



## State Demonstrations Group

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Jason Helgeson  
State Medicaid Director and Deputy Commissioner  
Office of Health Insurance Programs  
New York State Department of Health  
Empire State Plaza  
Corning Tower (OCP-1211)  
Albany, NY 12237

JUL 22 2015

Dear Mr. Helgeson:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) is approving the state's value based purchasing (VBP) "roadmap" that was required in accordance with New York's section 1115 demonstration, Partnership Plan (Project No. 11-W-00114/2). The roadmap provides a path forward for payment reform as part of New York's delivery system reform efforts and serves as one of several methods to help support financial sustainability of the state's Medicaid program.

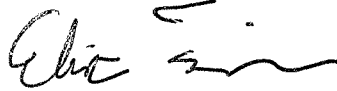
CMS agrees with and accepts the proposal that is provided in the roadmap and New York can submit its Medicaid managed care contracts and rates for approval for the state fiscal year beginning April 1, 2015. New York has committed to meet or surpass the U.S. Department of Health and Human Services (DHHS) goals as defined under the Health Care Learning and Action Network. Given that the VBP roadmap encompasses multiple years, New York's commitment to meeting or surpassing the DHHS' VBP goals, and the need to ensure over time that this plan continues to align with the stages of the Delivery System Reform Incentive Payment (DSRIP) program, CMS anticipates that the roadmap will need to be updated periodically. For this reason, the terms and conditions of the demonstration require the state to resubmit an updated VBP roadmap at least annually. CMS will also consider other changes to the roadmap that the state requests, based on circumstances that occur during the planning and implementation process. These will include:

- adding a managed care contracting plan to the roadmap that includes details of provider and managed care plan incentives for meeting VBP goals;
- adding a detailed proposal for a risk pool as a mechanism to protect financially fragile providers; and,
- changes that relate to findings of upcoming meetings of New York's VBP workgroups, including guidelines for "off-menu" VBP approaches.

CMS must also receive and approve comprehensive, annual revisions to the roadmap in order for New York to continue receiving federal financial participation (FFP) for its Medicaid managed care contracts for the period in which DSRIP is active.

Questions related to New York's 1115 demonstration should be directed to the project officer, Jessica Woodard. Ms. Woodard can be reached at (410) 786-9249 or [Jessica.Woodard@cms.hhs.gov](mailto:Jessica.Woodard@cms.hhs.gov). We look forward to continuing to work with you and your staff on the implementation of New York's delivery system reform efforts under the section 1115 demonstration.

Sincerely,

A handwritten signature in black ink, appearing to read "Eliot Fishman". The signature is fluid and cursive, with a prominent initial "E" and a long, sweeping underline.

Eliot Fishman  
Director

Enclosure

cc: Michael Melendez, Associate Regional Administrator, CMS New York