Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	[Personally Identifiable Information] [partial] (1 page)	04/17/1995	b(6)

COLLECTION:
Clinton Presidential Records
Chief of Staff
Jennifer O'Connor (Labor)
OA/Box Number: 8151

FOLDER TITLE:
Waivers-New York City Medicaid

2024-0267-S
rs4092

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

17-Apr-1995 01:45pm

TO: Janice A. Enright

FROM: Jennifer M. O'Connor
Office of Cabinet Affairs

SUBJECT: Please pass on to Harold

Harold --

You asked me to look into the pace of the NY waiver discussions at HHS, given the various meetings you have had on the subject with people like Jerry McEntee. At the moment, the waiver is at a low level at the Health Care Financing Administration and is being analyzed. It could take a very long time for the proper analytical work to be done on it.

The President, as you know, promised he would get waivers approved or disapproved within 120 days. The 120 day mark will hit around July 13. HHS has missed deadlines like this in the past, but significant political pressure comes down form the state when that happens.

The real answer to your inquiry is this could take as long or as short a time period as is appropriate, but at the July 13 mark, we are bumping up against the President's promise.

One possibility to consider, assuming HHS recommends this, is that this be the first waiver turned down. Though HHS is not yet far through the analysis, initial indications are there are lots of problems with it. I can let you know more about this option as we move forward.

Do we need to get back to McEntee on this?

THE WHITE HOUSE
WASHINGTON

respond - only if
Dems are earmarked
for the Poor.

Shalala's letter hits that
theme

Charley thinks Potus
old join Pataki for
it politically

McEntee asked for
info on Donna
w/ Harker Hill

City closing 3 hospitals

fear managed care
for the workers

want it slow walked

=> Shalala letter

---

talk to HHS
bring up to speed

Shalala, Thurm
Menaker

THE WHITE HOUSE
WASHINGTON

for NY → wld save
hun lotta $ —
he wants mandatory
managed care for
Medicaid

if state can find $1b
savings in NY, wld
create $ 1bil
in scrap a
fed level
→ he wants to
recapture it

Rangel wants Pataki
to response will

THE WHITE HOUSE
WASHINGTON

Carey
Rangel

Rangel
Medicaid formula
shld be A'ed
Potus said so a
ABNY a on Oct 19
he thinks it's unfair
but only DC legsl.
A shd fix it
so it can't be A'ed
no votes
Pataki asked for
medicaid waiver

April 17, 1995

MEMORANDUM TO HAROLD ICKES

FROM: MARILYN YAGER

RE: DROP-BY NEW YORK HEALTH CARE EXECUTIVES

A group of New York public hospital executives are coming in tomorrow at 11:00am in Room 476 to discuss the New York state Medicaid waiver. Bruce Siegel with New York City Health and Hospitals is leading the group (tentative list attached).

They originally asked to meet with you and Carol Rasco, but due to the detailed nature of the discussion I arranged the meeting with Diana Fortuna at the Domestic Policy Council. However, I think would be very helpful if you could stop by briefly just to indicate that we know this is an important issue to them.

If you are able to drop by, I will of course provide additional information for you.

Please advise.

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	[Personally Identifiable Information] [partial] (1 page)	04/17/1995	b(6)

COLLECTION:
Clinton Presidential Records
Chief of Staff
Jennifer O'Connor (Labor)
OA/Box Number: 8151

FOLDER TITLE:
Waivers-New York City Medicaid

2024-0267-S
rs4092

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

NYCHHC
Dr. Bruce Siegel
President
SS#:
DOB (b)(6)

Elizabeth Ryan
Sr. Vice President
SS#:
DOB:

Jon Dressner
SS#:
DOB

Westchester County Medical Center
Frederick B. Miller
Deputy Commissioner, Finance & Support Services
SS#:
DOB

Nassau County Medical Center
Catherine M. Hottendorf
SS#:
DOB:

Sarah Roberts
SS#:
DOB

National Association of Public Hospitals
Christine Capito Burch
SS#:
DOB:

Lawrence S. Gage
SS#:
DOE

Barbara Evman
SS#:
DOE

Lynne Patricia Fagnani
SS#:
DOB:

THE WHITE HOUSE

WASHINGTON

22 June 1995

MEMORANDUM FOR JENNIFER O'CONNOR

FROM: Warwick Sabin

SUBJECT: 26 June 1995 Conference Call

You have been confirmed to participate in a conference call on Monday, 26 June at 11:30 a.m.

The subject of the discussion is the NY 1915B Waiver. The panel includes: Kevin Thurm, John Monahan, Sarah Covener, Allison Green, Jake Klepner, and Helen Smits.

Mr. Thurm's office will initiate the call. You will be contacted at extension 66350.

If you have any further questions or problems, contact Vivian at Mr. Thurm's office at 690-6133.

83 days left on last 90 day clock

Bringing people down to educate

[illegible] concern family planning clinics from advocates Joanne?

to Sanger, Pl. Par, NYC

Speaker + Gottfried + Rivera Jacobs

Min leader

Controller

unions

Greater NY Hosp Assoc

Rangel + city delegation

+ D'Amato + Moynihan

Brief

Minority +
- Senate

(1) - State leg + McCall
+ Gov

(2) - city - BPS, Vallone, Mayor
+ Hevesi + Green

(3) - unions
37, 1199, private hospitals - 144 ? SEIU

CSEA, 1199, SEIU

ANA
interns - residents

(4) Greater NY Hospitals Assoc
Jim Tallon - Hosp. Assoc

family planning people

gay groups
Catholic charities

(5) Congressional

State
Corp
City
unions
MF groups

2/12

DEPARTMENT OF HEALTH & HUMAN SERVICES

Chief of Staff

Washington D.C. 20201

FACSIMILE

DATE MAY 5 1995

TO: (NAME, ORGANIZATION, CITY/STATE AND PHONE NUMBER):

Jennifer O'Connor
The White House

PHONE: 456-2421

FROM: (NAME, ORGANIZATION, CITY/STATE AND PHONE NUMBER):

Kevin Thurm
Chief of Staff
DHHS

PHONE: 690-6133

RECIPIENT'S FAX NUMBER: ( ) 456-7929

NUMBER OF PAGES TO SEND (INCLUDING COVER SHEET): 6

COMMENTS:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

6325 Security Boulevard
Baltimore, MD 21207

MAY 16 1995

Barbara DeBuono, M.D.
Commissioner
New York State Department
of Health
Corning Tower Building
Albany, New York 12237

Dear Commissioner DeBuono:

We are pleased to have received New York's section 1115 waiver proposal, entitled "The Partnership Plan," and have distributed it throughout the Department of Health and Human Services for review. To facilitate the review process, we are informing you of several key concerns and issues which have been identified. You will be receiving an additional list of questions in early May which will provide greater detail on these and other issues.

The key issues are outlined below:

o **1915(b) Waiver Programs**

We understand that the State has proposed to expand its current 1915(b) waiver. It is not clear how the State intends to incorporate the 1915(b) waiver programs that are either currently operational, or pending, into a statewide 1115 waiver program. The proposal indicates that these programs will be subsumed into the 1115 waiver program, but does not specify how or when this will be accomplished. In particular, it is not clear when beneficiaries who are currently enrolled in managed care plans which are not selected as part of the Statewide procurement process under the section 1115 demonstration will be transferred to selected plans.

We want to ensure that the process for subsuming the existing 1915(b) programs into the section 1115 waiver program is not disruptive to the beneficiaries.

We are working with HCFA's Office of Managed Care to ensure that issues common to both waiver requests are addressed consistently. However, we do not identify issues unique to the 1915(b) waiver request in this letter. The Office of Managed Care will address these issues as part of its review process.

o **Implementation Schedule**

New York is proposing to begin enrollment of certain eligible groups in November 1995. Although the State intends to phase in enrollment, the schedule, as outlined in the proposal, appears overly ambitious, particularly given the magnitude of the proposed program. We understand that New York anticipates enrolling approximately 700,000 Home Relief and AFDC-related individuals into the program in less than one year from today. Between the date that New York obtains approval for the section 1115 waiver, and the beginning of the initial enrollment, a competitive procurement process must be initiated, contracts with health plans must be secured, and approaches to marketing and enrollment must be addressed. We must assure that the program can be developed in the time frame presented in the proposal.

Issues of appropriate timing, transition, and further development of the existing infrastructure (particularly for special needs populations) must be considered, especially in light of the Governor's proposed Medicaid budget cuts. We will need to assure that adequate capacity and access exist under the demonstration, particularly as the proposal acknowledges that the State currently has a geographic maldistribution of providers.

We encourage the State to work with providers that have traditionally served the Medicaid and low-income populations to ensure that these populations have adequate access to care under the demonstration. It is important that plans consider the role of these providers as they develop networks.

New York must also consider the systems modifications and enhancements that it must undertake to adapt to a managed care environment and insure that the system has the capability of generating required person-level encounter data. In addition, a realistic assessment of the time frames needed to develop and adequately test the modified system's ability to collect accurate plan enrollment information from the local department of social services offices, and to track and reconcile capitation payments to managed care entities throughout the State, will be necessary.

o **Budget Neutrality**

A number of preliminary issues regarding budget neutrality have been identified, and will require resolution in the course of reviewing your proposal. First, agreement will have to be reached on inflation factors to be used to estimate what future spending would be in the absence of the waiver; our budget neutrality

discussions routinely evaluate the appropriateness of national, state-proposed, and other rates. Second, it is not clear whether baseline cost estimates in the absence of the waiver reflect the current and pending 1915(b) and other managed care activity. Third, we are concerned that New York is proposing to increase Disproportionate Share Hospital (DSH) payments at a rate that is higher than projected in the absence of the waiver. It is not clear how New York will track DSH monies that are redirected to the managed care delivery networks and ensure that the combined redirected and residual DSH expenditures do not exceed projected DSH expenditures in the absence of the waiver. Finally, we will need to discuss how Medicaid budget cuts will affect budget neutrality calculations.

- **Quality Assurance Standards**

We will want to ensure that there is an adequate infrastructure capable of providing continuous quality assurance monitoring for all individuals enrolled into the program. In particular, comprehensive quality assurance standards must be developed to monitor the care that is being provided through the special needs plans (SNPs) that are to be established for specific sub-populations (i.e., Seriously and Persistently Mentally Ill adults, Seriously Emotionally Disturbed children, and individuals who are HIV-positive). Both the State Department of Health (DOH) (through the AIDS Institute) and the State Office of Mental Health will be developing systems of quality assurance for the special needs populations that will be offered services through SNPs. We will need more information regarding how these efforts will be linked to avoid duplication and ensure consistency.

- **Encounter Data**

We will require detailed information about New York's plans for collecting the required encounter data. We must ensure that complete and accurate encounter data is obtained, both to monitor the quality of care provided to program enrollees, and to assess the impact of the demonstration, as part of the independent evaluation that we will conduct.

- **Institutions for Mental Diseases (IMD)**

New York is requesting a waiver of the IMD exclusion, up to a total annual limit of 90 days per enrollee. While the Health Care Financing Administration (HCFA) technically cannot "waive" the IMD exclusion, it may authorize Federal matching payments for IMD residents that would not otherwise be matchable. The State should be aware that, while this authority has been exercised in order to permit matching payments for IMD services, HCFA has limited such matching to 30 days per episode, with an annual limit of 60 days.

- **Drug Reimbursement**

  The proposal indicates that rural districts that have partially capitated plans that do not provide pharmacy benefits may establish mail-order arrangements for the provision of prescription drugs on a fee-for-service basis. While mail-order arrangements for pharmacy benefits are used widely, New York should be aware that it is subject to drug rebate and drug utilization review requirements under fee-for-service reimbursement. We will require additional information about how drug benefits will be offered in different parts of the State, and how access to medically necessary drugs for all targeted populations will be assured.

- **Enrollment Process**

  It appears that enrollment activities, including marketing and beneficiary education, potentially will vary by county or region. Some counties or regions may contract with a health benefits manager to undertake certain enrollment activities, which could include answering beneficiary questions, while other localities may not. Regardless of the enrollment procedures that are used, we will want to ensure that individuals eligible for the program receive complete and accurate information on which to base their selection of health plan. We are particularly concerned about approaches to informing persons eligible for enrollment into SNPs of their enrollment options.

- **Items Requiring Clarification**

  Further clarification will be necessary with regard to several issues.

  - New York City's eligible population, health care delivery system, and managed care market constitute such a large proportion of the State's current and proposed programs that the City merits special focus. We will need a New York City-focused analysis of fundamental components of the plan related to changing utilization, service delivery, managed care capacity, and financing.

  - We will need additional information about how enrollment into SNPs will be operationalized; how the needs of individuals eligible for enrollment into an SNP will be addressed during the transition period; and how the needs of persons who may require access to services available through both types of SNPs will be addressed, both during the transition period and throughout the demonstration program.

- There is some confusion regarding the timing for inclusion of the Home Relief population as a covered group under Title XIX. When we met with you on April 10, you indicated that New York expects to receive Federal matching payments for the Home Relief population as these individuals are enrolled into managed care. However, the proposal indicates that the Home Relief population will be covered under the Title XIX program, effective July 1, 1995, suggesting that the State anticipates receiving Federal matching payments for these individuals as of this date, regardless of their enrollment status, even though enrollment for this group will be phased in over a 24-month period. If this is your intention, it is not clear why Federal matching payments for the Home Relief population should begin prior to their enrollment into managed care, and how this advances the goals of the demonstration. We will need clarification about this aspect of the proposal.

- At our meeting of April 10, you indicated that individuals who are eligible for the Home Relief program, yet are determined to be "employable," will be limited to receiving Home Relief benefits for a 90-day period, and will not be enrolled into the program. This is not addressed in the proposal.

Although there are additional issues that we will need to address, in order to expedite the review of New York State's waiver request, we would like to begin now to work with your staff to resolve these major issues. If your staff has any questions concerning budget neutrality, Paul Boben is available to assist them, and can be reached at (410) 966-6629. Debbie Van Hoven is also available to provide assistance on programmatic issues. She can be reached at (410) 966-6625.

We look forward to working with you in resolving these issues.

Sincerely,

Anne Wade

for Lu Zawistowich, Sc.D.
Director
Office of State Health Reform
Demonstrations

THE WHITE HOUSE

WASHINGTON

10 April 1995

Call Nancy Ann Min
Set something here
on piece of paper

MEMORANDUM TO JENNIFER O'CONNOR

FROM: Harold Ickes

SUBJECT: New York Medicaid

On 7 February, I met with Kevin McCabe who claims that as a result of the cuts imposed on Medicaid on the State of New York, the federal government will be spending $1.5 to 2 billion less annually for New York City for Fiscal Year '96. As is to be expected, he strongly urged that these funds be permitted to be used in other ways in New York. I certainly doubt that that can be done, but let's discuss.