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NYS Health Equity and Pandemic Response 1115 Medicaid Waiver Concept Paper

OVERVIEW

On August 25th, the New York State (NYS) Department of Health (DOH) submitted a concept paper for a new Medicaid 1115 Waiver Demonstration to the Centers for Medicare and Medicaid Services (CMS). Through this proposal, the State is requesting $17 billion to be reinvested over five years to support a transformational effort to address health equity by reforming systemic health care delivery issues that are linked to health disparities and have been exacerbated by the COVID-19 pandemic. Specifically, the waiver proposal seeks to achieve the following four goals:

1. Build a more resilient, flexible, and integrated delivery system that reduces racial disparities, promotes health equity, and supports the delivery of social care;
2. Develop supportive housing and alternatives to institutions for the long-term care population;
3. Redesign and strengthen health and behavioral health system capabilities to provide optimal response to future pandemics and natural disasters; and
4. Create statewide digital health and telehealth infrastructure.

This waiver would further advance goals pursued during NYS's recently ended $8 billion Delivery System Reform Incentive Payment (DSRIP), but would be distinct, in particular by more explicitly targeting health equity goals and incorporating lessons learned from DSRIP, including the need for:

- Regional alignment on objectives;
- Direct investment in and involvement of community-based organizations and behavioral health providers in governance and value-based payment (VBP) arrangements;
- Regional coordination of workforce initiatives to address shortage areas;
- Administrative simplification by avoiding new intermediaries between plans and providers; and
- Deeper alignment of provider and payment incentives, including greater use of subcapitation or global budgets as the highest level of VBP.

The concept paper is available here. Key aspects of the concept paper are summarized below.

HEALTH EQUITY AND SOCIAL CARE INVESTMENTS

As previously announced by DOH, the State intends to develop social determinants of health networks (SDHNs) and Health Equity Regional Organizations (HEROs) to support targeted investments in social care and non-medical, community-based services. Each entity is described in detail below.

Health Equity Regional Organizations (HEROs)

Governance

HEROs will be regionally focused, mission-based organizations comprised of the following entities:

- Managed care organizations (MCOs);
- Hospitals and health systems;
- Community-based providers (including primary care providers);

- Population health vehicles, such as Accountable Care Organizations (ACOs) and Independent Provider Associations (IPAs);
- Behavioral health networks;
- Providers of long-term services and supports (LTSS), including those that serve individuals with intellectual and/or developmental disabilities (I/DD);
- Community-based organizations (CBOs) organized through SDHNs;
- Qualified Entities (QEs/HIEs) and Regional Health Information Organizations (RHIOs); and
- Consumer representatives and other stakeholders.

HEROs would be required to have governance participation from each class of participant. The HERO lead entity could be a new entity or an existing one, such as a former DSRIP Performing Provider System (PPS) or a local department of health or social services.

Geography

The State anticipates that there will be a single HERO in each of seven historical regional divisions used by DOH for Medicaid rate setting. However, DOH will consult with local health departments to determine whether any of these regions should be further subdivided.

Responsibilities

HEROs will be primarily responsible for developing a Regional Plan, to be updated annually, that will evaluate and address the needs of vulnerable populations through value-based payment (VBP) arrangements and other initiatives. VBP models may include arrangements that use episodic and global prepayment structures. HEROs will also be responsible for:

- Developing a strategy and process for the implementation of a Uniform Social Care Assessment for Medicaid members in its region;
- Selecting from a statewide and regionally specific set of health equity quality improvement measures or stratification approaches to existing measures to achieve regional priorities; and
- Building regional consensus around a retooled VBP approach and design for services integration and care management with a focus on specific target populations.

Funding

HEROs will receive limited planning grants under the waiver to support coordination and facilitation of activities to serve the needs of their communities. They will not receive or distribute waiver funds, although in certain cases, they may identify spending priorities for which NYS would seek federal approval for funding allocation (such as state-directed payments). The State anticipates that HEROs will become self-sustaining entities that continue to act as coordinating bodies beyond the waiver demonstration period.

Social Determinant of Health Networks (SDHN)

The State would invest in the creation of SDHNs, defined as coordinated networks of CBOs that:

- Address the full spectrum of social care needs in a specified region;
- Create a supportive IT and business processes infrastructure; and
- Adopt interoperable standards for a social care data exchange.

Governance and Geography

Lead applicants for SDHNs may be a CBO or a network of CBOs (such as an IPA composed of CBOs, or a former DSRIP PPS converted into an SDH-focused network). The State would designate SDHNs in each region (which would be aligned with the HERO regions and sub-regions).

Responsibilities

SDHNs in each region will be responsible for:

- Formally organizing CBOs to perform social determinants of health (SDH) interventions;
- Coordinating a regional referral network with multiple CBOs, health systems, and other health care providers;
- Creating a single point of contracting for SDH arrangements; and
- Screening Medicaid enrollees for the key SDH social care issues and making appropriate referrals based on need.

The SDHNs can also provide support to CBOs around adopting and utilizing technology, service delivery integration, creating and adapting workflows, and other business practices, including billing and payment.

Funding

SDHNs will receive direct investments through the waiver for infrastructure development, including IT and business processes. CBOs in the networks will also receive funding that will be tied to specific deliverables related to the populations served.

VBP MODEL INVESTMENTS

This waiver proposal would continue and expand the DSRIP waiver's focus on VBP, with a specific allocation of waiver funds for incentives to stimulate meaningful participation in VBP arrangements. Compared to previous efforts, NYS will focus more on:

- Population-specific VBP arrangements;
- Arrangements addressing social care and SDH needs and adjusted for SDH risk;
- Prepaid and capitated approaches, including for downstream providers who are not the lead VBP contractor; and
- Specific authorities for global prepayment models, in selected regions where appropriate.

Funding Mechanisms

Incentive funds would be made available to MCOs and providers upon presentation and approval of a qualifying VBP contract. Funds flow would occur in two ways: (1) funds would be incorporated into the MCO premium to reflect plan administrative costs related to VBP, and (2) an incentive payment pool would be available to fund participating providers directly.

Organizations designated as VBP Innovators under the DSRIP waiver may be eligible for upfront VBP incentive funding, in recognition that their existing infrastructure would allow them to expand their VBP footprint and incorporate the new goals of this waiver more rapidly.

VBP Roadmap

The State plans to develop a new VBP Roadmap that will include a comprehensive range of VBP arrangements for HEROs, SDHNs, and MCOs. Like the previous Roadmap, for each model, the new Roadmap will outline the included services, the members eligible for attribution, the quality and outcome measures, and the risk adjustment and benchmarking calculations. However, the new Roadmap will also include goals for health equity and regional SDH needs.

Advanced Contracts Addressing SDH

The State will incentivize MCOs to form advanced VBP contracts, using prepaid or global payment models, that address local needs as identified by the regional HERO. Such contracts would include contracting with providers or SDHNs to provide care coordination and other activities to support HERO-

identified goals. Funding preference would be given to arrangements using SDHNs, although in recognition of existing arrangements, SDHN participation would not be mandatory. NYS will also consider establishing a fee schedule for SDH interventions, so that CBOs can receive per-service reimbursement rather than relying solely on retrospective shared savings.

Primary Care

The waiver will continue to leverage past investments in the Patient-Centered Medical Home (PCMH) model. Under VBP arrangements, including those for specific populations, PCMH practices will continue to play a coordination and service planning role for the medical needs of individuals.

Specialty Populations

For contracts involving specialty populations, MCOs will be incentivized to engage with experienced, population-specific provider networks. For example, VBP contracts that target individuals with serious mental illness would be required to include behavioral health IPAs or other provider networks along with primary care providers. Rather than a primary care-only attribution, waiver incentive funding would be awarded based on "differential attribution methodologies" using the individual's primary behavioral health provider (such as an Article 31 clinic) or Health Home. Similarly, for individuals with I/DD, attribution may occur based on the Care Coordination Organization (CCO).

ACCESS FOR CRIMINAL JUSTICE-INVOLVED POPULATIONS

As part of the health equity goals of this proposal, the State seeks to improve access for the criminal justice-involved population. As such, the State will seek approval from CMS to:

- Reinstate Medicaid eligibility and enroll incarcerated individuals 30 days prior to release for a targeted set of services; and
- Authorize a therapeutic residential treatment demonstration/pilot program for justice-involved individuals who choose to receive specialized treatment in a therapeutic residential environment for mental health/substance use disorders.

LONG-TERM CARE POPULATION

To support Medicaid-eligible individuals and families in need of stable housing and/or supportive housing, the State seeks to:

- Invest in Home and Community Based Services (HCBS) as alternatives to institutional settings through:
  - Comprehensive planning efforts, led by HEROs, to identify housing needs and solutions, including the need for sufficient long-term services and supports (LTSS) to support aging in place; and
  - A Statewide Housing and Home-Based services initiative, which would consolidate and expand the State's array of supportive housing and medical respite programs. This would include integrating the work of housing navigators into SDH service delivery models. Services could be funded through VBP arrangements or direct payments.
- Provide specific supports for individuals with behavioral health and substance use disorder needs who are transitioning from institutions and residential settings, including:
  - Medicaid enrollment 30 days prior to release for incarcerated individuals (as described above);
  - Medicaid reimbursement for Critical Time Intervention models; and
  - The expansion of services to support reintegration into the community.

HEALTH SYSTEM RESPONSE TO FUTURE PANDEMICS AND DISASTERS

The State intends to redesign the health care delivery system to support rapid mobilization of resources to respond to an ongoing crisis through the below initiatives.

Pandemic Response Design

This initiative will review current pandemic response and, following this review, distribute funding for a redesign that will build capacity to respond to a pandemic or other event requiring sudden demand for high acuity care. This planning and redesign process will focus on:

- Improving the capacity of distressed and safety net hospitals in medically underserved areas, including physical and IT infrastructure;
- Enabling distressed and safety net hospitals to stockpile medical equipment and supplies necessary for an effective pandemic response; and
- Ensuring an available and cross-trained workforce that is able to respond to a large influx of patients.

Workforce Investments

The State proposes a substantial reinvestment in Workforce Investment Organizations (WIOs) to expand the capacity of a well-trained and culturally informed workforce. The waiver would provide funding for initiatives that:

- Expand and enrich the workforce to address shortages across the health care continuum, recruit people of color in medical professions, and provide workers with a greater range of opportunities for advancement;
- Support the career pathways of frontline health care workers in entry-level positions where there are occupational shortages;
- Support regional collaboration and training initiatives;
- Expand the community health worker and related workforce, including care navigators and peer support workers; and
- Standardize occupations and job training.

STATEWIDE DIGITAL HEALTH AND TELEHEALTH INFRASTRUCTURE

The State is committed to building a digital and telehealth infrastructure that expands access to care in underserved areas (e.g., rural, communities of color) and for underserved needs (e.g., behavioral health, chronic disease management). The State notes that reimbursement levels for Medicaid are not sufficient for safety net providers to make adequate investments in digital health. Therefore, the State intends to use waiver funding to create an Equitable Virtual Care Access Fund to assist safety net providers with human capital investments, resources, and support necessary to provide equitable access to telehealth and virtual care.

The Equitable Virtual Care Access Fund would provide funding to bolster the ability of safety net providers to offer innovative digital health and telehealth services. The State would consider funding a wide range of virtual care programs, including:

- ‘At scale’ remote patient monitoring programs for chronic conditions;
- Data analytics platforms to support integration of in-person and virtual care;
- Patient-facing tools and devices;

- E-consult services to address regional shortages of specialty services at safety net facilities;
- Virtual care models designed to support individuals in nursing homes and long-term care facilities;
- Specialty care models designed to support individuals who face accessibility barriers, such as people with I/DD;
- Virtual care models that increase access to novel treatments and/or clinical trials for underserved populations; and
- Pilots of digital therapeutics, diagnostics, screenings (including genetic screening if appropriate), and other innovative products that can deliver effective interventions with a reduced need for clinical staff.

BUDGET NEUTRALITY

The concept paper does not include a budget neutrality calculation. Instead, NYS seeks to work with CMS to identify an appropriate, wider basis to calculate the budget-neutral effects of this waiver. The State hopes to revisit prior administrative guidance issued by CMS under the previous administration to count other local and State financial commitments, similar to Designated State Health Programs (DSHPs) as used in the DSRIP waiver and previous waivers. Additionally, the State would seek to identify federal savings that accrue outside the Medicaid program, with the recognition that the effects of COVID-19 and the downstream effects of health disparities are likely to have significant budgetary effects outside of Medicaid.