

A red-tinted image of the Statue of Liberty's head and crown, positioned in the upper right corner of the slide. The background of the slide features a grid of red lines.

Redesign Medicaid in New York State

MRT Waiver Amendment: Stakeholder Update

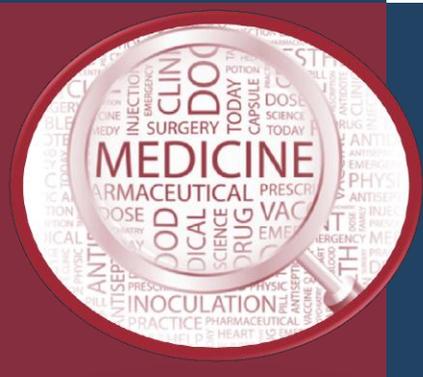
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Overview

- MRT Recap & Implementation to Date
- MRT Waiver Amendment August 2012 Strategy Recap
- CMS Feedback
- Current Strategy
- Next Steps
- Q&A



MRT Recap

The MRT Process

THE MRT WORKED IN TWO PHASES

Phase 1:

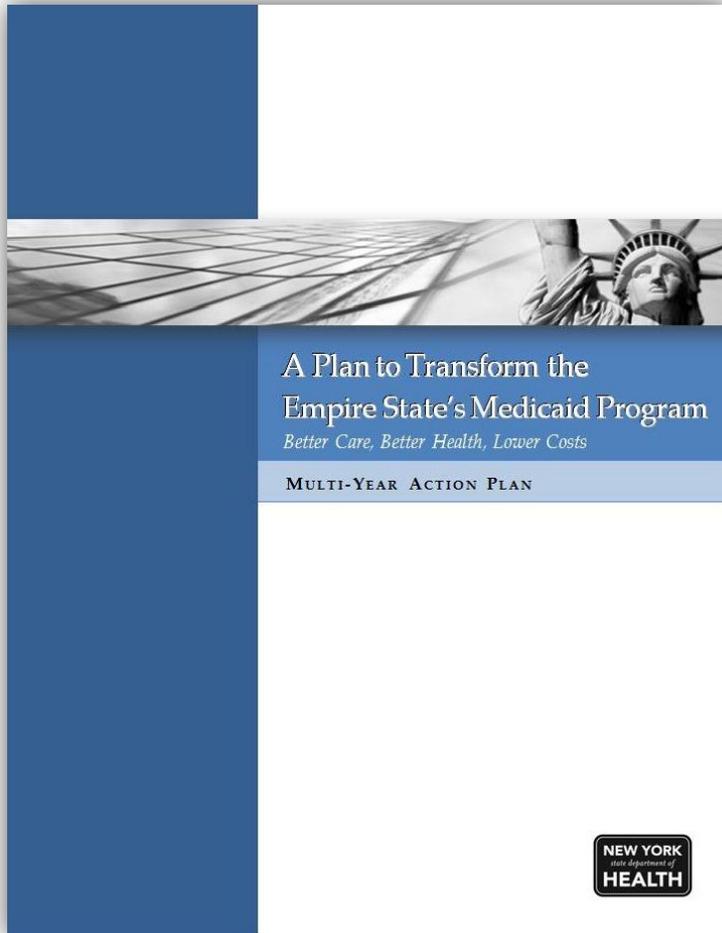
Provided a blueprint for lowering Medicaid spending in state fiscal year 2011-12 by \$2.2 billion.

Phase 2:

Developed a comprehensive multi-year action plan to fundamentally reform the Medicaid program.

- This was the first effort of its kind in New York State.
- By soliciting public input and bringing affected stakeholders together, this process has resulted in a collaboration which reduces costs while focusing on improving quality and reforming New York's Medicaid system.

The Final Product



- Most sweeping Medicaid reform plan in state history.
- Pulls together the work of the MRT into a single action plan.
- Plan is closely tied to successful implementation of the federal Affordable Care Act (ACA).
- The plan also embraces the CMS “triple aim” of: ***Improving care, improving health, and reducing costs.***

Key Elements of the Plan

- **Care Management for All:** End the inefficient fee-for-service system which rewards volume over value. Replace it with a high quality system of “fully integrated” care management for all.
- **Health Homes:** Teams of providers working together to coordinate care for Medicaid’s most needy patients.
- **Universal Access to High Quality Primary Care:** 1.6 million Medicaid members use nationally accredited patient-centered medical homes. The goal is to enroll all Medicaid members within five years.

Key Elements of the Plan

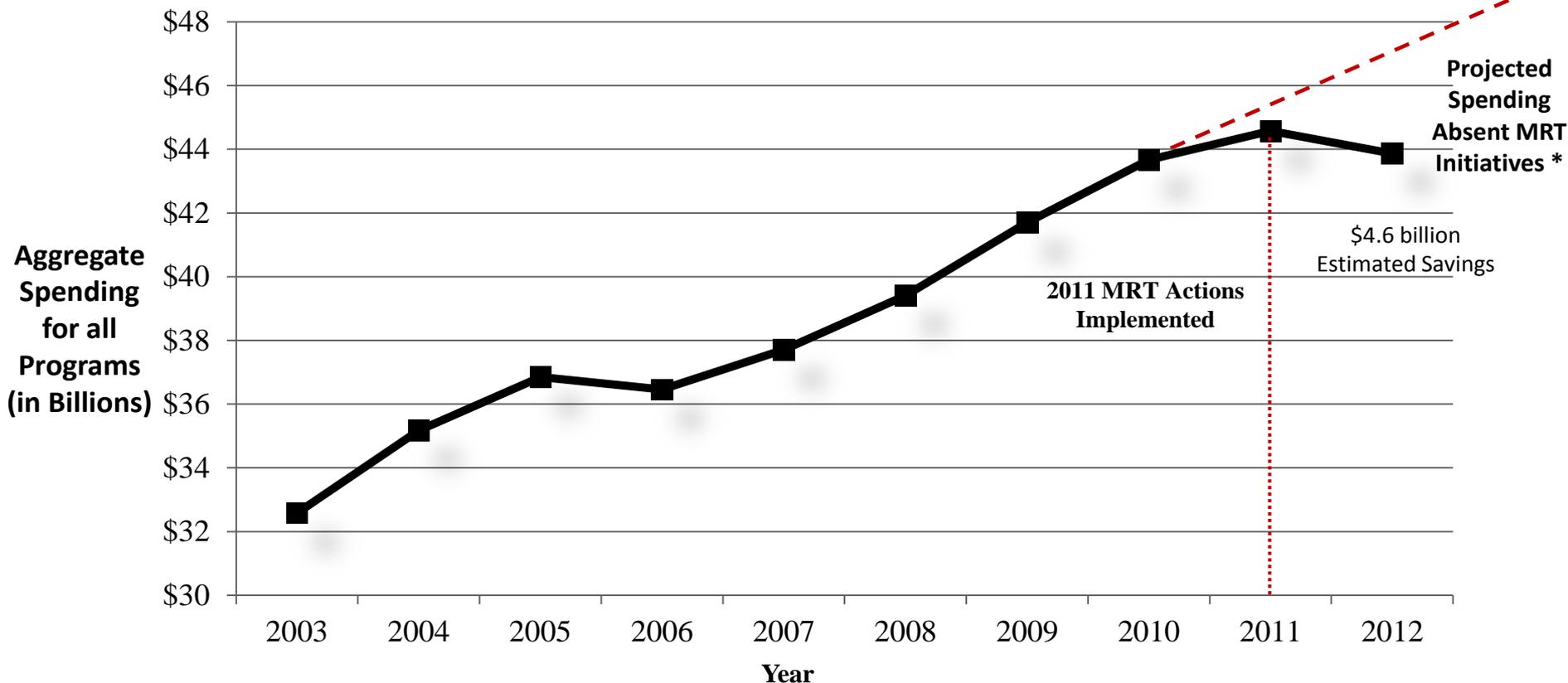
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- **Global Spending Cap:** Active program management for the first time in state history. Fiscal accountability and transparency now exist in Medicaid.
- **Targeting the Social Determinants of Health:** Medicaid is now actively addressing issues such as housing and health disparities through innovative new strategies (example – supportive housing.)

The MRT is Bending the Cost Curve

- Lowered total Medicaid spending by \$4 billion in Year 1.
- Lived within the Global Spending Cap for two full years.
- Finished Year Two \$200 million under the Global Spending Cap.
- Thanks to the MRT the state was able to absorb a \$1.1 billion federal revenue loss due to a change in Medicaid financing for DD services.
- Savings has been especially significant in New York City.

NY Total Medicaid Spending Statewide for All Categories of Service Under the Global Spending Cap (2003-2012)



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
# of Recipients	4,266,535	4,593,566	4,732,563	4,729,166	4,621,909	4,656,354	4,910,511	5,211,511	5,396,521	5,578,143
Cost per Recipient	\$7,635	\$7,658	\$7,787	\$7,710	\$8,158	\$8,464	\$8,493	\$8,379	\$8,261	\$7,864

*Projected Spending Absent MRT Initiatives was derived by using the average annual growth rate between 2003 and 2010 of 4.28%.

MRT Implementation to Date

- New York is now almost 3 years into successful MRT implementation.
- While costs are down, and health outcomes are beginning to improve, our health care system still has problems.
- Fundamental structural problems face safety net providers and put basic access to care at risk.
- Underlying challenges must be addressed.
- This is why we need the MRT Waiver Amendment.



MRT Waiver Amendment Recap

MRT Waiver Amendment

- The next step to implementing the MRT Action Plan relies on a 1115 waiver amendment agreement with the Centers for Medicare and Medicaid Services (CMS).
- In August 2012, New York submitted the MRT Waiver Amendment Proposal to CMS for approval that would allow us to reinvest \$10 billion in MRT generated federal savings back into New York's health care delivery system over 5 years.
- The amendment is essential to both fully implement the MRT action plan as well as prepare for ACA implementation.
- The amendment, which requires federal approval, is a unique opportunity to address the underlying challenges facing NYS health care delivery:
 - ✓ *Lack of primary care;*
 - ✓ *Weak health care safety net;*
 - ✓ *Health disparities; and*
 - ✓ *Transition challenges to managed care.*

MRT Waiver August 2012 Reinvestment Strategies

- Primary Care Expansion
- Health Home Development
- New Care Models
- Expand Vital Access/Safety Net Program
- Public Hospital Innovation
- Medicaid Supportive Housing
- Long Term Transformation - Integration to Managed Care

MRT Waiver Reinvestment Strategies

- Capital Stabilization for Safety Net Hospitals
- Hospital Transition
- Ensuring the Health Workforce Meets the Needs in the New Era of Health Care Reform
- Public Health Innovation
- Regional Health Planning
- MRT and Waiver Evaluation Program



CMS Feedback

CMS Feedback

- MRT Waiver Reinvestment Strategies determined “unfundable”
 1. **Capital**
 2. **Rental subsidies**
 3. **Regional Planning**
 4. **Evaluation**
 5. **Health Information Technology**

CMS Preferred Path Forward

- New York is moving forward with a three-part approach
 - **Delivery System Reform Incentive Payment (DSRIP) Plan**
 - **State Plan Amendment**
 - **Managed Care Contract Payments**
- Our aim is to stay true to the original goals of the MRT Waiver Amendment, while making our proposal consistent with CMS feedback on what can be approved

DSRIP – Key Components

- Focus on reducing inappropriate hospitalizations.
- Statewide initiative open to a wide array of safety-net providers.
- Payments are performance-based.
- Providers will choose from a menu of CMS-approved projects.
- Total 5-year value = \$7.375 billion.

State Plan Amendment

- Vehicle to implement Health Home Development Grants.
- Hope is the funds will be available for same uses as originally envisioned.
- Total 5-year value = \$525 million.

Managed Care Contract Amendments

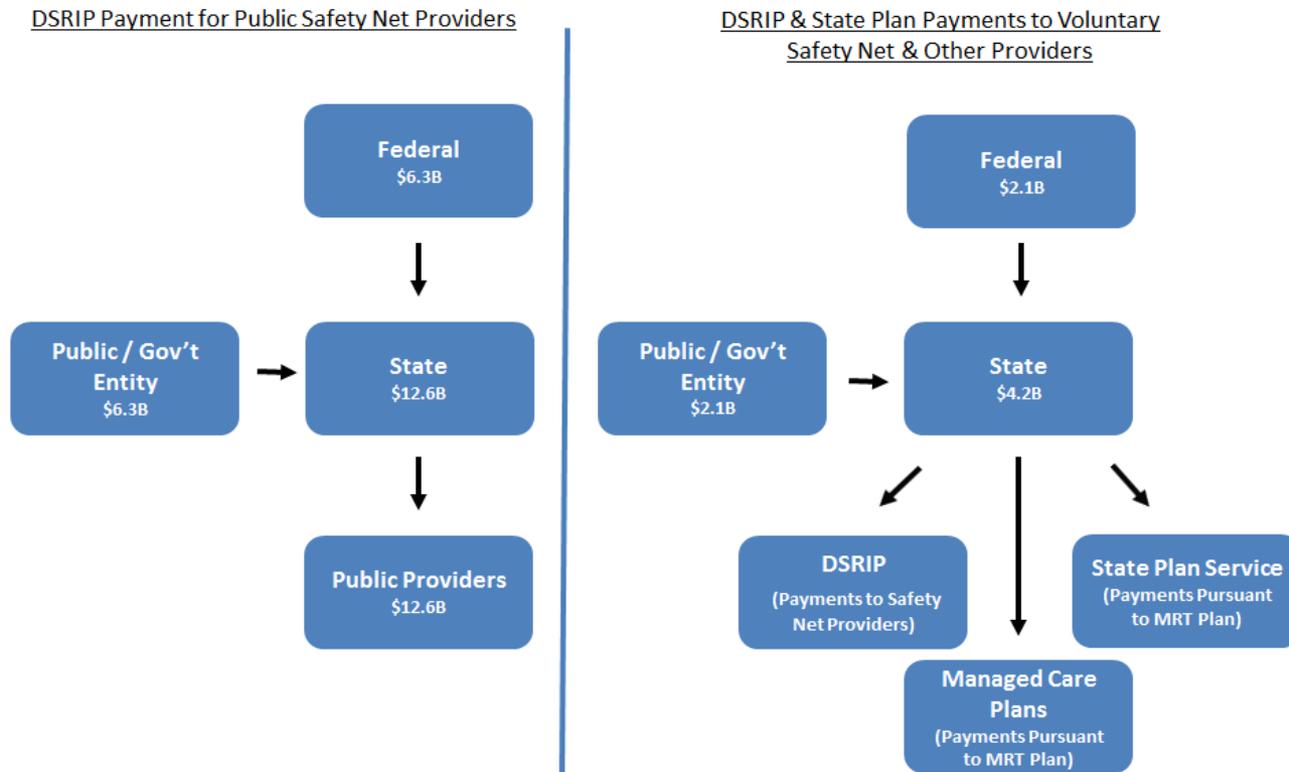
- Vehicle to implementing:
 1. **Primary Care Technical & Operational Assistance**
 2. **Health Workforce Needs: Retraining, Recruitment and Retention**
 3. **1915i Services - New**
- Funds will flow to plans who will be contractually required to contract for those services.
- Plans for how funds will be used will be pre-approved by the state.
- Total 5-year value = \$2.1 billion.

Waiver Financing and Source of State Match

- Intergovernmental transfers (IGTs) will fund DSRIP projects and other MRT waiver amendment projects.
 - ▣ **Total 5-year value = \$8.4 billion**
- NYS will also use Designated State Health Programs (DSHPs). Sources of DSHP funding include previously approved FSHP and Partnership Plan DSHPs.
 - ▣ **Total 5-year value = \$1.6 billion**

IGT Funding Flow Chart

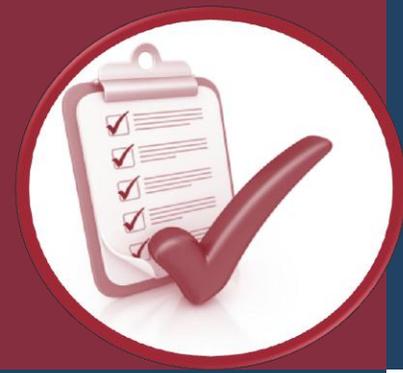
State of New York DSRIP Proposed Funding Flow



*All DSRIP funds are performance based payments governed by Special Terms and Conditions (STC's) and are retained by the provider.

Next Steps

- Updated waiver documents to be submitted to CMS by end of next week.
- Documents will be posted on MRT website for comment shortly after.
- Lots of work to do!
- We are making progress!



Questions?

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- Archived webinar will be available on MRT Website:
http://www.health.ny.gov/health_care/medicaid/redesign/
- Send questions/comments to MRTwaiver@health.state.ny.us
- Additional webinar to be schedule in next several weeks to provide further updates.
- Documents to be made available to stakeholders in mid-December



Contact Information

We want to hear from you!

MRT website:

http://www.health.ny.gov/health_care/medicaid/redesign/

Subscribe to our listserv:

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

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