

A red-tinted image showing the top of the Statue of Liberty's head and crown on the right, and a perspective view of a grid pattern of lines extending towards the left.

*Redesign Medicaid in New York State*

# MRT Affordable Housing Work Group Meeting

**December 17, 2013**

10:00 AM – 3:00 PM

90 Church Street, 4<sup>th</sup> Floor,  
Conference Room A/B , Manhattan

The logo for the New York State Department of Health, featuring the text "NEW YORK" in a large, bold, sans-serif font, "state department of" in a smaller, lowercase, sans-serif font, and "HEALTH" in a large, bold, sans-serif font, all contained within a dark blue rounded rectangle.

NEW YORK  
state department of  
HEALTH

# Agenda

- Medicaid Waiver & Budget Update
- MRT Capital Funding Discussion: Next Steps
- Coordinating Service, Operating & Capital
- Understanding Housing and Health Integration
- Next Steps

# MRT Waiver Amendment: Stakeholder Update

# Overview

- MRT Waiver Amendment August 2012  
Strategy Recap
- CMS Feedback
- Current Strategy
- Next Steps

# MRT Waiver Amendment

- 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
- Capital Stabilization for Safety Net Hospitals
- Hospital Transition
- Health Workforce
- Public Health Innovation
- Regional Health Planning
- MRT and Waiver Evaluation Program

# 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 five year value = \$7.375 billion.

# State Plan Amendment

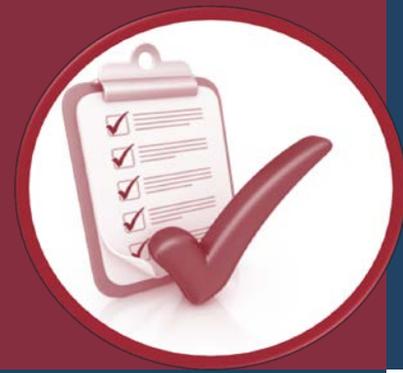
- Vehicle to implement Health Home Development Grants.
- Goal is the funds will be available for same uses as originally envisioned.
- Total five year value = \$525 million.

# 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 five year value = \$2.1 billion.

# Next Steps

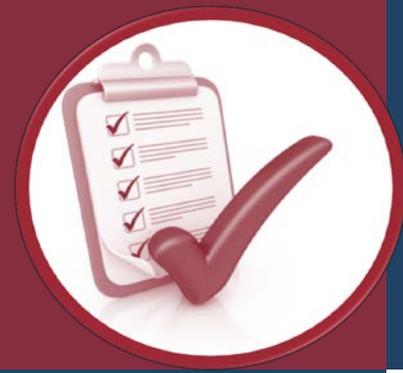
- Updated waiver documents were submitted to CMS on Thursday, December 12<sup>th</sup>.
- Documents will be posted on MRT website for comment shortly after.
- Archived webinar is available on MRT Website:  
[http://www.health.ny.gov/health\\_care/medicaid/redesign/](http://www.health.ny.gov/health_care/medicaid/redesign/)
- Send questions/comments to: [MRTwaiver@health.state.ny.us](mailto:MRTwaiver@health.state.ny.us)
- Additional webinar to be schedule in next several weeks to provide further updates.



# MRT Budget Update

# 2014-15 Budget Update

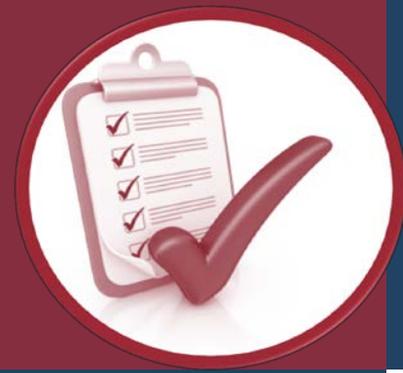
- The Department of Health (DOH) is compiling the budget for 2014-15;
  - *In January, we will ask Work Group members for ideas for the MRT 2014-15 allocation amount;*
  - *Actively implementing programs funded in 2013-14; and*
  - *Collecting Medicaid data for analysis*



# MRT Capital Funding

# MRT Capital Funding: *Discussion Items*

1. Should MRT HCR Capital funding expand statewide?
2. Should HCR Capital funding expand beyond the NY/NY III population?
3. Should the MRT HHAP program expand statewide?



Maintaining the Momentum:  
Coordinating Service, Operating & Capital  
Funding Awards to keep Supportive  
Housing Development Moving Forward

*Ted Houghton, SHHNY*

# More supportive housing is needed:

New DOHMH study confirms supportive housing is a cost-effective strategy to address:

- Record homelessness
- Rising Medicaid costs/disjointed care
- New *Olmstead* integration goals
- Reductions in institutional care.

# Capital investment in supportive housing increases:

- NYC HPD doubles annual supportive housing development
- HCR Unified Funding Round finances more supportive housing
- DOH introduces new MRT capital supportive housing initiative
- OMH releases new RFP for capital supportive housing units
- OTDA HHAP capital program increased under House NY and MRT.

# But service & operating funds are not keeping pace:

- NY/NY III Agreement wrapping up
- OTDA NYSSHP rarely available to new residences
- No dedicated MRT service & operating funds linked to capital MRT projects
  - HHAP MRT cannot rely on HUD funds
  - OMH “Services Only” award challenges

# NY/NY III Supportive Housing Agreement Wrapping Up:

- Almost all service & operating funds have been awarded
- Service & operating funds for most tenant populations no longer available
- NY/NY III funding available only in NYC

# OTDA NYS Supportive Housing Program funds rarely available to new residences:

- NYSSHP provides essential funds for case management and front-desk security to all tenants in supportive housing residences
- After years of increasing NYSSHP to fund services in new units as capital residences open, fiscal pressures have kept funding largely flat since 2008
- New residences that were counting on NYSSHP must reduce security/case management coverage or self-fund; some residences experiencing operational challenges
- Lack of NYSSHP slows underwriting of capital development, particularly outside of New York City

## OTDA NYS Supportive Housing Program funds rarely available to new residences:

- Thirty-two open residences serving over 1,000 formerly homeless persons/families not receiving service funding
- Nine new residences for 440 homeless persons/families scheduled to open this year will not receive expected service funding
- Numbers do not include new MRT units in development.

# No dedicated MRT service & operating funds linked to capital MRT projects:

- HCR MRT links capital to OMH “Services Only” Awards
- HHAP MRT largely depends on dwindling HUD CofC funds to pay for service & operating costs.
- Challenges Emerging:
  - OMH services-only funding does not support capital underwriting of projects, slowing development
  - Shovel-ready projects by providers not on the services-only list unable to access MRT capital
  - Not all OMH service-only awardees have ready projects
  - HHAP MRT cannot rely on HUD funds; Section 8 unavailable

# Models that Work

- NY/NY Agreements – Long term plan that commits capital and services & operating funding; makes conditional service & operating funding awards that capital can be financed against
- OTDA NYSSHP – Model designed to award services & operating funds when residences open
- OMH – Procurement process awards capital (pre-development, acquisition, construction) at same time as service & operating funds (and sometimes debt service)

# Solutions

- Develop a statewide supportive housing development agreement that commits both capital and service & operating funds as part of a long term interagency coordination that increases collaboration, not consolidation.
- Expand NYSSHP budget to fund service & operating costs as new units open.
- Reserve expense budget funds in out-years of MRT/Medicaid budget, so that service & operating contracts can be awarded at same time as capital funds.

# Potential Funding Sources

- NY/NY III Supportive Housing Evaluation Interim Report released this week by NYC DOHMH confirms net savings of \$10,100 per person per year across systems (after subtracting cost of service and operating funding)
- Some populations show greater savings (single adults coming from State-operated psychiatric facilities achieved net savings of \$77,425)
- Study's limitations indicate greater savings can be achieved by targeting specific populations
- New mechanisms can make it easier to reinvest Medicaid, OMH/OPWDD institutional care and shelter funds into supportive housing.

# Understanding Housing & Health Integration

*Presented By  
Kristin Miller, NYS Program Director  
Tuesday, December 17, 2013*

The Source for  
Housing Solutions



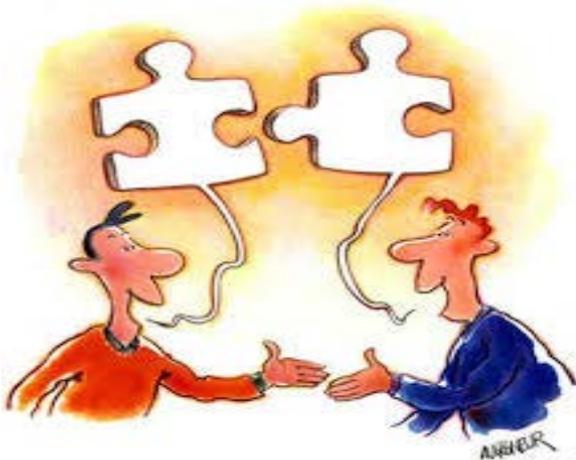
# Overview

- **Educate: Deliver 5-7 trainings across New York State on Housing and Health Integration**
- **Audience: wide and varied group – health homes, housing providers, hospitals, government partners, CoC, service providers, homeless outreach, treatment centers & others**



# Goals

- Provide general **base knowledge** to all parties on basics of shelter and housing in New York, tailored to geography of audience.
- Provide opportunity for **networking** with people from other fields.
- Provide **dialogue** on implementation among diverse affected organizations.



# Assessment & Feedback



**How's it going?**

# What We'll Cover

Housing  
Universe  
in NY

Supportive  
Housing

Health  
Homes

Integrating  
Health &  
Housing

# What's Next?

1. **Finalize PowerPoint**
2. **State Agencies Coordinating Regional Trainings to begin early 2014**
3. **Mid 2014 second round of trainings; identify new challenges and best practice integration models as implementation evolves**

# Thank you.

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# Next Steps

- Meet in January to discuss the MRT Affordable Housing Allocation Plan for 2014
  - *Members will present ideas for consideration*