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Changes in the NY 1115 Waiver Application

OVERVIEW

On September 2nd, the New York State Department of Health (DOH) submitted a final version of its proposal for a new Section 1115 demonstration amendment, now titled the New York Health Equity Reform (NYHER), to the Centers for Medicare & Medicaid Services (CMS).

In general, only limited changes have been made to the original draft, which was posted for public comment in April. The waiver still requests a total federal investment of $13.52 billion over five years. However, it now identifies a single "central goal" of reducing health disparities, advancing health equity, and supporting the delivery of social care, with the four previous goals relabeled as "strategies."

The following document outlines notable changes in the waiver proposal. SPG's updated full summary of the waiver proposal is available here.

STRATEGY 1: HEALTH AND SOCIAL CARE DELIVERY SYSTEM REFORM

Expanded Population Focus

The updated waiver adds references to a wider range of populations that may be targeted by the waiver's reform efforts, and notes that providers who specialize in supporting these populations should be involved in governance and implementation of the waiver proposals. In particular, the updated waiver adds multiple references to a focus on appropriate children's and pediatric services, including children's behavioral health.

Number of Regions

DOH clarifies that the nine regions it proposes to select are "an expansion of" the eight Medicaid managed care rate-setting regions.

However, it also notes that it has "decided not to finalize the regions at this time" and will share further information closer to implementation.

HEROs

HERO Funding

Proposed funding for the Health Equity Regional Organizations (HEROs) has been reduced from $325 million to $293 million. This is due to the first year of ramp-up activities being funded at 50 percent of the amount in the remaining years ($33 million instead of $65 million per year).

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HERO Governance

DOH clarifies that its list of stakeholders that may be included in HERO governance is illustrative only, and other types of stakeholders may participate. The illustrative list has been widened to include:

- Nursing homes and rehabilitation and mobility services;
- Perinatal services and other children's services providers; and
- Consumers and providers of behavioral health (BH) services and services for people with intellectual and developmental disabilities (I/DD).

HERO Regional Plans

HERO regional plans will be required to include a needs assessment of key regional communities and subpopulations. The list of examples of populations to be considered by HEROs during health equity planning efforts has been expanded to include:

- People with physical disabilities or I/DD; and
- Children, including those with serious emotional disturbance (SED), and their caregivers.

Furthermore, HERO regional plans will include identification of gaps in regional workforce needs, including needs for community health workers (CHWs) and peer support staff.

As part of the regional plan, HEROs will identify targeted quality measures for value-based payment (VBP) arrangements in the region. To focus on achieving health equity, at least some selected measures will be stratified by race and ethnicity. DOH will also develop a menu of "optional" or "other" measures that HEROs may choose from, based on regional need, for the whole region or for subpopulations.

SCN Assessment and Data

DOH, rather than HEROs, will be responsible for implementing a strategy to conduct the universal social care needs (SCN) assessment. The concept that the regional HERO will serve as "central hub of a data infrastructure" has been removed. Instead, data infrastructure will be centralized, and HEROs will use the data from SCN assessments to develop their regional plans.

SDHNs

SDHN Funding

Funding for Social Determinants of Health Networks (SDHNs) and related projects has been increased from $580 million to $860 million total. This includes a projected increase for SDHN infrastructure and capacity building to $185 million per year, most likely representing $15 million per region and $25 million for New York City. Like HEROs, funding would be halved during the first ramp-up year ($92.5 million). The allocation of the remaining $27.5 million is not specified.

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SDHN Interventions

SDHNs are still proposed to provide services from a list of pre-approved evidence-based SCN interventions. However, with DOH approval, SDHNs may also pilot other off-menu SCN interventions for their region.

Removal of Single Statewide Referral Platform

DOH has dropped the proposal to establish a single statewide referral platform for SCN services to be used by all SDHNs and community-based organizations (CBOs). Instead, DOH will specify standards for interoperability to qualify existing and future referral systems for usage. Referrals will include a standard "minimum set of data elements" to enable standardized reporting and analysis.

Furthermore, information on SCN resources, referrals, and outcomes will be collected and stored in a "statewide data store" using existing infrastructure of the Statewide Health Information Network for New York (SHIN-NY). This information will be used to "provide the State with near real-time insights" into these activities.

Advanced VBP Arrangements

Proposed Funding

The total proposed funding for VBP incentives has been reduced from $7 billion to $6.755 billion. Like other proposals in this section, the first-year investment has been reduced (to $500 million) to reflect a ramp-up period. The remaining funds have been redistributed to emphasize the later years of the demonstration as well ($1 billion in the second year and $1.75 billion in each of the last three years).

Criminal Justice Population

Proposed Funding

The proposed funding to expand Medicaid coverage to the criminal justice-involved population 30 days before release has been increased slightly from $745 million to $748 million.

Expanded Eligibility Criteria

The following conditions have been added as single qualifying criteria for enhanced care management services for justice-involved individuals:

- Hepatitis C;
- Sickle cell disease; and
- I/DD.

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As a result, the State has increased its estimate of the total eligible population from 48 percent of discharged individuals to 59 percent, and plans for an increase in Medicaid eligibles of 106,024 individuals.

STRATEGY 2: TRANSITIONAL HOUSING

The description of this proposal has been changed from "supportive housing" to "transitional housing" to better reflect the proposed range of services.

Furthermore, the target populations for the proposed Community Transitional Services have been expanded to include people with I/DD in managed care.

STRATEGY 3: SYSTEM CAPACITY AND WORKFORCE

Covid-19 Unwind Pool

DOH reemphasizes that financially distressed hospitals and nursing homes funded under this section will need to use the funding for proposals that "align with priorities identified by HEROs and SDHNs in their region."

The proposed funding consists of $1 billion for quality improvement (as proposed previously) and $500 million for workforce training.

Workforce Investment Organizations (WIOs)

DOH notes that WIOs receiving funding under this section will also be required to collaborate with HEROs to ensure that their activities match their region's identified workforce needs. WIOs will also be encouraged to cooperate with each other to ensure statewide consistency of efforts.

DOH also reemphasizes that WIO activities will seek to promote diversity, such as by training a "diverse cohort of workers in high-need occupations that will lead to certification, licensure, and upgrading in title."

STRATEGY 4: DIGITAL HEALTH

Telehealth Activities

Although the proposed suballocations of the $300 million of funding under this proposal has not changed, DOH has added new items to the list of activities that may be supported under this project:

- Technology that addresses the needs of children and families served in multiple systems; and
- Electronic platforms that "connect with Medicaid recipients in real time," including digital passports or credentials such as a digital Medicaid card for identifying Medicaid recipients and enabling population health management strategies.

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WAIVER PROCESS

Evaluation Questions

The waiver restructures the evaluation questions around the waiver's central goal, with three questions:

- Will the proposal reduce health disparities (as measured by stratified HEDIS measures)?
- Will the proposal advance health equity (as measured by increased referrals for housing and access to telehealth)?
- Will the proposal support the delivery of social care (as measured by referrals for SCN services and increased access to integrated physical and behavioral health care)?

Budget Neutrality

Budget neutrality workbooks are listed as being included in the submission to CMS as an appendix, but are not attached to the waiver document. The description of the budget neutrality proposal in the waiver itself has not materially changed, and still requests "flexibility" from CMS as to the method of calculation.