



SUMMARY: NYS Department of Health 1115 Waiver Demonstration Conceptual Framework September 2021

Overview

New York State Department of Health (DOH) has submitted a [conceptual framework](#) for a new 1115 waiver demonstration to the Centers for Medicare and Medicaid Services (CMS). NYS seeks \$17 billion in federal funding over five years to address and rectify health disparities exacerbated by the COVID-19 pandemic. The 1115 waiver proposal aims to build upon New York State's successes and lessons learned from the Delivery System Reform Incentive Payment (DSRIP) Program to achieve sustainable system reform with a focus on reducing health disparities and promoting health equity by fully integrating social care and health care in the Medicaid program.

Upon CMS' response to the concept paper, the State will develop a formal waiver request that will be open for public comment at both the state and federal levels.

The 1115 waiver proposal is structured around four goals:

1. Building a more resilient, flexible and integrated delivery system that reduces racial disparities, promotes health equity, and supports the delivery of social care;
2. Developing supportive housing and alternatives to institutions for the long-term care population;
3. Redesigning and strengthening health and behavioral health system capabilities to provide optimal response to future pandemics and natural disasters; and
4. Creating statewide digital health and telehealth infrastructure.

To achieve these goals, NYS intends on making significant investments in regional planning through Health Equity Regional Organizations (HEROs), Social Determinant of Health Networks (SDHNs), advanced value based payment (VBP) models, primary care and behavioral health integration, telehealth, and more.

Notably, CHCANYS has successfully advocated for the inclusion of an FQHC capitated APM in the proposed waiver, a significant step toward implementation of a capitated APM in partnership with the State.

Health Equity

The concept paper underscores the importance of addressing social determinants of health (SDH) to advance health equity. The intent of the waiver is to expand New York's health care delivery system to "well care," including:

- Enabling providers to understand and account for all the health and social factors impacting a patient, meeting them where they are and serving the whole-person;
- Extending the capabilities of clinicians beyond the four walls of health care settings to understand all of the factors impacting patients' health outcomes;
- Scaling an integrated approach to addressing the SDH that impact individual patients and their ability to stabilize and thrive in community settings, effectively integrating social care and health care; and



- Addressing patient and population level needs during normal times, while also capable of flex and surge capacity during pandemics, public health crises and natural disasters.

Funds Flow

The waiver demonstration proposes direct investments in regional coordination, capacity building, and specialized population health programs to achieve delivery system reform. In the proposed waiver conceptual framework, NYS calls for targeted investments in social care and nonmedical, community-based services that directly address SDH. Proposed investments would be directed to:

- The development of Health Equity Regional Organizations (HEROs) which would serve as regional health planning entities, creating programmatic priorities to address health disparities regionally;
- Social Determinants of Health Networks (SDHNs) to create the infrastructure necessary for coordination between social service-providing CBOs and health care delivery systems; and
- VBP models in which NYS would develop a comprehensive range of VBP arrangements for HEROs, SDHNs, and MCOs to consider adopting;
- Workforce sustainability, including investments in Workforce Investment Organizations (WIOs) creating additional career pathways for individuals living in medically underserved communities, expanding current apprenticeship programs and cohort training opportunities, and workforce training initiatives; and more.

Key Elements of the Waiver

I. Investments in Regional Planning through Health Equity Regional Organizations (HEROs)

The proposed waiver would invest in the development of HEROs, which would formalize regional partnerships among managed care organizations (MCOs), hospitals, community-based providers, CBOs organized through SDHNs, Qualified Entities (QEs), and other stakeholders, to develop regional health priorities and inform the continued movement to more advanced VBP models. The regions would be based on seven historical regional divisions utilized by DOH for Medicaid rate setting.

HEROs would be responsible for developing a strategy to measure and assess the local community healthcare needs to help inform the development of targeted interventions that address the health and social needs of Medicaid members in the region. HEROs would engage in regional planning to identify activities and strategies that would best address the needs of the communities they serve, receive limited planning grants, and receive and analyze data from national, state, local and proprietary data sources. The HEROs would not be responsible for distributing funds to downstream providers.

II. Social Determinant of Health Networks (SDHNs)

Through the proposed waiver, NYS would invest in the development of SDHNs, coordinated networks of CBOs that would take a comprehensive and outcomes-focused approach to address social care needs in a region, create a supportive IT and business processes infrastructure, and adopt interoperable standards for social care data exchange. CBOs in these networks would receive funding necessary to integrate into the SDHN and provide services. CBO funding would be tied to specific deliverables of the populations served. SDHNs would serve as a main point of contact and plug in for regional VBP contracts addressing SDH.



III. **Value-Based Payment (VBP) & Managed Care Organizations (MCOs)**

NYS proposes to dedicate funds for VBP arrangements that work to integrate health and social care to advance population health needs as identified by the HEROs. Stakeholders participating in a HERO, including MCOs, SDHNs, and community-based providers, would bring proposed VBP contract arrangements to DOH for approval. DOH would provide funds to approved contracting partners to address HERO-identified population health needs and catalyze new VBP arrangements that would promote health equity and provide cash flow stability to partners.

NYS will develop a new VBP roadmap detailing services to be integrated into VBP contracts, members eligible for attribution, selection and specifications of quality and outcome measures for each model, and methods to calculate the risk-adjusted cost of care and benchmarks.

Through these VBP arrangements, NYS will give funding preference to arrangements that utilize SDHNs. MCOs would be encouraged to contract with safety net hospitals, clinics, provider entities, and/or SDHNs for care management, referrals, or other management/administrative capabilities that build on the regional health equity activities as identified by the HERO. The conceptual framework references the success of the patient centered medical home (PCMH) program and displays a commitment to continue investments in comprehensive care management through MCOs to downstream providers. NYS envisions that not every VBP arrangement would utilize SDHNs as the vehicle for CBO contracting, especially in areas where there is an existing strong cohort of CBOs or IPAs that are already successfully managing the needs of specific populations. To directly reimburse for SDH services, the State would form a VBP incentive pool and establish a fee schedule to pay CBOs for interventions on a per-service basis or similar methodology.

DSRIP Performing Provider Systems (PPSs) that have shown experience and success with New York's current VBP arrangements and have the necessary infrastructure to operate under the new 1115 waiver may also be eligible for upfront VBP incentive funding to facilitate the transition to the new advanced VBP arrangements.

IV. **FQHC Capitated Alternative Payment Methodology (APM)**

In response to CHCANYS' advocacy efforts, New York State has included an FQHC capitated APM in the proposed waiver conceptual framework, a significant step forward to implement a capitated APM in partnership with the State.

"Examples of qualifying health equity-informed VBP arrangements might include...Alternative Payment Models with Federally Qualified Health Centers that involve a per member per month wrap payment for members to allow for flexibility in pursuing integrated care..."(P18).

V. **Measures & Data Collection**

Although the new VBP Roadmap would outline potential health equity quality metrics, each



HERO would be responsible for selecting the metrics most relevant to be utilized in their region. Metrics would be developed by Clinical Advisory Groups.

HEROs would be responsible for participation agreements, including setting forth data sharing requirements for partners. HEROs may outline specific data sharing requirements for inclusion in regional VBP contracts and other population health initiatives taken on by HERO participants.

VI. Telehealth

Recognizing that telehealth expands access to affordable health care and promotes health equity, NYS would use waiver funding to create an Equitable Virtual Care Access Fund to assist providers with human capital investments and additional resources and supports to expand their digital health and telehealth capabilities. NYS would also convene a statewide collaborative group to identify local strategies/solutions, inform statewide standardization of technical requirements, and identify training and technical assistance needs.

VII. Workforce Development

The waiver concept paper acknowledges the need to build a strong and well-trained workforce that is representative of the populations served by Medicaid providers. WIOs will receive reinvestments through the waiver to focus on the needs of their respective region while coordinating with other WIOs across the state to share best practices. Funds to WIOs and in workforce development will focus on:

- Recruitment and retention initiatives (including for behavioral health providers) to recruit greater participation by people of color in medical professions and provide workers with a greater range of opportunities for advancement;
- Development of career pathways;
- Regionally specialized training initiatives;
- Expanding the number of Community Health Workers (CHWs), including career pathways for entry level workers such as home health aides, dietary aides, and housekeeping staff with strong community ties; and
- Standardization of job training and scaling across the state.