

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, MD 21244-1850



State Demonstrations Group

March 23, 2026

Amir Bassiri
Medicaid Director, Deputy Commissioner
New York Department of Health
Empire State Plaza, Corning Tower, Room 1466
Albany, NY 12237

Dear Director Bassiri:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of the Medicaid Hospital Global Budget Initiative Implementation Plan for New York's section 1115(a) demonstration, "New York Medicaid Redesign Team" (Project Number 11-W-00114/2). We have determined that the implementation plan is consistent with the requirements outlined in the special terms and conditions (STCs), specifically section 9.5h, and are, therefore, approving it. A copy of the approved implementation plan is enclosed and has been incorporated into the STCs as Attachment L.

The STCs do not require that the state receive CMS approval of the implementation plan prior to claiming federal financial participation for the Medicaid Hospital Global Budget Initiative. The state must continue to submit documentation in each annual monitoring report that the state has met the requirements outlined in section 9 of the STCs.

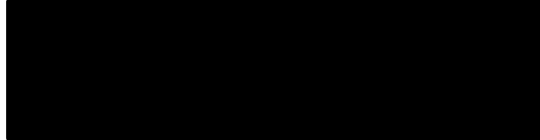
States are responsible for following all applicable federal law and regulations when they claim and use federal Medicaid and Children's Health Insurance Program (CHIP) funds and must fully comply with all applicable Medicaid and CHIP statutes and regulations under a section 1115 demonstration, except where specific provisions have been expressly waived or identified as not applicable for that demonstration. This obligation includes all requirements in title XIX and title XXI of the Social Security Act and implementing regulations governing provider screening and enrollment activities, pre- and post-payment review claiming, payment methodologies and rate-setting, utilization controls, and program integrity including processes to identify, investigate, and refer suspected fraud, and methods to receive complaints and identify questionable practices. States must maintain effective systems and safeguards to prevent, detect, and address any fraud, waste, or abuse (FWA) in the delivery of and payment for Medicaid and CHIP services, including referrals to law enforcement when appropriate.

States should have heightened monitoring and oversight mechanisms in place featuring robust internal controls to identify and remediate all vulnerabilities (including, but not limited to, FWA and beneficiary access issues) inherent in service areas approved as part of a demonstration. At any time, CMS may request that the state provide a plan detailing the state's systems and

safeguards to prevent, detect, and address any FWA relative to this demonstration. Failure to meet program integrity obligations under federal statutes and regulations or under the terms and conditions of this demonstration approval may result in compliance actions or other enforcement measures that could include requirements to develop and implement corrective action plans, withholdings, deferrals, disallowances, and termination of demonstration authority.

If you have any questions, please contact your CMS project officer, Jonathan Morancy, at Jonathan.Morancy@cms.hhs.gov.

Sincerely,



Angela D. Garner
Director
Division of System Reform Demonstrations

Enclosure

cc: Melvina Harrison, State Monitoring Lead, Medicaid and CHIP Operations Group