the federal government provides matching funds, or Medicaid disproportionate share hospital payments, the state must assure CMS of non-duplication. As part of the reporting requirements described in (iii) below, the state assures that the payment information for the IAAF will be maintained, as the reporting information is subject to CMS audit. A provider may receive both funding through this special fund and a planning grant as part of the DSRIP program.

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**iii. Reporting.**

- A.** Within 10 days of initiating payments under this section to a provider, the state must submit a report to CMS that states the total amount of the payment or payments, the amount of FFP that the state will claim, the source of the non-Federal share of the payments, and documentation of the needs and purposes of the funds to assure CMS of non-duplication. The state should document all other Medicaid payments (e.g. base, supplemental, VAP, DSH) the provider receives to

demonstrate that existing payments are not sufficient to meet financial needs of the providers.

**B.** In each quarterly progress report, the state will include a summary of all payments under this section made during the preceding quarter, including all information required in (A), and attach copies all reports submitted under (A) for payments made during the quarter.

**C.** When reporting payments under this section on the CMS-64, the state must include in Form CMS-64 Narrative a table that lists all payments by date, provider, and amount (broken down by source), and a reference to the quarterly progress report(s) where the payments and all of their required supporting documentation is presented.

**iv. IAAF payments.** The IAAF payments are not direct reimbursement for expenditures or payments for services. Payments from the IAAF are not considered patient care revenue, and shall not be offset against disproportionate share hospital expenditures or other Medicaid expenditures that are related to the cost of patient care (including stepped down costs of administration of such care) as defined under these STCs, and/or under the state plan.

**c. Delivery System Reform Incentive Payment (DSRIP) Fund.** The terms and conditions in Section c apply to the State's exercise of Expenditure Authority 9: Expenditures Related to the Delivery System Reform Incentive Payment (DSRIP) Fund. These requirements are further elaborated by Attachment I, "NY DSRIP Program Funding and Mechanics Protocol," Attachment J "NY DSRIP Strategies Menu and Metrics," and Attachment K "DSRIP Operational Protocol." For purposes of this section, the DSRIP program will have its own demonstration years (DY) and any reference to DY is in reference to the DSRIP portion of the Partnership Plan demonstration and not the entire Partnership Plan demonstration. DSRIP funding for demonstration year DY 1 through DY 5 is contingent on renewal of the demonstration no later than December 31, 2014 and the revision of Attachments I, J and K based on the pre-implementation activities described in this section.

As described further below, DSRIP funding is available to *Performing Provider Systems* that consist of *safety net providers* whose *project plans* are approved and funded through the process described in these STCs and who meet particular *milestones* described in their approved DSRIP *project plans*. DSRIP project plans are based on the evidenced-based *projects* specified in the DSRIP Strategies Menu and Metrics (Attachment J) and are further developed by Performing Provider Systems to be directly responsive to the needs and characteristics of the low-income communities that they serve and to achieve the transformation objectives furthered by this demonstration.

**2. Safety Net Definition:** The definition of safety net provider for hospitals will be based on the environment in which the performing provider system operates. Below is the safety net definition:

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- a. A hospital must meet the following criteria to participate in a performing provider system:
  - i. Must be either a public hospital, Critical Access Hospital or Sole Community Hospital, or
  - ii. Must pass two tests:
    - i. At least 35 percent of all patient volume in their outpatient lines of business must be associated with Medicaid, uninsured and Dual Eligible individuals.
    - ii. At least 30 percent of inpatient treatment must be associated with Medicaid, uninsured and Dual Eligible individuals; or
  - iii. Must serve at least 30 percent of all Medicaid, uninsured and Dual Eligible members in the proposed county or multi-county community. The state will use Medicaid claims and encounter data as well as other sources to verify this claim. The state reserves the right to increase this percentage on a case by case basis so as to ensure that the needs of each community's Medicaid members are met.
- b. Non-hospital based providers, not participating as part of a state-designated health home, must have at least 35 percent of all patient volume in their primary lines of business associated with Medicaid, uninsured and Dual Eligible individuals.
- c. Vital Access Provider Exception: The state will consider exceptions to the safety net definition on a case-by-case basis if it is deemed in the best interest of Medicaid members. Any exceptions that are considered must be approved by CMS and must be posted for public comment 30 days prior to application approval. Three allowed reasons for granting an exception are:
  - i. A community will not be served without granting the exception because no other eligible provider is willing or capable of serving the community.
  - ii. Any hospital is uniquely qualified to serve based on services provided, financial viability, relationships within the community, and/or clear track record of success in reducing avoidable hospital use.
  - iii. Any state-designated health home or group of health homes.
- d. Non-qualifying providers can participate in Performing Providers Systems. However, non-qualifying providers are eligible to receive DSRIP payments totaling no more than 5 percent of a project's total valuation. CMS can approve payments above this amount if it is deemed in the best interest of Medicaid members attributed to the Performing Provider System.

**3. Performing Provider Systems.** The safety net providers that are funded to participate in a DSRIP project are called "Performing Provider Systems." Performing Provider Systems that Partnership Plan - Approval Period: August 1, 2011 – December 31, 2014; as Amended April 14, 2014



complete project milestones and measures as specified in Attachment J, “DSRIP Strategies Menu and Metrics”, are the only entities that are eligible to receive DSRIP incentive payments.

**4. Two DSRIP Pools.** Performing Provider Systems will be able to apply for funding from one of two DSRIP pools: Public Hospital Transformation Fund and Safety Net Performance Provider System Transformation Fund.

a. The Public Hospital Transformation Fund will be open to applicants led by a major public hospital system. The public hospital systems allowed to participate in this pool include:

- i. Health and Hospitals Corporation of New York City
- ii. State University of New York Medical Centers
- iii. Nassau University Medical Center
- iv. Westchester County Medical Center
- v. Erie County Medical Center

b. The Safety Net Performance Provider System Transformation Fund would be available to all other DSRIP eligible providers.

c. Allocation of funds between the two pools will be determined after applications have been submitted, based on the valuation of applications submitted to each pool. The valuation framework is described in STC 9 of this section and will be further specified in the Program Funding and Mechanics Protocol.

d. There is also a Performance Pool within the two DSRIP pools, as described in the Program Funding and Mechanics Protocol (Attachment I).

**5. Coalitions and Attributed Population.** Major public general hospitals and other safety net providers are strongly required to form coalitions that apply collectively as a single Performing Provider System. Coalitions will be evaluated on performance on DSRIP milestones collectively as a single Performing Provider System. Coalitions are subject to the following conditions in addition to the requirements specified in the Program Funding and Mechanics Protocol:

a. Coalitions must designate a lead coalition provider who will be held responsible under the DSRIP for ensuring that the coalition meets all requirements of Performing Provider Systems, including reporting to the state and CMS.

b. Coalitions must establish a clear business relationship between the component providers, including a joint budget and funding distribution plan that specifies in advance the methodology for distributing funding to participating providers. The funding distribution plan must comply with all applicable laws and regulations, including, but not limited to, the following federal fraud and abuse authorities: the anti-kickback statute (sections 1128B(b)(1) and (2) of the Act); the physician self-referral prohibition (section 1903(s) of

the Act); the gainsharing civil monetary penalty (CMP) provisions (sections 1128A(b)(1) and (2) of the Act); and the beneficiary inducement CMP (section 1128A(a)(5) of the Act). CMS approval of a DSRIP plan does not alter the responsibility of Performing Provider Systems to comply with all federal fraud and abuse requirements of the Medicaid program.

- c. Each Performing Providers System must, in the aggregate, identify a proposed population for DSRIP. The proposed population will be aligned with the population attribution methodology specified in the Program Funding and Mechanics Protocol. The attribution methodology will assure non-duplication of members between DSRIP Performing Providers Systems.
- d. Each coalition must have a data agreement in place to share and manage data on system-wide performance.

**6. Objectives.** Performing Provider Systems will design and implement projects that aim to achieve each of the following objectives or sub-parts of objectives, which are elaborated further in the DSRIP Strategies Menu and Metrics (Attachment J). To put in the context of the overall three objectives below, each performing provider system is responsible for project activity that addresses the first two objectives, for a defined population as specified in the third objective.

- a. The creation of appropriate infrastructure and care processes based on community need, in order to promote efficiency of operations and support prevention and early intervention.
- b. The integration of settings through the cooperation of inpatient and outpatient, institutional and community based providers, in coordinating and providing care for patients across the spectrum of settings in order to promote health and better outcomes, particularly for populations at risk, while managing total cost of care.
- c. Population health management as described in the attribution section of the Program Funding and Mechanics Protocol.

**7. Project Milestones.** Progress towards achieving the goals specified above will be assessed by specific milestones for each project, which are measured by particular metrics that are further defined in the DSRIP Strategies Menu and Metrics (Attachment J). These milestones are organized into the following domains:

- a. *Project progress milestones (Domain 1).* Investments in technology, tools, and human resources that will strengthen the ability of the Performing Provider Systems to serve target populations and pursue DSRIP project goals. Performance in this domain is measured by a common set of project progress milestones, which will include milestones related to the monitoring of project spending and post-DSRIP sustainability. This includes at least semi-annual reports on project progress specific to the performing provider system's DSRIP project and its Medicaid and uninsured patient population.

- b. *System transformation milestones (Domain 2)*. As described further in the Project Menu, this includes outcomes that reflect the four subparts of the goal on system transformation, including measures of inpatient/ outpatient balance, increased primary care/community-based services utilization, and rates of global capitation, partial capitation and bundled payment of providers by Medicaid managed care plans, and measures for patient engagement.
  - c. *Clinical improvement milestones (Domain 3)*: As described further in the Project Menu, this domain includes metrics that reflect improved quality of care for Medicaid beneficiaries; including the goal of reducing avoidable hospital use and improvements in other health and public health measures. Payment for performance on these outcome milestones will be based on an objective demonstration of improvement over a baseline, using a valid, standardized method. Systems that are already high performers on these metrics, with the exception of avoidable hospitalization metrics, before initiation of projects must either explore alternative projects or align with lower performing providers such that the system as a whole has adequate room for improvement (as defined in DSRIP Program Funding and Mechanics Protocol (Attachment I)).
  - d. *Population-wide Strategy Implementation Milestones (Domain 4)*. DSRIP Performing Provider Systems will be responsible for reporting on progress on strategies they have chosen related to the Prevention Agenda as identified in DSRIP Strategies Menu and Metrics (Attachment J) for relevant populations as identified in DSRIP Program Funding and Mechanics Protocol (Attachment I) and as approved in their project plan.
- 8. DSRIP Project Plan** Performing Provider Systems must develop a DSRIP project plan that is based on one or more of the projects specified in the DSRIP Strategies Menu and Metrics (Attachment J) and complies with all requirements specified in the DSRIP Program Funding and Mechanics Protocol. Performing Provider Systems should develop DSRIP project plans, while leveraging community needs, including allowing community engagement during planning, to sufficiently address the delivery system transformation achievement that is expected from their projects. DSRIP project plans will be provided in a structured format developed by the state and approved by CMS and must be tracked by the state over the duration and close out of the program. DSRIP project plans must be approved by the state and may be subject to additional review by CMS, DSRIP project plans must include the following elements:
- a. *Rationale for Project Selection*.
    - i. Each DSRIP project plan must identify the target populations, program(s), and specific milestones for the proposed project, which must be chosen from the options described in the approved DSRIP Strategies Menu and Metrics.
    - ii. Goals of the project plan should be aligned with each of the objectives as described in STC 6 of this section.

- iii. Milestones should be organized as described above in STC 7 of this section reflecting the three overall goals and subparts for each goal as necessary.
- iv. The project plan must describe the need being addressed and the starting point (including baseline data consistent with the agreement between CMS and the state) of the performing provider system related to the project. The starting point of the project plan must be after April 1, 2015.
- v. Based on the starting point the performing provider system must describe its 5-year expected outcome for each of the domains described in STC 7 of this section. Supporting evidence for the potential for the interventions to achieve these changes should be provided in support of this 5 year projection for achievement in the goals of this DSRIP.
- vi. The DSRIP Project Plan shall include a description of the processes used by the Performing Provider System to engage and reach out to stakeholders, including a plan for ongoing engagement with the public, based on the process described in the Operational Protocol (Attachment K).
- vii. Performing Provider Systems must demonstrate how the project will transform the delivery system for the target population and do so in a manner that is aligned with the central goals of DSRIP, and in a manner that will be sustainable after DY5. The projects must implement new, or significantly enhance existing health care initiatives; to this end, providers must identify the CMS and HHS funded delivery system reform initiatives in which they currently participate or in which they have participated in the previous five years, and explain how their proposed DSRIP activities are not duplicative of activities that are already or have recently been funded.
- viii. The plan must include an approach to rapid cycle evaluation that informs the system in a timely fashion of its progress, how that information will be consumed by the system to drive transformation and who will be accountable for results, including the organizational structure and process to oversee and manage this process. The plan must also indicate how it will tie into the state's requirement to report to CMS on a rapid cycle basis.
- ix. The plan must contain a comprehensive workforce strategy. This strategy will identify all workforce implications – including employment levels, wages and benefits, and distribution of skills – and present a plan for how workers will be trained and deployed to meet patient needs in the new delivery system. Applicants will need to include workers and their representatives in the planning and implementation of their workforce strategy.

**b. Description of Project Activities.**

- i. Each **plan must feature strategies** from all domains described in STC 7 of this section and the DSRIP Strategies Menu and Metrics.

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- ii. For each domain of a project, there must be at least one associated outcome metric that must be reported in all years, years 1 through 5. The initially submitted DSRIP project plan must include baseline data on all measures, should demonstrate the ability to provide valid data and provide benchmarks for each measure. Baseline measurements should be based on the most recently available baseline data, as agreed to by CMS and the state.

c. *Justification of Project Funding.*

- i. The DSRIP project plan shall include a joint budget and funding distribution plan as provided for in DSRIP Program Funding and Mechanics Protocol (Attachment I) and a description of the performing provider system or provider coalition's overall approach to valuing the project. Project valuations will be subject to a standardized analysis by the state as described below and further specified in the Program Funding and Mechanics Protocol.
- ii. DSRIP project plans shall include any information necessary to describe and detail mechanisms for the state to properly receive intergovernmental transfer payments (as applicable and further described in the program funding and mechanics protocol).

**9. Project Valuation.** DSRIP payments are earned for meeting the performance milestones (as specified in each approved DSRIP project plan). The value of funding for each milestone and for DSRIP projects overall should be proportionate to and its potential benefit to the health and health care of Medicaid beneficiaries and low income uninsured individuals, as further explained in the Program Funding and Mechanics Protocol (Attachment I).

- a. *Maximum project valuation.* As described further in the Program Funding and Mechanics Protocol, a maximum valuation for each project on the project menu shall be calculated based on the following valuation components as specified in the Program Funding and Mechanics Protocol (Attachment I).
  - i. Index score of transformation potential. The state will use a standardized index to score each project on the project menu, based on its anticipated delivery system transformation. This index will include factors of anticipated transformation, such as potential for achieving the goals of DSRIP outlined in STC 6 of this section, expected cost savings, potential to reduce preventable events, capacity of the project to directly affect Medicaid and uninsured beneficiaries and robustness of evidence base. The index scoring process is described in the DSRIP Program and Funding and Mechanics Protocol and will be available for public comment in accordance with STC 10 of this section.
  - ii. Valuation benchmark. The project index score will be multiplied by a valuation benchmark in combination with the components below for all DSRIP projects in order to determine the maximum valuation for the project, as specified in the Program Funding and Mechanics Protocol (Attachment I). The valuation benchmark should be

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externally justified based on evidence for the value and scope of similar system transformations and delivery system reforms, and may not be based on the total statewide limit on DSRIP funding described in STC 14 of this section. By no later than 15 days after the public comment period for initial DSRIP applications, the state will establish a state-wide valuation benchmark based on its assessment of the cost of similar delivery reforms. This valuation benchmark will be expressed in a per member per month (PMPM) format and may not exceed \$15 PMPM. Project valuation will be calculated by multiplying this valuation benchmark (ii) against the DSRIP Project Plan Application Score (iii), Number of attributed beneficiaries (iv) and number of DSRIP months (v) below.

- iii. DSRIP Project Plan Application Score. Based on the Performing Provider System's application, each project plan will receive a score based on the:
  - fidelity to the project description, and likelihood of achieving improvement by using that project.
- iv. Number of Attributed Beneficiaries. Number of beneficiaries attributed to each performing provider's project plan.
- v. Number of DSRIP Months. Number of DSRIP months that will be paid for under the DSRIP project plan.

b. *Progress milestones and outcome milestones.* A DSRIP project's total valuation will be distributed across the milestones described in the DSRIP project plan, according to the specifications described in the Program Funding and Mechanics Protocol (Attachment I). An increasing proportion of DSRIP funding will be allocated to performance on outcome milestones each year, as described in DSRIP Program Funding and Mechanics Protocol (Attachment I).

c. *Performance based payments.* Performing Provider Systems may not receive payment for metrics achieved prior to the baseline period set by CMS and the State in accordance with these STCs and the funding and mechanics protocol and achievement of all milestones is subject to audit by CMS, the state, and the state's independent assessor described in STC 10 of this section. The state shall also monitor and report proper execution of project valuations and funds distribution as part of the implementation monitoring reporting required under STC 12 of this section. In addition to meeting performance milestones, the state and performing providers must comply with the financial and reporting requirements for DSRIP payments specified in STC 13 of this section and any additional requirements specified in the Program Funding and Mechanics Protocol (Attachment I).

**10. Pre-implementation activities.** In order to authorize DSRIP funding for DY 1 to 5, the state must meet the following implementation milestones according to the timeline outlined in these STCs and must successfully renew the demonstration according to the process outlined in STC 8 in Section III.

- a. *Project Design Grants.* During DSRIP Year 0, the state may provide allotted amounts to

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providers for DSRIP Design Grants from a designated Design Grant Fund. These grants will enable providers to develop specific and comprehensive DSRIP Project Plans. New York may expend up to \$100 million in FFP for the grant payments from the Design Grant Fund. Unspent funds will be carried over to DSRIP. DSRIP Project Design Grant payments count against the total amounts allowed for DSRIP under the demonstration.

- i. Submitting a proposal for a DSRIP Project Design Grant. Providers and coalitions must submit a DSRIP design proposal as an application for a design. The state will review proposals and award design grants at any time during the pre-implementation activities.
  - ii. Use of Design Grant Funds. The providers and coalitions that receive DSRIP project design grants must use their grant funds to prepare a DSRIP project plan to prepare the provider's application for a DSRIP award. Providers and coalitions that receive DSRIP project design grants must submit a DSRIP application.
- b. *Public comment period.* The state must engage the public and all affected stakeholders (including community stakeholders, Medicaid beneficiaries, physician groups, hospitals, and health plans) by publishing the development of the DSRIP Program Funding and Mechanics Protocol and DSRIP Strategies Menu and Metrics (Attachments I and J), including all relevant background material, and providing a public comment period that will be no less than 30 days that includes submission of comments through electronic means as well as public meetings across the State.
  - c. *Allowable changes to DSRIP protocols.* The state must post the public comments received and any technical modifications the state makes to the DSRIP Program Funding and Mechanics Protocol and DSRIP Strategies Menu and Metrics (Attachments I and J). Only changes to the protocol and menu that are related to the public comments will be allowed and incorporated into final protocols for DY 1 to DY 5. The state will submit the final protocols and menu and CMS will review and take action on the changes (i.e. approve, deny or request further information or modification) no later than 30 days after the state's submission.
  - d. *Baseline data on DSRIP measures.* The state must use existing data accumulated prior to implementation to identify performance goals for performing providers. The state must identify high performance levels for all anticipated measures in order to ensure that providers select projects that can have the most meaningful impact on the Medicaid population, and may not select projects for which they are already high performers, with the exception of projects specifically focused on avoidable hospitalization.
  - e. *Procurement of entities to assist in the administration and evaluation of DSRIP.* The state will identify independent entities with expertise in delivery system improvement, including an independent assessor, an independent evaluator and any other administrative costs. The independent entities will work in cooperation with one another to do the following:

- i. Independent Assessor: Conduct a transparent review of all proposed DSRIP project plans and make project approval recommendations to the state.
- ii. Independent Evaluator: Assist with the continuous quality improvement activities.
- iii. Administrative Costs: Administrative costs the state incurs associated with the management of DSRIP reports and other data.
  - i. The state must describe the functions of each independent entity and their relationship with the state as part of its Operational Protocol (Attachment K)
  - ii. The state may elect to require IGTs to be used to fund the non-federal share of the administrative activities, as permitted under the state plan.
  - iii. Spending on the independent entities and other administrative cost associated within the DSRIP fund is classified as a state administrative activity of operating the state plan as affected by this demonstration. The state must ensure that all administrative costs for the independent entities are proper and efficient for the administration of the DSRIP Fund.
- f. *Submit evaluation plan*. The state must submit an evaluation plan for DSRIP consistent with the requirements of STC 19 of this section no later than 120 days after award of the DSRIP program and must identify an independent evaluator. The evaluation plan, including the budget and adequacy of approach to meet the scale and rigor of the requirements of STC 21 of this section, is subject to CMS approval.
- g. *Update comprehensive quality strategy*. The state must update its comprehensive quality strategy, defined in Section VI, to ensure the investment in DSRIP programs will complement and be supported by the state's managed care quality activities and other quality improvements in the state, including the state's Medicaid Redesign Team and Health Homes initiatives.
- h. *DSRIP Operational Protocol*. The state shall submit for CMS approval a draft operational protocol for approving, overseeing, and evaluating DSRIP project grants no later than 90 days after the award of the Demonstration. The protocol is subject to CMS approval. The State shall provide the final protocol within 30 days of receipt of CMS comments. If CMS finds that the final protocol adequately accommodates its comments, then CMS will approve the final protocol within 30 days. This protocol will become an appendix to Attachment K of these STCs.
  - i. The Operational Protocol, including required baseline and ongoing data reporting, independent assessor protocols, performing provider requirements, and monitoring/evaluation criteria shall align with the CMS approved evaluation design and the monitoring requirements in STC 34 of this section.
  - ii. The state shall make the necessary arrangements to assure that the data needed from the Performing Provider Systems, and data needed from other sources, are available as required by the CMS approved monitoring protocol.



iii. The Operational Protocol and reports shall be posted on the state Medicaid website within 30 days of CMS approval.

i. *CMS Oversight of Pre-implementation Activities.* CMS reserves the right to provide oversight over the state's pre-implementation activities in order to document late submissions and missed deliverables without notice of a delay from the state. Notice of delay of any deliverable must be received by CMS no less than 10 days before the due date of the deliverable. As part of CMS' review of the state's deliverables, CMS will assess completeness based on listed deliverable requirements in the STCs.

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**11. DSRIP proposal and project plan review.** In accordance with the schedule outlined in these STCs and the process described further in the Program Funding and Mechanics Protocol (Attachment I), the state and the assigned independent assessor must review and approve DSRIP project plans in order to authorize DSRIP funding for DY 1 and DY 2, and must conduct ongoing reviews of DSRIP project plans as part of a mid-point assessment in order to authorize DSRIP funding for DY 3, DY 4 and DY 5. The state is responsible for conducting these reviews for compliance with approved protocols. CMS reserves the right to review projects in which the state did not accept the finding of the independent assessor or other outlier projects, as specified in the Program Funding and Mechanics Protocol (Attachment I).

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a. *Review tool.* The state will develop a standardized review tool that the independent assessor will use to review DSRIP project plans and ensure compliance with these STCs and associated protocols. The review tool will be available for public comment for a 30 day period according to the timeframe specified in the Program Funding and Mechanics Protocol (Attachment I). The review tool will define the relevant factors, assign weights to each factor, and include a scoring for each factor. Each factor will address the anticipated impact of the project on the Medicaid and uninsured populations consistent with the overall purpose of the DSRIP program.

b. *Role of the Independent assessor.* An independent assessor will review project proposals using the state's review tool and consider anticipated project performance. The independent assessor shall make recommendations to the state regarding approvals, denials or recommended changes to project plans to make them approvable. This entity (or another entity identified by the state) will also assist with the mid-point assessment and any other ongoing reviews of DSRIP project plan.

c. *Public comment.* Project proposals will be public documents and subject to public comment. The public will have no less than 30 days from the date of project posting to submit comments for specific project proposals, according to the process described in the Operational Protocol (Attachment K). After the comment period for the projects closes, a method for which the public can continue to comment must remain available, to obtain feedback on the ongoing implementation of the projects. The state must periodically compile comments received over the life of the demonstration and ensure that responses to comments are provided and released for public view.

- d. *Mid-point assessment.* During DY ~~2~~, the state's independent assessor shall assess project performance to determine whether DSRIP project plans merit continued funding and provide recommendations to the state. If the state decides to discontinue specific projects, the project funds may be made available for expanding successful project plans in DY3, DY 4 and DY 5, as described in the Program Funding and Mechanics Protocol (Attachment I).

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**12. Monitoring.** With the assistance of the independent assessor, the state will be actively involved in ongoing monitoring of DSRIP projects, including but not limited to the following activities.

- a. *Review of milestone achievement.* At least two times per year, Performing Provider Systems seeking payment under the DSRIP program shall submit reports to the state demonstrating progress on each of their projects as measured by project-specific milestones and metrics achieved during the reporting period. The reports shall be submitted using the standardized reporting form approved by the state and CMS. Based on the reports, the state will calculate the incentive payments for the progress achieved according to the approved DSRIP project plan. The Performing Provider System shall have available for review by New York or CMS, upon request, all supporting data and back-up documentation. These reports will serve as the basis for authorizing incentive payments to Performing Provider Systems for achievement of DSRIP milestones.
- b. *Quarterly DSRIP Operational Protocol Report.* The state shall provide quarterly updates to CMS and the public on the operation of the DSRIP program. The reports shall provide sufficient information for CMS to understand implementation progress of the demonstration and whether there has been progress toward the goals of the demonstration. The reports will document key operational and other challenges, to what they attribute the challenges and how the challenges are being addressed, as well as key achievements and to what conditions and efforts they attribute the successes.
- c. *Learning collaboratives.* With funding available through this demonstration, the state will support regular learning collaboratives regionally and at the state level, which will be a required activity for all Performing Provider Systems, and may be organized either geographically, by the goals of the DSRIP, or by the specific DSRIP projects as described in the DSRIP Strategies Menu and Metrics (Attachment J). Learning collaboratives are forums for Performing Provider Systems to share best practices and get assistance with implementing their DSRIP projects. Learning collaboratives should primarily be focused on learning (through exchange of ideas at the front lines) rather than teaching (i.e. large conferences), but the state should organize at least one face-to-face statewide collaborative meeting a year. Learning collaboratives should be supported by a web site to help providers share ideas and simple data over time (which should not need to be developed from scratch). In addition, the collaboratives should be supported by individuals (regional "innovator agents") with training in quality improvement who can travel from site to site in the network to rapidly answer practical questions about implementation and harvest good ideas and practices that they systematically spread to

others.

- d. *Rapid cycle evaluation.* In addition to the comprehensive evaluation of DSRIP described in STC 22 of this section, the state will be responsible for compiling data on DSRIP performance after each milestone reporting period and summarizing DSRIP performance to-date for CMS in its quarterly reports. Summaries of DSRIP performance must also be made available to the public on the state's website along with a mechanism for the public to provide comments.
- e. *Additional progress milestones for at risk projects.* Based on the information contained in the Performing Provider System's semiannual report or other monitoring and evaluation information collected, the state or CMS may identify particular projects as being "at risk" of not successfully completing its DSRIP project in a manner that will result in meaningful delivery system transformation. The state or CMS may require these projects to meet additional progress milestones in order to receive DSRIP funding in a subsequent semi-annual reporting period. Projects that remain "at risk" are likely to be discontinued at the midpoint assessment, described in STC 11 of this section.
- f. *Annual discussion and site visits.* In addition to regular monitoring calls, the State shall on an annual basis present to and participate in a discussion with CMS on implementation progress of the demonstration including progress toward the goals, and key challenges, achievements and lessons learned. The state, the independent assessor, and CMS will conduct annual site visits of a subset of Performing Providers to ensure continued compliance with DSRIP requirements.
- g. *Application, review, oversight, and monitoring database.* The state will ensure that there is a well maintained and structured database, containing as data elements all parts and aspects of Performing Provider Systems' DSRIP project plans including the elements discussed in paragraph 8; independent assessor, state, and CMS review comments and scores; project planning, process, improvement, outcome, and population health milestones, with indicators of their required timing, incentive payment valuation, and whether or not they were achieved; and any other data elements required for the oversight of DSRIP. Along with the database, the state will develop software applications that will support:
  - i. Electronic submission of project plans by Performing Provider Systems;
  - ii. Public comment on project plans;
  - iii. Review of project plans by the independent assessor, state, and other independent participants in project plan review and scoring;
  - iv. Electronic submission by Performing Provider Systems of their performance data;
  - v. Generation of reports, containing (at a minimum) the elements in STC 36 of this section, that can be submitted to CMS to document and support amounts claimed for

DSRIP payments on the CMS-64;

- vi. Summaries of DSRIP project plans submissions, scoring, approval/denial, milestone achievement, and payments that can be accessed by the public;
- vii. Database queries, and export all or a portion of the data to Excel, SAS, or other software platforms; and
- viii. On-line access rights for CMS.

### 13. Financial Requirements applying to DSRIP payments generally.

- a. The non-Federal share of Fund payments to providers may be funded by state general revenue funds, and transfers from units of local government consistent with federal law. Any DSRIP payment must remain with the provider specified in the DSRIP project plan, and may not be transferred back to any unit of government, including public hospitals, either directly or indirectly. In the case of coalitions that are performing DSRIP projects collectively, the DSRIP funding will flow to the participating providers and/or the coalition coordinating entity according to the methodology specified in the DSRIP project plan but may not be transferred between coalition providers.
- b. The state must inform CMS of the funding of all DSRIP payments to providers through a quarterly payment report to be submitted to CMS within 60 days after the end of each quarter, as required under STC 36 of this section. This report must identify the funding sources associated with each type of payment received by each provider. This report must identify and fully disclose all the underlying primary and secondary funding sources of the non-Federal share (including health care related taxes, intergovernmental transfers, general revenue appropriations, and any other mechanism) for each type of payment received by each provider.
- c. The state will ensure that any lack of adequate funds from local sources will not result in lowering the amount, duration, scope or quality of Medicaid services available under the state plan or this demonstration. The preceding sentence is not intended to preclude the state from modifying the Medicaid benefit through the state plan amendment process.
- d. The state may not claim FFP for DSRIP Payments until both the state and CMS, upon request, have concluded that the performing providers have met the performance indicated for each payment. Performing providers' reports must contain sufficient data and documentation to allow the state and CMS to determine if the performing provider has fully met the specified metric, and performing providers must have available for review by the state or CMS, upon request, all supporting data and back-up documentation. FFP will be available only for payments related to activities listed in an approved DSRIP project plan.
- e. Each quarter the State makes DSRIP Payments or IAAF payments and claims FFP, appropriate supporting documentation will be made available for CMS to determine the

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appropriate amount of the payments. Supporting documentation may include, but is not limited to, summary electronic records containing all relevant data fields such as Payee, Program Name, Program ID, Amount, Payment Date, Liability Date, Warrant/Check Number, and Fund Source. Documentation regarding the Funds revenue source for payments will also identify all other funds transferred to such fund making the payment. This documentation should be used to support claims made for FFP for DSRIP Payments that are made on the CMS-64.9 Waiver forms.

- f. DSRIP Payments are not direct reimbursement for expenditures or payments for services. Payments from the DSRIP Fund are intended to support and reward performing providers for improvements in their delivery systems that support the simultaneous pursuit of improving the experience of care, improving the health of populations, and reducing per capita costs of health care. Payments from the DSRIP Fund are not considered patient care revenue, and shall not be offset against disproportionate share hospital expenditures or other Medicaid expenditures that are related to the cost of patient care (including stepped down costs of administration of such care) as defined under these Special Terms and Conditions, and/or under the State Plan.

#### 14. Limits on Federal Financial Participation.

- a. Use of FFP. The state will receive up to a total of \$8 billion FFP to support MRT activities: \$6.92 billion for DSRIP, \$500 million of which will be for the IAAF, and the remaining amount to be allocated by the state for remaining MRT activities (with no more than \$1.08 billion for such other activities). [Additional DSRIP & IAAF funding may be available to the extent that FFP for Health Homes is not fully utilized in the same time period.](#)
- b. MRT Cap. The State can claim FFP for MRT expenditures in each DSRIP Year up to the limits shown in the table below. Each DSRIP Project Plan must specify the DSRIP Year to which each milestone pertains; all incentive payments associated with meeting the milestone must count against the annual limit for the DSRIP Year identified. The state or its contractor shall monitor and report proper execution of project valuations and funds distribution as part of the implementation monitoring and reporting required under STC 35 of this section.
- c. One-year DSRIP funding carry-over. If a performing provider system does not fully achieve a metric in Domains 2, 3 or 4 that was specified in its approved DSRIP project plan for completion in a particular DSRIP year, the performing provider system must report on the missed metrics in the given DSRIP year. Performing Provider Systems that do not meet annual milestones for a given metric will not be eligible to receive incentive payments for the missed metrics in that given DSRIP year. Any funding that would have been allocated to the performing provider system during that DSRIP year will be placed in the performance pool fund to be redistributed to Performing Provider Systems that have exceeded their set performance benchmarks for that DSRIP year. When a performing provider system does not meet its DSRIP year performance metrics, the missed metrics milestone will be recalibrated based on the procedures in DSRIP Program

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Funding and Mechanics Protocol (Attachment I) for the next DSRIP year and the performing provider system will be eligible to receive payments from the DSRIP payment pool for that next year if it reaches the recalibrated milestone in that next DSRIP year.

d. Fund Allocations for MRT Waiver Amendment

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**MRT Waiver Amendment\***  
**Funding Allocation**  
**(\$ millions)**

	<b>Total</b>
<b>Sources of Funding</b>	
Public Hospital IGT Transfers (Supports DSRIP IGT Funding for Public Performing Provider Transformation Fund, Safety Net Performance Provider System Transformation Fund, DSRIP, State Plan and Managed Care Services)	\$6,000.0
Previously Approved DSHPs	\$2,000.0
<b>Total Sources of Funding</b>	<b>\$8,000.0</b>
<b>Uses of Funding</b>	
DSRIP Expenditures	\$6,918.5
Interim Access Assurance Fund (IAAF)	\$500.0
Planning Payments	\$70.0
Performance Payments	\$6,048.5
Administration	\$300.0
Health Homes	\$190.6
MC Programming	\$890.9
Health Workforce MLTC Strategy	\$245.0
1915i Services	\$645.9
<b>Total Uses of Funding</b>	<b>\$8,000.0</b>
<b>Net Value</b>	<b>\$0.0</b>

<b>Sources of Funding</b>
Public Hospital IGT Transfers (Supports DSRIP IGT Funding for Public Performing Provider Transformation Fund, Safety Net Performance Provider System Transformation Fund, DSRIP, State Plan and Managed Care Services)
Previously Approved DSHPs
<b>Total Sources of Funding</b>
<b>Uses of Funding</b>
<b>DSRIP Expenditures</b>
Interim Access Assurance Fund (IAAF)
Planning Payments
Performance Payments
Administration
Health Homes
MC Programming
Health Workforce MLTC Strategy
1915i Services
<b>Total Uses of Funding</b>
<b>Annual Net Value</b>

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 \* Includes costs associated with State based planning in Year-0ff

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\*This table represents the total funding allocation for the life of the waiver amendment.

[For a detailed annual allocation of funding, both budgeted and actual, please see Attachment I. The state will update the detailed allocation table in Attachment I with reconciled budgeted to actual numbers on an annual basis.](#)

- e. Notwithstanding the limits in STC 1.a and 14.a, to the extent that the state elects to limit supplemental payments to an institutional provider class otherwise authorized under its state plan in any state fiscal year during which the DSRIP demonstration is in effect, an amount equal to the federal share of the amount not paid to such providers, up to \$600 million may be added to the overall MRT and DSRIP limits on federal funding. This election will be available only to the extent that the state does not increase the authorized levels of such supplemental payments, or initiate new supplemental payments, during the authorized demonstration period. The state must develop and use a tracking spreadsheet (following a format approved by CMS) to ensure that the amounts of the DSRIP increase do not exceed the amount of authorized but unpaid supplemental payments.
- f. Statewide accountability. Beginning in DSRIP Year 3, the limits on DSHP funding and on total DSRIP payments described in paragraph (a) above may be reduced based on statewide performance, according to the process described in the Program Funding and Mechanics Protocol.
- g. Statewide performance will be assessed on a pass or fail basis, for a set of 4 milestones.
  - i. Statewide performance on universal set of delivery system improvement metrics (as defined in Attachment J). Metrics for delivery system reform will be determined at a statewide level. Each metric will be calculated to reflect the performance of the entire state. Each of these statewide metrics will be assigned a direction for improving and worsening. This milestone will be considered passed in any given year if more metrics in these domains are improving on a statewide level than are worsening, as compared to the prior year as well as compared to initial baseline performance.
  - ii. A composite measure of success of projects statewide on project-specific and population wide quality metrics. This test is intended to reflect the success of every project in achieving the goals that have been assigned to each project, including pay for reporting for certain outcome measures as specified in DSRIP Strategies Menu and Metrics (Attachment J). As described in DSRIP Program Funding and Mechanics Protocol (Attachment I), each metric that determines project level incentive payments for each project will be determined at the project level to be meeting the improvement standards. This statewide milestone will be considered passed in any given year if the number of metrics for each project that trigger award as the improvement standards in DSRIP Program Funding and Mechanics Protocol (Attachment I) are greater than the number of metrics for each project that fail to trigger an award as per the improvement standard in DSRIP Program Funding and Mechanics Protocol (Attachment I).

**Commented [A11]:** NYSDOH has updated this chart to reflect the total allocations over the life of the amendment for each source and use of funding under the waiver. This modification has been made because funding could shift between demonstration years and we thought it would be better to reconcile those changes within Attachment I, while still committing to the totals in the STCs.

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- iii. Growth in statewide total Medicaid spending, including MRT spending, that is at or below the target trend rate (Measure applies in DY4 and DY5). The per member per month (PMPM) amounts will be adjusted to exclude growth in federal funding associated with the Affordable Care Act. The state will not be penalized if it uses these higher FMAP rates generated by the Affordable Care Act to reinvest in its Medicaid program.

Growth in statewide total inpatient and emergency room spending that is at or below the target trend rate (Measure applies in DY 3, DY 4 and DY 5).

Both of the above measures will be measured on a PMPM basis in the most recent state fiscal year from the state fiscal year that immediately precedes it, with applicable spending including both federal and non-federal shares combined. Per member per month spending in each measure is determined by dividing statewide total spending by the number of person-months of Medicaid eligibility in the state for the state fiscal year. The most recent state fiscal year is the last state fiscal year ending prior to the start of the DSRIP Year. For total Medicaid spending, the target trend rate is the ten-year average rate for the long-term medical component of the Consumer Price Index (as used to determine the state's Medicaid Global Spending Cap for that year), for DYs 4 and 5 only. For inpatient and emergency room spending the target trend rate is the ten-year average rate for the long-term medical component of the Consumer Price Index (as used to determine the state's Medicaid Global Spending Cap for that year) minus 1 percentage points for DY 3 and 2 percentage points for DYs 4 and 5.

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- iv. Implementation of the managed care plan, including targets agreed upon by CMS and the state after receipt of the managed care contracting plan in STC 39 of this section related to reimbursement of plans and providers consistent with DSRIP objectives and measures. These targets will include one associated with the degree to which plans move away from traditional fee for service payments to payment approaches rewarding value.
- h. The state must pass all four milestones to avoid DSRIP reductions. If the state fails on any of the 4 milestones, the amount of the potential reduction is set as follows:

The state must pass 50 percent of the inpatient/emergency room spending reduction goals to avoid DSHP penalties. This will be the sole test for any DSHP penalty. The amount of the potential reduction is set as follows:

	<a href="#">DSRIP Year 3</a>	<a href="#">DSRIP Year 4</a>	<a href="#">DSRIP Year 5</a>
<a href="#">DSHP Penalty</a>	<a href="#">\$23.39 million (5 percent)</a>	<a href="#">\$34.35 million (10 percent)</a>	<a href="#">\$59.35 million (20 percent)</a>
<a href="#">DSRIP Penalty</a>	<a href="#">\$62.72 million (5 percent)</a>	<a href="#">\$154.73 million (10 percent)</a>	<a href="#">\$200.08 million (20 percent)</a>

If DSRIP and DSHP penalties are applied, the state reduce funds in an equal distribution

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of projects, and will not affect the high performance fund.

**15. Designated State Health Programs (DSHP).** The state may claim FFP for certain DSHP expenditures, following procedures and subject to limits as described below.

- a. **Limit on FFP for DSHP.** The amount of FFP that the state may receive for DSHP may not exceed the limit described below. If upon review, the amount of FFP received by the state is found to have exceeded the applicable limit, the excess must be returned to CMS as a negative adjustment to claimed expenditures on the CMS-64.

\$ millions

Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<u>133.9</u>	<u>345.5</u>	<u>412.5</u>	<u>467.8</u>	<u>343.5</u>	<u>296.8</u>	<u>2,000</u>

The FFP limit for 2014 is the lowest of the following amounts:

- i. \$188 million,
  - ii. The combined non-Federal share of IAAF Payments, DSRIP Project Design Grant payments and DSRIP administrative costs in 2014, and
  - iii. The federal share of total matchable DSHP expenditures in 2014 as outlined below.
- b. DSHP List 1.** The state may claim FFP in support of DSRIP for List 1 DSHP expenditures made after March 31, 2014. The state may not claim FFP until after the date on which CMS has approved a DSHP Claiming Protocol for the specific DSHP.
- i. Health Care Reform Act programs
    - A. AIDS Drug Assistance
    - B. Tobacco Use Prevention and Control
    - C. Health Workforce Retraining
  - ii. State Office on Aging programs
    - A. Community Services for the Elderly
    - B. Expanded In-Home Services to the Elderly
  - iii. Office of Children and Family Services: Committees on Special Education direct care programs
  - iv. State Department of Health, Early Intervention Program Services
- c. DSHP List 2.** The state may claim FFP in support of DSRIP for List 2 DSHP expenditures made after December 31, 2014. The state may not claim FFP until after the date on which CMS has approved a DSHP Claiming Protocol for the specific DSHP

~~i. Homeless Health Services OMT~~

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- i. Childhood Lead Poisoning Primary Prevention
- ii. Healthy Neighborhoods Program
- iii. Cancer Services Programs
- iv. Obesity and Diabetes Programs
- v. TB Treatment, Detection and Prevention
- vi. TB Directly Observed Therapy
- vii. General Public Health Work
- viii. Newborn Screening Programs
- d. **DSHP List 3.** The state may claim FFP in support of DSRIP for List 3 DSHP expenditures not used for DD Transformation. The state may not claim FFP until after the **date** on which CMS has approved a DSHP Claiming Protocol for the specific DSHP

Commented [A12]: Upon discussion with CMS, Homeless Health Services has been removed from DSHP List 2.

Update numbering to reflect removal of "Homeless Health Services".

- i. Office of Mental Health
  - A. Licensed Outpatient Programs
  - B. Care Management
  - C. Emergency Programs
  - D. Rehabilitation Services
  - E. Residential (Non-Treatment)
  - F. Community Support Programs
- ii. Office for People with Developmental Disabilities
  - A. Day Training
  - B. Family Support Services
  - C. Jervis Clinic
  - D. Intermediate Care Facilities
  - E. HCBS Residential
  - F. Supported Work (SEMP)
  - G. Day Habilitation
  - H. Service Coordination/Plan of Care Support
  - I. Pre-vocational Services

- J. Waiver Respite
  - K. Clinics - Article 16
- iii. Office of Alcoholism and Substance Abuse Services
- A. Outpatient and Methadone Programs
  - B. Prevention and Program Support Services
- e. **DSHP Claiming Protocol.** The state will develop a CMS-approved DSHP claiming protocol with which the state will be required to comply in order to draw down DSHP funds for DSRIP. State expenditures for the DSHP listed above must be documented in accordance with the protocols. The state is not eligible to receive FFP until an applicable protocol is approved by CMS. Once approved by CMS, the protocol becomes Attachment L of these STCs, and thereafter may be changed or updated with CMS approval. Changes and updates are to be applied prospectively. For each DSHP, the protocol must contain the following information:
- i. The sources of non-federal share revenue, full expenditures and rates.
  - ii. Program performance measures, baseline performance measure values, and improvement goals. (CMS may, at its option, approve the DSHP Claiming Protocol for a DSHP without this feature.)
  - iii. Procedures to ensure that FFP is not provided for any of the following types of expenditures:
    - A. Grant funding to test new models of care
    - B. Construction costs (bricks and mortar)
    - C. Room and board expenditures
    - D. Animal shelters and vaccines
    - E. School based programs for children
    - F. Unspecified projects
    - G. Debt relief and restructuring
    - H. Costs to close facilities
    - I. HIT/HIE expenditures
    - J. Services provided to undocumented individuals
    - K. Sheltered workshops
    - L. Research expenditures
    - M. Rent and utility subsidies normally funded by the United State Department of Housing and Urban Development
    - N. Prisons, correctional facilities, and services provided to individuals who are civilly committed and unable to leave
    - O. Revolving capital fund
    - P. Expenditures made to meet a maintenance of effort requirement for any federal grant program
    - Q. Administrative costs

- R. Cost of services for which payment was made by Medicaid or CHIP (including from managed care plans)
- S. Cost of services for which payment was made by Medicare or Medicare Advantage
- T. Funds from other federal grants

**f. DSHP Claiming Process.**

- i. Documentation of each designated state health program’s expenditures, as specified in the DSHP Protocol, must be clearly outlined in the state’s supporting work papers and be made available to CMS.
  - ii. In order to assure CMS that Medicaid funds are used for allowable expenditures, the state will be required to document through an Accounting and Voucher system its request for DSHP payments. The vouchers will be detailed in the services being requested for payment by the state and will be attached to DSHP support.
  - iii. Federal funds must be claimed within two years following the calendar quarter in which the state disburses expenditures for the DSHP.
  - iv. Federal funds are not available for expenditures disbursed before April 1, 2014, or for services rendered prior to April 1, 2014.
  - v. Federal funds are not available for expenditures disbursed after March 31, 2020 nor for services rendered after March 31, 2020.
  - vi. Sources of non-federal funding must be compliant with section 1903(w) of the Act and applicable regulations. To the extent that federal funds from any federal programs are received for the DSHP listed above, they shall not be used as a source of non-federal share.
  - vii. The administrative costs associated with the DSHP listed above, and any others subsequently added by amendment to the demonstration, shall not be included in any way as demonstration and/or other Medicaid expenditures.
  - viii. Any changes to the DSHP listed above shall be considered an amendment to the demonstration and processed in accordance with STC 7 in Section III.
- g. Reporting DSHP Payments.** The state will report all expenditures for DSHP payments to the programs listed above on the forms CMS-64.9 Waiver and/or 64.9P Waiver under the waiver name “DSRIP DSHP” (if in support of DSRIP) or “IAAF DSHP” (if in support of Interim Access Assurance Fund payments) as well as on the appropriate forms CMS-64.9I and CMS-64PI.

**Commented [A13]:** To align DSRIP Year 5 with updated fund allocation table.  
**Deleted:** December 31, 2014, or for services rendered after December 31, 2014.

**16. Budget Neutrality Review.** In conjunction with any demonstration renewal beyond December 31, 2014, CMS reserves the right to modify the budget neutrality agreement Partnership Plan - Approval Period: August 1, 2011 – December 31, 2014; as Amended April 14, 2014

consistent with budget neutrality policy.

**17. Improved Management Controls.** The state and CMS agree that, in conjunction with any Partnership Plan demonstration renewal beyond December 31, 2014, the state will undertake additional activities and steps to strengthen internal controls, compliance with federal and state Medicaid requirements and financial reporting to ensure proper claiming of federal match for the Medicaid program, and to self-identify and initiate timely corrective action on problems and issues. To support the development of these additional special terms and conditions, the state will provide a report to CMS by October 1, 2014, outlining its assessment of current strengths and weaknesses of the state's system of internal and financial management controls (taking into account any audit findings from federal or state oversight agencies including the HHS Office of Inspector General, the state Office of Inspector General, and CMS); the steps the state proposes to take to strengthen compliance, documentation and transparency; and the expected path for resolution of any outstanding deferrals or disallowances initiated by CMS as of the date of this amendment.

**18. DSRIP Transparency.** During the 30 day public comment period for the DSRIP Program Funding and Mechanics protocol (Attachment I), DSRIP Strategies Menu and Metrics (Attachment J), the state must have conducted at least two public hearings regarding the state's DSRIP amendment approval. The state must utilize teleconferencing or web capabilities for at least one of the public hearings to ensure statewide accessibility. The two public hearings must be held on separate dates and in separate locations, and must afford the public an opportunity to provide comments. Once the state develops its standardized review tool the independent assessor will use for the DSRIP project plans, the tool must also be posted for public comment for 30 days.

**a. Administrative Record.** CMS will maintain, and publish on its public Web site, an administrative record that may include, but is not limited to the following:

- i.** The demonstration application from the state.
- ii.** Written public comments sent to the CMS and any CMS responses.
- iii.** If an application is approved, the final special terms and conditions, waivers, expenditure authorities, and award letter sent to the state.
- iv.** If an application is denied, the disapproval letter sent to the state.
- v.** The state acceptance letter, as applicable.
- vi.** Specific requirements related to the approved and agreed upon terms and conditions, such as implementation reviews, evaluation design, quarterly progress reports, annual reports, and interim and/or final evaluation reports.
- vii.** Notice of the demonstration's suspension or termination, if applicable.

**b.** CMS will provide sufficient documentation to address substantive issues relating to the approval documentation that should comprehensively set forth the basis, purpose, and conditions for the approved demonstration.

**19. Submission of Draft Evaluation Design.** The state shall submit a draft DSRIP evaluation design to CMS no later than 120 days after the award of the demonstration, including, but not

limited to data that the state proposes to be used to evaluate DSRIP. The state must employ aggressive state-level standards that align with its managed care evaluation approach.

**20. Submission of Final Evaluation Design.** The state shall provide the Final Evaluation Design to CMS upon contracting with the selected bidder for the Independent Evaluator. The selected bidder's proposed evaluation will be the final evaluation plan, and will be included as Attachment M of these STCs.

**Deleted:** The state shall provide the Final Evaluation Design within 30 days of receipt of CMS comments of the Draft Evaluation Design. If CMS finds that the Final Evaluation Design adequately accommodates its comments, then CMS will approve the Final Evaluation Design and the final evaluation plan will be included as Attachment M of these STCs.

**21. Evaluation Requirements.** The state shall engage the public in the development of its evaluation design. The evaluation design shall incorporate an interim and summative evaluation and will discuss the following requirements as they pertain to each:

**Commented [A14]:** Language updated to reflect discussions with CMS

- a. The scientific rigor of the analysis;
- b. A discussion of the goals, objectives and specific hypotheses that are to be tested;
- c. Specific performance and outcomes measures used to evaluate the demonstration's impact;
- d. How the analysis will support a determination of cost effectiveness;
- e. Data strategy including sources of data, sampling methodology, and how data will be obtained;
- f. The unique contributions and interactions of other initiatives; and
- g. How the evaluation and reporting will develop and be maintained.

The demonstration evaluation will meet the prevailing standards of scientific and academic rigor, as appropriate and feasible for each aspect of the evaluation, including standards for the evaluation design, conduct, and interpretation and reporting of findings. The demonstration evaluation will use the best available data; use controls and adjustments for and reporting of the limitations of data and their effects on results; and discuss the generalizability of results.

The state shall acquire an independent entity to conduct the evaluation. The evaluation design shall discuss the state's process for obtaining an independent entity to conduct the evaluation, including a description of the qualifications the entity must possess, how the state will assure no conflict of interest, and a budget for evaluation activities.

**22. Evaluation Design.** The Evaluation Design shall include the following core components to be approved by CMS:

- a. Research questions and hypotheses: This includes a statement of the specific research questions and testable hypotheses that address the goals of the demonstration, including:
  - i. safety net system transformation at both the system and state level;
  - ii. accountability for reducing avoidable hospital use and improvements in other health an public health measures at both the system and state level and
  - iii. efforts to ensure sustainability of transformation of/in the managed care environment at the state level.

The research questions will be examined using appropriate comparison groups and studied in a time series.

- b.** The design will include a description of the quantitative and qualitative study design (e.g., cohort, controlled before-and-after studies, interrupted time series, case-control, etc.), including a rationale for the design selected. The discussion will include a proposed baseline and approach to comparison. The discussion will include approach to benchmarking, and should consider applicability of national and state standards. The application of sensitivity analyses as appropriate shall be considered.
- c.** Performance Measures: This includes identification, for each hypothesis, of quantitative and/or qualitative process and/or outcome measures that adequately assess the effectiveness of the Demonstration in terms of cost of services and total costs of care, change in delivery of care from inpatient to outpatient, quality improvement, and transformation of incentive arrangements under managed care. Nationally recognized measures should be used where appropriate. Measures will be clearly stated and described, with the numerator and denominator clearly defined. To the extent possible, the state will incorporate comparisons to national data and/or measure sets. A broad set of metrics will be selected. To the extent possible, metrics will be pulled from nationally recognized metrics such as from the National Quality Forum, Center for Medicare and Medicaid Innovation, meaningful use under HIT, and the Medicaid Core Adult sets, for which there is sufficient experience and baseline population data to make the metrics a meaningful evaluation of the New York Medicaid system.
- d.** Data Collection: This discussion shall include: A description of the data sources; the frequency and timing of data collection; and the method of data collection. The following shall be considered and included as appropriate:
  - i.** Medicaid encounter and claims data in [Transformed Medicaid Statistical Information System \(TMSIS\)](#),
  - ii.** Enrollment data,
  - iii.** EHR data, where available
  - iv.** Semiannual financial and other reporting data
  - v.** Managed care contracting data
  - vi.** Consumer and provider surveys, and
  - vii.** Other data needed to support performance measurement
- e.** Assurances Needed to Obtain Data: The design report will discuss the state's arrangements to assure needed data to support the evaluation design are available
- f.** Data Analysis: This includes a detailed discussion of the method of data evaluation, including appropriate statistical methods that will allow for the effects of the Demonstration to be isolated from other initiatives occurring in the state. The level of analysis may be at the beneficiary, provider, health plan and program level, as appropriate, and shall include population and intervention-specific stratifications, for

further depth and to glean potential non-equivalent effects on different sub-groups. Sensitivity analyses shall be used when appropriate. Qualitative analysis methods shall also be described, if applicable.

- g. Timeline:** This includes a timeline for evaluation-related milestones, including those related to procurement of an outside contractor, if applicable, and deliverables.
- h. Evaluator:** This includes a discussion of the state's process for obtaining an independent entity to conduct the evaluation, including a description of the qualifications that the selected entity must possess; how the state will assure no conflict of interest, and a budget for evaluation activities.

**23. Interim Evaluation Report.** The state is required to submit a draft Interim Evaluation Report 90 days following completion of DY 4 of the demonstration. The Interim Evaluation Report shall include the same core components as identified in STC 24 of this section for the Summative Evaluation Report and should be in accordance with the CMS approved evaluation design. CMS will provide comments within 60 days of receipt of the draft Interim Evaluation Report. The state shall submit the final Interim Evaluation Report within 30 days after receipt of CMS' comments.

**24. Summative Evaluation Report.** The Summative Evaluation Report will include analysis of data from DY 5. The state is required to submit a preliminary summative report in 180 days of the expiration of the demonstration including documentation of outstanding assessments due to data lags to complete the summative evaluation. Within 360 days of the end for DY 5, the state shall submit a draft of the final summative evaluation report to CMS. CMS will provide comments on the draft within 60 days of draft receipt. The state should respond to comments and submit the Final Summative Evaluation Report within 30 days.

**25.** The Final Summative Evaluation Report shall include the following core components:

- a. Executive Summary.** This includes a concise summary of the goals of the Demonstration; the evaluation questions and hypotheses tested; and key findings including whether the evaluators find the demonstration to be budget neutral and cost effective, and policy implications.
- b. Demonstration Description.** This includes a description of the Demonstration programmatic goals and strategies, particularly how they relate to budget neutrality and cost effectiveness.
- c. Study Design.** This includes a discussion of the evaluation design employed including research questions and hypotheses; type of study design; impacted populations and stakeholders; data sources; and data collection; analysis techniques, including controls or adjustments for differences in comparison groups, controls for other interventions in the state and any sensitivity analyses, and limitations of the study.



- d. **Discussion of Findings and Conclusions.** This includes a summary of the key findings and outcomes, particularly a discussion of cost effectiveness, as well as implementation successes, challenges, and lessons learned.
  - e. **Policy Implications.** This includes an interpretation of the conclusions; the impact of the demonstration within the health delivery system in the state; the implications for state and federal health policy; and the potential for successful demonstration strategies to be replicated in other state Medicaid programs.
  - f. **Interactions with Other State Initiatives.** This includes a discussion of this demonstration within an overall Medicaid context and long range planning, and includes interrelations of the demonstration with other aspects of the state's Medicaid program, and interactions with other Medicaid waiver and other federal awards affecting service delivery, health outcomes and the cost of care under Medicaid.
- 26. State Presentations for CMS.** The state will present to and participate in a discussion with CMS on the final design plan at post approval. The state will present on its interim evaluation report that is described to in STC 23 of this section. The state will present on its summative evaluation in conjunction with STC 24 of this section.
- 27. Public Access.** The state shall post the final approved Evaluation Design, Interim Evaluation Report, and Summative Evaluation Report on the State Medicaid website within 30 days of approval by CMS.
- 28. CMS Notification.** For a period of 24 months following CMS approval of the Summative Evaluation Report, CMS will be notified prior to the public release or presentation of these reports and related journal articles, by the state, contractor or any other third party. Prior to release of these reports, articles and other documents, CMS will be provided a copy including press materials. CMS will be given 30 days to review and comment on journal articles before they are released. CMS may choose to decline some or all of these notifications and reviews.
- 29. Electronic Submission of Reports.** The state shall submit all required plans and reports using the process stipulated by CMS, if applicable.
- 30. Cooperation with Federal Evaluators.** Should CMS undertake an evaluation of the demonstration or any component of the demonstration, or an evaluation that is isolating the effects of DSRIP, the state and its evaluation contractor shall cooperate fully with CMS and its contractors. This includes, but is not limited to, submitting any required data to CMS or the contractor in a timely manner and at no cost to CMS or the contractor.
- 31. Cooperation with Federal Learning Collaboration Efforts.** The state will cooperate with improvement and learning collaboration efforts by CMS.
- 32. Evaluation Budget.** [In addition to a detailed evaluation plan, a proposed budget for the](#)

**Commented [A15]:** Language updated to reflect discussions with CMS

**Deleted:** A budget for the evaluation shall be provided with the evaluation design. It will include the total estimated cost, as well as a breakdown of estimated staff, administrative and other costs for all aspects of the evaluation such as any survey and measurement development, quantitative and qualitative data collection and cleaning, analyses, and reports generation. A justification of the costs may be required by CMS if the estimates provided do not appear to sufficiently cover the costs of the design or if CMS finds that the design is not sufficiently developed.

evaluation be will a requirement for applications submitted under the Request for Proposals (RFP) to procure the Independent Evaluator. It must include the total estimated cost, as well as a breakdown of estimated staff, administrative and other costs for all aspects of the evaluation such as any survey and measurement development, quantitative and qualitative data collection and cleaning, analyses, and reports generation. A justification of the costs may be required by CMS if the estimates provided do not appear to sufficiently cover the costs of the design or if CMS finds that the design is not sufficiently developed.

**33. Deferral for Failure to Provide Summative Evaluation Reports on Time.** The state agrees that when draft and final Interim and Summative Evaluation Reports are due, CMS may issue deferrals in the amount of \$5,000,000 if they are not submitted on time to CMS or are found by CMS not to be consistent with the evaluation design as approved by CMS.

**34. DSRIP Implementation Monitoring.** The state must ensure that they are operating its DSRIP program according to the requirements of the governing STCs. In order to demonstrate adequate implementation monitoring towards the completion of these requirements, the state will submit the following:

- a. DSRIP monitoring activities, in STC 35 of this section as a part of the operational protocol in STC 10 (h) of this section indicating how the state will monitor compliance with demonstration requirements in the implementation of this demonstration, including monitoring and performance reporting templates. Monitoring and performance templates are subject to review and approval by CMS.
- b. Data usage agreements demonstrating the availability of required data to support the monitoring of implementation.
- c. Quarterly Report Framework indicating what metrics and data will be available to submit a quarterly report consistent with STC 36 of this section.

**35. DSRIP Monitoring Activities.** As part of the state's Operational Protocol described in STC 10 (h) of this section and Attachment K, the state will submit its plans for how it will meet the DSRIP STCs through internal monitoring activities. The monitoring plans should provide, at a minimum, the following information:

- a. The monitoring activities aligned with the DSRIP deliverables as well as the CMS evaluation design to ensure that entities participating in the DSRIP process are accountable for the necessary product and results for the demonstration.
- b. The state shall make the necessary arrangements to assure that the data needed from the performing providers, coalitions, administrative activities, independent assessor and independent evaluator that are involved in the process for DSRIP deliverables, measurement and reporting are available as required by the CMS approved monitoring protocol.

- c. The state shall identify areas within the state’s internal DSRIP process where corrective action, or assessment of fiscal or non-fiscal penalties may be imposed for the entities described in STC 10(e) of this section, should the state’s internal DSRIP process or any CMS monitored process not be administered in accordance with state or federal guidelines.
- d. The monitoring protocol and reports shall be posted on the state Medicaid website within 30 days of submission to CMS.

**36. DSRIP Quarterly Progress Reports.** The state must submit progress reports in the format specified by CMS, no later than 60-days following the end of each quarter along with the Operational Protocol Report described above. The first DSRIP quarterly reports will be due by August 30, 2014. The intent of these reports is to present the state’s analysis and the status of the various operational areas in reaching the three goals of the DSRIP activities. These quarterly reports, using the quarterly report guideline outlined in Attachment L, must include, but are not limited to the following reporting elements:

- a. Summary of quarterly expenditures related to IAAF, DSRIP Project Design Grant, and the DSRIP Fund;
- b. Summary of all public engagement activities, including, but not limited to the activities required by CMS;
- c. Summary of activities associated with the IAAF, DSRIP Project Design Grant, and the DSRIP Fund. This shall include, but is not limited to, reporting requirements in [STC 35](#) of this section and Attachment K, the Operational Protocol:
  - i. Provide updates on state activities, such as changes to state policy and procedures, to support the administration of the IAAF, DSRIP Project Design Grant and the DSRIP Fund;
  - ii. Provide updates on provider progress towards the pre-defined set of activities and associated milestones that collectively aim towards addressing the state’s goals;
  - iii. Provide summary of state’s analysis of DSRIP Project Design;
  - iv. Provide summary of state analysis of barriers and obstacles in meeting milestones;
  - v. Provide summary of activities that have been achieved through the DSRIP Fund; and
  - vi. Provide summary of transformation and clinical improvement milestones and that have been achieved.
- d. Summary of activities and/or outcomes that the state and MCOs have taken in the development of and subsequent approval of the Managed Care DSRIP plan; and
- e. Evaluation activities and interim findings.

The state may comment and submit a revised Attachment L no later than 30 days after approval of these STCs. CMS will approve necessary changes and update the attachment as

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**Commented [A16]:** Update to align with appropriate STC Reference

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necessary. Any subsequent changes to Attachment L must be submitted to CMS prior the end of the reporting period in which the change to the Quarterly Report would take place.

**37. Annual Onsite with CMS.** In addition to regular monitoring calls, the state shall on an annual basis present to and participate in a discussion with CMS on implementation progress of the demonstration including progress toward the goals, and key challenges, achievements and lessons learned.

**38. Rapid Cycle Assessments.** The state shall specify for CMS approval a set of performance and outcome metrics and network characteristics, including their specifications, reporting cycles, level of reporting (e.g., the state, health plan and provider level, and segmentation by population) to support rapid cycle assessment in trends under premium assistance and Medicaid fee-for-service, and for monitoring and evaluation of the demonstration.

**39. Medicaid Managed Care DSRIP Contracting Plan.** In recognition that the DSRIP investments represented in this waiver must be recognized and supported by the state's managed care plans as a core component of long term sustainability, and will over time improve the ability of plans to coordinate care and efficiently deliver high quality services to Medicaid beneficiaries through comprehensive payment reform, strengthened provider networks and care coordination, the state must take steps to plan for and reflect the impact of DSRIP in managed care contracts and rate-setting approaches. Prior to the state submitting contracts and rates for approval for the April 1, 2015 to March 31, 2016 contract cycle, the state must submit a roadmap for how they will amend contract terms and reflect new provider capacities and efficiencies in managed care rate-setting. Recognizing the need to formulate this plan to align with the stages of DSRIP, this should be a multi-year plan, and necessarily be flexible to properly reflect future DSRIP progress and accomplishments. This plan must be approved by CMS before the state may claim FFP for managed care contracts for the 2015-16 state fiscal year. The state shall update and submit the Managed Care DSRIP plan annually on the same cycle and with the same terms, until the end of this demonstration period and its next renewal period. Progress on the Managed Care DSRIP plan will also be included in the quarterly DSRIP report. The Managed Care DSRIP plan should address the following:

- a. What approaches MCOs will use to reimburse providers to encourage practices consistent with DSRIP objectives and metrics, including how the state will plan and implement its stated goal of 90% of managed care payments to providers using value-based payment methodologies.
- b. How and when plans' current contracts will be amended to include the collection and reporting of DSRIP objectives and measures.
- c. How the DSRIP objectives and measures will impact the administrative load for MCOs, particularly insofar as plans are providing additional technical assistance and support to providers in support of DSRIP goals, or themselves carrying out programs or activities for workforce development or expansion of provider capacity. The state should also discuss how these efforts, to the extent carried out by plans, avoid duplication with DSRIP funding or other state funding; and how they differ from any

Commented [A17]: Updated to be consistent with sentence above

- services or administrative functions already accounted for in capitation rates.
- d. How alternative payment systems deployed by MCOs will reward performance consistent with DSRIP objectives and measures.
  - e. How the state will assure that providers participating in and demonstrating successful performance through DSRIP will be included in provider networks.
  - f. How managed care rates will reflect changes in case mix, utilization, cost of care and enrollee health made possible by DSRIP, including how up to date data on these matters will be incorporated into capitation rate development.
  - g. How actuarially-sound rates will be developed, taking into account any specific expectations or tasks associated with DSRIP that the plans will undertake, and how the state will use benchmark measures (e.g., MLR) to ensure that payments are sound and appropriate. How plans will be measured based on utilization and quality in a manner consistent with DSRIP objectives and measures, including incorporating DSRIP objectives into their annual utilization and quality management plans submitted for state review and approval by January 31 of each calendar year.
  - h. How the state will use DSRIP measures and objectives in their contracting strategy approach for managed care plans, including reform.

**40. New York MRT-DSRIP Deliverables Schedule.**

<u>Due Date/Submission Date</u>	<u>Activity/Deliverable</u>
<u>April 14, 2014</u>	<u>CMS approves STCs and DSRIP Attachments</u>
	<u>New York posts the DSRIP Funding and Mechanics Protocol and the DSRIP Strategies Menu and Metrics for public comment for 30 days</u>
	<u>New York posts IAAF Qualifications and Application on for public comment for 14 days;</u>
<u>May 1, 2014</u>	<u>State must accept DSRIP STCs or offer technical corrections, including for the DSRIP Operational Protocol and the Quarterly Reporting formats</u>
	<u>State has 10 days to submit changes to the DSRIP Funding and Mechanics Protocol and the DSRIP Strategies Menu and Metrics once public comment period closes</u>
	<u>CMS will review changes to the DSRIP Funding and Mechanics Protocol and</u>

**Commented [A18]:** This section has been updated to reflect when deliverables were carried out. No new activities/tasks were added to the list, none were taken away. Activities/tasks were moved to the correct time period.

	<a href="#">DSRIP Strategies Menu and Metrics and take action no later than 30 days after state submits changes</a>
	<a href="#">14 day IAAF application period begins once comment period closes</a>
	<a href="#">IAAF awards can be distributed after 14 day application period closes</a>
	<a href="#">State has 10 days to submit its first report for IAAF payments (STC 1(b)(iii)(A) of this section)</a>
	<a href="#">State will make baseline data for DSRIP measures available</a>
	<a href="#">State submits its proposed independent assess statement of work (SOW) for its independent assessor contract procurement</a>
	<a href="#">State accepts DSRIP Design Grant applications and make Design Grant awards</a>
<a href="#">August 1, 2014</a>	<a href="#">State submits draft DSRIP evaluation design</a>
<a href="#">August 30, 2014</a>	<a href="#">State submits its first quarterly report, including its operational report (STCs 35 &amp; 36)</a>
	<a href="#">State makes DSRIP Design Grant awards</a>
	<a href="#">State posts DSRIP Project Plan Review Tool that independent assessor will use to score submitted DSRIP Project Plan applications for 30 days</a>
<a href="#">October 1, 2014</a>	<a href="#">State submits its Improved Management Controls report to CMS. Report approved by CMS January 21, 2015.</a>
	<a href="#">State will make baseline data for DSRIP measures available</a>
	<a href="#">State accepts DSRIP Project Plan applications</a>
	<a href="#">State will perform initial review of submitted DSRIP Project Plan applications</a>
<b><a href="#">New York Partnership Plan Renewal Period – January 1, 2015</a></b>	
	<a href="#">Independent assessor will perform full review of DSRIP project plan applications</a>
	<a href="#">Independent assessor will post reviewed DSRIP Project Plan applications for public comment for 30 days</a>
	<a href="#">Independent assessor approval</a>

	<a href="#">recommendations made public</a>
	<a href="#">State Distributes DSRIP Project Plan awards for approved performing provider systems</a>
<b><u>Quarterly Deliverables – Quarterly Report and Operational Report</u></b>	
	<a href="#">August 30, 2014</a>
	<a href="#">November 30, 2014</a>
	<a href="#">February 28, 2015</a>
	<a href="#">May 30, 2015</a>

\***Note:** Activities/Deliverables without a specific Due Date/Submission Date could occur at any time during the timeframes with dates certain, for example the public comment period for the DSRIP Funding and Mechanics Protocol could occur any time after April 14, 2014, based on the state’s discretion, so long as the activities are completed and related deliverables are submitted. Should the state renew the demonstration, the quarterly reporting will continue during the renewal period.

## IX. GENERAL REPORTING REQUIREMENTS

1. **General Financial Requirements.** The state must comply with all general financial requirements set forth in Section X.
2. **Reporting Requirements Related to Budget Neutrality.** The state must comply with all reporting requirements for monitoring budget neutrality set forth in section XI.
3. **Monthly Calls.** CMS shall schedule monthly conference calls with the state. The purpose of these calls is to discuss any significant actual or anticipated developments affecting the demonstration. Areas to be addressed include, but are not limited to, MCO operations (such as contract amendments and rate certifications), transition and implementation activities, health care delivery, the FHP-PAP program, enrollment of individuals using LTSS and non-LTSS users broken out by duals and non-duals, cost sharing, quality of care, access, family planning issues, benefits, audits, lawsuits, financial reporting and budget neutrality issues, MCO financial performance that is relevant to the demonstration, progress on evaluations, state legislative developments, services being added to the MMMC and/or MLTC plan benefit package pursuant to Section V, and any demonstration amendments, concept papers, or state plan amendments the state is considering submitting. CMS shall update the state on any amendments or concept papers under review, as well as federal policies and issues that may affect any aspect of the demonstration. The state and CMS shall jointly develop the agenda for the calls.
4. **Quarterly Operational Reports.** The state must submit progress reports in accordance with the guidelines in Attachment D taking into consideration the requirements in STC 7 of this section, no later than 60 days following the end of each quarter (December, March, and June of each demonstration year). The state may combine the quarterly report due for the quarter ending September with the annual report in STC 5 of this section. The intent of these reports is to present the state’s analysis and the status of the various operational areas. In addition to the guidelines for quarterly reporting in Attachment D, the state’s report shall also include the following:

- a. Beneficiary choice of plans and capacity of plans participating in the HIV SNP, MMC and MLTC or Fully Integrated Duals Advantage (FIDA), including the number of beneficiaries who made an affirmative choice.
  - b. Total enrollment in each MCO by month. Data should reflect a rolling 12 month period.
  - c. Activities related to choice counseling including efforts to improve health literacy and the methods used to obtain public input, e.g. recipient focus groups, etc.
  - d. Progress toward compliance with T-MSIS requirements.
  - e. Status of managed care plan performance, initiatives and activities as measured by HEDIS, CAHPs and other quality metrics.
5. **Annual Report.** The state must submit an annual report documenting accomplishments, project status, quantitative and case study findings, interim evaluation findings, utilization data, and policy and administrative difficulties in the operation of the demonstration. The state must submit this report no later than 90 days following the end of each demonstration year. Additionally, the annual report must include:
- a. A summary of the elements included within each quarterly report;
  - b. An update on the progress related to the quality strategy as required STC 6 in Section VI, including:
    - i. Outcomes of care, quality of care, cost of care and access to care for demonstration populations;
    - ii. The results of beneficiary satisfaction survey, grievances and appeals;
  - c. The status of the evaluation required in Section XII and information regarding progress in achieving demonstration evaluation criteria including the results/impact of any demonstration programmatic area defined by CMS that is unique to the demonstration design or evaluation hypotheses;
  - d. An aggregated enrollment report showing the total number of individuals enrolled in each plan;
  - e. A summary of the use of self-directed service delivery options in the state at the time when those benefits are included in the demonstration;
  - f. A listing of the new geographic areas the state has expanded MLTC to;
  - g. A list of the benefits added to the managed care benefit package;
  - h. An updated transition plan which shows the intended transition and timeline for any new benefits and/or populations into the demonstration;
  - i. Network adequacy reporting as required in Section VI;



- j. State efforts related to the collection and verification of encounter data and utilization data, including the required transition to T-MSIS, encounter data validation activities and outcomes conducted by the EQRO.
  - k. Any other topics of mutual interest between CMS and the state related to the demonstration; and
  - l. Any other information the state believes pertinent to the demonstration, such as:
    - i. Any policy or administrative difficulties that may impact the demonstration,
    - ii. Any state legislative developments that may impact the demonstration,
    - iii. The status of the health care delivery system under the demonstration with respect to issues and/or complaints identified by beneficiaries,
    - iv. The impact of the demonstration in providing insurance coverage to beneficiaries and uninsured population,
    - v. The existence or results of any audits, investigations or lawsuits that impact the demonstration,
    - vi. The financial performance of the demonstration (budget neutrality), and
    - vii. A summary of the annual post-award forum, including all public comments received regarding the process of the demonstration project.
- 6. Transition Plan.** On or before July 1, 2012, and consistent with guidance provided by CMS, the state is required to prepare, and incrementally revise, a Transition Plan consistent with the provisions of the Affordable Care Act (ACA) for individuals enrolled in the demonstration, including how the state plans to coordinate the transition of these individuals to a coverage option available under the ACA without interruption in coverage to the maximum extent possible. The plan must include the required elements and milestones described in paragraphs (a)-(e) outlined below. In addition, the Plan will include a schedule of implementation activities that the state will use to operationalize the Transition Plan. For any elements and milestones that remain under development as of July 1, 2012, the state will include in the Transition Plan a description of the status and anticipated completion date.
- a. **Seamless Transitions.** Consistent with the provisions of the ACA, the Transition Plan will include details on how the state plans to obtain and review any additional information needed from each individual to determine eligibility under all eligibility groups, and coordinate the transition of individuals enrolled in the demonstration (by FPL) (or newly applying for Medicaid) to a coverage option available under the ACA without interruption in coverage to the maximum extent possible. Specifically, the state must:
    - i. Determine eligibility under all January 1, 2014, eligibility groups for which the state is required or has opted to provide medical assistance, including the group described in §1902(a)(10)(A)(i)(VIII) for individuals under age 65 and regardless of disability status with income at or below 133 percent of the FPL;

- ii. Identify demonstration populations not eligible for coverage under the ACA and explain what coverage options and benefits these individuals will have effective January 1, 2014;
  - iii. implement a process for considering, reviewing and making preliminary determinations under all January 1, 2014 eligibility groups for new applicants for Medicaid eligibility;
  - iv. Conduct an analysis that identifies populations in the demonstration that may not be eligible for or affected by the ACA and the authorities the state identifies that may be necessary to continue coverage for these individuals; and
  - v. Develop a modified adjusted gross income (MAGI) calculation for program integrity.
- b. Access to Care and Provider Payments.**
- i. Provider Participation. The state must identify the criteria that will be used for reviewing provider participation in (e.g., demonstrated data collection and reporting capacity) and means of securing provider agreements for the transition.
  - ii. Adequate Provider Supply. The state must provide the process that will be used to assure adequate provider supply for the state plan and demonstration populations affected by the demonstration on December 31, 2013. The analysis should address delivery system infrastructure/capacity, provider capacity, utilization patterns and requirements (i.e., prior authorization), current levels of system integration, and other information necessary to determine the current state of the of service delivery. The report must separately address each of the following provider types:
    - A. Primary care providers,
    - B. Mental health services,
    - C. Substance use services and
    - D. Dental.
  - iii. Provider Payments. The state will establish and implement the necessary processes for ensuring accurate encounter payments to providers entitled to the prospective payment services (PPS) rate (e.g., certain FQHCs and RHCs) or the all-inclusive rate (e.g., certain Indian Health providers).
- c. System Development or Remediation.** The Transition Plan for the demonstration is expected to expedite the state's readiness for compliance with the requirements of the Affordable Care Act and other federal legislation. System milestones that must be tested for implementation on or before January 1, 2014 include: Replacing manual administrative controls with automotive processes to support a smooth interface among coverage and delivery system options that is seamless to beneficiaries.
- d. Progress Updates.** After submitting the initial Transition Plan for CMS approval, the state must include progress updates in each quarterly and annual report. The Transition Plan shall be revised as needed.
- e. Implementation.**

- i. By October 1, 2013, the state must begin to implement a simplified, streamlined process for transitioning eligible enrollees in the demonstration to Medicaid, the Exchange or other coverage options in 2014. In transitioning these individuals from coverage under the waiver to coverage under the state plan, the state will not require these individuals to submit a new application.
- ii. On or before December 31, 2013, the state must provide notice to the individual of the eligibility determination using a process that minimizes demands on the enrollees.

**7. Reporting Requirements Related to Individuals using Long Term Services and Supports.** In each quarterly report required by Section IX, the state shall report:

- a. Any critical incidents reported within the quarter and the resulting investigations as appropriate;
- b. The number and types of grievance and appeals for this population filed and/or resolved within the reporting quarter for this population;
- c. The total number of assessments for enrollment performed by the plans, with the number of individuals who did not qualify to enroll in an MLTC plan;
- d. The number of individuals referred to an MLTC plan that received an assessment within 30 days;
- e. The number of people who were not referred by the enrollment broker and contacted the plan directly and were provided MLTC materials;
- f. Rebalancing efforts performed by the MLTC plans and mainstream plans once the benefit is added. Rebalancing reporting should include, but is not limited to the total number of individuals transitioning in and out of a nursing facility within the quarter.
- g. Total number of complaints, grievances and appeals by type of issue with a listing of the top 5 reasons for the event.

**8. Final Evaluation Report.** The state shall submit a Final Evaluation Report pursuant to the requirements of section 1115 of the Act.

**X. GENERAL FINANCIAL REQUIREMENTS**

**1. Quarterly Expenditure Reports.** The state must provide quarterly expenditure reports using Form CMS-64 to separately report total expenditures for services provided under the Medicaid program, including those provided through the demonstration under section 1115 authority. This project is approved for expenditures applicable to services rendered during the demonstration period. CMS shall provide FFP for allowable demonstration expenditures only as long as they do not exceed the pre-defined limits on the costs incurred as specified in Section XI.

**2. Reporting Expenditures under the Demonstration.** The following describes the reporting of expenditures under the demonstration:

- a. In order to track expenditures under this demonstration, New York must report demonstration expenditures through the Medicaid and State Children’s Health Insurance Program Budget and Expenditure System, following routine CMS-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual. All demonstration expenditures must be reported each quarter on separate Forms CMS-64.9 Waiver and/or 64.9P Waiver, identified by the demonstration project number assigned by CMS (including the project number extension, which indicates the DY in which services were rendered or for which capitation payments were made).
- b. DY reporting shall be consistent with the following time periods:

Demonstration Year	Time Period
1	10/1/1997 - 9/30/1998
2	10/1/1998 - 9/30/1999
3	10/1/1999 - 9/30/2000
4	10/1/2000 - 9/30/2001
5	10/1/2001 - 3/30/2003
6	04/1/2003 - 9/30/2004
7	10/1/2004 - 9/30/2005
8	10/1/2005 - 9/30/2006
9	10/1/2006 - 09/30/2007
10	10/1/2007 - 09/30/2008
11	10/1/2008 - 09/30/2009
12	10/1/2009 - 09/30/2010
13	10/1/2010 - 09/30/2011
14	10/1/2011 - 09/30/2012
15	10/1/2012 - 09/30/2013
16	10/1/2013 – 12/31/2013
17	1/1/2014 – 3/31/2014
18	4/1/2014 – 12/31/2014

- c. Demonstration expenditures will be correctly reported on Forms CMS-64.9 Waiver. Quarterly cost settlements and pharmaceutical rebates relevant to the demonstration will be allocated to the demonstration populations specified in subparagraph (g) and offset against current quarter waiver expenditures. Demonstration expenditures net of these cost settlement offsets will be reported on Form CMS-64.9 Waiver. Amounts offset will be identifiable in the state’s supporting work papers and made available to CMS.

- i. Allocation of cost settlements. The state will calculate the percentage of Medicaid expenditures for each demonstration eligibility group to expenditures for all Medicaid population groups from a DataMart file produced for the latest completed federal fiscal year. Quarterly recoveries will be allocated to the eligibility groups based on those percentages. These percentages will be updated annually to reflect the most recent completed federal fiscal year.
  - ii. Allocation of pharmacy rebates. The state will calculate the percentage of pharmacy expenditures for each demonstration eligibility group to pharmacy expenditures for all population groups from a DataMart file produced for the latest completed federal fiscal year. Rebates will be allocated to the eligibility groups based on those percentages. These percentages will be updated annually to reflect the most recent completed federal fiscal year.
- d. For the HCBS Expansion component of the demonstration, the state shall report only the home and community based services expenditures for Demonstration Population 9 on line 19A on Forms CMS-64.9 Waiver and/or 64.9P.
- e. For each DY, fourteen separate waiver Forms CMS-64.9 Waiver and/or 64.9P Waiver must be completed, using the waiver name noted below in brackets, to report expenditures for the following demonstration populations and services.
- i. Demonstration Population 1 - Temporary Assistance to Needy Families (TANF) child under age 1 through age 20 required to enroll in managed care in any county, for expenditures associated with dates of service on or before December 31, 2014. [TANF Child]
  - ii. Demonstration Population 2 - TANF Adults aged 21 through 64 required to enroll in managed care in any county, for expenditures associated with dates of service on or before December 31, 2014. [TANF Adult]
  - iii. Demonstration Population 3 - Disabled Adults and Children 0 through 64, for expenditures associated with dates of service on or before December 31, 2014 [SSI 0 through 64]
  - iv. Demonstration Population 4 - Aged or Disabled Adults, for expenditures associated with dates of service on or before December 31, 2014 [SSI 65+]
  - v. Demonstration Population 9 - Home and Community-Based Services Expansion participants, for expenditures associated with dates of service on or before December 31, 2014 [HCBS Expansion]
  - vi. Demonstration Population 10 - MLTC Adults age 18 through 64 - Duals [MLTC Adults 18 -64]
  - vii. Demonstration Population 11 - MLTC Adults age 65 and above - Duals [MLTC Adults 65+]
  - viii. Demonstration Services 1 - State Indigent Care Pool (ICP) Direct Expenditures, for expenditures made on or before December 31, 2014 [ICP-Direct]

- ix. Demonstration Services 2 - Designated State Health Programs to Support Clinic Uncompensated Care Funding, for expenditures made on or before December 31, 2014 [ICP – DSHP]
- x. Demonstration Services 3 - Designated State Health Programs to Support Medical Home Demonstration, for expenditures made on or before December 31, 2014 [DSHP - HMH Demo]
- xi. Demonstration Services 4 - Designated State Health Programs to Support Potentially Preventable Readmission Demonstration, for expenditures made on or before December 31, 2014 [DSHP - PPR Demo]
- xii. Demonstration Services 5 - Designated State Health Programs for expenditures made for the period of April 1, 2013 through March 31, 2014 in conjunction with deliverables associated with health system transformation for individuals with developmental disabilities. [DSHP - DD]
- xiii. Demonstration Services 6 - Designated State Health Programs for expenditures made for the period January 1, 2014 through December 31, 2014 for the orderly close out of FHPlus adults with children. [DSHP – FHPlus]
- xiv. Demonstration Services 7 - Designated State Health Program for expenditures made for the period January 1, 2014 through December 31, 2014 for the state-funded Marketplace subsidy program who purchases health care coverage in the Marketplace. [DSHP – APTC]

3. **Expenditures Subject to the Budget Neutrality Agreement.** For purposes of this section, the term “expenditures subject to the budget neutrality agreement” must include all Medicaid expenditures in STC 2(e) of this section for individuals who are enrolled in this demonstration (with the exception of the populations identified in subparagraphs iii, iv, and ix), as well as the demonstration services described in subparagraphs x through xiii, subject to limitations enumerated in this paragraph. All expenditures that are subject to the budget neutrality agreement are considered demonstration expenditures and must be reported on Forms CMS-64.9 Waiver and/or 64.9P Waiver.
4. **Mandated Increase in Physician Payment Rates in 2013 and 2014.** Section 1202 of the Health Care and Education Reconciliation Act of 2010 (Pub. Law 110-152) requires state Medicaid programs to reimburse physicians for primary care services at rates that are no less than what Medicare pays, for services furnished in 2013 and 2014, with the Federal Government paying 100 percent of the increase. The entire amount of this increase will be excluded from the budget neutrality test for this demonstration. The specifics of separate reporting of these expenditures will be described in guidance to be issued by CMS at a later date.
5. **Administrative Costs.** Administrative costs will not be included in the budget neutrality limit, but the state must separately track and report additional administrative costs that are directly attributable to the demonstration. All administrative costs must be identified on the Forms CMS-64.10 Waiver and/or 64.10P Waiver.

**6. Claiming Period.** All claims for expenditures subject to the budget neutrality cap (including any cost settlements) must be made within 2 years after the calendar quarter in which the state made the expenditures. All claims for services during the demonstration period (including any cost settlements) must be made within 2 years after the conclusion or termination of the demonstration. During the latter 2-year period, the state must continue to identify separately net expenditures related to dates of service during the operation of the demonstration on the CMS-64 waiver forms in order to properly account for these expenditures in determining budget neutrality.

**7. Reporting Member Months.** The following describes the reporting of member months for demonstration populations:

a. For the purpose of calculating the budget neutrality expenditure cap and for other purposes, the state must provide to CMS, as part of the quarterly report required under STC 4 in Section IX, the actual number of eligible member months for the demonstration populations defined in STC 1 of this section, for months prior to or including the ending date indicated in STC 2(e) of this section for each demonstration population. The state must submit a statement accompanying the quarterly report, which certifies the accuracy of this information.

To permit full recognition of “in-process” eligibility, reported counts of member months may be subject to revisions after the end of each quarter. Member month counts may be revised retrospectively for up to 2 years as needed.

b. The term “eligible member months” refers to the number of months in which persons are eligible to receive services. For example, a person who is eligible for 3 months contributes 3 eligible member months to the total. Two individuals who are eligible for 2 months each contribute 2 eligible member months, for a total of 4 eligible member months.

c. For the purposes of this demonstration, the term “demonstration eligibles” excludes unqualified aliens and refers to the demonstration populations described in STC 2 of this section. Beginning in DY 9, “demonstration eligibles” excludes Demonstration Populations 3 and 4, subject to STC 3(b) of this section, as well as portions of Demonstration Populations 1 and 2, as specified in STC 3(a – b) of this section.

**8. Standard Medicaid Funding Process.** The standard Medicaid funding process must be used during the demonstration. New York must estimate matchable demonstration expenditures (total computable and federal share) subject to the budget neutrality expenditure cap and separately report these expenditures by quarter for each federal fiscal year on the Form CMS-37 for both the Medical Assistance Payments and State and Local Administration Costs. CMS shall make federal funds available based upon the state’s estimate, as approved by CMS. Within 30 days after the end of each quarter, the state must submit the Form CMS-64 quarterly Medicaid expenditure report, showing Medicaid expenditures made in the quarter just ended. CMS shall reconcile expenditures reported on the Form CMS-64 with

federal funding previously made available to the state, and include the reconciling adjustment in the finalization of the grant award to the state.

- 9. Extent of FFP for the Demonstration.** Subject to CMS approval of the source(s) of the non-federal share of funding, CMS shall provide FFP at the applicable federal matching rates for the demonstration as a whole as outlined below, subject to the limits described in section XI:
  - a. Administrative costs, including those associated with the administration of the demonstration.
  - b. Net expenditures and prior period adjustments of the Medicaid program that are paid in accordance with the approved Medicaid state plan and waiver authorities.
  - c. Net expenditures and prior period adjustments, made under approved expenditure authorities granted through section 1115(a)(2) of the Act, with dates of service during the operation of the demonstration.
- 10. Sources of Non-Federal Share.** The state certifies that the non-federal share of funds for the demonstration is state/local monies. The state further certifies that such funds shall not be used to match for any other federal grant or contract, except as permitted by law. All sources of non-federal funding must be compliant with section 1903(w) of the Act and applicable regulations. In addition, all sources of the non-federal share of funding are subject to CMS approval.
  - a. CMS may review the sources of non-federal share of funding for the demonstration at any time. The state agrees that all funding sources deemed unacceptable by CMS shall be addressed within the time frames set by CMS.
  - b. Any amendments that impact the financial status of the program shall require the state to provide information to CMS regarding all sources of the non-federal share of funding.
- 11. State Certification of Funding Conditions.** The state must certify that the following conditions for the non-federal share of demonstration expenditures are met:
  - a. Units of government, including governmentally operated health care providers, may certify that state or local tax dollars have been expended as the non-federal share of funds under the demonstration.
  - b. To the extent the state utilizes certified public expenditures (CPEs) as the funding mechanism for the title XIX (or under section 1115 authority) payments, CMS must approve a cost reimbursement methodology. This methodology must include a detailed explanation of the process by which the state would identify those costs eligible under title XIX (or under section 1115 authority) for purposes of certifying public expenditures.



- c. To the extent the state utilizes CPEs as the funding mechanism to claim federal match for payments under the demonstration, governmental entities to which general revenue funds are appropriated must certify to the state the amount of such tax revenue (state or local) used to satisfy demonstration expenditures. The entities that incurred the cost must also provide cost documentation to support the state's claim for federal match.
- d. The state may use intergovernmental transfers to the extent that such funds are derived from state or local tax revenues and are transferred by units of government within the state. Any transfers from governmentally operated health care providers must be made in an amount not to exceed the non-federal share of title XIX payments.
- e. Under all circumstances, health care providers must retain 100 percent of the claimed expenditure. Moreover, no pre-arranged agreements (contractual or otherwise) exist between health care providers and state and/or local government to return and/or redirect any portion of the Medicaid payments. This confirmation of Medicaid payment retention is made with the understanding that payments that are the normal operating expenses of conducting business, such as payments related to taxes (including health care provider-related taxes), fees, business relationships with governments that are unrelated to Medicaid and in which there is no connection to Medicaid payments, are not considered returning and/or redirecting a Medicaid payment.

**12. Monitoring the Demonstration.** The state will provide CMS with information to effectively monitor the demonstration, upon request, in a reasonable time frame.

## **XI. MONITORING BUDGET NEUTRALITY**

- 1. Limit on Title XIX Funding.** The state shall be subject to a limit on the amount of federal title XIX funding that the state may receive on selected Medicaid expenditures during the period of approval of the demonstration. The limit is determined by using a per capita cost method, and budget neutrality expenditure caps are set on a yearly basis with a cumulative budget neutrality expenditure limit for the length of the entire demonstration. The data supplied by the state to CMS to set the annual limits is subject to review and audit, and, if found to be inaccurate, will result in a modified budget neutrality expenditure limit.
- 2. Risk.** New York shall be at risk for the per capita cost (as determined by the method described below) for demonstration eligibles under this budget neutrality agreement, but not for the number of demonstration eligibles in each of the groups. By providing FFP for all demonstration eligibles, New York shall not be at risk for changing economic conditions that impact enrollment levels. However, by placing New York at risk for the per capita costs for demonstration eligibles under this agreement, CMS assures that federal demonstration expenditures do not exceed the level of expenditures that would have occurred had there been no demonstration.
- 3. Demonstration Populations Used to Calculate Budget Neutrality Expenditure Limit.** The following demonstration populations are used to calculate the budget neutrality

expenditure limit subject to the limitations outlined in STC 3 of Section X and are incorporated into the following eligibility groups (EGs):

- a. Eligibility Group 1 – TANF Children under age 1 through 20 required to enroll in managed care in the counties subject to mandatory managed care enrollment as of October 1, 2006 (Demonstration Population 1)
- b. Eligibility Group 2 – TANF Adults aged 21 through 64 required to enroll in managed care in the counties subject to mandatory managed care enrollment as of October 1, 2006 (Demonstration Population 2).
- c. Eligibility Group 5 – MLTC adults age 18 through 64 – Duals (Demonstration Population 10).
- d. Eligibility Group 6 – MLTC Adults age 65 and above – Duals (Demonstration Population 11).

**Note:** Demonstration Populations 3 and 4 are no longer part of the calculation of the budget neutrality expenditure cap under this demonstration, but under demonstration 11-W-000234/2, the Federal-State Health Reform Partnership. Demonstration Population 8 has been moved to the state plan.

**4. Budget Neutrality Expenditure Limit.** The following describes the method for calculating the budget neutrality expenditure limit for the demonstration:

- a. For each year of the budget neutrality agreement, an annual budget neutrality expenditure limit is calculated for each EG described in STC 3 of this section as follows:
  - i. An annual EG estimate must be calculated as a product of the number of eligible member months reported by the state in accordance with the requirements outlined in STC 3 of Section X, for each EG, times the appropriate estimated per member per month (PMPM) costs from the table in subparagraph (iii) below. Should EGs 3 and 4 be incorporated into the budget neutrality expenditure limit, as outlined in this STC, the PMPM costs may be revised.
  - ii. The PMPM costs in subparagraph (iii) below are net of any premiums paid by demonstration eligible.
  - iii. The PMPM costs for the calculation of the annual budget neutrality expenditure limit for the eligibility groups subject to the budget neutrality agreement under this demonstration are specified below.

**A.** To reflect the additional demonstration year that was authorized through temporary extension (DY 12), the PMPM cost for each EG in DY 11 has been

increased by the appropriate growth rate from the prior extension period. These figures are displayed below.

<b>Eligibility Group</b>	<b>DY 11 (10/1/08 –</b>	<b>Trend Rate</b>	<b>DY 12 (10/1/09 –</b>
TANF Children under age 1 through 20	\$549.19	6.7%	\$585.99
TANF Adults 21 through 64	\$751.73	6.6%	\$801.34

**B.** For the current extension period, the PMPM costs for each EG in DY 12 has been increased by the appropriate growth rate included in the President’s federal fiscal year 2011 budget for DYs 13 through 16, as outlined below. In addition, because the Family Planning Expansion Adults are going to be treated as a “hypothetical state plan population” beginning in DY 13, a PMPM cost was constructed based on state expenditures in DY 10, and increased by the rate of growth in the medical care component of the Consumer Price Index between 2004 and 2008. Because DYs 16 and 17 combined are less than 12 months in duration, they are assigned the PMPM costs equal to what would have been calculated for the full year starting October 1, 2013 and ending September 30, 2014. The FHPlus Adults with Children and Family Planning Expansion Adults groups will end on December 31, 2013, so no PMPM is defined for those groups for DY 17. The budget neutrality expenditure limit will end March 31, 2014; expenditures made after that date for DSHP must be offset by accumulated savings from DYs 1 through 18.

Eligibility Group	DY 12 (10/1/09 – 9/30/10)	Trend Rate	DY 13 (10/1/10 – 9/30/11)	DY 14 (10/1/11 – 9/30/12)	DY 15 (10/1/12 – 9/30/13)	DY 16 (10/1/13 – 12/31/13)	DY 17 (1/1/14 – 3/31/14)	DY 18 (4/1/14 – 12/31/14)
TANF Children under age 1 through 20	\$585.99	6.6%	\$624.67	\$665.90	\$709.85	\$756.70	\$756.70	\$756.70
TANF Adults 21 through 64	\$801.34	6.4%	\$852.63	\$907.20	\$965.26	\$1027.04	\$1027.04	\$1027.04
MLTC Adults 18 through 64 - Dual		1.19%		\$4009.38	\$4057.09	\$4105.37	\$4105.37	\$4105.37
MLTC Adults 65 and above - Dual		3.23%		\$4742.15	\$4895.32	\$5053.44	\$5053.44	\$5053.44

**iv.** The annual budget neutrality expenditure limit for the demonstration as a whole is the sum of the project annual expenditure limits for each EG calculated in subparagraph (i) above.

b. The overall budget neutrality expenditure limit for the demonstration period is the sum of the annual budget neutrality expenditure limits calculated in subparagraph (a)(iv) above for each year. The federal share of the overall budget neutrality expenditure limit represents the maximum amount of FFP that the state may receive for expenditures on behalf of demonstration populations and expenditures described in Section X during the demonstration period.

**5. Monitoring of New Adult Group Spending and Opportunity to Adjust Projections.** For each demonstration year, a separate annual budget limit for the new adult group will be calculated as the product of the trended monthly per person cost times the actual number of eligible/member months as reported to CMS by the state under the guidelines set forth in Section X. The per capita cost estimates for the new adult group are listed in the table below.

MEG	DY 17 – PMPM
New Adult Group	\$722.57

a. If the state’s experience of the take up rate for the new adult group and other factors that affect the costs of this population indicates that the new adult group PMPM limit described above may underestimate the actual costs of medical assistance for the new adult group, the state has the opportunity to submit an adjustment to the PMPM limit, along with detailed expenditure data to justify this, for CMS review without submitting an amendment pursuant to Section II. In order to ensure timely adjustments to the PMPM limit for a demonstration year, the revised projection for DY 17 must be submitted to CMS by no later than October 1, 2014.

b. The budget limit for the new adult group is calculated by taking the PMPM cost projections for the above group in each demonstration year, times the number of eligible member months for that group and demonstration year, and adding the products together across demonstration years. The federal share of the budget neutrality cap is obtained by multiplying total computable budget neutrality cap by the federal share.

c. The state will not be allowed to obtain budget neutrality “savings” from this population.

d. If total FFP reported by the state for the new adult group should exceed the federal share of FFP for the budget limit for the new adult group by more than 3 percent following each demonstration year, the state must submit a corrective action plan to CMS for approval.

**6. Calculating the Federal Medical Assistance Percentage (FMAP) for Continuous Eligibility for the Adult Group.** CMS anticipates that states that adopt continuous eligibility for adults would experience a 2 percent increase in enrollment. Based on this estimate, CMS has determined that 97.4 percent of the member months for newly eligibility in the Adult Group will be matched at the enhanced FMAP rate and 2.6 percent will be matched at the regular FMAP rate.

7. State Reporting for the FMAP Adjustment. Newly eligible individuals in the Adult Group shall be claimed at the enhanced FMAP rate. The state must make an adjustment in the CMS-64W that accounts for the proportion of member months in which beneficiaries are enrolled due to continuous eligibility and could have been disenrolled due to excess income in absence of continuous eligibility (i.e. 2.6 percent). For the purposes of budget neutrality, the members for the adult group within the 2.6 percent of the population described in this STC will be treated as a hypothetical population. The state is not subject to use their budget neutrality savings towards providing continuous eligibility for this population.
8. **Future Adjustments to the Budget Neutrality Expenditure Limit.** CMS reserves the right to adjust the budget neutrality expenditure limit to be consistent with enforcement of impermissible provider payments, health care related taxes, new federal statutes, or policy interpretations implemented through letters, memoranda, or regulations with respect to the provision of services covered under the Partnership Plan.
9. **Enforcement of Budget Neutrality.** CMS shall enforce budget neutrality over the life of the demonstration rather than on an annual basis. DY 18 expenditures, which will consist only of DSHP expenditures in support of the H-MH and PPR demonstrations, will be included in the budget neutrality test for the demonstration. The state may receive FFP for these expenditures to the extent that sufficient accumulated budget neutrality savings are available from prior DYs.
10. **Exceeding Budget Neutrality.** If at the end of this demonstration period the overall budget neutrality expenditure limit has been exceeded, the excess federal funds must be returned to CMS. If the demonstration is terminated prior to the end of the budget neutrality agreement, an evaluation of this provision shall be based on the time elapsed through the termination date.

## **XII. EVALUATION OF THE DEMONSTRATION**

1. The evaluation design must include a discussion of the goals and objectives set forth in Section II of these STCs, and develop evaluation questions specific to the changes implemented in the demonstration during the extension period.
  - a. The evaluation questions should include, but are not limited to:
    - i. To what extent has the provisions of continuous eligibility affected the stability and continuity of coverage and care to adults? How has the implementation of the Statewide Enrollment Center impacted “churning” by demonstration participants?
    - ii. A quantitative and qualitative assessment of the effectiveness of the provider and enrollee education and outreach efforts, as well as plan oversight and compliance monitoring, in minimizing the impact of the transition of individuals living with HIV into mandatory Medicaid managed care.

- iii. To what extent has the mandatory enrollment of individuals living with HIV into MMC impacted their perceptions of care (fee-for-service vs. Safety Net Population/SNP vs. mainstream)?
  - iv. Has the required enrollment of individuals living with HIV into Medicaid managed care (either mainstream plans or HIV SNPs) impacted quality outcomes, which in earlier studies showed that these individuals enrolled in managed care on a voluntary basis received better quality care than in fee-for-service?
  - v. An assessment of the successes and failures, along with recommendations for improvement, of the HIV SNP program.
  - vi. Has the state's H-MH demonstration resulted in demonstrable improvements in the quality of care received by demonstration participants?
  - vii. To what extent has the H-MH demonstration produced replicable residency program design features that enhance training in medical home concepts?
  - viii. How has the H-MH demonstration helped the selected facilities improve both their systemic and quality performance under each initiative implemented by the selected facilities?
  - ix. How have the results of the PPR demonstration program informed changes in reimbursement policies that provide incentives to help people stay out of the hospital?
  - x. How has the PPR demonstration program improved quality and cost savings at selected facilities? To what extent are the interventions tested both replicable and sustainable?
  - xi. How has the additional funding provided under the Clinic Uncompensated Care program increased the use of patient-centered medical homes and electronic medical records?
  - xii. How have the results of the Marketplace Subsidy Program for enrollment in a QHP, using childless adults who are not eligible to receive a subsidy as a comparison group, expanded access to health insurance coverage?
- b. The evaluation questions for MLTC goals should include, but are not limited to:
- i. How has enrollment in MLTC plans increased over the length of the demonstration?
  - ii. What are the demographic characteristics of the MLTC population? Are they changing over time?
  - iii. What are the functional and cognitive deficits of the MLTC population? Are they changing over time?
  - iv. Are the statewide and plan-specific overall functional indices decreasing or staying the same overtime?
  - v. Are the average cognitive and plan specific attributes decreasing or staying the same over time?
  - vi. Are the individuals care plans consistent with the functional and cognitive abilities of the enrollees? This evaluation question will be included as there is sufficient data available in 2014 to provide accurate measures. NYS will address this question in the Final Evaluation Plan.
  - vii. Access to care: To what extent are enrollees able to receive timely access to personal, home care and other services such as dental care, optometry and audiology?

- viii. Quality of care: Are enrollees accessing necessary services such as flu shots and dental care?
- ix. Patient Safety: Are enrollees managing their medications? What are the fall rates and how are they changing over time?
- x. Satisfaction: What are the levels of satisfaction with access to, and perceived timeliness and quality of network providers?
- xi. Costs: What are the PMPM costs of the population?

The draft design must discuss the outcome measures that will be used in evaluating the impact of the demonstration during the period of approval, particularly among the target population. It must discuss the data sources and sampling methodology for assessing these outcomes. The draft evaluation design must include a detailed analysis plan that describes how the effects of the demonstration shall be isolated from other initiatives occurring in the state.

- c. The state must submit to CMS for approval a draft evaluation design no later than July 1, 2013.
2. **Evaluation Implementation.** The state shall implement the final evaluation design and submit its progress in each of the quarterly and annual progress reports.
  3. **Interim Evaluation Report.** The state must submit an interim evaluation report as part of the state's request for any future renewal of the demonstration.
  4. **Final Evaluation Report.** The state must submit draft final evaluation reports according to the following schedule.
    - a. By July 31, 2014 the state must submit to CMS a draft final evaluation report, presenting findings from all evaluation activities. Findings from the evaluations of the H-MH and PPR demonstrations may be preliminary findings. CMS shall provide comments within 60 days after receipt of the report. The state shall submit the final evaluation report within 60 days after receipt of CMS comments.
    - b. By April 30, 2015 the state must submit to CMS a draft final evaluation report on the evaluations of the H-MH and PPR demonstrations. CMS shall provide comments within 60 days after receipt of the report. The state shall submit the final evaluation report within 60 days after receipt of CMS comments.
  5. **Cooperation with CMS Evaluators.** Should CMS conduct an independent evaluation of any component of the demonstration, the state will cooperate fully with CMS or the independent evaluator selected by CMS. The state will submit the required data to the contractor or CMS.

### **XIII. SCHEDULE OF STATE DELIVERABLES FOR THE DEMONSTRATION EXTENSION PERIOD**

<b>Date - Specific</b>	<b>Deliverable</b>	<b>Reference</b>
07/1/2013	Submit Draft Evaluation Plan	STC 1 in Section XII
	Deliverable	Reference
Annual	By January 1st - Annual Report	STC 5 in Section IX
Quarterly		
	Quarterly Operational Reports	STC 4 in Section IX
	Quarterly Expenditure Reports	STC 1 in Section X
	Eligible Member Months	STC 7 in Section X