



DSRIP Project Plan Award Letter

Between
The New York State Department of Health (DOH)
and
Mount Sinai PPS, LLC (PPS Lead)
1111 Amsterdam Avenue, New York, NY 10025

Period of Agreement From: April 1, 2015 To: December 31, 2020
Valuation Award Amount: \$389,900,648

Net Project Valuation	Net High Performance Fund (3%)	Additional High Performance Fund (State Only)	Safety Net Equity Guarantee	Safety Net Equity Performance	Total Valuation
\$138,789,348	\$21,944,502	\$17,491,234	\$127,005,338	\$84,670,226	\$389,900,648

Whereas, in April 2014, the Governor of the State of New York announced federal approval of a Medicaid 1115 waiver amendment that will enable the State to reinvest \$8 billion in federal savings generated by Medicaid Redesign Team (MRT) reforms. One component of the waiver is the Delivery System Reform Incentive Payment (DSRIP) program which is to provide incentives for Medicaid providers to create and sustain an integrated, high performing health care delivery system that can effectively and efficiently meet the needs of the Medicaid beneficiaries and low-income uninsured individuals in their local communities by improving care, improving health and reducing costs. The DSRIP program is focused on the following goals:

1. Safety net transformation at both the system and State level
2. Accountability for reducing avoidable hospital use and improvements in other health and public health measures at both the system and State level and;
3. Efforts to ensure sustainability of delivery system transformation through leveraging managed care payment

Whereas, the DSRIP is an incentive payment program governed by the agreement between New York State and Centers for Medicare and Medicaid Services (CMS) under the Partnership Plan 1115 Waiver. The MRT Amendment Special Terms and Conditions (STCs) outline the implementation of MRT Waiver Amendment programs, authorized funding sources and uses, and other requirements. The DSRIP requirements

specified in the STCs are supplemented by the Program Funding and Mechanics Protocol and the DSRIP Strategies Menu which specifies the specific delivery system improvement activities that are eligible for funding. The State may modify the STCs and attachments from time to time with CMS approval.

Whereas, the DOH has determined that the PPS is eligible for funds through the DSRIP Application and the PPS Lead covenants that it is willing and able to undertake the activities described in the PPS Lead's DSRIP Project Plan Application; the DOH and the PPS Lead hereby agree as follows:

DSRIP PROJECT PLAN VALUATION AWARD (Award)

I. Conditions of Award:

- A. For the purposes of this Award, the PPS Lead shall ensure that the PPS complies with and implements the terms contained in its "DSRIP Application" and its formal implementation plan.
- B. PPS Lead agrees to read, understand and ensure that the PPS complies with the terms and conditions of the Governing agreement between New York and CMS of Partnership Plan 1115 Waiver as well as relevant attachments. MRT Waiver Amendment STCs outline implementation of MRT Waiver Amendment programs, authorized funding sources and uses, and other requirements. These STCs have been excerpted from New York's Partnership Plan 1115 Waiver and are available online at:

http://www.health.ny.gov/health_care/medicaid/redesign/docs/special_terms_and_conditions.pdf

- C. The PPS Lead designated above cannot assign or transfer their responsibilities under this Award without written approval by DOH. Requests to designate a new Lead organization should be made in writing to the following address:

NYS Health Department
Office of Health Insurance Programs
99 Washington Avenue, Suite 720
Albany, NY 12210
Attn: DSRIP Program

II. Payment and Reporting

The maximum DSRIP payments a PPS can receive is determined by the net project valuation earned, safety net equity guarantee value, plus any potentially earned high performance fund payments. The net project valuation is determined by the project

index scores for the projects selected, the final attribution for valuation, the final valuation benchmark, and the DSRIP Project Plan Application score as determined by the DSRIP Independent Assessor (IA), reviewed by the DSRIP Project Approval and Oversight Panel (PAOP) and approved by the Commissioner of the New York State Department of Health and CMS. The net project valuation and the safety net equity performance value shall be added together and be distributed based on your performance. Additionally, the PPS shall receive the safety net equity guarantee value and may be eligible for additional funds from the DSRIP high performance pool if the PPS performance meets the applicable criteria.

- A. PPSs shall receive DSRIP payments based on the successful achievement of the following:
- Approval of DSRIP Project Plan Application;
 - Submission of a formal implementation plan;
 - Meeting Domain 1 Process Milestones and Metrics;
 - Submission of acceptable quarterly reports and other required reporting;
 - Successfully completing Pay for Reporting (P4R) requirements; and
 - Meeting Pay for Performance (P4P) targets for defined metrics.

Each DSRIP project will be evaluated for performance by the IA by examining each measure and/or milestone across Domains 1-4. Each process measure and milestone will be evaluated on whether the target or milestone was “achieved” or “not achieved”, which will be expressed as an Achievement Value (AV). The PPS may receive reduced or, in some instances, no payments, based on the number of AVs earned during the reporting period.

Domain 1 Process Measures that will be evaluated for AV and therefore equate to DSRIP payments can be categorized into the following three categories:

One Time Domain 1 Process Measures

- Approval of DSRIP Project Plan Application

Domain 1 Organizational Process Measures

- Governance
- Workforce
- Financial Sustainability
- Cultural Competency / Health Literacy

Domain 1 DSRIP Project Specific Process Measures

- Project Quarterly Report Updates & Flow of Funds
- Patient Engagement Speed & Scale
- Project Speed & Scale (tied to the commitments PPSs have made in the DSRIP Project Plan Application around Scale & Speed)

For Domains 2-4, PPSs can earn Achievement Values for meeting the Pay for Reporting (P4R) and the Pay for Performance (P4P) metrics and milestones as outlined in Attachment J of the STCs and in the DSRIP Measure Specification and Reporting Manual.

- B. PPS DSRIP Demonstration Period commences April 1, 2015 through March 31, 2020 during such time PPS will carry out the projects selected and approved as part of the application. PPS Lead will report on performance measurement per the reporting schedules as established by DOH for the entire Demonstration Period including reporting after March 31, 2020 in order to effectuate payments and evaluation for the DSRIP Demonstration Period.

- C. DSRIP payments are for achieving project goals and not a substitute for reimbursement of Medicaid services. Reimbursement of services must follow the Medicaid claims process to receive payment from Medicaid.

- D. The PPS Lead must establish a budget plan, at the level of detail set forth in the DSRIP Project Plan Application and the Implementation Plan that specifies how DSRIP funds received will be distributed among the participating providers in the PPS to cover costs and incentivize providers towards the DSRIP performance goals. The PPS Lead will need to provide for the flow of funds across five different categories:
 - a. Project implementation costs
 - b. Costs for delivery of services not reimbursed or under-reimbursed by Medicaid
 - c. Provider performance payments
 - d. Compensate revenue loss
 - e. Other for administrative and other costs not included in previous categories

- E. PPS funds received may be reduced if New York State's overall DSRIP PPS performance does not meet the State-wide performance benchmarks as established with CMS.

- F. The PPS Lead shall receive payment from the DOH totaling the Safety Net Equity Guarantee value over the term of this award.

- G. The PPS Lead may receive payment from the DOH in excess of the net project valuation amount listed above for the period of this Award if the PPS's performance has qualified them for High Performance Funds.

H. PAYMENT SCHEDULE

In full consideration of the achievement of the DSRIP process and performance metrics, the DOH agrees to pay and the PPS Lead agrees to accept payments consistent with the STCs of the Waiver, including all Attachments as applicable.

Initial Payment and Recoupment Language:

1. The DOH will make an initial payment to the PPS Lead based upon a percentage of the Demonstration Year 1 Performance Funds as described in the STCs of the Waiver, including all Attachments, as approved by CMS. The initial payment will be made to the PPS Lead for the successful submission and approval of the DSRIP Project Plan Application.
2. The DOH will make subsequent payments to the PPS Lead in Demonstration Year 1 based upon the submission and approval of the two semi-annual reports.
3. The DOH will make semi-annual payments in years 2 through 5 to the PPS Lead in accordance with the STCs of the Waiver. The PPS Lead will receive payments up to the maximum amount for each payment period based on the performance of the PPS against the established performance milestones and reporting requirements. Failure to meet the required performance milestones and reporting requirements may result in a reduction to the payments or, in some instances, no payments, made to the PPS Lead by the DOH.
4. The PPS Lead shall receive additional payments from the DOH totaling the Safety Net Equity Guarantee value. This amount will be distributed equally over the term of this award (5 years) and payments shall be made annually on a date determined by DOH.
5. The PPS Lead will receive an additional payment (s) from the DOH in excess of the maximum payment amount for a period if the PPS's performance qualifies them for the High Performance Fund. This payment will be added to the payments noted above in the period following period for which the payment was earned.
6. PPS funds may be subject to recoupment or recovery based upon internal review or audit if it is determined that funds are willfully misused and/or the information relied upon for payment purposes was in error or misreported to the Department or if the Department made an error in determining the payment.
7. Audits may be performed to validate submissions and performance metrics. Adjustments may be made to payments based on the findings of the audit.

SIGNATURES:

I certify that the Mount Sinai PPS, LLC, PPS Lead, is willing to and does commit to the accomplishment of the reporting, process and performance milestones as detailed in the project plan application, and implementation plans, and to comply with the federal STCs and its Attachments I and J and New York State Medicaid regulations. I accept, on behalf of the PPS that the terms for the payment of this project and that the interval payments will be based on the PPS' successful completion of the milestones set forth above and included in the STCs.

In witness the parties or their duly authorized representatives have executed this agreement on the dates below their signatures.

Signed for and on behalf of Mount Sinai PPS, LLC, PPS Lead

Name: _____

Signature: _____

Title: _____

Date: _____

Notary Section:
STATE OF NEW YORK

COUNTY OF _____

On the _____ day of _____ in the year _____ before me, the undersigned, _____ personally appeared, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity (ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public Printed Name: _____

SIGNED for and on behalf of The State of New York

Name: _____

Signature: _____

Title: _____

Date: _____