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Gov. Andrew Cuomo said the federal government has denied New York's request to extend its signature **Medicaid** reform program after the state had asked for \$8 billion more over four years.

The **Delivery System Reform Incentive Payment program** was conceived in 2014 as a way for New York to use federal money to reduce avoidable hospital use by 25% from 2015 to 2020.

The waiver was scheduled to end at the end of March, but New York had applied to extend the program in two phases. The first phase would have extended the waiver through March 2021 and allowed the state to use \$625 million in unspent funds from its original \$7.4 billion program. The second phase, stretching into March 2024, sought an additional \$8 billion in federal funding.

Cuomo said the Trump administration isn't allowing the waiver to continue, axing the \$625 million that has yet to be spent.

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In denying New York's request, the federal government is refusing to support the way the state is trying to change its delivery system to care for people in community medical facilities rather than in hospitals. It is rejecting the application but not eliminating funding that was already promised.

The state is separately trying to find \$2.5 billion in Medicaid savings by convening a Medicaid redesign team made up of industry experts to devise recommendations for the governor and the Legislature.

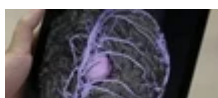
The **\$8 billion more** in Medicaid transformation funding from the federal government would have been used to extend the DSRIP program, invest in the health care workforce, address social factors that affect health and support safety-net hospitals.

"It's devastating to hospitals that were counting on it," Cuomo said Monday at the press conference. "There are a number of hospitals that were anticipating these funds."

*Letter
— to the —
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