



Department  
of Health

# **1115 Medicaid Redesign Team Waiver: Extension Request Public Forum and Public Hearing**

# Agenda

## 1115 MRT Public Forum

- Special Virtual Format
- 1115 Demonstration Waiver Overview
- New York's 1115 Waiver
- Pending Amendments

## 1115 Extension Request Public Hearing

- Background: Waiver Renewal Activities to Date
- Current 1115 Extension Request and Approach
- Pharmacy Carveout
- MLTC Transportation Carveout
- Potential Future Amendments
- Next Steps
- Public Comment
- Questions & Resources

# Special Virtual Public Hearing Format

In compliance with social distancing guidelines due to COVID-19 and alignment with approved CMS exceptions to satisfy both the public hearing and public forum requirements in 42 CFR § 431.420(c) & 42 CFR § 431.408, the State is holding two virtual public hearing/public forum meetings in connection with this waiver extension request.

- **Public Forums** are required in order to:
  - 1) Solicit comments on the progress of a demonstration project.
  - 2) Afford the public an opportunity to provide comments on the demonstration project.
- **Public Hearings** are required in order to:
  - 1) Afford the public the opportunity to provide comments regarding the State's demonstration application.
- A recording and transcription of this hearing/forum will be available on the MRT Waiver website 3-5 days after the hearing. Language translation is available upon request.

# 1115 Demonstration Waiver Overview

- Section 1115 Demonstration Waivers grant flexibility to states for innovative projects that advance the objectives of the Medicaid program.
- **Authorized under Section 1115 of the Social Security Act**, these waivers:
  1. Gives the federal Secretary of Health and Human Services the authority to waive certain provisions and regulations for Medicaid programs, and
  2. Allows Medicaid funds be used in ways that are not otherwise allowed (i.e., “matchable”) under federal rules.
- Typically, 1115 waivers are approved for 3-5 years, although is recently waivers have been approved for longer terms.

# 1115 Demonstration Waiver Overview

- **STCs:** Special Terms and Conditions (STCs) outline the basis of an agreement between the State and the Centers for Medicare & Medicaid Services (CMS), including waiver and expenditure authorities.
  - The STCs specify the State's obligation to CMS during the life of the demonstration, including general and financial reporting requirements and the timetable of State deliverables.
  - Quarterly and annual reports to CMS are required, and an Independent Evaluation is completed at the end of a Demonstration program.
- **Budget Neutrality:** Federal Medicaid expenditures with the Waiver cannot be greater than federal expenditures without the Waiver during the course of the Demonstration.

# New York State's 1115 Waiver

- The **NYS Medicaid Redesign Team (MRT) Waiver** (formerly the Partnership Plan) has been in effect since 1997.
- New York's 1115 MRT Waiver was last renewed on December 6, 2016 effective through March 31, 2021.
- Goals for the waiver are to:
  - Improve access to health care for the Medicaid population;
  - Improve the quality of health services delivered;
  - Expand access to family planning services; and
  - Expand coverage (e.g., family planning services program) with resources generated through managed care efficiencies.

# 1115 MRT Waiver Programs

**Medicaid Managed Care:** Provides comprehensive health care services (including all benefits available through the Medicaid State Plan) to low-income, uninsured individuals. It provides an opportunity for enrollees to select a Managed Care Organization (MCO) whose focus is on preventive health care.

**Programs include:**

- Mainstream Medicaid Managed Care (MMMC)
- Health and Recovery Plans (HARPs) and Home and Community Based Services (HCBS)
- Managed Long Term Care (MLTC) and Long Term Services and Supports (LTSS)

**Delivery System Reform Incentive Payment (DSRIP) Program:** Provided incentives for Medicaid providers to create and sustain an integrated, high performance health care delivery system. The DSRIP component of the 1115 MRT Waiver expired on March 31, 2020.

# MRT II Waiver Pending Amendments

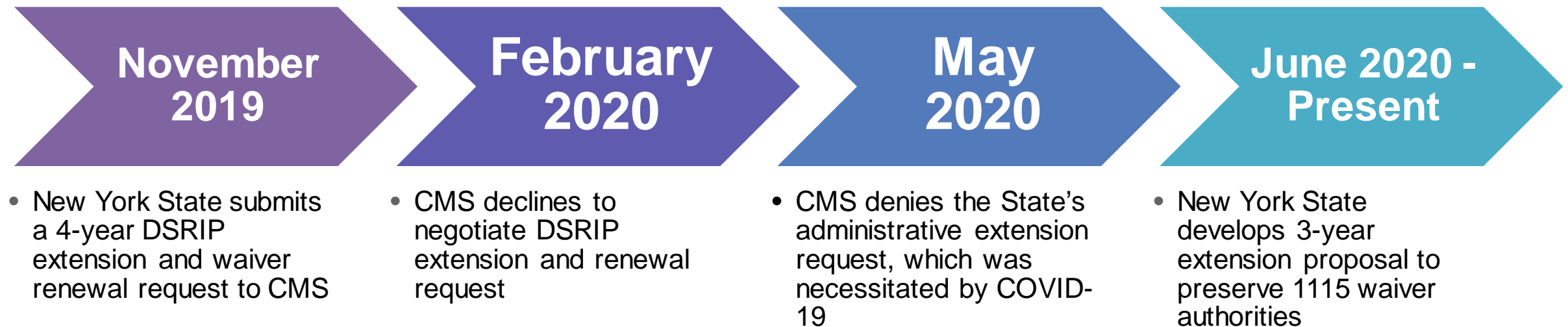
Two amendments, addressing three changes to the Medicaid program, are currently pending with CMS:

- 1. Transition of Behavioral Health Home and Community Based Services to Behavioral Health Adult Rehabilitation Services (BH ARS)**
  - *Amendment submitted: September 2, 2020*
- 2. Managed Long Term Care Plan Eligibility**
  - *Amendment submitted: November 10, 2020*
- 3. Voluntary Mainstream Enrollment for Certain Dual Eligibles**
  - *Amendment submitted: November 10, 2020*

*These amendments have already undergone public comment and are currently under consideration with CMS*

# 1115 Medicaid Redesign Team Extension Request

# Background: Waiver Activities to Date



# Current Extension Proposal and Approach (1 of 2)

## Three components:

1. A three-year extension of the existing STCs and funding authorities under the current MRT Waiver;
2. The transition of the pharmacy benefit from MMMC plans to fee-for-service (i.e., the “Pharmacy Carveout”); and
3. The transition of the transportation benefit from MLTC plans to fee-for-service (i.e., the “Transportation Carveout”).

Inclusion of the Transportation Carveout and Pharmacy Carveout aligns with Medicaid Redesign Team II (MRT II) recommendations and implementation dates.

# Current Extension Proposal and Approach (2 of 2)

This approach **extends current programs and waiver authorities**, including Medicaid managed care, MLTC, HARP, Children's HCBS and other programmatic features in the State's current 1115 MRT waiver.

Other reasons include:

- Preserves current waiver programs during the change in presidential administration and CMS leadership;
- Provides additional time to consider the longer-term impact of COVID-19 on New York's health care delivery system; and
- Allows pending and anticipated 1115 waiver amendments from the MRT II process to be reviewed and approved consistent with current implementation targets.

# The Pharmacy Carveout (1 of 2)

- The Pharmacy Carveout was enacted as part of the SFY 2020-21 budget, which among other things, provides the State with the following:
  - full visibility into prescription drug costs;
  - administrative efficiencies;
  - optimization of federal rebates;
  - centralization of negotiating power; and
  - the ability to address associated reductions in State rebate revenue due to the growth of the 340B program.

# The Pharmacy Carveout (2 of 2)

- The State and the legislature recognize that the 340B program is important to many safety net providers. The interaction of the Pharmacy Carveout with the 340B program was part of SFY 2020-21 budget negotiations, resulting in:
  - ✓ The establishment of the 340B Advisory Group, which was charged with providing non-binding recommendations regarding reimbursement of 340B drugs; and
  - ✓ A recurring reinvestment of \$102M to directly support safety net providers and preserve critical services that are currently funded with 340B revenue.
- Following the Pharmacy Carveout:
  - ✓ Covered entities will continue to purchase 340B drugs at reduced prices;
  - ✓ Covered entities will continue to receive margin on 340B revenue associated with Medicaid covered *physician administered* drugs and other payors (e.g., Medicare and Commercial Insurers); and,
  - ✓ Medicaid members will continue to access their medications regardless of whether 340B drug stock is used. The tagging of a claim as 340B vs. non-340B is not visible to the member and does not result in disruption *at the counter* when members pick up their medications.

# MLTC Transportation Carveout

Create a consistently managed transportation benefit by moving MLTC transports to FFS Aligning approach across Medicaid.



Reduce cost-risk by shifting the broker arrangement to a risk-based arrangement.

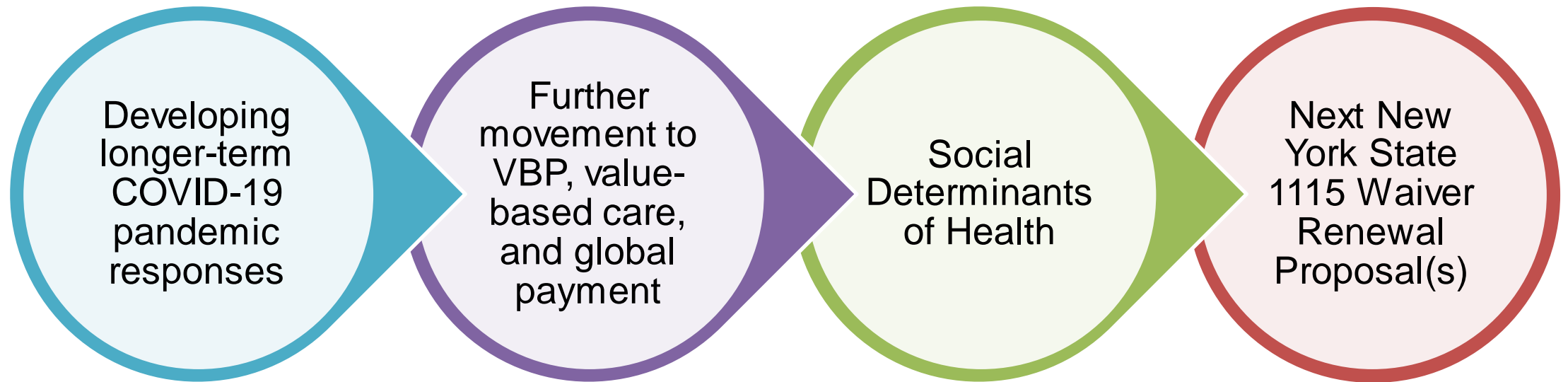


Create a larger pool of members by combining all members (other than PACE as prohibited by Federal rules), creating more opportunities for broker and network provider efficiencies.

*There are no changes to eligibility, scope of benefits, or cost-sharing requirements as a result of this amendment.*

# Potential Future Amendments

After this **extension proposal** is approved, New York may pursue other initiatives that require 1115 waiver authority, including:



# Next Steps for the 1115 Extension Proposal

## Public Comment Period Begins

- December 16, 2020

## Virtual Public Hearings

- Jan 21, 2021, 1-4pm
- Jan 27, 2021, 1-4pm

## Current Waiver Expires

- March 31, 2021

## Waiver Extension Period

- April 1, 2021 to March 31, 2024

**Target Submission – Early March 2021**

# Public Comment

# Guidelines for Public Comments

- A list of the pre-registered commenters will indicate the order in which you will be called on to speak.
- A member of the DOH team will call your name and manually unmute your line to allow you to provide your comment.
- Please specify if this comment is regarding the current waiver for the Public Forum or the waiver extension for the Public Hearing.
- Comments will be timed, please limit your comment to five minutes.

Written comments will be accepted through **February 6, 2021**, by email at

[1115waivers@health.ny.gov](mailto:1115waivers@health.ny.gov) or by mail at:

Department of Health  
Office of Health Insurance Programs  
Waiver Management Unit  
99 Washington Ave., 7<sup>th</sup> fl. (Suite 720)  
Albany, NY 12210

# Questions or Comments?

**For further information,  
please contact us at:  
[1115waivers@health.ny.gov](mailto:1115waivers@health.ny.gov)**

# 1115 MRT Waiver Resources

## 1115 MRT Waiver Website

[http://www.health.ny.gov/health\\_care/medicaid/redesign/medicaid\\_waiver\\_1115.htm](http://www.health.ny.gov/health_care/medicaid/redesign/medicaid_waiver_1115.htm)

## MRT II

[https://www.health.ny.gov/health\\_care/medicaid/redesign/mrt2/](https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/)

## Managed Care

[https://www.health.ny.gov/health\\_care/managed\\_care/index.htm](https://www.health.ny.gov/health_care/managed_care/index.htm)

## Pharmacy Carveout

[https://health.ny.gov/health\\_care/medicaid/redesign/mrt2/pharmacy\\_carve\\_out/](https://health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_carve_out/)

## Quality Strategy

[https://www.health.ny.gov/health\\_care/medicaid/redesign/docs/rev\\_quality\\_strategy\\_program\\_sept2015.pdf](https://www.health.ny.gov/health_care/medicaid/redesign/docs/rev_quality_strategy_program_sept2015.pdf)



# ONE MINUTE REMAINING

# TIME IS UP