



January 30, 2015

Jason Helgeson  
State Medicaid Director  
Department of Health  
Empire State Plaza  
Corning Tower, Room 1466  
Albany, NY 12237

Dear Mr. Helgeson:

Thank you for the opportunity to provide feedback on the State's initial Draft Roadmap on Value Based Payments (VBP) for the Delivery System Reform Incentive Payment (DSRIP) program. Our respective memberships share the State's Triple Aim goals of improving the experience of care, improving the health of populations, and reducing per capita costs of health care. However, as you heard in our first VBP Workgroup meeting on January 23<sup>rd</sup>, there are a number of significant concerns that our organizations share regarding the plans for VBP in Medicaid.

The State clearly intends for the Roadmap to serve as the multi-year plan for comprehensive Medicaid payment reform, including how the State will amend its contracts with Managed Care organizations for the implementation of DSRIP. The Roadmap also attempts to address several specific topics regarding the design of future payment models. Our shared concern is that, as drafted, the Roadmap is unduly prescriptive and not sufficiently accommodating to the diversity of stakeholders who are essential to achieve the goals of DSRIP.

Therefore, we recommend that the State add considerably more flexibility for providers and health plans into its current draft and conduct further discussion before a document is submitted to the Centers for Medicare and Medicaid Services (CMS). Our respective organizations will be submitting individual detailed comments to the State. However, the common themes of our shared concerns are set forth below:

- **FLEXIBILITY TO ENSURE SUCCESS FOR ALL STAKEHOLDERS**

As currently drafted, the DSRIP Roadmap does not provide the flexibility needed for the efficient exploration and execution of new payment models. The rigidity of the process, the standardization of practices, and the aggressive timeline as outlined in this document are extremely troubling given the complexity of VBP arrangements, the diversity of current marketplace practices, and the ability of the Department of Health (DOH) to revise the Roadmap annually. Providing flexibility in this first iteration will allow course corrections in the future to be more easily made. Likewise, allowing individual plans and providers to be the focal point of VBP development will ensure flexibility and will not compromise the innovation in the marketplace which has already occurred.

The marketplace and the adjustments that have already been made to the federal Accountable Care Organization (ACO) and bundled payment initiatives have continued to demonstrate that one size does not fit all and flexibility on timelines, performance, and payment is critical to meet the goals of DSRIP and any future challenges in the VBP environment.

- **TRANSPARENCY AND IN-DEPTH DISCUSSION IS NEEDED ON CRITICAL ISSUES**

While we believe the State's proposal is overly prescriptive, it is at the same time vague in certain respects. Sufficient detail has not been provided on attribution methodologies, risk adjustments, the role of PPSs, appropriate quality measurements for the various levels, and the development and funding of risk pools. It also does not assure sufficient transparency in the State's rate development process as the VBP model progresses. It is difficult to determine our support for these and other concepts without understanding the full scope of the State's ground rules and expectations in these areas. These items are critical to the development of a viable VBP model. As discussed at our meeting, we continue to stress the need for the State to identify subgroups of subject matter experts charged with developing detailed recommendations around these and other matters.

- **MEDICAID REFORM INITIATIVES SHOULD NOT BE IMPOSED ON THE COMMERCIAL MARKET OR OTHER PAYORS**

Payment reform in Medicaid should not be imposed on the commercial marketplace under the State Health Innovation Plan or on other payors, and many stakeholders will oppose the State's plan to do so as it is overreaching and unnecessary and could jeopardize the stability of the healthcare system.

We are jointly communicating these major concerns at this time so that DOH can make revisions to the draft document distributed at the first workgroup meeting and prior to its submission to CMS. We strongly recommend that any plan submitted to CMS be general in nature while these issues are being discussed so that the State is not locked into a plan that lacks support from both the payer and provider communities. We look forward to an in-depth discussion at our upcoming workgroup meeting on February 24<sup>th</sup> around these items and as to how we can work together toward implementing DSRIP in a way that is realistic and minimizes the risk of unintended consequences.

Sincerely,



Beverly Grossman  
Senior Policy Director  
CHCANYS



Kenneth E. Raske  
President  
GNYHA



Dennis Whalen  
President  
HANYS



Al Cardillo  
Executive Vice President  
HCA



Paul Macielak  
Chief Executive Officer  
NY HPA



Daniel J. Heim  
Executive Vice President  
LeadingAge New York



Sean M. Doolan  
Hinman Straub  
NYSCOP