2017 Albany Update
“Navigating The Uncertain Health Policy Landscape”

New York Academy of Medicine

Paul Francis
Deputy Secretary for Health and Human Services

April 24th 2017
I. Federal Updates

II. Progress on Health Transformation in New York State

III. 2017-18 Key Initiatives

IV. Challenges and Opportunities Ahead
I. Federal Updates

• American Healthcare Act (AHCA) Potential Impacts on NYS
  - Medicaid
  - Health Insurance
  - Public Health

• Stranded Waivers and State Plan Amendments

• Prospective Block Grants
Repeal of the Affordable Care Act would cost New York $4.6 Billion over four years

- Loses would total $240M in SFY 2017-18 and grow to $2.4B by SFY 2020-21
- The Collins-Faso Amendment would increase Medicaid loses by another $2.3 Billion.
  - Nursing Home Payments Cut By $401 Million;
  - Home Care Payments Cut By $360 Million;
  - Hospital Payments Cut By $355 Million
- Up to 2.7 million New Yorkers could lose health care coverage
AHCA Impacts – Insurance

The Trump/Ryan plan makes insurance less affordable...

• $400 million in tax credits used by New Yorkers to purchase health insurance on the New York State of Health insurance exchange would be lost
• Loss of cost-sharing reimbursement subsidies would increase premiums by 19%, according to the Kaiser Family Foundation

...to pay for $150 billion in tax cuts over 10 years for the top 1%.
AHCA Impacts – Public Health

AHCA Puts Public Health Funds at immediate Risk

• $41M in public health funding through the Prevention and Public Health Fund would be eliminated immediately
  - $20M in immunization related support;
  - $9.9M in support for chronic disease prevention;
  - $3M for infectious disease prevention and healthcare associated infections;
  - $10M supporting core state health issues - including diabetes, heart disease and stroke, and tobacco cessation

• Federal funding for Planned Parenthood would be blocked
Stranded Waivers and State Plan Amendments

Medicaid Services For Incarcerated Individuals
30-day prior to release

- Health Home care management;
- Limited clinical consultation services provided by community based medical and behavioral health practitioners;
- Certain medications for chronic conditions (e.g. schizophrenia, substance use disorders) or suppressive or curative medications (e.g. HIV, hepatitis C) that would support longer term clinical stability post release.

Six Behavioral Health Services For Children

- Crisis Intervention
- Other Licensed Practitioner Services
- Community Psychiatric Support and Treatment
- Psychosocial Rehabilitation
- Family Peer Support
- Youth Peer Support and Training
“What Would Block Grants or Limits on Per Capita Spending Mean for Medicaid?”

November 2016

- Block Grants Reduce Funding Levels Over Time
- Per-Capita Spending Limits Ignores Disparities
- “Consumer-Driven” Philosophy May Impose Restrictions
II. Progress on Health Transformation in NYS

- Improving Access
- Containing Costs
- Significant Investments for Health Transformation
- Advancing the Prevention Agenda
- Delivery System Reform Incentive Payment Program (DSRIP)
- State Health Innovation Plan (SHIP)
Access to Healthcare

Medicaid Enrollment Has Expanded Dramatically Under Governor Cuomo

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions</th>
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<tbody>
<tr>
<td>2007</td>
<td>4.1</td>
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<tr>
<td>2008</td>
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<td>2009</td>
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<td>2011</td>
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<td>2014</td>
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<td>2015</td>
<td>6.2</td>
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<td>2016</td>
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New York State of Health (NYSoH)

Over 3.6M New Yorkers Enrolled

- Medicaid: 67% (2,427,375)
- Child Health Plus: 8% (299,214)
- Essential Plan: 18% (665,324)
- QHP: 7% (242,880)

QHP and Essential Plans increased by 39% from 2016 to 2017.

Note: All figures current as of January 31, 2017
Source: NYSoH
Cost-Containment

Medicaid Spending per Recipient (CY2003-2015)

Source: NYS DOH OHIP DataMart (based on claims paid through June 2016)
Controlling Medicaid Costs Through the Global Cap

- **Cost-Containment**

<table>
<thead>
<tr>
<th>SFY</th>
<th>Federal</th>
<th>State/Local</th>
<th>Growth Rate (State Share)</th>
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<tbody>
<tr>
<td>SFY 2011</td>
<td>$27.6</td>
<td>$28.0</td>
<td>0%</td>
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<td>SFY 2012</td>
<td>$24.9</td>
<td>$29.7</td>
<td>1%</td>
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<tr>
<td>SFY 2013</td>
<td>$23.9</td>
<td>$29.3</td>
<td>2%</td>
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<tr>
<td>SFY 2014</td>
<td>$24.8</td>
<td>$29.9</td>
<td>3%</td>
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<tr>
<td>SFY 2015</td>
<td>$30.1</td>
<td>$30.6</td>
<td>6%</td>
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<tr>
<td>SFY 2016</td>
<td>$32.1</td>
<td>$31.2</td>
<td>7%</td>
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$4.75B in Healthcare Capital Investments from SFY 14-18

– Federal-State Health Reform Partnership (F-SHRP): $1.5B
– Capital Restructuring Financing Program (CRFP): $1.2B
– Healthcare Facility Transformation Program: $1.7B
  • Kings County: $700M
  • Oneida: $300M
  • Statewide: $200M
  • Statewide II: $500M
– Essential Healthcare Program: $355M
The Prevention Agenda has become a catalyst for action and a blueprint for improving health outcomes

• The Prevention Agenda is NYS’s public health improvement plan with the goal to improve health and reduce health disparities across the state through an increased emphasis on prevention.

• Since 2014, the Prevention Agenda has made substantial progress across 96 measures of public health and prevention – meeting and exceeding our goals ahead of schedule in several areas.

• Our plan for the next phase of the Prevention Agenda includes adoption of a health across all policies approach.
Prevention Agenda Dashboard measures progress on 96 statewide outcome indicators, including reductions in health disparities.

As of December 2016:

- **34 indicators show progress** (28 with significant improvement)
  - Preventable Hospitalizations Rate
  - Obesity Rates
  - Asthma Related Hospitalizations
  - Tobacco Use
- **51 not met and staying the same**
- **11 not met and going in wrong direction**

https://health.ny.gov/preventionagendadashboard
NYS Supports a Robust Set of Public Health Services

- Communicable Disease Prevention, including HIV
- Chronic Disease Prevention
- Environmental Health Protection
- Public Health Preparedness
- Public Health Laboratory
- Family Health Services, including Family Planning, School Based Health Centers, Home Visiting...
And Has Consistently Been A National Leader In Per Capita Public Health Spending

Source: Trust For America's Health (2011-2016)
Since 2014 Health System Performance Has Significantly Improved Under Governor Cuomo

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<thead>
<tr>
<th>Overall performance</th>
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<td>Top quartile</td>
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<td>Second quartile</td>
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<td>Third quartile</td>
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<td>Bottom quartile</td>
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<table>
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<tr>
<th>2014 Revised Baseline Ranking</th>
<th>2017 Scorecard Ranking</th>
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<tr>
<td>Access &amp; Affordability</td>
<td>Vermont</td>
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<td>Prevention &amp; Treatment</td>
<td>Minnesota</td>
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<td>Avoidable Hospital Use &amp; Cost</td>
<td>Hawaii</td>
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<td>Healthy Lives</td>
<td>Rhode Island</td>
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<td>Equity</td>
<td>Massachusetts</td>
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<td>District of Columbia</td>
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<td>New Jersey</td>
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<td>Virginia</td>
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New York’s Transformation Vision and Investments

Statewide DSRIP Goals for 2020

- 25% reduction in avoidable hospital use
- At least 80% managed care payments to providers via value-based payment methods
- Transform the New York State health care system into a “financially viable, high performing system”

DSRIP Investments: $9.2 Billion

- DSRIP program funding: $6.42 billion
- Capital Restructuring Financing Program funding: $1.08 billion
- Medicaid Redesign funding: $1.2 billion
- Interim Access Assurance Fund: $500 million

DSRIP funding via waiver and additional federal/state funding
Capital Restructuring Financing Program funding
State funding for capital and infrastructure improvements
Medicaid Redesign funding
Health home development, long-term care services, home- and community-based services funding via waiver
Interim Access Assurance Fund
Time-limited funding for safety-net providers via waiver
DSRIP Implementation Timeline and Key Benchmarks

We are here & midpoint assessment is complete

Submission/Approval of Project Plan
- PPS Project Plan Valuation
- PPS first DSRIP Payment
- PPS Submission of Implementation Plan and First Quarterly Report

Domain 3: Clinical Improvement P4P
Performance Measures begin

Domain 2: System Transformation P4P
Performance Measures begin

Domains 2 & 3 are completely P4P

Domain 4: PPS working in collaboration with community and diverse set of service providers to address statewide public health priorities; system improvements and increased quality of care will positively impact health outcomes of total population.
Camden Hospital Cost Curve

10% of patients = 74% of receipts

1% of patients = 30% of receipts
Meet Peter

- 51-year old African American male
- COPD exacerbation, Acute Asthma Exacerbation, Hypertension
- Generalized Anxiety Disorder, Major Depressive Disorder
- Homeless (1+ year in shelter)
- Limited income (~$200/month)
- History of incarceration
DSRIP’s MAX Series Focuses On People Like Peter

<table>
<thead>
<tr>
<th>Super-utilizers: Meeting patient needs in Primary Care</th>
<th>Integrating Behavioral Health and Primary Care services</th>
<th>Primary Care access optimization</th>
<th>High Risk Populations: Patient Engagement and Preventative Care</th>
</tr>
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<tr>
<td><strong>Reduce avoidable hospital use by 25% over 5 years (better care, better health, lower costs)</strong></td>
<td>Care system redesign to better meet complex and high-cost patient needs</td>
<td>Ensure care coordination to improve outcomes for patients with Behavioral Health diagnoses</td>
<td>Building an effective Primary Care system to avoid use of secondary care</td>
</tr>
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BPHC PPS - CBO Engagement

Asthma home-based services
• 15 years experience
• Community health workers
• Know the Bronx
• Speak the languages
• Strong track record

Diabetes Self-Management Program (Stanford model)
Lower Extremity Amputation Prevention Program (LEAP)
Paid training for 20 coaches = individuals recruited from community
Classes for 600-800 students from community hot spots

CBO-driven
• Process & Criteria
• Content & Curriculum

Community-based BH and social services targeted for funding in DY2:
- Cultural Competency Training
- Critical Time Intervention
- Behavioral Health “Call to Action”
- Community Health Literacy
Creating Wellness

Bon Secours Community Hospital – Port Jervis, NY

• Partnering with a well established Federally Qualified Health Center (FQHC) to provide primary care and dental care

• Nutrition information and coaching on healthy purchasing practices offered by ShopRite Super Market, in partnership with Cornell Cooperative Extension.

• Maternal health and wellness services for high risk women of reproductive age offered by the Maternal-Infant Services Network.

• Smoking cessation and diabetes education and counseling programs.

• Project Discovery, a special education service that includes Speech and Language therapy, Occupational therapy, Physical therapy, Counseling and Special Education to special needs preschoolers.
DSRIP PPS Initiatives To Address Food Insecurity

- St. Luke’s Cornwall Hospital identified that food insecurity is a pressing issue faced by a large number of their high utilizer patient population.

- As a result of the MAX program, the Action Team has begun collaborating with a local food agency to install a food pantry in the hospital.

- Now providing healthy food to food insecure patients and reducing unnecessary utilization of the emergency department.
## State Health Innovation Plan (SHIP)

### Goal

**Delivering the Triple Aim** – *Healthier people, better care and individual experience, smarter spending*

### Pillars

<table>
<thead>
<tr>
<th>Pillars</th>
<th>Description</th>
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<tbody>
<tr>
<td>Improve access to care for all New Yorkers, without disparity</td>
<td>Elimination of financial, geographic, cultural, and operational barriers to access appropriate care in a timely way</td>
</tr>
<tr>
<td>Integrate care to address patient needs seamlessly</td>
<td>Integration of primary care, behavioral health, acute and post-acute care; and supportive care for those that require it</td>
</tr>
<tr>
<td>Make the cost and quality of care transparent to empower decision making</td>
<td>Information to enable individuals and providers to make better decisions at enrollment and at the point of care</td>
</tr>
<tr>
<td>Pay for health care value, not volume</td>
<td>Rewards for providers who achieve high standards for quality and individual experience while controlling costs</td>
</tr>
<tr>
<td>Promote population health</td>
<td>Improved screening and prevention through closer linkages between primary care, public health, and community-based supports</td>
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### Enablers

- **Workforce strategy**
  - Matching the capacity and skills of our health care workforce to the evolving needs of our communities

- **Health information technology**
  - Health data, connectivity, analytics, and reporting capabilities to support clinical integration, transparency, new payment models, and continuous innovation

- **Performance measurement & evaluation**
  - Standard approach to measuring the Plan’s impact on health system transformation and Triple Aim targets, including self-evaluation and independent evaluation
### NYS Advanced Primary Care (APC)

#### Vision

- Create a vision for Advanced Primary Care (APC) that coordinates care across specialties and care settings, improves experience/quality, and reduces costs

- Catalyze multi-payer (including Commercial, Medicaid, and Medicare) investments in primary care practices

- Align on an innovative but consistent measurement and payment system with payers and providers that drives improvements in population health

- Provide and finance practice transformation technical assistance

#### Goals

- 80% of the state’s population will receive primary care within an APC setting, with a systematic focus on population health and integrated behavioral healthcare

- 80% of care paid for under a value-based financial arrangement

- Alignment with other State & Federal Practice Transformation Initiatives (DSRIP/CPC+)
Programmatic Alignment In Practice Transformation

- Our vision for VBP aligns with national programs such as the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), Comprehensive Primary Care Plus (CPC+), and Ambulatory Payment Classification (APC)
Hospitalization Event Notifications and Reductions in Readmissions of Medicare Fee-for-Service Beneficiaries in the Bronx, New York

Journal of the American Medical Informatics Association
October 7, 2016

An Empirical Analysis of the Financial Benefits of Health Information Exchange in Emergency Departments

Journal of the American Medical Informatics Association
June 27, 2015
Statewide Stakeholder Adoption

State Health Information Network (SHIN-NY)

<table>
<thead>
<tr>
<th>Service Type</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals</td>
<td>89%</td>
<td>95%</td>
</tr>
<tr>
<td>FQHC's</td>
<td>71%</td>
<td>79%</td>
</tr>
<tr>
<td>Public Health Departments</td>
<td>86%</td>
<td>97%</td>
</tr>
<tr>
<td>Home Care Agencies</td>
<td>58%</td>
<td>85%</td>
</tr>
<tr>
<td>Long Term Care Providers</td>
<td>36%</td>
<td>50%</td>
</tr>
<tr>
<td>Clinical Practices</td>
<td>20%</td>
<td>23%</td>
</tr>
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The goal of the APD is to serve as a comprehensive data and analytical resource for supporting decision making and research.

- The APD will link health care data with other data sources for use in robust analytic solutions by integrating claims and encounters with additional clinical data, health assessments, functional assessments, and social information.

- Ultimately, the APD will provide information for use in quality measurement, consumer transparency, health care policy, health care research.
The All Payer Database Supports Health Transformation Initiatives

**Systematic Integration of Data Technology**
- All Payer Database
- SHIN-NY
- Health Assessment Data
- Public Health Data (Registries, Survey Data)
- Non-Health / Non-Claim Based Data

**Analysis and Analytics**
- Quality and Performance Standards Driving Quality Improvement
- Quality, Outcome and Cost Measurement: Advanced Primary Care Scorecard
- Manage and Coordinate Care through Tracking of High Acuity Patients
- Efficiency and Patient Safety Metrics
- Clinical Decision Support

**Health Care Reform System Transformation**
- Delivery System Reform Incentive Payment Program (DSRIP)
- State Innovation Model (SIM) Advanced Primary Care (APC) Model
- Transforming Practice Efforts: Clinical Practice Initiative (TCPI), CPC, PCMH
- Value Based Health Care Competition / Outcomes-Based Payment Models
- CMS Medicare Reform: MACRA Quality Payment Program
Workforce

New York’s Healthcare System Will Benefit From Workforce Reforms

• Inadequate primary care capacity
• Maldistribution of available workforce
• Health professions students are not trained in team-based models of emerging functions
• Scope of practice restrictions
  – Health professionals not always allowed to do what they are trained and competent to do
  – Shared responsibility (scope overlap) needed for team-based care is challenging to achieve
III. 17-18 Key Initiatives

• Medicaid High Cost Drug Cap
• Health Across All Policies
• Wadsworth Public Health Laboratory
NYS Medicaid Pharmacy Spending Growth

(1) Pharmacy expenditures are reflected prior to rebates
The Medicaid High Cost Drug Cap Will Be A National Model

- Establishes a cap on growth of prescription drug spending in Medicaid

- Encourages the negotiation of supplemental rebates with manufacturers for high cost drugs

- Provides a credible threat of penalties if supplemental rebate negotiations are unsuccessful
How the High Cost Drug Cap Works

• The cap will be approximately 8% in SFY 17-18 and approximately 7% in SFY 18-19;

• High cost drugs priced disproportionately to their therapeutic value will be subject to a minimum supplemental rebate established by the Drug Utilization Review Board (DURB);

• If the manufacturer does not agree to minimum supplemental rebate for these drugs, Medicaid will have expanded authority to:
  – Require MCO’s to exclude these drugs;
  – Subject all of that manufacturer drugs to prior authorization;
  – Require ongoing disclosure of certain information
An approach recognizing that:

• Health is an outcome of a wide range of factors, many of which fall outside the purview of the health sector

• All government policies can have an impact (positive or negative) on the determinants of health

• The impacts of health determinants are not equally distributed among population groups: health disparities must be addressed

• Efforts to improve the health of the population require collaborative government agency and private sector work to develop integrated solutions
What Determines Health?

Impact of Different Factors on Risk of Premature Death

- Genetics: 30%
- Individual Behaviors: 40%
- Social and Environmental Factors: 20%
- Health Care: 10%

Health In All Policies is a multi-sectoral approach to improving health.

The New York Academy of Medicine, developed for the International Society for Urban Health. 2016.
Health Across All Policies

**Economic Development**
- Improve access and availability of healthy foods, opportunities for physical activity, and improved built environment (e.g., smart growth, mixed use, “green”)

**Healthy Eating**
- Adopt healthy food procurement policies in hospitals and other institutions
- Adopt healthy food and beverage procurement policies in all State agencies, including healthy vending machine policies
- Increase options and incentives for using government-sponsored programs such as federally funded Health Bucks and Child and Adult Care Food Program to purchase healthy foods

**Active Living**
- Promote Complete Streets policies, plans and practices and monitor implementation
- Promote shared space agreements and joint use agreements to increase areas designated for public recreation, particularly in low-income communities

**Built Environment**
- Improve home environment:
  - Incorporate 'Healthy Homes' education and inspections into other non-health opportunity points, e.g., building inspections, NYSERDA weatherization programs.
  - Offer incentives for compliance with and enforcement of existing housing and building code in high-risk housing.
- Optimize indoor air quality by developing and promoting codes to promote indoor environment
- Target fall risk in public housing by reducing slip and fall hazards in common areas of residences and public buildings

**Injuries, Violence and Occupational Health**
- Reduce violence by targeting prevention programs particularly to highest-risk populations
- Increase school based and community programs in violence prevention and conflict resolution such as SOS, Cure Violence or CEASEFIRE or Summer Night Lights

**Focus on Healthy Aging and Creating Age Friendly Communities**
We want to advance a model for community development and wellness in central Brooklyn.
Wadsworth is the third largest public health lab in the country.

- Provides clinical testing for everything from newborn screening to public health emergencies such as, Zika and Ebola
- Serves as a critical resource to address future threats such as pandemic risks and superbugs

The 17-18 Budget appropriated the first $150M to build a new public health laboratory.
IV. Challenges and Opportunities Ahead
On-going Pressures with Public Health Spending

• The 7th year living under the 2% spending cap has forced difficult decisions as it relates to public health funding.

• The 17-18 enacted budget includes a 20% across the board cut to many local assistance programs.

• Direct service funding will be preserved to the greatest extent possible through reductions in training and education services.
Three Buckets of Prevention

1. Traditional Clinical Prevention
   - Increase the use of evidence-based services

2. Innovative Clinical Prevention
   - Provide services outside the clinical setting

3. Total Population or Community-Wide Prevention
   - Implement interventions that reach whole populations

Alignment of NYSDOH Prevention Activities* Across Initiatives and By Bucket of Prevention

* The list of activities is not comprehensive, but illustrative, with a focus on chronic disease prevention. October 2016.
Some Public Health Programs Potentially Could Be Financed Through the Reimbursement System

Examples

- Chronic Disease Management
- Home Blood Pressure Monitors
- Quality improvement learning collaboratives
- In-Home Based Asthma Services
- Environmental In-home assessments and interventions
- Comprehensive medically-indicated orthodontia
- Family Planning
- Patient navigation for young adults with sickle-cell anemia
- Universal Home Visits
- Peer Delivered Services
On-Going Challenges

- Pressure on Safety-Net and Rural Providers
- Resistance to payment reform and other healthcare reforms
- Trade-Offs from Consolidation of Health Systems
- Regulatory Obstacles to Change
- Continuing Opioid and Mental Health Crisis
New Opportunities

• Regulatory Modernization Team (RMT)
• Embracing Technology Change
• Increased Focus on Health Across All Policies (HAAP)
• Financing of public health services through the reimbursement system
• Scaling the successful PPS initiatives in DSRIP
CONCLUSION

Paul Francis
Deputy Secretary for Health and Human Services

April 24th 2017