1115 Demonstration Waiver
Texas Healthcare Transformation and Quality Improvement Program
1115 Waiver

- Major Issues
  - DSRIP
  - UC
  - Method of Finance
  - The Expected Gap Period
    - September 2016 – September 2017
History
2011 - Present
1. Medicaid Managed Care
   - Expansion of Statewide Medicaid managed care through the STAR, STAR+PLUS, and Children’s Medicaid Dental Services programs (including carve in of inpatient hospital, pharmacy and children’s dental services)
   - New Managed Care Populations and Services include IDD, Star Kids, and Community First Choice

2. Uncompensated Care
   - Offset remaining uncompensated care costs included in the hospital-specific limit (HSL) or the maximum payment amount that a hospital may receive in reimbursement for the uncompensated cost of providing Medicaid-allowable services to individuals who are Medicaid-enrolled or uninsured

3. Delivery System Reform Incentive Payment
   - Incentive payments for hospitals and other providers for healthcare infrastructure and innovation through 20 Regional Healthcare Partnerships
Texas Leadership Goals

- Cost Savings
- Develop and maintain a coordinated care delivery system
- Improve health outcomes while containing costs
- Protect and leverage Waiver funding to improve the healthcare infrastructure
- Reduce “Pay for Procedures” (Quantity)
- Transition to quality-based payment systems across managed care and hospitals
Renewal/Extension

Upgrade

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866 MB

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Proposal to Extend/Renew

- Waiver expires September 30, 2016
- By September 30, 2015, the Governor’s office will submit to the federal Centers for Medicare and Medicaid Services (CMS) a request to extend the waiver.
- The plan has been set forward to request to continue all three components of the waiver for another five years:
  - Statewide Managed Care
  - UC
    - UC: $5.8 b for FFY 2017
    - UC: $6.6 b for FFY 2018
    - UC: $7.4 b for FFY 2019 – 2021
  - DSRIP
    - DSRIP: $3.1 b each year
Themes from CMS

- Financial Sustainability
- Integrated Delivery Systems
- Replicability
- Evidence Based
- Safety Net
- Continuous Quality Improvement
- Method of Finance
Themes from Other States

- Medicaid Rates
- Medicaid/Coverage Expansion
- More Defined Projects
- Larger Funding tied to Reporting and Results
- Alignment of Pay-for-Performance (P4P)
- Standardize plus Variable Valuation, e.g. a base project valuation plus per-provider funding based on standardized formula
Texas Successes

- New Partnerships and Collaborations
- RHP/Regional Networking
- Mental Health
- Education and Expansion of Patient Data Points and Technology
- Telemedicine Expansion
- Recruitment of Providers
- Reduction of the Texas’ HIE White Space
- Locally Driven
- Correlation between UC and DSRIP to keep improving efficiencies
- Keep Texas working, healthy and growing
- Non-medical strategies
Texas Possibilities

- Improve and Track Patient Outcomes
- Create Efficient and Regional Systems of Care
- Reduce Mental Health costs and burden on Jails and Law Enforcement
- Streamline Reporting
- Limit Administrative Burden and Complexity
- Incorporate and/or align DSRIP and Medicaid managed care
- Use DSRIP Lessons Learned
- Regional Performance Bonus Pools
- Push and Share Medicaid Patient IDs from DSRIP with Managed Care Teams
- Provide Managed Care data with providers
- Collaborate patient care for super utilizers and high-cost uninsured and underinsured patients
DSRIP

Upgrade from 1.0 to 2.0
DSRIP Changes Presented

- All projects from areas included on the 3-year menu may be eligible to continue pending review of higher risk projects
  - More time required to demonstrate outcomes and evaluate best practices
  - Requirements for a next step and further standardization of continuing projects (including related to QPI and project intensity) pending
- HHSC will publish a Termination Final List in January 2016
  - Providers will be able to withdraw and replace
  - HHSC will propose to CMS that current projects that will be replaced be eligible to continue for a transition period, including 2.4, 2.5, 2.8 and 1.10 projects
- Fewer Metrics
  1. 50%
     - QPI each year based in Individuals, not encounters
  2. 50%
     - Reporting on core components, including (CQI)
     - Sustainability planning, including project-level evaluation, health information exchange, and integration with managed care where appropriate
DSRIP Changes Presented

- Reduced Menu Options
  - Expanding Access to Primary Care is removed
  - Expanding Access to Specialty Care is limited
- Combining Projects (across RHPs)
- Category 3 switches to Pay for Reporting
- Category 4 switches to Shared Savings Pool
  - 5% of DY5 DSRIP funding for smallest providers
  - 10% of DY5 DSRIP funding for larger providers
Unencumbered Funds

- Increase minimum valuation of smallest projects
- Keep the funds in the RHP that “lost” projects
- Broader Transformation, including cross-regional initiatives
  - Pediatric rapid cycle quality improvement projects at children’s hospitals
  - Initiative to support rural hospitals on patient centered medical homes, data driven care coordination, admit-discharge-transfer (ADT) infrastructure, telemedicine, and data collection and reporting
  - Develop a system of care for uninsured patients
  - Initiative to help coordinate care for emergency department superutilizers
UC
Uncompensated Care

- Hospital Specific Limit has created accountability and transparency
- Medicaid managed care has saved almost $4 billion
- Texas projects additional savings of $3.3 billion all funds over the next three years
- Texas UC need far exceeds the current UC pool
Payment linked to quality and cost for a specified episode of care

Examples:
- Elective Procedure Episodes
- Hospital Admission Episodes
  - Delivery
- Primary Care Medical Home

Payment linked to quality and cost for a specified population

Examples:
- ACOs
- Capitation on Pop Health
- Medical Home
- Comprehensive Care for high-risk patients
Strategy

Governor Abbott

- DSRIP
- Legislature
- UC
- HHSC
- MOF
Texas Leadership Goals, 2.0

- State Fiscal Restraint
- Rates
- No Medicaid Expansion
- Innovation
- Stop Fee For Service
- Transparency
- Accountability
- Pay for Quality
What Does This Mean for Me

- Focus on Patients with highest risk
  - Maximize benefits and minimize costs
  - Patient Linkage to PCP while in the hospital
    - What about PCP linkage from other settings
    - Discharge Intervention
    - Regional Cohort
    - Feedback loop so clinicians and administrators can see progress and challenges
  - Know your data
  - Be ready for Shared Incentive Pools
Get Engaged

- Provide Feedback to HHSC on “Changes Presented”
- Evaluate your Projects and Continuation Options
- Determine Project Terminations
  - Withdraw and Replace
- Be ready for a Transition Year, DY 6
- Learn about Potentially Preventable Events and how your hospital is doing on them
How are we doing on:
- Quality and Safety
- Service
- People/Partners
- Cost of Care
- Financial Sustainability
  - What is your target condition?
  - What is your current condition?
  - What is working well?
  - What are your gaps?
  - What is your next step?
  - What do you need from HHSC or others?
Next Steps

- UC 2015 Application was due 8/17/15
- DSH 2015 Payment 2 (quarterly) in September
- October 2015 Reporting
- UC 2015 Payment 1 in October
- DSH 2015 Payment 3 in November
- DSH 2015 Payment 4 in December (pending applications)
- UC 2015 Final Payment in January 2016
- DSRIP DY 4 October Reporting Payment January 2016
Questions