NEW YORK STATE | Department of Health

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Governor

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Commissioner

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Executive Deputy Commissioner

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Dear Colleague:

The New York State Department of Health ("New York" or the "State") is requesting a five-year extension of the existing Section 1115(a) Medicaid Redesign Team (MRT) demonstration, which is set to expire on March 31, 2027.

Goals and Objectives of the Extension / Anticipated Impact on Tribal Members

The goals and objectives of this demonstration extension are intended to continue, maintain, and operationalize the goals and objectives approved under the current Section 1115(a) demonstration. In particular, this extension would continue to support Tribal members and align with the goals and objectives of this demonstration by:

- Continuing to improve patient-centered care by further sustaining the integration across physical health, behavioral health, addiction treatment, and social services in communities and through sustained investment in population health;
- Continuing to improve access to healthcare services for the Medicaid population;
- Continuing to improve the quality of health services delivered;
- Continuing to expand coverage with resources generated through managed care efficiencies to additional low-income New Yorkers; and
- Continuing to address the upstream drivers of health, advance population health and support the delivery of HRSN services.

The proposed extension seeks to continue core waiver and expenditure authorities necessary to sustain initiatives that have been fully implemented through the waiver, allow recently approved initiatives to be fully implemented and demonstrate outcomes, and maintain continuity of coverage and services for Medicaid members, with the following programmatic amendments:

Initiatives to Continue without Amendments

New York is proposing to continue the following initiatives without amendment:

- **Mainstream Medicaid Managed Care (MMMC):** New York's program providing health insurance benefits to most members through contracted managed care organizations (MCOs) that coordinate care via a primary care provider across three plan types: Mainstream Managed Care[1], Health and Recovery Plans (HARP), and HIV Special Needs Plans (HIV-SNP).

- **Managed Long-Term Care (MLTC):** New York's managed care delivery system for individuals with chronic illness, disability, or functional limitations who need ongoing community-based long-term services and supports.

- **Facilitated Enrollment Services:** One-on-one assistance to help New Yorkers apply for and renew Medicaid, Child Health Plus, the Essential Plan, and Qualified Health Plans through New York State of Health.

- **Community Oriented Recovery and Empowerment (CORE):** Person-centered, recovery-oriented mobile behavioral health supports delivered in homes and communities to adult Medicaid beneficiaries (age 21+) with serious mental illness or substance use disorders.

- **Residential and Inpatient Treatment for Individuals with Substance Use Disorder (SUD):** Medicaid reimbursement for residential and inpatient treatment services for adults and children with opioid and other Substance Use Disorders (SUD). The purpose of this request is to strengthen statewide treatment infrastructure, preserve residential treatment capacity, improve coordination across the continuum of SUD care, and support ongoing reductions in avoidable emergency department use, inpatient admissions, overdose deaths, and other adverse health outcomes. This extension waives the Institution for Mental Diseases Exclusion, allowing federal funding of facilities with more than 16 beds specializing in psychiatric or SUD care and thereby enabling the State to provide adequate institutional care to its members. Combined with the broader continuum, IMDs help ensure individuals receive care in the most appropriate setting.

- **Designated State Health Programs (DSHP):** The State makes three requests concerning DSHP funding:

    - To rollover $1.5 billion[2] of already-drawn down DSHP funds that the State projects will remain unspent by the end of the demonstrations for continued use on the DSHP-funded initiatives approved in the current demonstration,

[1] Mainstream Managed Care is the state's standard Medicaid managed care system, whereas HARP & HIV-SNP are specialized programs.
[2] DSHP preliminary financial projections summary—total expenditures—as of 06/01/26.

including HRSN services, HERO and Workforce initiatives into the extension period;

- To continue expenditure authority to draw down FFP for $672 million of unclaimed DSHP funds up to the already approved total $3.9 billion in total computable in the current demonstration[3] to be spent on the DSHP-funded initiatives; and
- For the Workforce initiatives, to exercise the time-limited close-out expenditure authority referenced in the current demonstration's STCs. STC 12.7.d permits the State to pay administrative cost and monitor remaining service obligations associated with the Student Loan Repayment for Qualified Providers (known as the Healthcare Access Loan Repayment [HEALR] program) and Career Pathways Training programs from April 1, 2027 until March 31, 2031, as the programs phase out.

Initiatives Proposed to Be Amended

New York is requesting amendments to the following initiatives as part of the five-year extension of its Section 1115(a) Medicaid Redesign Team (MRT) demonstration, which is currently authorized through March 31, 2027:

- **Demonstration-Eligible- Populations:** The State requests to continue waiver authority for all existing, demonstration-eligible populations with the exception of Demonstration Population 2 (Temporary Assistance for Needy Families [TANF] Adults). For a full description of the TANF Adult discontinuation, see the Requested Initiatives to be Discontinued section below.

- **Workforce Initiatives:** The State proposes to close out current Workforce Initiatives—the (1) Health Care Access Loan Repayment (HEALR, in STCs as Student Loan Repayment for Qualified Providers) and (2) Career Pathways Training (CPT) programs—with continued, time-limited expenditure authority for close-out activities consistent with approved Special Terms and Conditions (STCs). The State is not seeking new workforce authority under this extension.

- **Health-Related Social Needs (HRSN) Services:** The State proposes to amend and continue its Health-Related Social Needs (HRSN) services initiative. The amendment would maintain the full scope of HRSN services and eligible populations approved in the current demonstration, while making limited refinements to improve program alignment and sustainability.

  Specifically, the State proposes to:
  - Continue coverage of approved HRSN services, which include:

[3] DSHP preliminary financial projections summary—unclaimed DSHP funds—as of 06/01/26

- Care Management
  - Level One Care Management (Navigation Services)
  - Level Two Care Management (Enhanced Population)
- Housing
  - Home Accessibility and Safety Modifications
  - Home Remediation Service
  - Asthma Remediation
  - Medical Respite (Recuperative Care)
  - Rent/Temporary Housing
  - Utility Setup/Assistance
  - Pre-Tenancy Services and Housing Navigation
  - Community Transitional Supports (CTS)
  - Tenancy Sustaining Services
- Nutrition Supports
  - Nutrition Counseling and Education
  - Medically Tailored Meals or Clinically Appropriate Home Delivered Meals
  - Medically Tailored or Nutritionally Appropriate Food Prescriptions
  - Fresh Produce and Non-Perishable Groceries (Pantry Stocking)
- Cooking Supplies
- HRSN Transportation Services

o Maintain delivery of HRSN services through Social Care Networks (SCNs);

o Remove coverage of real estate brokerage fees associated with housing services due to changes in State law and limited program utilization;

o Update the definition of enhanced HRSN populations to align with the CMS--approved HRSN Implementation Plan[4] and to group child populations together (1) Juvenile justice involved youth, foster care youth, and those under kinship care; (2) Children under age 6; and (3) Children under age of 18 with one or more chronic conditions) to be “High-Risk Children under Age 18”, and;

o Maintain non-risk payments for HRSN services for one additional year, prior to transitioning to risk-based funding[5] in April 2028; this additional year will allow the State to collect sufficient encounter, utilization, and cost data to support actuarially sound rate development and ensure

[4] Attachment J of Special Terms and Conditions (ny-medicaid-rdsgn-team-dmntn-aprvl-11242025.pdf)
[5] Capitated payments are fixed, pre-paid, per-person payments for providing contracted services.

compliance with managed care rate setting requirements.

- **Health Equity Regional Organization (HERO)**: The State requests to continue the remaining $78 million in expenditure authority for the HERO initiative. The purpose of this request is to build upon existing infrastructure and information gathered during the initial demonstration period and transition to an advanced analytics platform to better support program operations and program integrity. Evolving those functions of the HERO would enable New York to be at the forefront of Medicaid data analytics and program administration, including enabling real-time feedback to inform decision-making. In addition to supporting evidence-based policy decisions based on observed metrics of success, it would leverage predictive modeling, machine learning, and anomaly detection to help serve as an early warning system for outlier programmatic, billing, or referral patterns before they become material, enabling reforms and referrals to be implemented quickly as issues arise. By improving the speed and quality of data analysis and decision-making, this new capability will help improve program design and operations, while ensuring continued access to care for those who need it most.

- **Medicaid Hospital Global Budget Initiative:** The State is requesting Medicaid authority for hospital global budgets in accordance with the Achieving Healthcare Efficiency through Accountable Design (AHEAD) Model requirements. New York continues to prioritize hospital transformation efforts and readiness for the AHEAD model by working across the AHEAD project team and the Section 1115(a) demonstration team, coordinating closely with stakeholders, and making strides developing the Medicaid hospital global budget methodology. New York also continues to work with CMS and to hone the details of each Medicaid hospital global budget adjustment and baseline inclusion rules to ensure alignment with CMS criteria and the overall needs of the participating hospitals and Medicaid population impacted. New York will work to develop the HGB baseline through discussions with CMS, but the request is that the MHGBI funding will be maintained in the HGB baseline calculation for eligible hospitals.

Initiatives Proposed to Be Discontinued

New York proposes to discontinue the following initiatives by the end of the current demonstration period:

- **HRSN Infrastructure:** The State projects it will reach the expenditure cap for HRSN infrastructure by the end of the current demonstration and therefore does not request to continue expenditure for this initiative.

- **Demonstration Services for Behavioral Health Provided under MMMC:** New York implemented select behavioral health services for Medicaid Managed Care members under the current Section 1115(a) demonstration.

As these services have transitioned to State Plan authority and become standard components of the Medicaid benefit package, the State proposes to discontinue this authority upon extension.

- **Self-Direction Pilot:** Neither the Adult Self-Direction Pilot nor the Child Self-Direction Pilot has drawn down Medicaid federal financial participation under the Section 1115(a) demonstration. The Adult Self-Direction Pilot will continue to operate under state authority where appropriate. It has been funded exclusively with state funds and does not require extension of federal demonstration approval. The Child Self-Direction Pilot authorized under the current 1115 demonstration was never implemented, and the State does not anticipate implementing the pilot at this time.[6] Since ending this authority will not impact services delivered, the State does not intend to develop a transition plan.

- **Behavioral Health Home and Community-Based Services (BH HCBS):** The State proposes an amendment to phase out remaining Behavioral Health Home and Community-Based Services (BH HCBS) while continuing Community Oriented Recovery and Empowerment (CORE) Services. CORE Services replaced the majority of adult BH HCBS in 2022 and are now the primary rehabilitation service model for eligible members. Prior to the transition to CORE services, the utilization of BH HCBS services was low. Utilization began to decrease further each month following the CORE implementation in 2022. The State intends to fully transition remaining participants to CORE or other appropriate State Plan behavioral health services, ensuring continuity of care and no disruption of services.

  Final timing for the BH HCBS phase-out will be coordinated with the 1115 waiver extension timeline and public notice process to allow sufficient stakeholder engagement and implementation planning. By the end of the current demonstration, the State will issue formal notifications to members eligible for or receiving BH HCBS via Mainstream Managed Care plans. Every individual currently receiving BH HCBS will receive an individualized transition plan and will be connected to appropriate alternative services, including CORE Services and other State Plan behavioral health services. The transition will be complete by the end of the current demonstration and will preserve continuity of care with no service interruption.

- **Demonstration Population 2 (Temporary Assistance for Needy Families [TANF] Adult:** Individuals currently eligible based on TANF status will instead

[6] Separate from New York's 1115 authority for the Child Self-Direction Pilot, the State's 1915(c) authority to provide Financial Management Services to assist members in purchasing Adaptive and Assistive Technology (ATT), Environmental Modifications (E-Mods), and Vehicle Modifications (V-Mods) will continue under the Children's Waiver. These services are authorized through the 1915(c) waiver and therefore do not depend on the Section 1115(a) demonstration authority that New York is requesting to discontinue.

undergo a full Medicaid eligibility determination under State Plan rules. This amendment is intended to align demonstration eligibility with standard Medicaid eligibility processes. The State will work to transition members by January 1, 2027.

- **Continuous Eligibility for Children up to Age Six**: To comply with the July 2025 CMS guidance, Section 1115(a) Demonstration Authority for Continuous Eligibility Initiatives, specifying that CMS does not anticipate extending existing Section 1115(a) demonstration authority for expanded continuous eligibility initiatives, the State has discontinued continuous eligibility for children up to age six. Affected children will be returned to standard renewal processes and evaluated for ongoing eligibility under Medicaid or other insurance affordability programs. By July 1, all individuals will either be re-enrolled in Medicaid if they remain eligible or transitioned to another program if they no longer qualify.

- **Twelve-Month Continuous Eligibility for Adults**: To comply with the July 2025 CMS guidance, Section 1115(a) Demonstration Authority for Continuous Eligibility Initiatives, specifying that CMS does not anticipate extending existing Section 1115(a) demonstration authority for expanded continuous eligibility, the State has discontinued Twelve-Month Continuous Eligibility. Pregnant individuals and those up to 12 months postpartum will still be eligible for 12-month continuous eligibility. Adults who maintained eligibility under this authority will be redetermined through standard renewal processes and assessed for eligibility for Medicaid, the Essential Plan, or other coverage options, with appropriate notice provided. By July 1, all individuals will either be re-enrolled in Medicaid if they remain eligible or transitioned to another program if they no longer qualify.

New York anticipates minimal impact to Tribal members and providers as some initiatives discontinue by establishing plans to transition members by the end of the current demonstration period in March 2027 as summarized above and detailed in the full demonstration extension application.

Eligibility Requirements, Benefits, and Cost Sharing Changes

This Section 1115(a) extension request primarily continues New York's existing Medicaid eligibility rules, benefits, and cost sharing requirements. For most individuals currently enrolled in Medicaid, this extension will not result in changes to eligibility or covered benefits.
Consistent with updated federal guidance and the maturation of certain demonstration initiatives, the extension reflects a limited set of changes described in the table below.

In addition to the initiative-level impacts to eligibility requirements, benefits, cost sharing, and delivery system identified in the table below, New York is actively preparing for the operational updates needed to comply with State Medicaid Director Letter (SMD) # 25-003 (RE: Medicaid Managed Care Payments and Emergency Medical Condition

Coverage for Aliens Ineligible for Full Medicaid Benefits).[7] The State will continue to work with CMS to evaluate whether modifications to existing authorities are required, including as they relate to Section 1115(a) managed care authorities.

Table 1: Impact on Eligibility Requirements, Benefits, Cost Sharing, or Delivery System

Initiative	Changes to Eligibility, Benefits, or Cost Sharing	Changes to Delivery System
Initiatives requested to continue without amendment		
MMMC	No change	No change
MLTC	No change	No change
Facilitated Enrollment Services	No change	No change
CORE	No change	No change
Residential and Inpatient Treatment for Individuals with Substance Use Disorder (SUD)	No change	No change
DSHP	No change	No change
Initiatives requested to continue with amendment		
Demonstration-Eligible Populations	*Changes to eligibility:* • Continuing expenditure and waiver authority for HCBS Expansion, Institution to Community, and Family of One Children • Discontinuing expenditure and waiver authority for TANF Adult	No change
HRSN Services	*Changes to benefits:* discontinuing Brokerage Fees as coverage is no longer necessary *Changes to eligibility terminology:* replacing three population categories—Juvenile Justice-Involved	Moving from non-risk to risk-based arrangement in 2028

[7] Caprice Knapp. (2025, September 30). *RE: Medicaid Managed Care Payments and Emergency Medical Condition Coverage for Aliens Ineligible for Full Medicaid Benefits.* CMS. https://www.medicaid.gov/federal-policy-guidance/downloads/smd25003.pdf

Initiative	Changes to Eligibility, Benefits, or Cost Sharing	Changes to Delivery System
	Youth, Foster Care Youth, and those under Kinship Care; children under the age of six; and children under the age of 18 with one or more chronic condition—with a new category "High-Risk Children under Age 18"	
Workforce Initiatives	No change	No change
HERO	No change	No change
MHGBI	Per New York's request in Section 3, the State will continue to work with CMS and to hone the details of the waiver authority and expenditure authority requests for this initiative.	
Initiatives requested to discontinue		
HRSN Infrastructure	No change	No change
Demonstration Services for Behavioral Health Provided under MMMC	*Changes to benefits:* discontinuing expenditure authority for Demonstration Services 9 (Residential addiction, crisis intervention, and licensed behavioral health practitioner services), which have entirely transitioned to the State Plan	No change
Self-Direction Pilot	*Changes to benefits:* discontinuing expenditure authority for children and adult self-direction	No change
BH HCBS	*Changes to benefits:* discontinuing a set of BH HCBS (Education Support Services, Pre-Vocational Services, Transitional Employment, Intensive Supported Employment, Ongoing Supported Employment, Habilitation, and Non-Medical Transportation) that have not transitioned to CORE	No change
Demonstration Population 2 (TANF Adult)	*Changes to eligibility:* discontinuing waiver and expenditure authority for TANF Adult	
Continuous Eligibility for Children up to Age Six	*Changes to eligibility:* discontinuing in accordance with CMS guidance[8]	No change

[8] Drew Snyder. (2025, July 17). *Section 1115 demonstration authority for continuous eligibility initiatives*. CMS. https://www.medicaid.gov/resources-for-states/downloads/contin-elig-ltr-to-states.pdf

Initiative	Changes to Eligibility, Benefits, or Cost Sharing	Changes to Delivery System
Twelve-Month Continuous Eligibility	*Changes to eligibility:* discontinuing in accordance with CMS guidance[9]	No change
Non-drug benefit cost sharing	*Changes to benefits and cost-sharing:* Discontinuing authority to comply with H.R.1 (Pub. L. No. 119-21, § 71120)	No change

Enrollment and Fiscal Projections

This extension proposal is budget neutral and does not request any additional federal funding. The request seeks to extend existing waiver authorities and programs. It does not introduce new initiatives with material fiscal impact and is therefore expected to have no more than a nominal impact on overall enrollment and cost relative to the current demonstration.

The State anticipates a total caseload across the extension proposal to be 5.9 million members for DY 29, with aggregate projected waiver expenditures of approximately $83.4 billion. These projections may change based on the final demonstration year assumptions used in the extension application. These projections reflect baseline utilization trends and continuation of currently approved initiatives.

*Exhibit 1: Historical Caseloads and Costs (in total computable dollars) **

Demonstration Year (DY)	DY 22	DY 23	DY 24	DY 25
Historical Caseload *	5,175,547	5,601,088	5,920,741	5,789,288
Historical Cost ($M)*	$52,391.5	$57,726.9	$61,539.2	$72,623.9

*Total historical cost figures and caseloads are extracted from the MDW as of March 2026.

Exhibit 2: Projected Caseloads and Costs (in total computable dollars)

Demonstration Year (DY)	DY 29	DY 30	DY 31	DY 32	DY 33
Projected Caseload of the Demonstration	5,938,494	5,982,632	6,027,399	6,072,806	6,118,864
Projected Cost ($M)	$83,255.8	$86,508.1	$89,898.2	$93,432.3	$97,116.8

Summary of the Preliminary Interim Evaluation Report

To ensure the demonstration is achieving its goals for New York's Medicaid population, federal regulations under 42 CFR 431.420 require an independent, outside review. The State engaged Public Consulting Group (PCG) as its independent evaluator (IE). PCG leads all aspects of the evaluation, from research design through final reporting, and is responsible for producing the Evaluation Design Document (EDD) and evaluation reports that CMS requires.

CMS requires the State to submit an EDD within 180 days of a waiver approval, and a revised EDD within 180 days of any approved waiver amendment. CMS reviews each filing and

[9] Ibid.

provides feedback before granting approval. CMS approved the EDD on March 9, 2026, clearing the way for full evaluation work to move forward.

Evaluation Activities and Findings to Date

Even as the EDD awaited CMS approval, the State and PCG moved forward with early evaluation activities, focusing on five programs introduced under the January 2024 amendment. These programs are:

- Social Care Network (SCN) Program
- Career Pathways Training Program
- Health Care Access Loan Repayment (HEALR) Program
- Medicaid Hospital Global Budget Initiative (MHGBI)
- Health Equity Regional Organization (HERO)

Most early evaluation focused on the SCN rollout, with the CPT program receiving the next greatest attention. Findings draw on document review, program data, and key informant interviews (KIIs) - structured conversations with program leaders and senior staff. Interviews were conducted from September through November 2025 with leaders and senior staff at the nine SCN Lead Entities, HRSN providers, Workforce Investment Organizations (WIOs), and the New York State Department of Health. Where available, a limited amount of administrative data was also reviewed. The full preliminary report is available at https://www.health.ny.gov/health_care/medicaid/redesign/1115_waiver/docs/1115_preliminary_interim_eval_rpt.pdf

Demonstration Evaluation and Hypotheses

For the extension period, the evaluation will follow a structured framework with defined hypotheses, research questions, measures, and data sources for each program. Every program is linked to a hypothesis about its expected effect on access to care, quality of care, service utilization, and health outcomes for its target population.

The evaluation will use rigorous mixed methods to test these hypotheses. Quantitative approaches may include pre/post comparisons, long-term trend analyses, and quasi-experimental designs where data and program structure allow. For example, a pre/post comparison is well suited to evaluating the hypothesis that the Residential and Inpatient Treatment for Individuals with Substance Use Disorder (SUD) program improves access to treatment. Qualitative methods will add depth by capturing how programs were experienced on the ground including what worked, what did not, and why.

Extension Initiatives and Example Main Hypotheses

Initiative	Hypothesis
CORE Services	The transition to CORE services will improve access to rehabilitation and recovery services for Behavioral Health High-Risk Adults, leading to improved quality of care and health outcomes for this population.

IMD SUD Demonstration	The IMD SUD demonstration will improve access to SUD services across the care continuum, leading to increased engagement in care, and improved quality of care and health outcomes for this population.
Health Equity Regional Organization (HERO)	The HERO initiative will increase volume and/or quality of referrals for fraud, waste, and abuse investigation based on an advanced analytics platform.
HRSN Services	The HRSN initiative of the amendment will support the delivery of targeted support services through Social Care Networks (SCNs) and improve overall quality and health outcomes for high-risk members including children, pregnant and postpartum individuals, the chronically homeless, and individuals with SUD.

Example Research Questions and Measures

The table below shows example research questions, measures, and data sources that may be used to evaluate the next demonstration period and to assess progress toward the demonstration goals listed in Section 3 of this application. Final hypotheses, measures, and data sources may change based on CMS feedback during the approval process.

Research Question	Example Measures
Hypothesis 1: The transition to CORE services will improve access to rehabilitation and recovery services for Behavioral Health High-Risk Adults, leading to improved quality of care and health outcomes for this population.	
Did the transition to CORE services improve access to rehabilitation and recovery services for BH High-Risk Adults?	• CORE Service Utilization Rates • Adult BH HCBS Service Utilization Rates • Utilization of Recovery Oriented Services for Mental Health • Engagement in Community-based Mental Health Care by service type, plan type, year, clinical characteristics, and demographics
Hypothesis 2: The IMD SUD demonstration will improve access to SUD services across the care continuum, leading to increased engagement in care, and improved quality of care and health outcomes for this population.	
Did the IMD SUD demonstration improve access to, and engagement in, SUD services across the care continuum for this population?	• Non-acute SUD Service Utilization Rate • Residential Care Utilization at each of 3 Levels • Residential Care Average Length of Stay at each of 3 Levels • Initiation and Engagement of SUD Treatment • Follow-up After High-Intensity Care for SUD • Pharmacotherapy for Opioid Use Disorder (OUD) by plan type, year, clinical characteristics, and demographics
Did quality of care outcomes among individuals in need of SUD services improve following the implementation of the	• ED Visits for SUD, for OUD • Inpatient Utilization for SUD, for OUD • Adult Access to Preventive/Ambulatory Health Services • Colorectal Cancer Screening • Plan All-Cause Readmission by plan type, year, clinical characteristics, and demographics

Research Question	Example Measures
IMD SUD demonstration?	
Did health outcomes among individuals in need of SUD services improve following the implementation of the IMD SUD demonstration?	• Rate of overdose deaths among adult Medicaid members living in a geographic area covered by the demonstration by plan type, year, clinical characteristics, and demographics
Hypothesis 3: The HRSN component of the January 2024 amendment will support the delivery of social care through SCNs and improve overall quality and health outcomes for high-risk members[10] including children, pregnant and postpartum individuals, the chronically homeless, and individuals with SUD.	
Did the HRSN initiative effectively mitigate members' identified HRSNs?	• Proportion of survey respondents who agreed that services received fully met their needs by year, HRSN service type, and demographics
What were the experiences of members with HRSN screening and services?	Proportion of survey respondents who reported good to excellent experience with: • Screening process • Social Care Navigator • Nutrition Service Provider • Housing Service Provider • Transportation Service Provider Proportion of survey respondents who were happy with the quality of services received: • Nutrition Service Provider • Housing Service Provider • Transportation Service Provider By year and demographics
Did quality of care and health outcomes among persons eligible for enhanced HRSN services improve following receipt of enhanced HRSN	• Adult Access to Preventive/Ambulatory Health Services • Colorectal Cancer Screening • Inpatient Utilization • ED Visits (Total, BH, non-BH) • Plan All-Cause Readmission by year, clinical characteristics and demographics

[10] The State indicates that the term "high-risk members" includes "children, pregnant and postpartum individuals, the chronically homeless, and individuals with SUD" in the stated goals of the demonstration. For purposes of evaluation, "high-risk members" is defined as individuals who meet the eligibility criteria for enhanced HRSN services.

Research Question	Example Measures
services?	
How did renewals of recurring nutrition services affect care utilization and member physical and mental health outcomes?	• Adult Access to Preventive/Ambulatory Health Services • Colorectal Cancer Screening • Inpatient Utilization • ED Visits (Total, BH, non-BH) • Plan All-Cause Readmission • Potentially Preventable Mental Health Readmission Rates by year, clinical characteristics and demographics
Hypothesis 4: The Hero Initiative will increase volume and/or quality of referrals of fraud, waste, and abuse investigation based on an advanced analytics platform.	
Did the integration of an analytics platform increase the volume and quality of referrals for Medicaid fraud and abuse?	• Referrals of investigations • Corrective action plans

The evaluation questions, hypotheses, measures, and data sources are subject to change. The State and its independent evaluator will refine them based on CMS feedback during the approval process.

Waiver and Expenditure Authorities

As specified in the MRT Waiver extension application, the State requests to continue the waiver and expenditure authorities described below.
References to the STCs in the tables below are related to the most recently approved STCs for the current demonstration.

Requested Waiver Authorities to Continue

#	Waiver Authority	Reason for and Use of Waiver Authority
1	**Statewideness Section 1902(a)(1)**	a. To permit New York to geographically phase in the HIV SNP
2	**Comparability Section 1902(a)(10), Section 1902(a)(17)**	a. HCBS Expansion: To enable New York to apply a more liberal income standard for individuals who are deinstitutionalized and receive HCBS through the managed long-term care program than for other individuals receiving community- based long-term care. b. Family of One Non-1915 Children, or "Fo1 Children":

		To allow the State to target eligibility to, and impose a participation capacity limit on, medically needy children under age 21 who are otherwise described in 42 CFR §435.308 of the regulations who: 1) receive Health Home Comprehensive Care Management under the State Plan in replacement of the case management services such individuals formerly received through participation in New York's NY #.4125 1915(c) waiver and who no longer participate in such waiver due to the elimination of the case management services, but who continue to meet the targeting criteria, risk factors, and clinical eligibility standard for such waiver; and 2) receive HCBS 1915(c) services who meet the risk factors, targeting criteria, and clinical eligibility standard for the above-identified 1915(c) waiver. Individuals who meet either targeting classification will have excluded from their financial eligibility determination the income and resources of third parties whose income and resources could otherwise be deemed available under 42 CFR § 435.602(a)(2)(i). Such individuals will also have their income and resources compared to the medically needy income level (MNIL) and resource standard for a single individual, as described in New York's State Medicaid Plan.
3	**Amount, Duration & Scope Section 1902(a)(10)(B)**	a. To enable New York to provide Community Oriented Recovery and Empowerment (CORE) services, whether furnished as a state plan benefit or as a demonstration benefit to targeted populations that may not be consistent with the targeting authorized under the approved state plan, in amount, duration and scope that exceeds those available to eligible individuals not in those targeted populations
4	**Freedom of Choice Section 1902(a)(23)(A)**	a. To the extent necessary to enable New York to require members to enroll in MCOs, including the MMMC, and MLTC (excluding individuals designated as "Long-Term Nursing Home Stays") and HARPs programs in order to obtain benefits offered by those plans. Members shall retain freedom of choice of family planning providers.
5	**Reasonable Promptness Section 1902(a)(8)**	a. To enable the State to limit the number of medically needy Fo1 Children not otherwise enrolled in the Children's 1915(c) waiver.

Requested Waiver Authorities to Discontinue

#	Waiver Authority	Reason for and Use of Waiver Authority
1	**Statewideness Section**	a. To permit New York to geographically phase in the

	1902(a)(1)	MLTC and HARP
2	**Comparability Section 1902(a)(10), Section 1902(a)(17)**	a. To the extent necessary to permit New York to waive cost sharing for non-drug benefit cost sharing imposed under the Medicaid state plan for beneficiaries enrolled in the Mainstream Medicaid Managed Care Plan (MMMC)—including HARP and HIV SNPs—and who are not otherwise exempt from cost sharing in 447.56(a)(1).
3	**Direct Payment to Providers Section 1902(a)(32)**	a. To the extent necessary to permit the State to make payments to individuals enrolled in the Self-Direction Pilot Program to the extent that such funds are used to obtain self-directed HCBS LTC services and supports.

Requested Expenditure Authorities to Continue

#	Expenditure Authority	Reason for and Use of Expenditure Authority
1.	**Demonstration-Eligible Populations**	Expenditures for healthcare related costs for the following populations that are not otherwise eligible under the Medicaid state plan. a. Demonstration Population 9 (HCBS Expansion). Individuals who are not otherwise eligible, are receiving HCBS, and who are determined to be medically needy based on New York's medically needy income level, after application of community spouse and spousal impoverishment eligibility and post-eligibility rules consistent with section 1924 of the Act b. Demonstration Population 10 (Institution to Community). Expenditures for healthcare related costs for individuals moved from institutional nursing facility settings to community settings for long term services and supports who would not otherwise be eligible based on income, but whose income does not exceed the income standard described in STC 4.4(c), and who receive services through the managed long-term care program under the demonstration. c. Included in Demonstration Population 12 [Family of One (Fo1) Children]. Medically needy children Fo1 Demonstration children under age 21 with a waiver of 1902(a)(10)(C)(i)(III) who meet the targeting criteria, risk factors, and clinical eligibility standard for #NY.4125 waiver including intermediate care facilities (ICF), nursing facilities (NF), or Hospital Level of Care (LOC) who are not otherwise enrolled in the Children's 1915(c).
2.	**Facilitated Enrollment**	Expenditures for enrollment assistance services

	Services	provided by managed care organizations (MCO), the costs for which are included in the claimed MCO capitation rates.
3.	**CORE Services**	Expenditures for the provision of CORE services under HARP, HIV SNP, and MAP that are not otherwise available under the approved state plan [Demonstration Services 8].
4.	**Residential and Inpatient Treatment for Individuals with Substance Use Disorder (SUD)**	Expenditures for Medicaid state plan services furnished to otherwise eligible individuals who are primarily receiving treatment and/or withdrawal management services for substance use disorder (SUD) who are short-term residents in facilities that meet the definition of an institution for mental diseases (IMD).
5.	**Health-Related Social Needs (HRSN) Services**	Expenditures for health-related social needs services not otherwise covered that are furnished to individuals who meet the qualifying criteria as described in Section 6 of the STCs. This expenditure authority is contingent on compliance with Section 7, as well as all other applicable STCs.
6.	**Medicaid Hospital Global Budget (MHGBI)**	Per New York's request in Section 3, the State will continue to work with CMS and to hone the details of the waiver authority and expenditure authority requests for this initiative.
7.	**Designated State Health Programs (DSHP)**	Authorization to rollover and use unused expenditure authority from the current demonstration into the extension period for continued use on the DSHP-funded initiatives approved in the current demonstration, including HRSN services, HERO and Workforce initiatives, described in Section 11 of the STCs, which are otherwise state-funded, and not otherwise eligible for Medicaid payment. These expenditures are subject to the terms and limitations and not to exceed specified amounts as set forth in these STCs. These expenditures are specifically contingent on compliance with Section 7, as well as all other applicable STCs. Authorization to draw down FFP for $672 million of unclaimed DSHP funds up to the already approved total $3.9 billion in total computable in the current demonstration to be spent on the DSHP-funded initiatives.
8.	**Health Equity Regional Organization (HERO)**	Expenditures for an independent contracted statewide entity to operate an advanced analytics integrity program, designed to identify fraud, waste, and abuse billing and referral patterns.

9.	**Workforce Initiatives**	Expenditures for provider student loan repayment and Career Pathway Training programs that meet the criteria as specified in Section 12 of the STCs. a. Time-limited expenditure authority is granted until four years following the demonstration (April 1, 2027 until March 31, 2031), to allow the state to pay close-out administrative costs and monitor remaining service commitments.

Title XIX Requirements Not Applicable to the HRSN Expenditure Authorities	
Comparability; Amount, Duration, and Scope	**Section 1902(a)(10)(B), Section 1902(a)(17)**
To the extent necessary to enable the state to provide a varying amount, duration, and scope of HRSN services to a subset of beneficiaries, depending on beneficiary needs	
Comparability; Provision of Medical Assistance and Reasonable Promptness	**Sections 1902(a)(10)(B), 1902(a)(17), 1902(a)(8)**
To the extent necessary to allow the state to offer HRSN services to an individual who meets the qualifying criteria for HRSN services, including delivery system enrollment, as described in Section 6 of the STCs.	

Requested Expenditure Authorities to Discontinue

#	Expenditure Authority	Reason for and Use of Expenditure Authority
1.	**Demonstration Services for Behavioral Health Provided under Mainstream Medicaid Managed Care (MMMC)**	Expenditures for provision of residential addiction services, crisis intervention and licensed behavioral health practitioner services to MMMC members only [Demonstration Services 9].
2.	**Self-Direction Pilot**	Expenditures to allow the state to make self-direction services available to HARP and HIV/SNP members receiving BH HCBS or children meeting targeting criteria for the Children's 1915(c) Waiver and in MMMC receiving HCBS under the Children's Waiver. The program will be in effect from January 1, 2017, through March 31, 2027 [Demonstration Services 8].
3.	**Behavioral Health (BH) HCBS Services**	Expenditures for the provision of select BH HCBS Services under HARP and HIV SNP that are not otherwise available via CORE or under the approved state plan: Education Support Services, Pre-Vocational Services, Transitional Employment, Intensive Supported Employment, Ongoing Supported Employment, Habilitation, and Non-Medical Transportation.

4.	**Demonstration Population 2 (TANF Adult)**	Expenditures for healthcare related costs for the following population when not otherwise eligible under the Medicaid state plan: a. Demonstration Population 2 (Temporary Assistance for Needy Families [TANF] Adult). TANF Recipients. Expenditures for healthcare related costs for low-income adults enrolled in TANF. These individuals are exempt from receiving a Modified Adjusted Gross Income (MAGI) determination in accordance with 1902(e)(14)(D)(i)(I) of the Act.
5.	**HRSN Infrastructure**	Expenditures for payments for allowable administrative costs and infrastructure not otherwise eligible for Medicaid payment, to the extent such activities are authorized in Section 6 of the STCs. This expenditure authority is contingent on compliance with Section 7 of the STCs, as well as all other applicable STCs.
6.	**Twelve-Month Continuous Eligibility Period**	Expenditures for healthcare related costs for individuals who have been determined eligible groups specified in Table 6 of STC 4.4(e) for continued benefits during any periods within a twelve-month eligibility period when these individuals would be found ineligible if subject to redetermination. This authority includes providing continuous coverage for the Adult Group determined financially eligible using MAGI based eligibility methods. For expenditures related to the Adult Group, specifically, the State shall make a downward adjustment of 2.6 percent in claimed expenditures for federal matching at the enhanced federal matching rate and will instead claim those expenditures at the regular matching rate.
7.	**Continuous Eligibility for Children up to Age Six**	**Title XIX Expenditure Authority** Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by New York for the items identified below, which are not otherwise included as expenditures under section 1903 of the Act shall, for the period of this demonstration, be regarded as expenditures under the state's title XIX plan. The following expenditure authority must only be implemented consistent with the approved Special Terms and Conditions (STCs) and shall enable New York to implement the section 1115 demonstration amendment. All other requirements of the Medicaid program, including current and future CMS guidance for continuous eligibility, as expressed in law, regulation, and policy statements must apply to these expenditures, unless identified as not applicable below. **Continuous Eligibility.** Expenditures for continued state plan benefits for individuals who have been determined eligible as specified in Table 1 of STC 1.2, who are not

		otherwise excluded under STC 1.3 for the applicable continuous eligibility period, and who would otherwise lose coverage during an eligibility redetermination, except as noted in STC 1.4. **Title XXI Expenditure Authority** Under the authority of section 1115(a)(2) of the Act as incorporated into title XXI by section 2107(e)(2)(A), state expenditures described below, shall, for the period of this demonstration, and to the extent of the state's available allotment under section 2104 of the Act, be regarded as matchable expenditures under the state's title XXI plan. The following expenditure authority must only be implemented consistent with the approved STCs and shall enable New York to implement the section 1115 demonstration amendment. All other requirements of the CHIP program, including current and future guidance for continuous eligibility, as expressed in law, regulation, and policy statements must apply to these expenditures, unless identified as not applicable below. **Continuous Eligibility**. Expenditures for continued state plan benefits for individuals who have been determined eligible under groups specified in Table 1 of STC 1.2, who are not otherwise excluded under STC 1.3 for the applicable continuous eligibility period who would otherwise lose coverage during an eligibility redetermination, except as noted in STC 1.4.

Information on Public Hearings

The State will be hosting one in-person and one virtual public hearing during which the public may provide oral comments. Additionally, the second of these hearings, indicated below, will serve as the Annual 1115 Public Forum.

Any updates related to the public hearings will be sent via the MRT Listserv.
The two public hearings will be held as follows:

1. **First Public Hearing**
    a. Location: Empire State Plaza, Concourse, Meeting Room 2, Albany, NY 12242
        - This meeting will be webcast live. Details will be shared via the MRT Listserv.
    b. Friday, July 31, 2026, 1-4pm.
    c. Pre-registration is not required. Individuals who wish to provide comment can email 1115waivers@health.ny.gov to be added to the speaker list or register upon arrival at the public hearing.
    d. Individuals will speak in order of registration. We kindly request

that all comments be limited to five minutes per presenter to ensure that all public comments may be heard.

2. **Second Public Hearing & Annual 1115 Public Forum**
    a. Location: Virtual at https://meetny-gov.webex.com/weblink/register/r4afc8a662216bcae6488b6b36bb0efbe
    b. Tuesday, August 11, 2026, 1-4pm
    c. Pre-registration is required for anyone wishing to provide oral comment using this link: https://meetny-gov.webex.com/weblink/register/r4afc8a662216bcae6488b6b36bb0efbe
    d. Individuals who wish to provide comment will need to register with an "SP" in front of their name (ex: SP Jane Doe) and must email 1115waivers@health.ny.gov no later than Monday, August 10, 2026 at 4pm to confirm registration.
    e. Individuals will speak in their order of registration. We kindly request that all comments be limited to five minutes per presenter to ensure that all public comments may be heard.

American Sign Language (ASL) interpretation will be available, and the WebEx platform includes a closed captioning feature.

In compliance with STC 14.16, New York's most recent Annual Monitoring Report, dated December 2024, can be reviewed here: https://health.ny.gov/health_care/medicaid/redesign/reports/docs/2024_pp_annual_rpt.pdf. Per updated CMS guidance, the next annual report isn't due until September 2026, so this serves as the most recent filed report.

Submission and Review of Public Comments

A draft of the proposed extension request is available for review at: https://www.health.ny.gov/health_care/medicaid/redesign/1115_waiver/docs/1115_waiver_ext_request.pdf.

For individuals with limited online access and require special accommodation to access paper copies, please call (518) 473-0868.

Prior to finalizing the proposed extension application, the State will consider all written and verbal comments received. These comments will be summarized in the final submitted version. The State will post a transcript of the public hearings on the following website: https://www.health.ny.gov/health_care/medicaid/redesign/1115_waiver/

Please direct all questions to 1115waivers@health.ny.gov.

Written comments will be accepted by email at 1115waivers@health.ny.gov or by mail at:

Department of Health
Office of Health Insurance Programs
Waiver Management Bureau
99 Washington Avenue
8th Floor, Suite 826
Albany, NY 12210

All comments must be postmarked or emailed by August 21, 2026.

The State welcomes requests by Tribal communities for in-person meetings to discuss the demonstration extension's impact. We look forward to our continued collaboration.

Sincerely,

[redacted]

Amir Bassiri
Medicaid Director
Office of Health Insurance Programs

cc: Amanda Lothrop, NYSDOH
Selena Hajiani, NYSDOH
Simone Milos, NYSDOH
Brianna Rowe, NYSDOH
Joyce Meadows, NYSDOH
Marilyn Kacica, NYSDOH
Barbara Prehmus, CMS