

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



DEC 07 2016

Mr. Jason Helgerson
Director
Office of Health Insurance Programs
New York State Department of Health
Empire State Plaza
Corning Tower (OCP – 1211)
Albany, NY 12237

Dear Mr. Helgerson:

Thank you for the concerns New York raised upon review of the renewal extension package dated November 30, 2016. The Centers for Medicare & Medicaid Services (CMS) is rescinding that letter and Special Terms and Conditions (STCs) as of this date. This letter and attached STCs supersedes the November 30, 2016 package from the date of this letter forward.

CMS approves New York's request to extend its Medicaid demonstration, the Medicaid Redesign Team Demonstration, Project Number 11-W-00114/2, originally approved by CMS on July 15, 1997. This approval is effective from the date of this letter through March 31, 2021.

In April 2014, CMS approved a demonstration amendment to support New York in a major delivery system reform. This agreement authorized New York's transformation efforts, including responsibilities for such efforts, changes to how public and safety net providers are organized, and a path to ensure such improvements are sustained through reforms of New York's Medicaid payment system. This extension extends authorities for New York to continue to operate its demonstration with modest modifications. This includes extending authorities for the Delivery System Reform Incentive Payment (DSRIP) program and associated Designated State Health Programs (DSHP) through March 31, 2020. DSHP will be phased down from the current year through March 31, 2020.

The extension also provides new expenditure authority to allow the state to make self-direction services available to Health and Recovery Plan and HIV Special Need Plan enrollees receiving behavioral health home and community based services. The extension includes approval of Appendix K, DSRIP Operational Protocols and Appendix L, Reimbursement and Claiming Protocol for New York Designated State Health Programs Expenditures. Updates to the CMS budget neutrality assessment are reflected in this extension.

The extension also includes provisions that describe consequences if New York does not come into compliance with required budget neutrality reporting. The STCs require the state to

complete a reconciliation process by September 30, 2017. Failure to do so will result in forfeiture by the state of any budget neutrality savings from demonstration year (DY) 14 through DY 17.

CMS' approval of this extension is conditioned upon compliance with the enclosed list of waiver and expenditure authorities and STCs defining the nature, character and extent of anticipated federal involvement in the project. The award is subject to our receiving your written acknowledgement of the award and acceptance of these STCs within 30 days of the date of this letter.

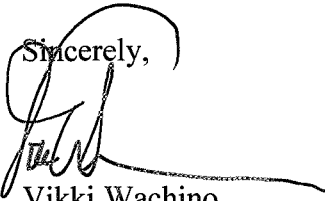
Your project officer for this demonstration is Ms. Deborah Steinbach. She is available to answer any questions concerning your section 1115 demonstration. Ms. Steinbach's contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
Mail Stop: S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850
Telephone: (410) 786-7404
Facsimile: (410) 786-8534
Email: Deborah.Steinbach@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Steinbach and to Mr. Michael Melendez, Associate Regional Administrator for the Division of Medicaid and Children's Health Operations. Mr. Melendez's contact information is as follows:

Mr. Michael Melendez
Associate Regional Administrator
Division of Medicaid and Children's Health Operations
26 Federal Plaza
New York, NY 10278
Telephone: (212) 616-2430
Email: Michael.Melendez@cms.hhs.gov

If you have questions regarding this approval, please contact Mr. Eliot Fishman, Director, State Demonstrations Group, at (410) 786-9686.

Sincerely,

Vikki Wachino
Director

Enclosures

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