



To: Centers for Medicare and Medicaid Services

From: Howard A. Zucker, M.D., J.D., Acting Commissioner of Health
Jason A. Helgeson, Medicaid Director, Office of Health Insurance Programs

Date: March 13, 2015

Subject: Memorandum in support of Scoring Recommendations of the Delivery System Reform Incentive Payment (DSRIP) Performing Provider Systems (PPS) Project Plan Applications.

As the hallmark of the Medicaid Redesign Team (MRT) Waiver Amendment, the Delivery System Reform Incentive Payment (DSRIP) program is the main mechanism by which New York State will fundamentally restructure the health care delivery system by reinvesting in the Medicaid program over 5 years. With the primary goal of reducing avoidable hospital use by 25%, as much as \$6.42 billion dollars will be allocated to this program with payouts based upon achieving predefined results in system transformation, clinical management, and population health. As the initial step in determining eligibility for receiving, prospective Performing Provider Systems (PPSs) were required to complete the DSRIP Project Plan Application.

According to the DSRIP program requirements outlined in the Special Terms & Conditions of the waiver by the Centers for Medicare and Medicaid Services (CMS), the State was required to contract with a vendor to serve as the DSRIP Independent Assessor (IA) for the purposes of evaluating the DSRIP Project Plan submitted by the PPSs. Following the completion of the evaluations and scoring by the IA, the DSRIP Project Plan scores were subject to a secondary review by an independent panel, known as the DSRIP Project Approval and Oversight Panel (the Panel). Through their review process, the Panel had the ability to accept, accept with modifications, or reject the recommended scores from the IA.

Following the Panel review, conducted from February 17–20, 2015, all DSRIP Project Plan scoring recommendations were submitted to Dr. Howard Zucker, the Acting Commissioner of Health for New York State for official, initial determination. This memo represents a summary of all activities completed in the review, scoring and approval of the DSRIP Project Plan scores. The accompanying documents containing the DSRIP Project Plan scores for the 25 PPSs captures and explains my recommendations for CMS consideration.

Key Dates: Overview of DSRIP PPS Project Plan Scoring and Recommendation Process

The following timeline presents the key dates and milestones that were completed to date, as well as those outstanding items that are critical to the finalization of the DSRIP Project Plan scoring and recommendation process.

- December 22, 2014: Prospective PPSs submit DSRIP Project Plan
- Early January, 2015: Selection and finalization of Panel members
- January 12, 2015: Panel training and orientation hosted in Albany, NY and open to the public
- January 15, 2015: DSRIP Project Plan were released for a 30 day public comment period



- February 2, 2015: IA DSRIP Project Plan scoring recommendations were released to the public
- February 4, 2015: IA releases Executive Scoring Summaries of DSRIP Project Plan scoring recommendations in preparation for the Panel sessions on February 17-20, 2015
- February 6, 2015: IA releases a public webinar that walked through the Scoring Summary of a prototype PPS and a refresher of Project Plan review process in preparation for the Panel review process scheduled
- February 15, 2015: DSRIP Project Plan public comment period ended and the State released full version of public comments that were submitted as well as a summary of the public's comments
- February 17, 2015: DSRIP Project Approval and Oversight Panel Convenes to hear public comments on the DSRIP Project Plans
- February 18–20, 2015: DSRIP Project Approval and Oversight Panel reviews the 25 DSRIP Project Plans and makes recommendations to accept, accept with modifications, or reject the scoring recommendations of the IA
- March 11, 2015: IA presentation of Panel recommendations to Dr. Howard A. Zucker, Acting Commissioner, New York State Department of Health
- March 13, 2015: State recommendations forwarded to CMS for approval
- March 13, 2015: Official correspondence sent to notify the PPSs in writing that their plans have been approved by the State and submitted to CMS for final approval
- March 20, 2015: Meeting between CMS, the State and IA to discuss memo content
- March 27, 2015: State receives CMS final approval of PPS Project Plan scores and recommendations
- April 1, 2015: DSRIP Year 1 begins
- April 1, 2015: DSRIP Implementation Plan submission deadline for PPSs
- April 23, 2015: First payment made to PPSs for approved DSRIP Project Plans

Summary of DSRIP PPS Project Plan Scoring Mechanics and Protocols

The 25 prospective PPSs submitted and attested to their final DSRIP Project Plans on December 22, 2014. Each Project Plan submitted by the PPSs included two main components; an Organizational Component and a Project Component. The Organizational Component was evaluated subjectively and included the PPS responses to sections on Executive Summary, Governance, Community Needs, Workforce Strategy, Data-Sharing, Confidentiality & Rapid Cycle Evaluation, Cultural Competency/Health Literacy, DSRIP Budget & Flow of Funds, Financial Sustainability Plan, Bonus Points, and an Attestation. The Project Component was evaluated both objectively and subjectively and comprised sections for the PPSs to select and describe up to eleven projects that the PPS intends to pursue over the five year DSRIP program.

Following the IA's initial completeness assessment, a team of 6 evaluators reviewed and scored the subjective components of each DSRIP Project Plan independently. The IA developed scoring methods in coordination with DOH and according to waiver terms and conditions.

The two main components of the DSRIP Project Plan that factor in to the final score for each project included in the Project Plan are described in more detail below.



DSRIP Project Plan: Organizational Components Scoring (30% of final DSRIP project score)

- Organizational Components include **ten** distinct sections that vary in value, in terms of scoring, but touch upon the core components of a PPS achieving the goals of DSRIP.
- The Organizational section of the included topics that were relevant to the entire PPS such as a community needs assessment (CNA), governance, workforce strategy, financial sustainability and cultural competency.
- Organizational components were largely driven by subjective responses and were scored on a scale of 0 to 3 based on the quality of the response.

DSRIP Project Plan: Project Components Scoring (70% of final DSRIP project score)

- The Project section of the Project Plan includes two components, a subjective component and an objective component.
- PPSs were required to complete a Project section for each project they intended to pursue.
- The subjective component of the Project section required narrative responses from the PPSs on their justification for selecting the project and their plans for implementing the project.
- The objective component, known as Speed and Scale, was based on the commitment of each PPS for the size (scale) and speed that the PPS intends to implement the project relative to other PPSs pursuing the same project.
- The Speed and Scale components were objectively scored based on the following metrics:
 - Speed: Higher scores for those PPS Projects that achieve milestones more aggressively (e.g. achieve NCQA PCMH certification).
 - Scale: Rewards those projects that have a greater impact towards system transformation (e.g., greater impact to the Medicaid patient population and broad involvement from the providers within the PPS network).
- Final Project Plan scores were given at each project level. (Example: If the PPS selects 11 projects, 11 separate project scores will be given).

PPSs also had the opportunity to achieve bonus points on the Project Plans. The bonus points were awarded in addition to the calculated Project Plan score. For example, a PPS receiving 3 bonus points for Workforce Strategies would see their Total Score of 85.50% increased to 88.50%. PPSs could not achieve a total score greater than 100%.

The IA arrived at the final score for each subjective component following an approved methodology. To account for scoring outliers, the maximum of the mean, median, and trimmed average was selected for each of the organizational scoring sections and each subjective project score prior to final score calculation.

Overview of DSRIP Project Approval and Oversight Panel Mechanics and Protocols

As outlined by the Special Terms and Conditions of the waiver, the State and IA were required to convene a panel of relevant experts and public stakeholders to review the DSRIP Project Plans scored by the IA. As part of the Panel review process, the Panel was expected to review and make decisions on the subjectively scored components of the DSRIP project Plan scores recommended by the IA. The objectively scored portions of the DSRIP Project Plans were not in the purview of the Panel. A total of 27 Panel members, 18 voting and 9 non-voting members were led by co-chairs William Toby and Ann Monroe and overseen by the Panel Executive



Director, Jason Helgerson. In accordance with the Special Terms and Conditions of the waiver, two of the voting members of the Panel were nominations made by the Senate and Assembly. The Panel's charge was to conduct a non-conflicted secondary review of the subjective components of each PPS Project Plan and approve, modify or reject the IA's recommendations. Panel members were selected based on their particular health care subject matter expertise. Additionally, all voting members were required to attest they had no conflict of interest with participating PPSs.

A complete listing of Panel members can be found here:

http://www.health.ny.gov/health_care/medicaid/redesign/dsrip/project_approval_oversight_panel.htm

On January 12, 2015 the State and IA hosted a Panel orientation and training session in Albany, NY that was open to the public. The materials presented to the Panel are available here:

http://www.health.ny.gov/health_care/medicaid/redesign/dsrip/docs/paop_mrt_presentation.pdf

Leading up to the February 17–20, 2015 Panel review of IA recommendations, a number of supplemental materials were made available to the public. These materials included a webinar completed by the IA that walks through a PPS Scoring Summary for a prototype Project Plan. The webinar was aimed at providing a detailed explanation of the [DSRIP Project Summary documents](#) that had been posted on February 4, 2015 and a refresher of the Project Plan review process in preparation for the Panel sessions in February. A link to both the resources is provided here:

http://www.health.ny.gov/health_care/medicaid/redesign/dsrip/webinars_presentations.htm

The Panel convened for four days, from February 17, 2015 through February 20, 2015, with the first day reserved for hearing public comment on the DSRIP Project Plans received from the 25 PPS. All meetings were conducted in Albany, NY and were open to the public. The four days of meetings were also available online through a live webcast and a sign language interpreter was available during the first day of meetings for public comment. Webcasts can be viewed here:

<http://www.totalwebcasting.com/view/?id=nysdoh>

On February 17, 2015 the Panel received public comment from entities wishing to speak about the Project Plans. In addition the IA provided a presentation that covered the scoring process, high level observations made by the IA, and the charge for the Panel for the following three days. All public comments can be found here:

https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/pps_applications/public_comments/

From February 18 through February 20, 2015 the Panel reviewed each of the 25 Project Plans. The Panel was required to review the Project Plans and summaries to be informed for the deliberations. In addition, the Panel was not privy to the actual payment and financing implications as a result of changes to scores to the Project Plans. Therefore, the Panel did not make changes to purposely allocate funding to public provider lead PPSs.

The review of each Project Plan consisted of a five (5) minute presentation from the PPS, a 15 minute presentation from the IA on the scoring results and observations of the Project Plan, and 30 minutes of Panel discussion and questions. At the conclusion of the discussion on the Project



Plan for each PPS, the Panel voted either to approve the IA’s scoring, to approve the IA’s scoring with modifications to specific sections of the Project Plan, or to reject the PPS Project Plan in its entirety. All motions made by the Panel required a simple majority vote to be accepted and approved.

Summary of Actions taken by Panel on DSRIP PPS Project Plans

Provided in the paragraphs and table below, is a summary of the Panel’s findings and the outcomes of the three day deliberation by the Panel members.

- **DSRIP PPS Project Plans Approved with No Modifications.** The Panel approved eight Project Plans or 32%, with no modifications to the scoring, as recommended by the IA.
- **DSRIP PPS Project Plans Approved with Panel Modifications.** The Panel approved 17 Project Plans or 68%, with modifications to the scores recommended by the IA.
 - In total, there were modifications to the scores of 29 sections across the 17 Project Plans.
 - The Panel modifications resulted in an increase of 43.28 points across the 17 Project Plans.
- **DSRIP PPS Project Plans Rejected.** The Panel did not reject any Project Plans.

The table below outlines the results of the Panel and Commissioner’s actions for each of the 25 PPS Project Plans.

| PPS Name | Panel Recommendations February 18-20, 2015 | Commissioner Recommendations March 11, 2015 |
|--|--|---|
| Adirondack Health Institute | Accepted IA Recommendation with Modifications | Accepted Panel Recommendations |
| Advocate Community Partners (AW Medical) | Accepted IA Recommendation with Modifications | Accepted Panel Recommendations |
| Albany Medical Center Hospital | Accepted IA Recommendation | Accepted Panel Recommendations |
| Bronx-Lebanon Hospital Center | Accepted IA Recommendations with Modifications | Accepted Panel Recommendations |
| Catholic Medical Partners-Accountable Care IPA INC | Accepted IA Recommendations with Modifications | Accepted Panel Recommendations |
| Central New York DSRIP Performing Provider System | Accepted IA Recommendations | Accepted Panel Recommendations |
| Ellis Hospital | Accepted IA Recommendations | Accepted Panel Recommendations |
| Finger Lakes PPS | Accepted IA Recommendations | Accepted Panel Recommendations |



| PPS Name | Panel Recommendations February 18-20, 2015 | Commissioner Recommendations March 11, 2015 |
|--|---|--|
| Lutheran Medical Center | Accepted IA recommendations with Modifications | Accepted Panel Recommendations |
| Maimonides Medical Center | Accepted IA Recommendations | Accepted Panel Recommendations |
| Millennium Collaborative Care PPS (ECMC) | Accepted IA Recommendations | Accepted Panel Recommendations |
| Mohawk Valley PPS (Bassett) | Accepted IA Recommendations | Accepted Panel Recommendations |
| Montefiore Medical Center | Accepted IA Recommendations with Modifications | Accepted Panel Recommendations |
| Mount Sinai Hospitals Group | Accepted IA Recommendations with Modifications | Accepted Panel Recommendations |
| Nassau Queens PPS | Accepted IA Recommendations with Modifications | Accepted Panel Recommendations |
| New York City Health and Hospitals-led PPS | Accepted IA recommendations with Modifications | Accepted Panel Recommendations |
| Refuah Health Center | Accepted IA Recommendations with Modifications | Accepted Panel Recommendations |
| Richmond University Medical Center & Staten Island University Hospital | Accepted IA Recommendations with Modifications | Accepted Panel Recommendations |
| Samaritan Medical Center | Accepted IA recommendations with Modifications | Accepted Panel Recommendations |
| St. Barnabas Hospital (dba SBH Health System) | Accepted IA recommendations with Modifications | Accepted Panel Recommendations |
| Stony Brook University Hospital | Accepted IA Recommendations | Accepted Panel Recommendations |
| The New York and Presbyterian Hospital | Accepted IA recommendations with Modifications | Accepted Panel Recommendations |
| The New York Hospital Medical Center of Queens | Accepted IA recommendations with Modifications | Accepted Panel Recommendations |
| United Health Services Hospitals, Inc. | Accepted IA Recommendations with Modifications | Accepted Panel Recommendations |



| PPS Name | Panel Recommendations February 18-20, 2015 | Commissioner Recommendations March 11, 2015 |
|----------------------------|--|---|
| Westchester Medical Center | Accepted IA Recommendations with Modifications | Accepted Panel Recommendations |

Highlights of DSRIP PPS Project Plan Modifications

The modifications motioned and approved by the Panel were specific to three main areas of the Project Plans. The three main areas are outlined and summarized below.

- Increases to Workforce Bonus Scoring.** The Panel made modifications to the Workforce Bonus section of 15 Project Plans or 62.50% of Project Plans.

 - The modifications taken by the Panel were increases to the bonus points for PPSs.
 - Maximum bonus points were only awarded to the PPSs by the IA if there was evidence that the PPS had executed a contract with an experienced workforce vendor at the time of the completion or submission of the Project Plan. If a contract was not executed, only partial points were awarded.
 - The Panel did not agree with the scoring methodology implemented by the IA and they felt it was premature to require PPSs to have a contract established. They felt that if the PPSs did engage a proven healthcare workforce vendor and therefore the PPS Project Plan should be awarded the full available bonus points instead of partial points.
- Increases to Project Specific Subjective Components.** Of the remaining 14 modifications, nine were made for individual project sections. These changes ranged across several different projects, and in these cases the Panel chose to increase subjective points when they were particularly impressed with the clinical strategies the PPS proposed to implement.
- Decreases to Project Specific Subjective Components.** In three cases, the Panel chose to decrease points to Project Plans. Two were related to the PPS Community Needs Assessment (CNA), and one for Cultural Competency. In the area of the CNA, the Panel identified gaps in the process in which the CNA was conducted. Specifically, the Panel was concerned if the CNA was completed internally or if there was a lack of appropriate coordination and outreach to the community. The Panel decreased points for one PPS in cultural competency, as the Panel did not feel the PPS sufficiently addressed the cultural competency/health literacy needs of the community.

The preceding description of the process undertaken by the IA, and the Panel, is the latest in a series of actions taken to achieve DSRIP transformation in New York State. In order to put this into context, the following are the key dates that have led up to this point, along with key milestone dates still yet to be met, as we move forward.

Accompanying this memorandum is a document that includes the following information for each of the 25 DSRIP Project Plans:



1. A one page summary scoring sheet for each PPS showing the initial subjective scores based on the reviews of the IA, the modifications to the scores as made by the Panel, where applicable, and the State's initial, official determination of final subjective scores.
2. A summary of the modifications made by the Panel as well as the justification of the Panel for making the modification to the IA scores.
3. The final DSRIP Project Plan Scores for all projects that each PPS will pursue through DSRIP.

Following the Commissioner's review of the IA's scoring of the Project Plans and the Panel modifications to the IA's scores, the New York State Department of Health approves the DSRIP PPS Project Plan final scores inclusive of all modifications made by the Panel.