



Department of Health

KATHY HOCHUL
Governor

MARY T. BASSETT, M.D., M.P.H.
Commissioner

KRISTIN M. PROUD
Acting Executive Deputy Commissioner

September 2, 2022

Ms. Judith Cash
Director
State Demonstrations Group
Center for Medicare and Medicaid Services
7500 Security Blvd, Mail Stop S2-25-26
Baltimore, MD 21244-1850

Dear Ms. Cash:

Pursuant to the terms of the New York State Medicaid Section 1115 Demonstration Medicaid Redesign Team (MRT) Waiver (11-W-00114/2), New York State (NYS or the State) is pleased to submit the enclosed waiver amendment proposal to the Centers for Medicare and Medicaid Services (CMS) for its approval.

New York State is seeking \$13.52 billion over five years from CMS to fund a new Medicaid 1115 Waiver amendment that incorporates lessons learned from its Delivery System Reform Incentive Payment (DSRIP) Program experience to address the inextricably linked health disparities and systemic health care delivery issues that have been both highlighted and intensified by the COVID-19 pandemic. This proposed reinvestment of federal savings directly aligns with the Administration's stated strategic priorities of making bold investments in health equity and encouraging innovation in value-based care delivery and payment innovation that improves quality, equity, and whole-person care (including addressing health-related social needs) in the Medicaid program, while reducing health disparities.

The COVID-19 pandemic highlighted and, in some cases, exacerbated the impact of long-standing health disparities based on race, ethnicity, disability, age, and socioeconomic status. In New York State, the pandemic devastated many vulnerable populations enrolled in Medicaid, particularly impacting populations with historical structural racism and health disparities, including persons living in poverty, Black and Latino/Latinx and other underserved communities of color, criminal justice-involved populations, and persons experiencing homelessness. As New York State continues to respond to new variants of COVID-19, as well as take steps to recover from the initial years of the pandemic, it has never been more important to focus on health disparities and advancing health equity.

If approved, this 1115 waiver amendment would utilize an array of multi-faceted and interconnected initiatives in order to fundamentally change the way the Medicaid program integrates and pays for social, physical health, and behavioral health care in New York State. It would also lay the groundwork for reducing long standing racial, disability-related, and socioeconomic health disparities, increase health equity through measurable improvement of clinical quality and outcomes, while keeping the overall Medicaid program expenditures budget neutral to the federal government.

To achieve this overall goal of fully integrating social, physical health, and behavioral health care into the fabric of the NYS Medicaid program, while recognizing the complexity of addressing varying levels of social care needs impacting the Medicaid population, this waiver proposal is structured around a central goal to reduce health disparities, advance health equity, and support the delivery of social care. NYS will work to achieve this goal through the following strategies:

1. Building a more resilient, flexible, and integrated delivery system that reduces health disparities, advances health equity, and supports the delivery of social care;
2. Developing and strengthening transitional housing services and alternatives for the homeless and long-term institutional populations, and those at risk for institutionalization;
3. Redesigning and strengthening system capabilities to improve quality, advance health equity, and address workforce shortages; and
4. Creating statewide digital health and telehealth infrastructure.

New York State has fully complied with federal transparency requirements in preparation for formally submitting this waiver amendment proposal. The State transmitted tribal and public notices referencing the preliminary proposal draft (April 13, 2022), conducted virtual public hearings (May 3, 2022 and May 10, 2022), and received 433 verbal and written comments. The State's engagement with stakeholders informed the structure and substance of this submission and have been addressed in the attached waiver amendment application. Upon review of a previous draft of this waiver amendment, CMS determined that the application structure meets its technical and notice requirements.

The partnership between CMS and New York State continues to be important to the success of the underlying 1115 Demonstration MRT Waiver and will also be critical to this amendment's success. We look forward to our continued collaboration. If you have any questions, please contact me at [REDACTED] or [REDACTED].

Sincerely,

[REDACTED]

Amir Bassiri
Medicaid Director
Office of Health Insurance Programs

cc: Jonathan Morancy, CMS
Juliana Sharp, CMS
Frankeena McGuire, CMS
Nicole McKnight, CMS
Francis McCullough, CMS
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