



Department of Health

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Executive Deputy Commissioner

April 26, 2021

Ms. Teresa DeCaro
Acting Director
State Demonstrations Group
Centers for Medicare and Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850

Dear Ms. DeCaro:

This letter serves as notice of New York State's intent to delay implementation of the transition of the New York Medicaid pharmacy benefit from Medicaid Managed Care to the fee-for-service program (i.e., the Pharmacy Carveout). As you are aware, the New York State Department of Health (the Department) sought a technical amendment to its Section 1115 Demonstration Medicaid Redesign Team (MRT) Waiver with regard to the Pharmacy Carveout when it submitted its MRT Waiver extension proposal to the Centers for Medicare & Medicaid Services (CMS) on March 5, 2021.

Since the submission of the MRT Waiver extension proposal, the Department was instructed by legislative enactment in the State Fiscal Year 2021-22 budget to implement the Pharmacy Carveout no sooner than April 1, 2023, rather than April 1, 2021, as initially authorized by virtue of State statute from the SFY 202-21 enacted budget. Accordingly, in the interest of transparency and full cooperation, the Department wanted to inform CMS of these subsequent legislative developments, which has delayed the Department's authority to implement the Pharmacy Carveout as planned, and seek CMS's technical assistance with regard to how best to accommodate this delay in the review of the larger MRT Waiver extension proposal.

Given that substance of the Pharmacy Carveout has not changed (other than the intended implementation date) and that the Department has already satisfied CMS transparency requirements with regard to this component of the larger MRT Waiver extension proposal, the Department believes it is both appropriate and administratively efficient for the Pharmacy Carveout to remain as part of the MRT Waiver extension proposal, but with the collective understanding that the initiative would not be implemented by the Department until the new demonstration period. Therefore, the Department requests that this letter serve to inform CMS's review of the MRT Waiver extension proposal, but that it confirm that no further formal action is required to amend or withdraw specific components of the waiver application itself.

We are available to discuss this change if needed. Please contact Brett Friedman, Director of Strategic Initiatives and Special Medicaid Counsel at Brett.Friedman@health.ny.gov or me with any questions. We look forward to our continued partnership.

Sincerely,



Donna Frescatore
Medicaid Director
Office of Health Insurance Programs

cc. Adam Goldman, CMS
Jonathan Morancy, CMS
Tonya Moore, CMS
Michael Kahnowitz, CMS
Nicole McKnight, CMS
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