



New York State Medicaid Redesign



MRT Reinvestment Program

Public Health Innovation

BACKGROUND

Chronic diseases – such as heart disease, cancer, stroke, and diabetes – are responsible for 7 of 10 deaths among Americans each year and account for 75 percent of the nation’s health spending. Often due to economic, social, and physical factors, too many New Yorkers engage in behaviors such as tobacco use, poor diet, physical inactivity, and alcohol abuse that lead to poor health.

Actions to prevent chronic disease (such as pre-diabetes interventions) and prevent exacerbations of disease (such as home-based interventions for asthma) will be implemented to promote health and reduce costs. It has been estimated that \$100 to \$110 billion of New York’s \$160 billion health care bill goes for hospitalizations, medications, medical treatments, and long-term care for patients with one or more chronic diseases, a group of patients that is expanding rapidlyⁱ. The growing financial impact of chronic disease on the health care system is pervasive and far-reaching. Examples of the annual cost of chronic disease in New York, attributable to both direct medical costs and lost productivity include:

- **Diabetes — \$12 billion**
- **Asthma — \$1.3 billion**

To address these challenges, particularly among racial and ethnic minorities, New York State will integrate community-based public health prevention programs into the Medicaid program. These evidence-based strategies will advance New York’s efforts to achieve the Triple Aim of improved quality, better health and reduced health care costs. Effective integration of community-based public health as part of the broader health care system inclusive of local health departments and clinical providers will promote population health and reduce systemic costs including Medicaid costs of care and treatment. By concentrating on the underlying drivers of chronic disease, New York will move from today’s sick-care system to a true “health care” system that encourages health and well-being.

The proposed initiatives are consistent with the goals of the recently created National Prevention, Health Promotion, and Public Health Council and with New York’s State Health Improvement Plan (Prevention Agenda 2013) which prioritizes prevention of chronic diseases; advancing a healthy and safe environment and promoting healthy women, babies and children. Through these complementary initiatives New York seeks to promote health by addressing rising rates of chronic illness, persistent health disparities, and escalating health care costs.^{lii}

Waiver recommendations that will fulfill these goals are: **(1)** evidence-based preventive nurse home visiting services for first time mothers and their children to prevent pre-term births and promote other positive health outcomes; **(2)** home-based self-management education and environmental assessments to improve asthma control, promote health and prevent avoidable emergency room visits and hospital admissions for Medicaid recipients with asthma; **(3)** home visits to promote childhood lead poisoning prevention and treatment for Medicaid recipients; **(4)** pre-diabetes screening and interventions to prevent progression to diabetes and to improve quality of diabetes care among Medicaid recipients; **(5)** water fluoridation to promote dental health for children on Medicaid; and **(6)** quality improvement efforts to address healthcare acquired infections and prevent sepsis.

The proposed efforts will be implemented as demonstration programs and will be closely evaluated for effectiveness. Once tested and proven to improve health care delivery, improve patient outcomes, and achieve cost savings these new models of care will be built into the fabric of the New York State Medicaid program. Several of the initiatives listed below (lead, asthma, diabetes and nurse home visiting) will start by using planning grants to develop ideas, followed by operational dollars made available for only the most promising models as venture capital to facilitate development and evaluation of the selected programs. In addition, a quality pool will be developed as an incentive for providers that exceed quality benchmarks. New York State will use funds from this program to launch new partnerships and test new models of care that could be expanded across the state and country. The savings potential for each of the proposed initiatives is significant.

PROGRAM DESCRIPTION

New York State plans to invest \$395.3 million over the next five years to integrate evidence-based public health prevention programs into the Medicaid program. Effective integration of evidence-based public health strategies as part of broader health care system redesign will promote population health and reduce systemic costs including Medicaid costs of care and treatment. Provided below is a description of how these funds will be used. A more detailed breakdown is provided in the MRT Expenditure Plan section of this document.

1) Evidence-based preventive nurse home visiting services such as Nurse Family Partnership (NFP)

Programs delivering nurse home visiting services such as the NFP have demonstrated consistent, rigorous evidence of positive impacts on a wide range of short- and long-term maternal and child health behaviors and outcomes, including but not limited to preterm births, maternal smoking, pregnancy-related hypertension, breastfeeding, child injuries, child abuse and neglect, immunization rates, child development across multiple domains, birth spacing and long term economic self-sufficiency. NFP is a nationally recognized means of achieving improved health outcomes, self-sufficiency and parenting skills and results in reduced health and social service costsⁱⁱⁱ.

Evidence Base: Nationally, Nurse Family Partnership (NFP) has achieved the following outcomes:

- Improvements in pregnancy outcomes (including a 79% reduction in preterm births among women who smoke and 35% fewer hypertensive disorders during pregnancy); ²⁻⁴
- Reductions in early childhood injuries (including 39% fewer injuries among children, and a 56% reduction in emergency room visits for accidents); ⁵⁻⁷
- Reductions in child abuse and neglect by 48%; ⁸
- Reductions in childhood emotional, behavioral and cognitive problems (including 50% reduction in language delays of child age 21 months, and a 67% reduction in behavioral and intellectual problems at child age 6); ⁹⁻¹¹
- Increased spacing between pregnancies for Medicaid-eligible women (including a 28-month greater interval between the first and second child, 31% fewer closely spaced subsequent pregnancies, and a 32% reduction in subsequent pregnancies); ¹²⁻¹⁶

The data from national studies of NFP and from New York City's First-time Mothers/Newborns (F/TMN) program all demonstrate similar improvements in health outcomes for mothers and their children. Public comments submitted regarding this waiver application support expansion of this evidence-based intervention. Expansion of F/TMN to all of New York State will give all Medicaid-eligible first-time mothers the opportunity for improved pregnancy outcomes.

Implementation: Funding will support evidence based preventive nurse home visiting services for first time mothers and their children up to age two years. Current Medicaid coverage for these programs is limited to Targeted Case Management and is in place in just two localities in New York State (New York City and Monroe County). Waiver funding will be made available for preventive services consistent with the NFP model to enhance access to, and coordination of, health and supportive services necessary to improve birth and health outcomes for high risk women and their infants in six high need areas of New York State. For existing NFP programs, funding will be provided to support the full set of preventive services consistent with the NFP model. In addition, funding will be provided during years one and two for planning and development of six new programs with full program operations envisioned to begin during year three. New York State will work with managed care plans to identify eligible members, coordinate services and document outcomes. During years four and five the programs will be evaluated to determine effectiveness in improving birth outcomes and reducing health care costs. If found to be effective these programs will be continued beyond the waiver period and expanded as appropriate given need, evidenced return on investment and funding availability.

To access the New York State Medicaid Redesign Team (MRT) Waiver Amendment: Achieving the Triple Aim please visit: http://www.health.ny.gov/health_care/medicaid/redesign/docs/2012-08-06_waiver_amendment_request.pdf.

