

AUDIT & COMPLIANCE COMMITTEE MEETING
Wednesday, June 10th @ 10:30 A.M.
50 Water Street, 12th Floor Conference Room
New York, N.Y. 10004

AGENDA

Call To Order	Kathleen Shure
Old Business	
Adoption of Minutes March 26th, 2026	Kathleen Shure
New Business	
Quarterly Cybersecurity Update	Robert Micillo
Internal Audit Executive Summary	Joseph Sorbello
Compliance Executive Summary	Raven Ryan Solon
Executive Session	
Adjournment	Kathleen Shure

**Minutes
of
March 26th, 2026
Audit & Compliance Committee
Meeting**

MetroPlus Health Plan, Inc.
Audit & Compliance Committee Meeting
Thursday, March 26th, 2026

MetroPlusHealth Audit & Compliance Committee Minutes

The meeting of the Audit & Compliance Committee of the MetroPlus Health Plan, Inc. (hereafter “MetroPlus or the Plan”) was held in the 7th Floor Boardroom at 50 Water Street, New York, NY 10004, the 26th day of March 2026 at 10:30 A.M., pursuant to a notice which was sent to all the Committee Members of the Corporation by the Secretary. The following Committee Members were present in-person:

Sally Hernandez Piñero
Dr. Talya Schwartz
Vallencia Lloyd
Kathleen Shure

Kathleen Shure, Chair of the Audit & Compliance Committee, called the meeting to order at 10:33 A.M. and Angela Minerva kept the minutes thereof.

ADOPTION OF THE MINUTES

The minutes of the Audit & Compliance meeting held on December 10th, 2025, were presented to the Committee. On a motion by Kathleen Shure and duly seconded, the Committee adopted the minutes.

INFORMATIONAL UPDATE

KPMG | MetroPlusHealth 2025 Audit Report

Kathleen Shure asked KPMG to provide an overview of the 2025 Audit Report. Camille Fremont, Lead Audit Partner and Eric Crossett, Senior Manager, presented. Camille briefly went through the People X Platform and Audit Results Overview. Eric Crossett discussed the Required Communication and Other Open Items, Audit Report, Significant Accounting Policies and Practices, Significant Accounting Estimates and Significant Financial Statement Disclosure. Camille went on to discuss Audit and Other Professional Services & Related Fees and Required Inquiries.

Sally Hernandez-Pinero, MetroPlusHealth Board Chair asked a question regarding the finding discussed at the H+H Committee Meeting regarding Claims paid; Camille advised they resampled all of the Claims and they didn’t have similar issues.

Vallencia Lloyd, Committee Member asked for Camille to further discuss the Claim issue that came up during the H+H Committee Meeting; Camille responded.

NEW BUSINESS

QUARTERLY CYBERSECURITY UPDATE

Kathleen Shure asked Robert Micillo, Chief Information Officer, to present the Quarterly Cybersecurity Update. Robert discussed Training & Awareness, System Health, Security Investigations Update, Business Continuity & Disaster Recovery, Application Development Lifecycle and Security and Program Measurements and Security Posture for Local Competitors.

Dr. Talya Schwartz, President & CEO, asked Robert Micillo if he had additional concerns in his area based on what's happening in the world; Robert responded that he does have concerns and further went on to discuss his concerns.

Dr. Talya Schwartz advised that MetroPlusHealth is fully separated from H+H; Robert Micillo went on to explain.

Vallencia Lloyd asked Robert if he has concerns regarding the drop of Caremark & Cotiviti; Robert Micillo responded.

INTERNAL AUDIT SUMMARY

Kathleen Shure asked Joseph Sorbello, Director of Internal Audits, to present the Internal Audit Summary. Joseph Sorbello discussed the 2026 Audit Plan and Internal Audit Follow-Up.

COMPLIANCE EXECUTIVE SUMMARY

Kathleen Shure asked that we move on to the Compliance Executive Summary. Raven Ryan Solon, Chief Compliance & Regulatory Officer discussed the 2025 Work Plan Status – Corporate Compliance, 2025 Work Plan Status – Privacy, 2025 Work Plan Status – Vendor Compliance, 2025 Work Plan Status – Special Investigations Unit, 2025 Work Plan Status – Product Compliance and 2025 Work Plan Status - Business Process Monitoring,

Various Board members asked questions regarding audits, if there were any outstanding issues and Business Monitoring; Raven Ryan Solon responded.

Raven Ryan Solon went on to discuss Compliance Highlights which included Activities – Corporate Compliance, Privacy, Compliance Ops Policy & Procedure and Implementations Summary. Raven Ryan Solon then discussed Medicare Regulatory Highlights, State Regulatory Highlights and Commercial/EP/QHP Regulatory Highlights.

Raven Ryan Solon advised that currently there is no guidance from the state regarding HR1 implementation and therefore, we are exploring how to be compliant and support the effort.

EXECUTIVE SESSION

Kathleen Shure called the meeting into Executive Session at 11:28 A.M. so the Committee Members could discuss confidential Audit & Compliance issues related to potential litigation. The Committee approved both the 2026 Compliance Work Plan and the SIU work plan during Executive Session.

The Committee resumed the official meeting at 12:15 P.M.

There being no further business, Kathleen Shure adjourned the meeting at 12:15 P.M.

New Business

MetroPlusHealth

Audit & Compliance Committee Meeting

Wednesday, June 10th, 2026

Quarterly Cyber Security Update

Robert Micillo

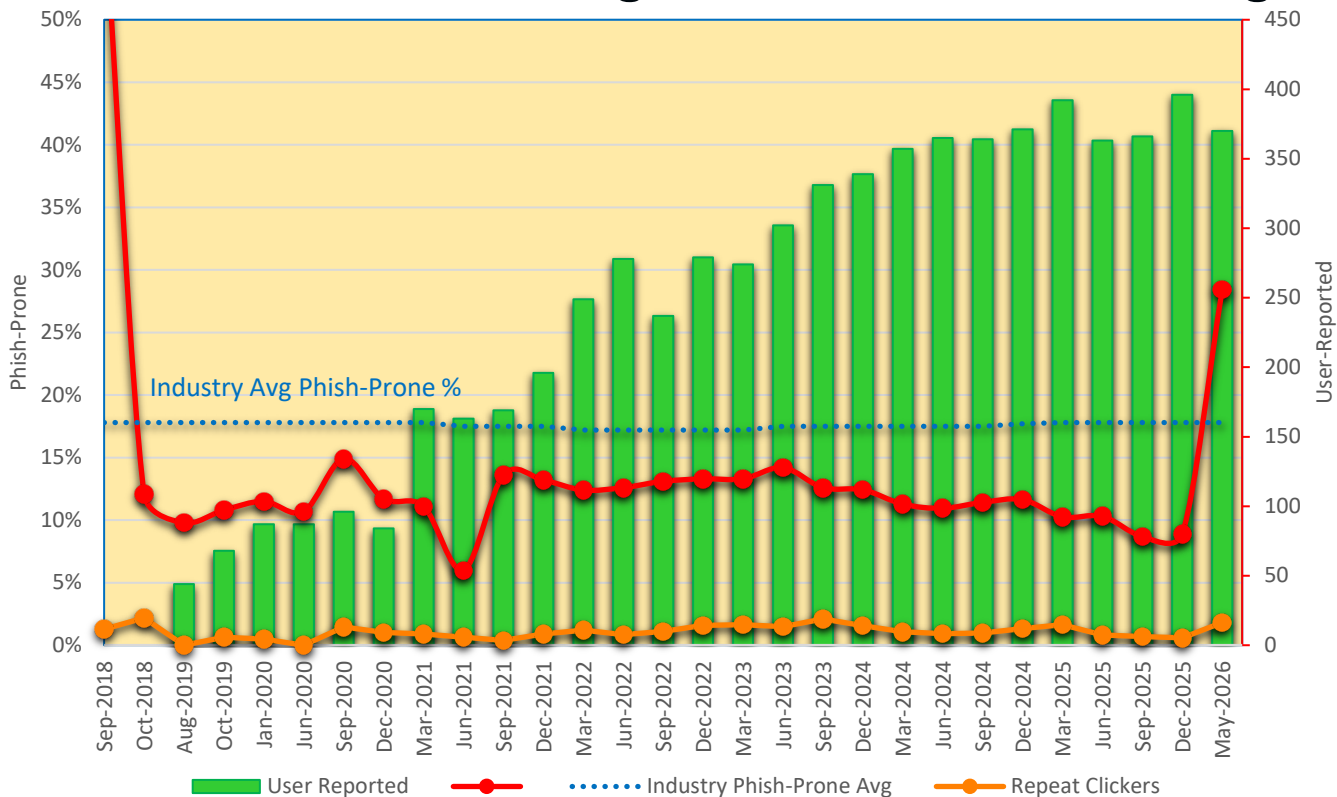
Chief Information Officer

Thursday, March 26th, 2026



TRAINING & AWARENESS

Orchestrated Phishing Simulations and Testing



Healthcare and Pharmaceuticals Space

Last Campaign Phish-Prone %	28.4%
Industry Avg Phish-Prone %	17.8%
Repeat Clickers %	1.83%

- ✓ Phish Reported: 396 Q4 => 370 Q1
- ✓ Phish-Prone %: 8.9% Q4 => 28.4% Q1
- ✓ Repeat Clickers: 0.58% Q4 => 1.83% Q1

Note: q1 testing was delayed due to Segmentation complications. May '26 was the first valid test. Deployed most complex tests available for phishing simulations. Planning to test more frequently and continue to report quarterly.

SYSTEM HEALTH

Operating System End of Life Project Updates

Asset Class	End of Life Prod Support	Project Progress
2016SQL Server	July 2026	79% Upgraded
2016 Win Server	January 2027	34% Upgraded

Mail Defense

1q26 Email Delivery: 50%
4q25 Email Delivery: 41%



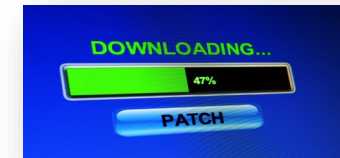
Antivirus

1q26 AV Sigs: 99%
4q25 AV Sigs: 99%



Security Patching Cadence

1q26 Patching: 99%
4q25 Patching: 97%




Security Incident Management SLAs

- ✓ Mean Time to Detect (SLA=30mins): 15
- ✓ Mean Time to Triage (SLA 60 mins): 36
- ✓ Mean Time to Notify (SLA=90 mins): 48

SECURITY INVESTIGATION UPDATES

 Behavioral Analytics

- **User Behavior: 576 ↑ from 103 – Examples:** Emails sent to personal domains, first time application or version(s) like New TEAMS, HRP, GC, etc.
- **Assets: 202 ↑ down from 31 –** First time discovery of new asset on the network. (New Infrastructure being introduced in preparation for Network Segmentation).

 Unreturned Equipment
(Tracking devices from separated staff)

- **Laptops not returned: 6**
- **Cellphone not returned: 1**
- **iPad not returned: 0**

 Lost/Stolen Equipment

- **Laptops: 0 Lost, 0 Stolen**
- **iPads: 0 lost, 0 Stolen**
- **Smartphones: 3 Lost, 0 Stolen**

 Staff Investigations

- **HR Investigation Requests**
 - Across 25 Custodian accounts
 - 147 total file extracts (141 ActivTrak, 5 cell phone call logs, 1 Azure log)
- **Search Repositories**
 - ActivTrak – Workstation Raw Activity data based on date
 - Azure log
 - Office365 Location verification
 - Call Center & Screen Recording Activity
 - Cellular Data

BUSINESS CONTINUITY AND DISASTER RECOVERY



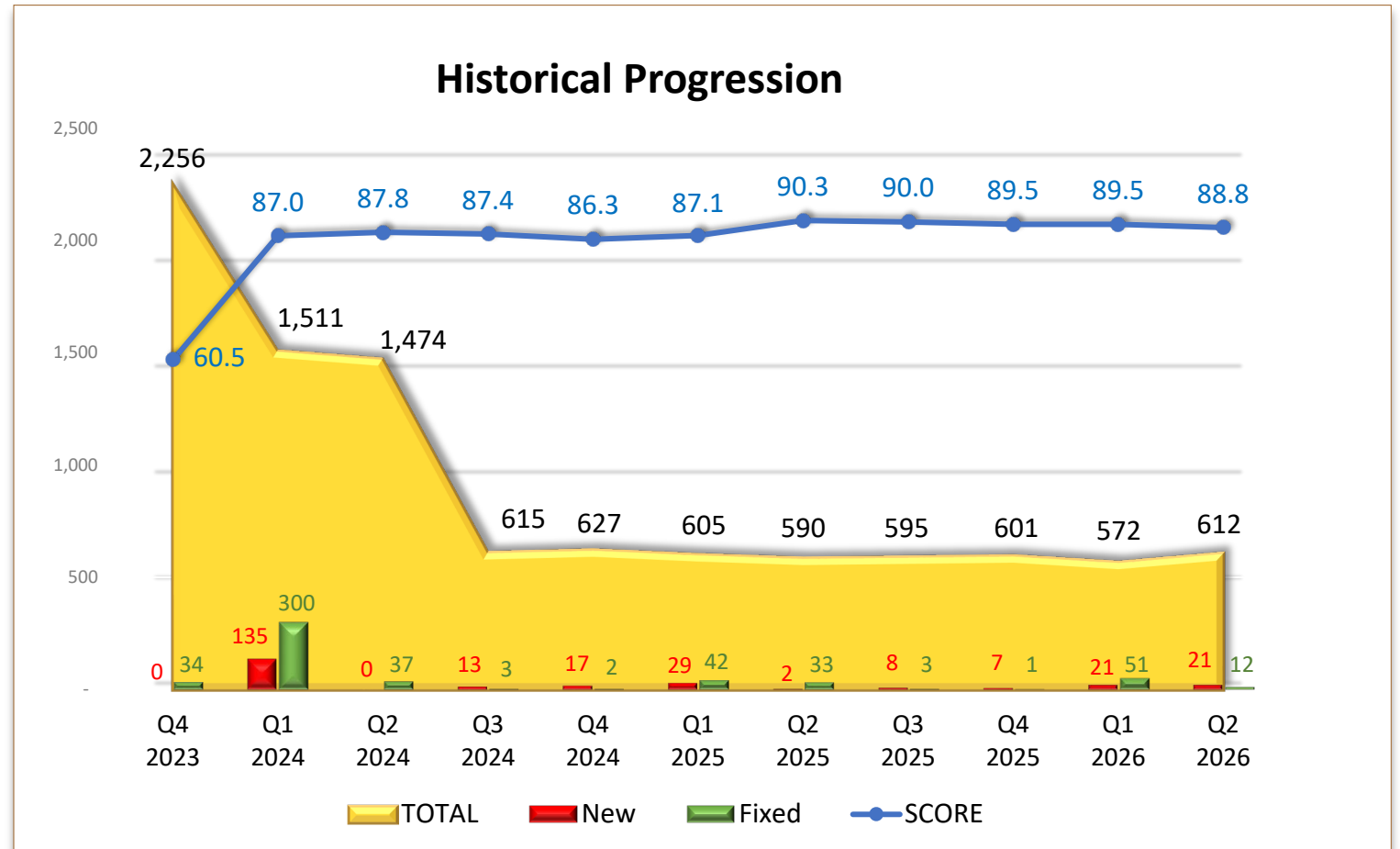
Closed out Annual Business Continuity review for 2025

	<p>Processes</p> <ol style="list-style-type: none">1. Reviewed a total of 222 critical processes across all Departments.2. Captured mitigation strategies, contingency plans, and dependencies.
	<p>Applications</p> <ol style="list-style-type: none">1. Documented 149 unique applications being used by processes.2. Verified acceptable RTO and RPO for applications by the Department.3. Recorded mitigation strategies.
	<p>Vendors</p> <ol style="list-style-type: none">1. Documented 118 unique vendors used to conduct processes.2. Verified contact information and BCPs.

APPLICATION DEVELOPMENT LIFECYCLE AND SECURITY

Security through targeted remediation and platform modernization

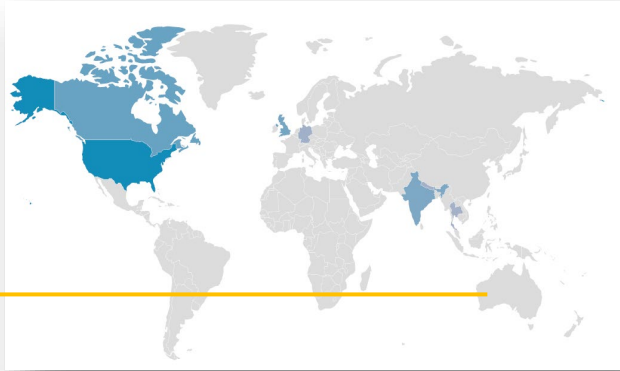
- **Remediation:** 12 vulnerabilities remediated; 21 newly identified and added to active remediation.
- **Compensating Controls:** 171 vulnerabilities mitigated via compensating controls, hardening, and risk-reduction measures.
- **Upgrades:** To .NET Framework 4.8.1 for improved security and standards alignment.
- **ErrorHandler:** Enhanced Microsoft module to improve exception handling and monitoring.
- **Pilot:** Copilot AI for secure code guidance and faster vulnerability analysis/remediation.



Note: Starting 2024-Q3 we scaled down to 8 Applications.

PROGRAM MEASUREMENTS | DELEGATED VENDOR

Median Security Rating
750
Security Rating Range
690 – 790
Network Footprint



Notes:

- Argo was removed
 - Evaluating new & potential Delegated vendors
 - **WiPro** = 790 Health Plan Services (awaiting final contract)
 - **EviCore** = 750 [+10] (assessing for Oncology UM)
 - **Evolent** = 780 [-60*] (assessing for Oncology UM)
- *Evolent drop of 60 points due to discovered SSL config issue.

HealthEdge Monitoring

Organization = Intermediate
 Software = Advanced

	HealthEdge Software Group	- 30	710
	HealthEdge Software, Inc.	- 10	750

Dropped due to discovered SSL config issues.

Company ↑		Security Rating	Trend
Benefits Concierge Group		780	
Caremark, LLC		720	
Clarity Software Solutions, Inc.	+ 10	750	
ComplianceLine, LLC		780	
Cotiviti Group	+ 10	760	
DentaQuest Ventures, Inc		770	
Integra Partners Holdings, LLC	- 30	690	
ModivCare Inc.		790	
NationsBenefits, LLC		770	
Ritter Insurance Marketing		730	
SS&C Health		750	
Vibrant Emotional Health		700	



Internal Audit & Executive Summary

Joseph T. Sorbello,
Director of Internal Audits

Wednesday, June 10th, 2026





2026 Audit Plan Status

2026 AUDIT PLAN

Name of Audit	Scheduled	Status
Model Audit Rule 2025	Q1	Complete
Member Applications	Q4 -25	Draft Report
ESRD - Population Management	Q1	In Progress
Direct Provider Payments	Q2	In Progress
Vendor Management	Q3	Not Started
Provider Directory	Q4	Not Started



Internal Audit Follow-up

INTERNAL AUDIT FOLLOW-UP

Internal audit currently has three open items across three audits.



Compliance Executive Summary

Raven Ryan Solon,
Chief Regulatory & Compliance Officer

Wednesday, June 10th, 2026



AGENDA

01 2026 Work Plan

02 Compliance Highlights

03 Regulatory Updates



2026 Compliance Work Plan

2025 WORK PLAN STATUS | CORPORATE COMPLIANCE

Category	Work Plan Item	Initiated	Percentage Complete
Annual Activity	Service Verifications	February 2026	15%
Annual Activity	OMIG Managed Care Plan Annual Report	January 2026	100%
Annual Activity	SDOH Annual Fraud & Abuse Report: Part 1	January 2026	100%
Annual Activity	SDOH Annual Fraud & Abuse Report: Part 2	February 2026	95%
Annual Activity	MAP and MLTC Quarterly Reports	January 2026	25%
Annual Activity	MLTC Quarterly Report	January 2026	25%

2025 WORK PLAN STATUS | CORPORATE COMPLIANCE

Category	Work Plan Item	Initiated	Percentage Complete
Annual Activity	2025 Compliance Program Integrity Review	January 2026	70%
Annual Activity	External CHP Audit	January 2026	80%
Ongoing Monitoring	Exclusion Screenings	January 2026	25%

2025 WORK PLAN STATUS | PRIVACY

Category	Work Plan Item	Initiated	Percentage Complete
Ongoing Monitoring	Privacy Walkthroughs	January 2026	25%
Annual Activity	HIPAA Security, Privacy & Breach Compliance Assessment	March 2026	50%

2025 WORK PLAN STATUS | VENDOR COMPLIANCE

Category	Work Plan Item	Initiated	Percentage Complete
Audit	2025 SS&C Operational Audit	August 2025	90%
Audit	2025 DentaQuest Operational Audit	December 2025	70%
Ongoing Monitoring	Vendor Exclusion Screening	January 2026	25%
Annual Activity	TPMO Telephonic Attestations	April 2026	10%
Annual Activity	Annual Vendor Compliance Attestations	January 2026	100%
Annual Activity	2025 Vendor Delegation Oversight Program Assessment	January 2026	80%
Audit	2026 CVSC Operational Audit	March 2026	10%

2025 WORK PLAN STATUS | VENDOR COMPLIANCE

Category	Work Plan Item	Initiated	Percentage Complete
Audit	2026 Integra Operational Audit	March 2026	25%
Annual Activity	Verification of Delegated Functions	March 2026	80%

2025 WORK PLAN STATUS | SPECIAL INVESTIGATIONS UNIT

Category	Work Plan Item	Initiated	Percentage Complete
Training	Specialized FWA training	Q1	25%
Ongoing Monitoring	Underutilization review	Q1	25%
Ongoing Monitoring	Outlier notification letter	Q1	25%
Audit	E&M Codes - reviewed reimbursement for high-level E&M services	Q1	25%
Audit	Opioid Prescribers	Q1	25%
Audit	Labs – Genetic Testing	Q1	25%
Audit	Durable Medical Equipment	Q1	25%
Audit	PCS services	Q1	25%
Audit	BH – Psychotherapy Services	Q1	25%

2025 WORK PLAN STATUS | PRODUCT COMPLIANCE

Category	Work Plan Item	Initiated	Percentage Complete
Implementation Oversight	CHP Audit Corrective Actions	October 2023	50%
Audit	Article 44 Readiness	February 2025	20%

2025 WORK PLAN STATUS | BUSINESS PROCESS MONITORING

Category	Work Plan Item	Initiated	Percentage Complete
Ongoing Monitoring	Complaints and Grievances	1/1/2026	25%
Ongoing Monitoring	BH Utilization Review	1/1/2026	25%
Ongoing Monitoring	MLTC Utilization Review	1/1/2026	25%
Ongoing Monitoring	Integra Utilization Review	1/1/2026	25%
Ongoing Monitoring	DentaQuest Complaints and Grievances	1/1/2026	25%
Ongoing Monitoring	DentaQuest Utilization Review	1/1/2026	25%
Ongoing Monitoring	CVS Utilization Review	1/1/2026	25%

2025 WORK PLAN STATUS | BUSINESS PROCESS MONITORING

LOB: Medicare

Category	Work Plan Item	Initiated	Percentage Complete
Ongoing Monitoring	Medicare Utilization Review	1/1/2026	25%
Ongoing Monitoring	MAP Utilization Review	1/1/2026	25%
Ongoing Monitoring	Complaints and Grievances	1/1/2026	25%
Ongoing Monitoring	DentaQuest Complaints and Grievances	1/1/2026	25%
Ongoing Monitoring	DentaQuest Utilization Review	1/1/2026	25%
Ongoing Monitoring	Integra Utilization Review	1/1/2026	25%
Ongoing Monitoring	CVS Utilization Review	1/1/2026	25%

2025 WORK PLAN STATUS | BUSINESS PROCESS MONITORING

Category	Work Plan Item	Initiated	Percentage Complete
Ongoing Monitoring	BH Claims Monitoring- Denials	1/1/2026	25%
Ongoing Monitoring	BH Claims Rate Monitoring – Diversionary and IB Duals	1/1/2026	25%
Ongoing Monitoring	Sexual Dysfunction/Erectile Dysfunction	1/1/2026	25%
Ongoing Monitoring	RRP Claims Monitoring	1/1/2026	25%



Compliance Highlights

ACTIVITIES | CORPORATE COMPLIANCE

Exclusion Screenings

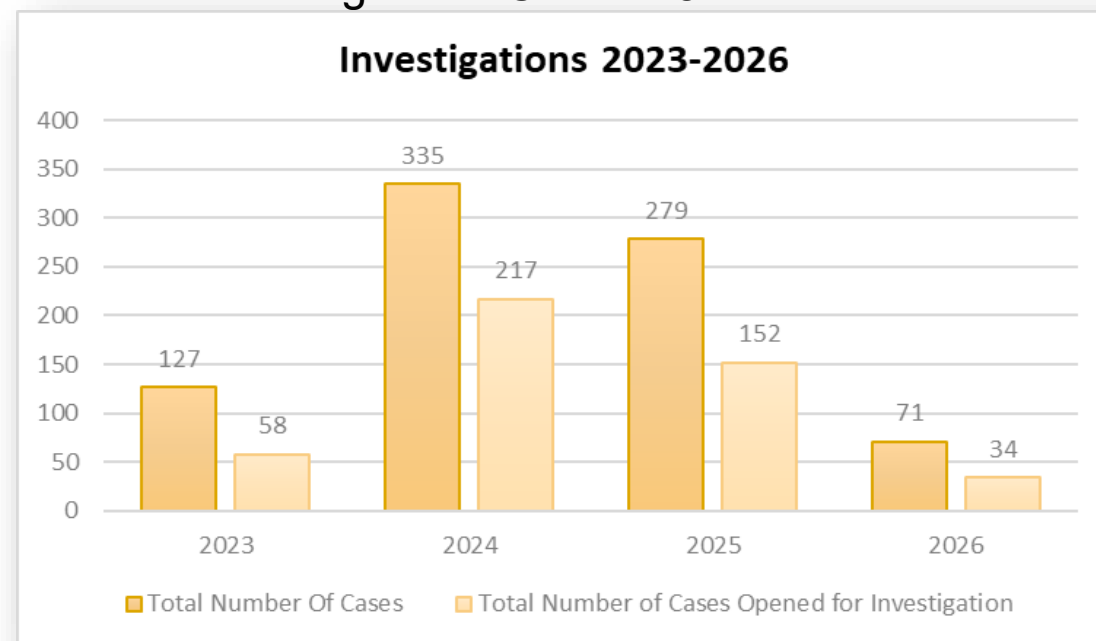
Monthly, Compliance reviews the results of exclusion screenings performed by Human Resource, Non-Provider Contracting, Provider Maintenance, and Credentialing. Any positive matches are investigated by Compliance to ensure proper termination of relationship.

- **Q1:** Completed

Case Investigations Overview

Reports submitted through all reporting mechanisms, including the Compliance Hotline.

- Total Reports Received: 71
 - Triaged: 37
 - Total Compliance Investigations Opened: 34
- Total Investigations Closed: 8

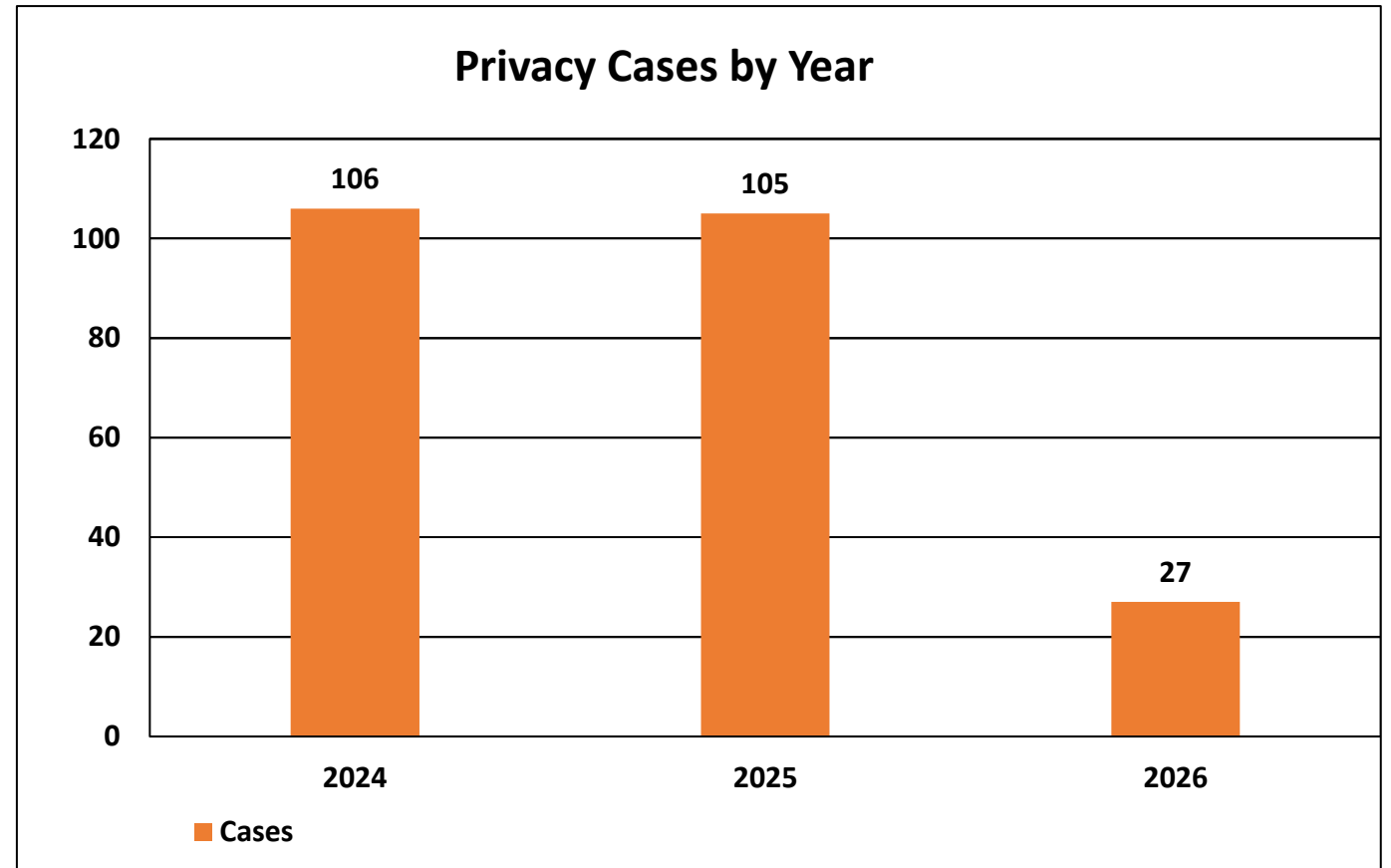


ACTIVITIES | PRIVACY

Case Investigations Overview

Reports submitted through all reporting mechanisms, including the Compliance Hotline.

- **Total Reports Received: 27**
 - **Triaged: 0**
 - **Total Privacy Investigations Opened in Q1: 27**
- **Total Investigations Closed: 29**
 - **2024: 1**
 - **2025: 17**
 - **2026: 11**
- **Total Investigations Opened in 2026: 27**

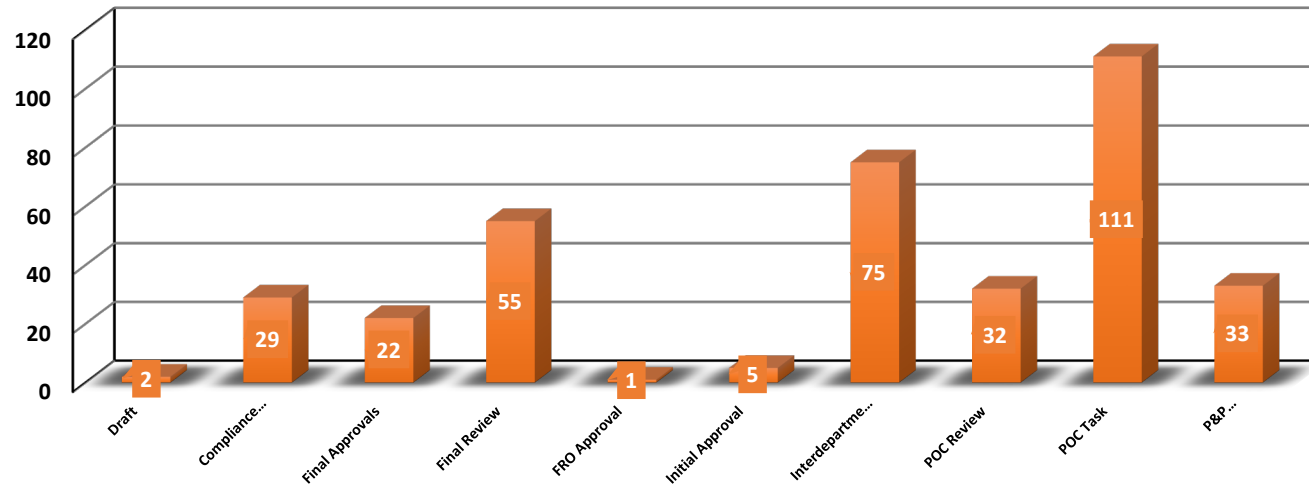


ACTIVITIES | COMPLIANCE OPERATIONS | POLICES AND PROCEDURES

There are **365 P&Ps** currently open.

- P&Ps Initiated for Annual and Regulatory Review in Q1: 82
- Total P&Ps finalized and published in Q1: 49

Policy and Procedures (P&Ps) Open By Stage

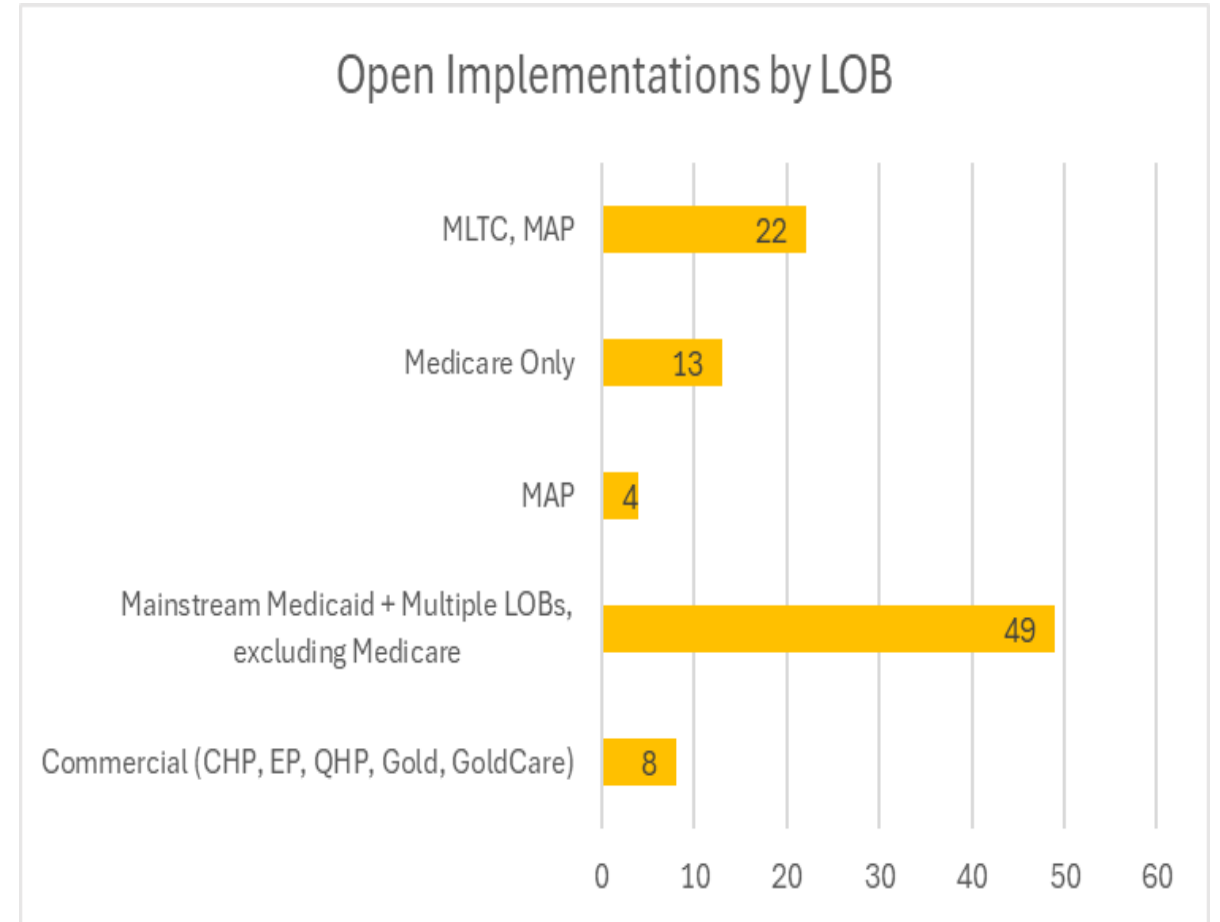
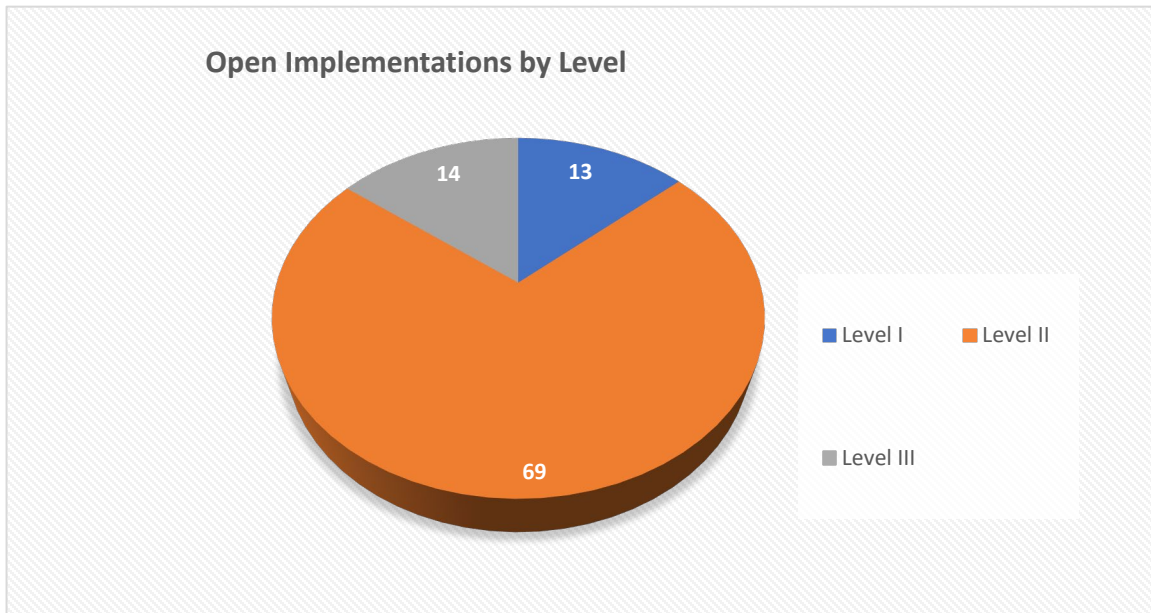


ACTIVITIES | COMPLIANCE OPERATIONS | SURVEYS

Number of Surveys (Data/Information Requests)					
Q3 - 2025		Q4 - 2025		Q1 - 2026	
July	43	October	17	January	55
August	29	November	17	February	38
September	25	December	36	March	48
Total: 97		Total: 70		Total: 141	
YTD: 200		YTD: 270		YTD: 141	
During Q3, the Plan received: <ul style="list-style-type: none"> • 60 requests from the State (NYSOH, OMH, DFS, etc.) • 13 requests from CMS 		During Q4, the Plan received: <ul style="list-style-type: none"> • 32 requests from the State (NYSOH, OMH, DFS, etc.) • 6 requests from CMS 		During Q1, the Plan received: <ul style="list-style-type: none"> • 69 requests from the State (NYSOH, OMH, DFS, etc.) • 9 requests from CMS 	

Activities | Implementations Summary

Category	# of IMPs
Total In-Progress Implementations	96
Opened within Q1 2026	42
Closed within Q1 2026	29
Total # of Implementations Opened in CY2026	42
YTD # of Implementations Opened in CY2026	42





Regulatory Updates

NY STATE | 2026 BUDGET ACTIONS | KEY CHANGES

New state budget introduces meaningful financial and operational impacts in a few areas with big impact. These changes have a direct effect on reimbursement, cost, and membership.



IDR Reform and Financial Impact - Medicaid

- IDR resolves out-of-network payment disputes at in-network facilities. This previously applied to Medicaid Managed Care, driving high volumes and millions in added cost. Medicaid payments for CY 2024-2025 alone totaled over **\$5 million**.
- **What's Changed?** Medicaid removed from IDR process after sustained advocacy. No reform yet for Commercial or Essential Plan.
- **Expected result:** Cost savings! Workload reduction!

MCO Tax – All LOBs, except Medicare

- The MCO Tax is a state levied tax on insurance plans. MCO tax helps fund Medicaid via federal match.
- **What's Changed?** NYS needs to request approval from CMS to extend the tax by modifying it.
- **Expected result:** Extension targeted for 2027. Will apply a uniform 0.35% tax rate across all lines of business (excluding Medicare).

NY STATE | 2026 BUDGET ACTIONS | KEY CHANGES

Programmatic Shifts



Undocumented Members Over 65 - Medicaid

- Since 2024, population was carved into MMC.
- **What's Changed?** Undocumented 65+ population moves to Fee-for-Service in 2027.
- **Expected result:** 2,000 - 4,000 people will be disenrolled from MetroPlusHealth.



School Based Health Centers - Medicaid

- **What's Changed?** School-based health centers remain carved out of managed care. Reverses initiatives to bring benefit into MMC.
- **Result:** No further implementation activity required.

REGULATORY HIGHLIGHTS | MEDICARE

Memo Title	Effective Date	Summary
Release of Medicare Advantage Encounter Data Submission Performance Report	N/A	CMS releases Encounter Data Submission Performance Reports to identify encounter data submission patterns that appear particularly low and for which technical assistance and feedback from CMS may be appropriate.
Release of the 2026 Data Validation Materials	N/A	CMS is announcing the release of the materials for the 2026 Data Validation (DV) of the contract year (CY) 2025 Parts C and D Reporting Requirements data on its website. Medicare plans must participate in an annual retrospective DV of the Parts C and D Reporting Requirements data. The 2026 DV cycle runs from April 1 to June 15, 2026, for the CY 2025 data.
Release of 2026 Merit-based Incentive Payment System (MIPS) Payment Adjustment Data File and the 2026 Qualifying Participant (QP) Status Data File	N/A	CMS has uploaded to HPMS the (1) Merit-based Incentive Payment System (MIPS) Payment Adjustment Data File and the (2) Qualifying Participant (QP) Status Data File for payment year 2026. Medicare plans like MetroPlus should use these files to determine amounts that apply to their payments for Medicare Part B covered professional services furnished by non-contract providers (out of network providers, or "OON").
Advance Notice of Methodological Changes for CY 2027 for MA Capitation Rates and Part C and Part D Payment Policies	1/1/2027	CMS announced planned changes to the Medicare Advantage (MA) capitation rate methodology and risk adjustment methodology applied under Part C of the Medicare statute for CY 2027 (note, risk adjustment models were sent to you in separate emails/memos). This notice also includes the proposed benefit parameters for the Part D defined standard benefit. CMS will announce the final MA capitation rates and final payment policies for CY 2027 no later than Monday, April 6, 2026.
Update on the Status of Medicare Advantage Risk Adjustment Data Validation Audits	N/A	This memo is to inform MetroPlus about the status of our contract-specific Risk Adjustment Data Validation (RADV) audits. CMS has been working with many partners to refine the RADV approach. Currently, CMS is several payment years behind in completing RADV audits.
Modernizing and Ensuring PBM Accountability Act (Part D)	1/1/2027	Congress recently enacted a broad range of Pharmacy Benefit Manager (PBM) reforms for certain health insurers, including Medicare Part D Sponsors such as MetroPlus. The Modernizing and Ensuring PBM Accountability Act introduces significant reforms aimed at increasing transparency & oversight of Pharmacy Benefit Managers (PBMs) in Medicare Part D. It requires more detailed reporting of pricing, rebates, and fees, while limiting practices like spread pricing to ensure financial alignment with plan sponsors.

REGULATORY HIGHLIGHTS | MEDICARE

Memo Title	Effective Date	Summary
Participation in 2026 HOS/HOS-M for MA Organizations Planning to Sponsor FIDE SNPs in 2027	N/A	CMS is permitted to pay a frailty adjustment to a Dual Eligible SNP that is both “fully integrated with capitated contracts with States for Medicaid benefits, including long-term care” and has a “similar average level of frailty...as the PACE program.” Frailty scores are calculated using the limitation on activities of daily living (ADL) reported by a plan’s enrollees, based on the Medicare Health Outcomes Survey (HOS) from the year prior to the payment year (PY). Medicare plans intending to sponsor a FIDE SNP in 2027 that want to be considered for a frailty payment must participate in either the 2026 HOS or HOS-M to allow CMS to calculate their frailty score.
Technical Implementation Guide for Supplying Medicare Advantage Provider Directory Data for Use in Medicare Plan Finder	N/A	CMS released Final Rule CMS-4208-F2 on September 18, 2025 (sent to you on 9/30/2025), outlining new requirements for Medicare Advantage (MA) plans to submit updated provider directory information to CMS for inclusion on the Medicare Plan Finder (MPF). Following this, CMS released draft technical guidance for supplying provider directory data for use in the Medicare Plan Finder (MPF) (sent to you on 11/10/2025).
Upcoming Review of Risk Adjustment (RA) Eligible Diagnoses Reported on In-Home Health Risk Assessments (IHRAs) for Beneficiaries in Calendar Year (CY) 2023.	N/A	CMS will conduct a targeted review of Risk Adjustment (RA)-eligible diagnoses reported on Integrated Health Risk Assessments (IHRAs) for members during CY 2023 based on Medicare Part C encounter data. The review is expected to start March 2026. CMS is launching this review due to a report that found that billions of dollars in estimated risk-adjusted payments were supported solely by HRAs, raising concerns about the completeness of payment data, validity of diagnoses reported on HRAs, and quality of care coordination for Medicare members.
BALANCE Act Request for Application, Bid Submission Guidance, and PDE Reporting Guidance.	1/1/2027	<p>(1) CMS has released the Request for Application for the Better Approaches to Lifestyle and Nutrition for Comprehensive Health (BALANCE) Model, including the application for Part D Sponsors including MetroPlus. If MetroPlus is interested in participating in the BALANCE Model, it must fill out an application in accordance with this guidance.</p> <p>(2) The follow-up memo clarifies the application process, outlines the application provisional approval process, explains the Part D bid submission process, and provides Prescription Drug Event (PDE) reporting information for plans that intend to submit an application to the BALANCE Model (model) for Calendar Year (CY) 2027. Included in this update is the template application that we should use to fill out and eventually submit to CMS. The format for the application template in response to the CY 2027 Request for Application (RFA) to the BALANCE Model can be found on the model’s CMS webpage here.</p>

REGULATORY HIGHLIGHTS | STATE

Memo Title	Effective Date/Due Date	Summary
Interoperability and Prior Authorization Final Rule Requirements	4/1/26	DOH released the Notification of Interoperability and Prior Authorization Final Rule Requirements effective on 4/1/26, applicable to all Medicaid Managed Care Plans. This guidance outlines the next phase of implementation and establishes critical operational requirements around updated prior authorization timeframes, new Patient Access API data elements, enrollee privacy resources, and enhanced provider communication requirements.
Institutional Dispensers – Emergency Dispensing of Controlled Substances	2/19/26	New York State amends the Public Health Law to expand the authority of practitioners practicing in licensed institutional dispensers to dispense controlled substances as emergency treatment and for the purpose of initiating maintenance or detoxification treatment.
NY CHP ADM 75	1/1/26	DOH issued Child Health Plus (CHP) Advisory Memorandum (ADM) A-75 to provide guidance on CHP plan compliance with the CMS Interoperability and Prior Authorization Final Rule (CMS-0057-F). The guidance aligns with Medicaid implementation and timelines.
DOB Approval for 2.6% Targeted Inflationary Increase for OASAS Services	4/1/25	DOH has released notice that NYS Department of Budget (DOB) has approved the 2.6% Targeted Inflationary Increase for Office of Addiction Services and Supports (OASAS Services), effective 4-1-25.

REGULATORY HIGHLIGHTS | COMMERCIAL/EP/QHP

Memo Title	Effective Date/Due Date	Summary
Essential Plan Added to Scope – Chapter 502 Epinephrine Device	1/1/26	EP has expanded the definition of epinephrine devices to include all FDA-approved epinephrine delivery devices (e.g., nasal sprays such as Neffy and potential future products like sublingual films).
Cost-Sharing on Asthma Inhalers	1/1/27	Legislation requires every insurance policy to include coverage for inhalers for the treatment of asthma and ensures that enrollees have access to at least one rescue and one maintenance inhaler that is not subject to a deductible, co-pay, coinsurance, or any other cost-sharing requirement. This applies to CHP, Gold, GoldCare, EP, QHP.
Coverage for Lung Cancer Follow-Up Screening or Diagnostic Services	1/1/27	Legislation requires health insurers are required to provide coverage for follow-up screening or diagnostic services for lung cancer when recommended by a health care provider acting within their scope of practice and in accordance with nationally recognized clinical practice guidelines for lung cancer detection. This applies to Gold, GoldCare, EP, QHP.
Scalp Cooling Systems – Coverage Mandate for Large Group Policies	1/1/26	New York State amended the Insurance Law to require certain large group health insurance policies and contracts to cover scalp cooling systems used to prevent or reduce hair loss during cancer chemotherapy treatment.
Enacted Legislation: Lowering Prescription Drug Costs	8/3/28	The <i>Enacted Legislation: Lowering Prescription Drug Costs (Commercial)</i> provisions under the Consolidated Appropriations Act (CAA) establish sweeping new Pharmacy Benefit Manager (PBM) transparency, reporting, and rebate pass-through requirements for commercial health plans.

