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## State urges collaboration on Medicaid waiver dollars



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Six groups from Western New York have been pegged by state health officials as “emerging” applicants in the first step of a process that will see billions of dollars doled out to transform the state’s Medicaid system.

May 15 was the deadline for groups to file letters of intent toward the creation of performing provider systems (PPS) that will work to tackle projects designed to change the way health providers serve Medicaid recipients and address community health issues.

The state Tuesday designated 49 of those applicants as emerging PPS, and urged others across the state to partner up with those groups to better address the issues in their communities. And though six groups were initially identified for the eight-county Western New York region and one more is likely to be added, the DOH is urging the region to come together to create just one PPS that could tackle as many as 10 health projects.

“It would make life much easier and the likelihood of success will be much greater to the extent to which all boats are rowing in the same direction, and all are working toward the same projects or the same goals and that you keep the system as simple and straightforward as possible,” said Jason Helgeson, state Medicaid director. “We think a single PPS would do that.”

Each of the six groups designated as emerging systems is made up of dozens of partners. The lead organizations are: Autumn View Health Care Facility, Catholic Medical Partners and Evergreen Health Services Inc., each with members representing all eight counties; Niagara Falls Memorial Medical Center, representing Niagara and Orleans; Olean General Hospital, representing Allegany, Cattaraugus and Chautauqua; and WCA Hospital, representing just Chautauqua.

Erie County Medical Center filed a letter of intent with 240 partners, but a glitch in the

application system listed it as a stand-alone applicant. Helgerson said on Thursday said it would likely also be designated as an emerging system once the error is corrected.

More than 100 area professionals from hospitals, clinics, private physician groups and nonprofit health providers gathered Thursday afternoon to hear more about how the process will work, and the impact it will have on their bottom line at an event sponsored by the Health Foundation of Central and Western New York.

In addition to an overview by Helgerson, they heard about lessons learned from representatives of the Center for Health Care Strategies Inc., a nonprofit group that has worked with providers in California and Texas, where similar Medicaid waiver programs have been adopted in recent years, as well as two different accountable care organizations (ACO) in Minnesota. The stakes are high: The DOH will ultimately dole out \$8 billion to providers throughout New York using federal savings generated by reforms already put into place in New York's Medicaid system.

The bulk of the dollars, \$6.42 billion, will be distributed through Delivery System Reform Incentive Payments (DSRIP), with funds supporting planning grants, incentive payments and administrative costs. The remaining funds will be set aside to support investments in long term care, workforce development and other infrastructure redesign to enable the PPS projects to work.

Among the lessons learned in other states: groups should try to be as inclusive as possible, said Allison Hamblin, vice president for strategic planning at the Center for Health Care Strategies.

That means competitors like Kaleida Health and Catholic Health who filed competing letters of intent with partner groups will have to learn to get along and work together so that the whole community benefits, she said.

"What we heard from Texas was there were different players in the community who historically had competitive relationships, coming together and just recognizing the status quo isn't an option," she said. "There's no option to continue as we're going, because that future doesn't exist. So let's leave our guns at the door and focus on our mutually shared interests."

Another tip: don't bite off more than you can chew by trying to tackle too many complex projects at once.

"Try to keep it simple," she said. "There's definitely project fatigue that can set in here."

Helgerson urged individual agencies and providers to find a partner among the emerging PPS, though he said the best bet would be to file just one planning grant application by the deadline in mid-June. The larger the group, the more Medicaid covered lives and a lesser burden on providers who might otherwise have to work with multiple groups on different projects. The state is expected to make grant decisions by year's end.

The goal of the DSRIP is to reduce avoidable hospitalizations by 25 percent over five years. Each PPS will choose the projects with an eye toward making real progress on such areas as system transformation, clinical improvement and population health improvement.

But providers need to understand it's about major structural change in the way health care is

delivered to Medicaid recipients in New York, Helgerson said.

"We want to make sure as folks go into this that they go in with their eyes wide open," he said.  
"The current system we have today is not sustainable."

Tracey Drury covers health/medical, nonprofits and insurance