



**Primary Care Development Corporation (PCDC) Comment on
New York State Medicaid Redesign Team (MRT) 1115 Research and Demonstration Waiver
#11-W-00114/2 Extension and Renewal Request**

January 10, 2020

Thank you for the opportunity to comment on New York’s request from the Centers for Medicare and Medicaid Services (CMS) for a four (4) year Medicaid 1115 waiver amendment (“the waiver”) to further support quality improvements and cost savings through the Delivery System Reform Incentive Payment (DSRIP) program.

Primary Care Development Corporation (PCDC) is a national nonprofit organization and U.S. Treasury-certified Community Development Financial Institution dedicated to building equity and excellence in primary care. We have advocated for primary care for 26 years and assisted over 1,000 primary care practices in more than 40 states and territories. Our mission is to create healthier, more equitable communities by building, expanding, and strengthening the national primary care infrastructure.

Since our founding in 1993, PCDC has improved primary care access for more than 1 million patients by leveraging more than \$1 billion to finance over 130 primary care projects. Our strategic community investments have built the capacity to provide 3.8 million medical visits annually, created or preserved more than 13,000 jobs in low-income communities, and transformed 1.8 million square feet of space into fully functioning primary care practices. Through our capacity building programs, PCDC has trained and coached more than 9,000 health workers to deliver superior patient-centered care. We have also supported nearly 550 primary care practices — encompassing some 2,250 providers — to achieve patient-centered medical home recognition, improving care for more than 5 million patients nationwide. All told, PCDC’s work has impacted more than 40 million patients across the United States and territories.

PCDC provides capital financing and capacity building services throughout the Empire State and has worked with over 600 health care sites, including seven DSRIP Performing Provider Systems (PPS) in all corners of New York. In just the last five years, PCDC arranged nearly \$75 million in affordable and flexible financing to expand access to primary care across New York.

Support for NYS Waiver Amendment Extension and Renewal

PCDC is pleased to support the New York State Medicaid Redesign Team’s waiver amendment proposal to CMS for its approval. The extension and renewal components of this request — including more time to utilize approximately \$625 million in current unspent funds and a new \$8 billion of federal investment — will allow the State to continue its existing delivery system transformation efforts, increase efficiencies across delivery systems, and continue down the road to value-based care.

New York has demonstrated success in utilizing and stewarding federal investments to assist in promoting the objectives of the Medicaid program. Since CMS's 2014 approval, the State's transformation efforts have provided incentives for Medicaid providers to create and sustain an integrated, high-performing health care delivery system that can effectively and efficiently meet the needs of Medicaid members in their local communities by improving the quality of care, improving the health of populations, and reducing costs. These efforts have set a trajectory for the State's continued advance toward value-based care.

New York has proved itself as a capable steward of waiver funding; this extension and renewal request demonstrates a readiness to take on new challenges and expand on the important work completed thus far. PCDC applauds New York's focus on expanding best practices, increasing adoption of value-based care, and investing in social determinants of health in this waiver amendment proposal. We share the vision that these remain central priorities in the extension and renewal with the goal of transforming the State's health care delivery system to reward value over volume, reduce avoidable hospital use, and create integrated delivery systems.

Opportunity for NYS Waiver Amendment to Deliver on Primary Care Promise

The purpose of a Medicaid 1115 waiver is to broadly allow state innovation within the Medicaid program. PCDC supports New York State's efforts to transform the health care system and particularly, the Medicaid program's use of the 1115 Waiver to strengthen community health, improve clinical outcomes, and reduce costs. The current waiver created a structure that was intended to improve outcomes through organization into Performing Provider Systems (PPS). These were meant to better manage the care of individuals through patient-centered medical homes, care coordination, and other primary care-centered initiatives. An extension of this waiver is an opportunity to build upon the successes of the first waiver and implement new strategies to address challenges seen over the last four years. We endorse the efforts by the State and its partners at CMS to extend the delivery system reform initiatives that will impact so many New Yorkers.

Despite the success over the last four years in reducing potentially preventable hospitalizations and readmissions, these newly designed entities were built around hospitals and for very specific programmatic initiatives, rather than toward a robust primary care system. There was little incentive to direct funds to primary care or ambulatory behavioral health providers. Less than 10% overall of DSRIP funding went to primary care, behavioral health, or community-based social service organizations, even though these organizations provide direct services to patients and have the greatest ability to provide interventions that would reduce expensive tertiary or quaternary care.

We strongly endorse the strategy that the next waiver amendment be fundamentally focused on strengthening the primary care system to achieve shared goals The evidence is clear that a focus on primary care will lead to lower costs and better outcomes. Increasing comprehensiveness of care, especially as measured by claims measures, is associated with decreasing Medicare costs and hospitalizations. Payment and practice policies that enhance primary care comprehensiveness ["bend the cost curve."](#) Additionally, increased primary care physician supply is [associated with improved health outcomes](#), including cancer, heart disease, stroke, infant mortality, low birth weight, life expectancy, and self-rated health.

Yet, estimates are that primary care — inclusive of reimbursement and value-based payments — only receives about [5-8% of total health care spending](#). [PCDC’s review of the literature](#) has identified significant correlations — between primary care access and overall health status; higher poverty rates and worse health outcomes; and rural counties and a lack of primary care access — based on defined measures of access and need. Nationally, utilization of primary care is decreasing, which is also likely true in New York State.

Reorganizing the NYS Medicaid payment system through another 1115 waiver would allow New York to see the benefits of a system that appropriately values and reimburses for the vital services these primary care practitioners provide. A recent report from the [Primary Care Collaborative](#) showed that primary care spending in New York State is lower than the national average. The strong focus of this new waiver on driving value-based care is especially heartening for PCDC as it will inherently drive a stronger focus on the importance of primary care in bettering outcomes and reducing cost.

Require Value Management Organizations (VMOs) to Develop and Implement Primary Care Plans

Under the previous waiver, PCDC advocated for the creation of primary care plans by each PPS. Though completed, they were neither actionable plans nor standardized to allow for purposeful tracking of activity. The Value Management Organizations (VMOs) proposed in this new waiver request should improve and expand upon the primary care plans in a meaningful way that is appropriate for each VMO. Furthermore, building on the demonstrated success of utilizing a more interdisciplinary and non-traditional workforce under the first waiver, it is essential that providers of all levels and disciplines continue to be supported through opportunities created by waiver funds. Ensuring an adequate supply of primary care providers, [especially in more rural areas of the State](#), is a continued struggle. The workforce plan required by each VMO to develop should be tied to the primary care plan.

In this subsequent waiver PCDC recommends that all waiver-supported entities be required to plan, fund, and measure primary care activities from the beginning to enable evaluation of the effectiveness of the primary care strategy that could be used for future waiver programs. Reporting in a standardized form would enable analysis and instill accountability into the system.

Four Key Concepts for Primary Care Success

We are heartened to see the continued focus on the inclusion of primary care, behavioral health, and community-based organizations in any newly created or existing entity.

PCDC urges that New York State’s approved waiver amendment include four key concepts in the application to create a primary care-focused Medicaid program.

First, funds must flow directly to primary care practices. Trickle-down reimbursement rarely makes it to the target. If New York is serious about structuring the Medicaid program around primary care, waiver funding should go to primary care provider organizations either directly or through existing reimbursement channels, such as managed care organizations (MCO).

Additionally, the share of spending overall on primary care must substantially and meaningfully increase, which will, in turn, [reduce the total cost of care](#) as well as improve outcomes. This would re-balance delivery system funding and payment to address the disproportionately low share of funds that primary care currently receives throughout the State. Other states, such as Oregon, Delaware, and Rhode Island, have already undergone such transformation efforts. Effective primary care payment supports more than just traditional primary care; it covers integrated behavioral and public health, care coordination, care transitions, and efforts to address social determinants of health. PCDC supports the State's proposal that a portion of the waiver dollars go to the newly highlighted special populations including those within children's health, long-term care and maternal mortality, and would include primary care and behavioral health providers with a specific proportion of the waiver dollars as well.

Second, the extended waiver must be structured so that an increased focus on primary care services is incentivized and easily obtainable by each VMO. PCDC endorses the structured requirement of each VMO to implement specific Promising Practices found to be of highest yield under the first waiver. However, it is notable that the five high-priority focus areas required to be implemented do not include a specific focus on strengthening primary care.

We firmly urge that this new waiver be structured from the beginning to incentivize a focus on primary care.

Additionally, PCDC is encouraged to see the new waiver's additional focus and expanded efforts to enhance the State's dedication to the social determinants of health. The implementation of the Social Determinants of Health Networks (SDHNs) demonstrates that the State understands and values the inherent interconnectedness of social determinants and health outcomes. However, the waiver amendment proposal does not include access to primary care as a social determinant of health. ***We wish to draw attention to the fact that access to primary care is a social determinant of health, as recognized by the WHO, CDC, and the federal Healthy People initiative framework.*** Financial, geographic, transportation, and physical barriers have created and furthered health disparities across the State. PCDC's [New York State Primary Care Profile \(2018\)](#) found a correlation between lack of access to primary care and worse health status. Primary care is often the first point of contact with the health care system and can prevent, identify, and treat illnesses as well as promote wellness.

Third, the waiver should appropriately attribute patients to the providers who manage their care. This means that patients who have serious mental illness and primary addiction diagnoses should be attributed to the behavioral health organizations (BHO) where they are receiving care. These organizations would, in turn, become responsible for connecting people to primary care and for primary care outcomes through a variety of funding mechanisms, such as Certified Community Behavioral Health Clinics, that could be funded at the State level to improve primary care access and quality for vulnerable populations. Though many of these organizations may be unable to individually take risk, it is the VMO or the MCO that should support their capacity to do so over the life of the waiver.

We applaud the State for recognizing the great need and opportunities for behavioral health and primary care integration in the waiver amendment proposal. In PCDC's recent report, [Closing the Behavioral Health Integration Gap: A New York Case Study \(2019\)](#), we found substantial barriers to behavioral health and primary care integration and transformation. Regulatory changes to ease operational requirements for integrated and co-located facilities is a critical focus area for the next approved waiver period.

Finally, a primary care-centered Medicaid system should create and promote geographic systems of care to maximize efforts to improve population health. Overlap of patients and provider networks adversely impacts the ability of any entity to effectively manage population health. Other states have made the decision to funnel all Medicaid programs (reimbursement, incentive payments, health homes, etc.) into one lead provider in a region that can contract out the funding appropriately and is accountable for population health and cost outcomes. PCDC urges that any new waiver move New York State towards a geographic accountability for population health.

Primary care is the foundation of the health care system and a cornerstone of healthy, thriving communities. Without a strengthened focus on primary care in New York's 1115 waiver amendment, we cannot make progress in managing the care, reducing cost, and improving the health of all New Yorkers. Thank you for your consideration of PCDC's recommendations.

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