

# GNYHA SUMMARY OF NEW YORK DSRIP PROGRAM PRIORITIES, SUCCESSES, AND STATUS

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In November 2019, New York State submitted an \$8 billion request to the Federal government for an extension of its Delivery System Reform Incentive Payment (DSRIP) program. DSRIP is a mechanism under which a state, under authority granted by Section 1115 of the Social Security Act, can have certain Federal rules waived for the benefit of individuals enrolled in Medicaid and receive funding to support its efforts to improve health outcomes for Medicaid consumers.

New York's DSRIP program, which began April 1, 2015, was the culmination of the state's initial Medicaid Redesign Team efforts. The Federal government invested an initial \$8 billion of the \$17 billion in Federal savings that had been identified at that point. Seeking to build on its accomplishments to date, New York State submitted an extension request, as other states had done, again using a portion of the savings that it had generated for the Federal government. On February 21, 2020, the Federal government denied New York's request for an extension. As a result, the DSRIP program will end on March 31, 2020.

## SUCCESSES TO DATE

Under New York's DSRIP program, organizations made progress in improving the delivery system for Medicaid consumers. The organizations working on DSRIP activities achieved a 21% reduction in avoidable hospital use. Significantly, 11 of the 25 organizations working on DSRIP have already achieved a greater than 25% reduction in avoidable hospitalizations, and four organizations had achieved a greater than 25% reduction in preventable cost. New York has identified promising practices that were engaged in over the last five years of DSRIP and seeks to expand on those practices. These practices include expanding medication-assisted treatment into primary care and emergency room settings; targeting seriously mentally ill populations for enhanced supports; addressing social determinants of health; and overall strategies for enhanced care management.

New York State has also shifted a significant portion of Medicaid payments away from fee-for-service toward value-based payment (VBP) arrangements, which incentivize improved health care outcomes and decreased avoidable utilization and costs. Through March 31, 2019, according to New York State, nearly 40% of its payments were made as part of VBP arrangements whereby organizations can share in savings. Approximately 35% of Medicaid payments are made through higher-level arrangements, further improving value for the State's Medicaid program. A key goal of continuing DSRIP is to move providers to more advanced VBP methodologies, including shared risk arrangements and bundled payments, goals that are consistent with the Federal government's reimbursement policy priorities.

## EXTENSION AND RENEWAL REQUEST

New York State's request to the Federal government was for a one-year extension to utilize approximately \$625 million in unspent funds from the current program and three years of additional funding, with the two components totaling \$8 billion.

## ADDITIONAL AREAS OF FOCUS

In addition to its promising practices, New York is seeking to expand its work under DSRIP to children's health; long-term care reform, with an emphasis on moving dual eligibles into integrated programs and increasing access to palliative care and hospice care; and maternal mortality, with an emphasis on incentivizing providers to participate in initiatives that will reduce disparities.



*GNYHA is a dynamic, constantly evolving center for health care advocacy and expertise, but our core mission—helping hospitals deliver the finest patient care in the most cost-effective way—never changes.*