

HFMA South Texas Annual Institute

Medicaid 1115 Waiver: Transitioning to Years 7, 8, and Beyond

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Childhood Academics 101



Elementary School:

Arrive on time!

Learn and grow!

Do your best!

Certificates of participation!



Middle School:

Change is imminent!

But when? How much?

Will I be ready?

Does she like me or not?



High School:

Every grade counts toward

GPA and class rank.

SAT / ACT

Did you get into college?

Do you know how to cook and

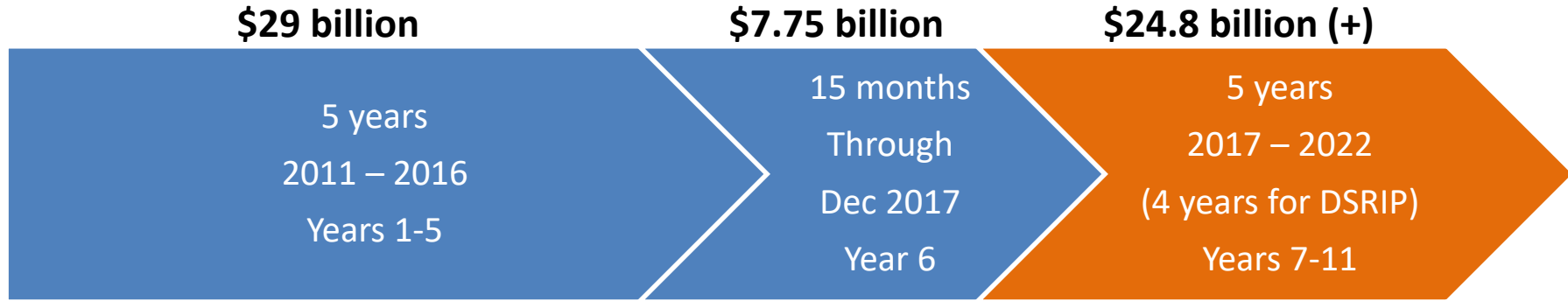
do your own laundry?

Original 5-year Waiver

15-month Extension

5-year Renewal

Medicaid 1115 Waiver Overview



Expanded Medicaid managed care statewide and created incentive pools:

- **Uncompensated Care (UC)**
- **Delivery System Reform Incentive Payment (DSRIP)**

Extensions continue programs and emphasize:

- Outcomes
- Sustainability
- Transition to quality-based payment systems across managed care and providers

	Dollars in Millions					
	Y1 Transition	Y2	Y3	Y4	Y5	Total
Dollars UC	\$3,700	\$3,900	\$3,534	\$3,348	\$3,100	\$17,582
Dollars DSRIP	\$500	\$2,300	\$2,666	\$2,852	\$3,100	\$11,418
Total Dollars	\$4,200	\$6,200	\$6,200	\$6,200	\$6,200	\$29,000
% UC	88%	63%	57%	54%	50%	61%
% DSRIP	12%	37%	43%	46%	50%	39%
% Total	100%	100%	100%	100%	100%	100%
UPL in 2011	\$2,719					

Table 6. Pool Allocations According to Demonstration Year (total computable)

Type of Pool	DY 6** (2016-2017)	DY 7** (2017-2018)	DY 8 (2018- 2019)	DY 9 (2019- 2020)	DY 10 (2020-2021)	DY 11 (2021-2022)
UC	3,100,000,000	3,101,776,278	3,101,776,278	2,334,323,270*	2,334,323,270*	2,334,323,270*
DSRIP	3,100,000,000	3,100,000,000	3,100,000,000	2,910,000,000	2,490,000,000	0

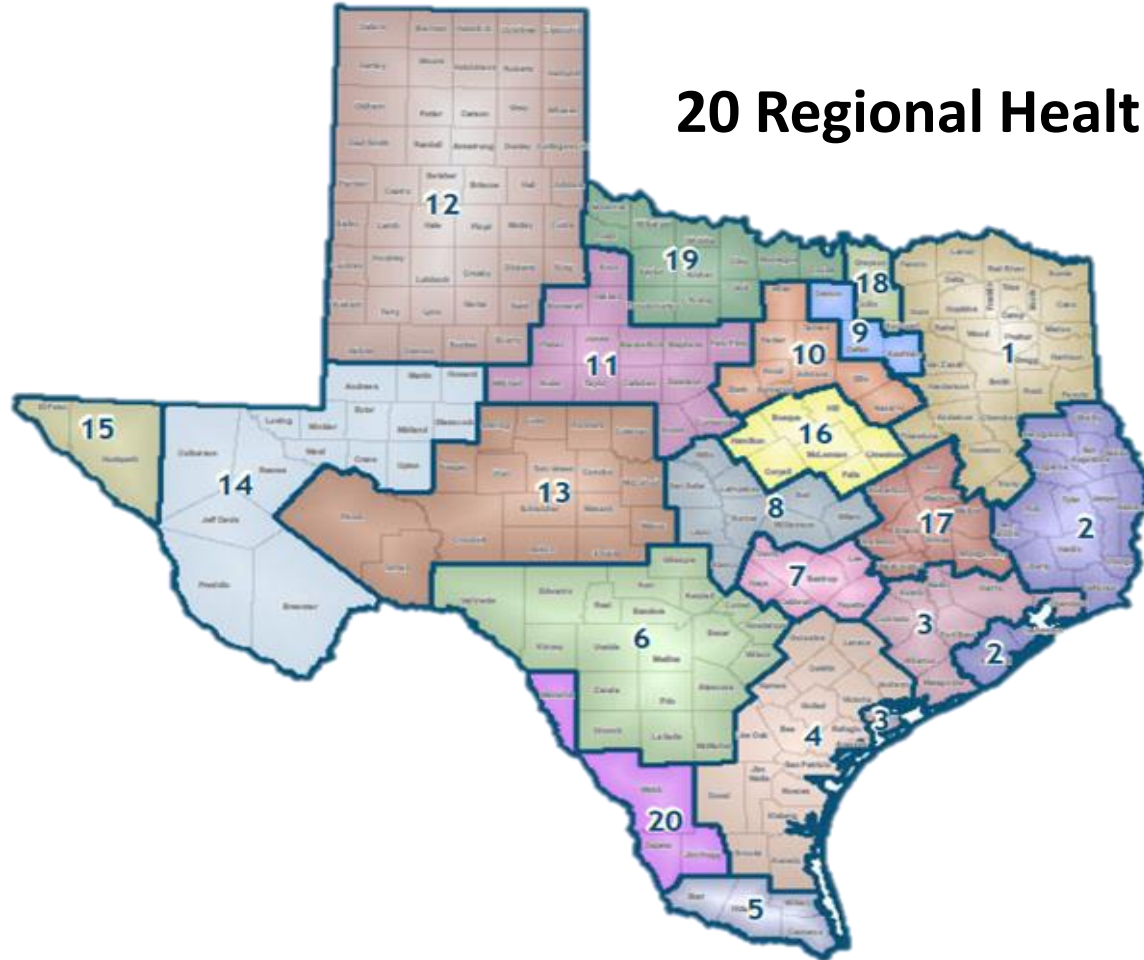
DY 7-10:
Four
years of
DSRIP =
\$11.6 B

*UC Pool limit amounts for DY 9-11 are placeholder amounts, pending reassessment of hospital uncompensated charity care discussed in the paragraphs above.

**Amounts shown for DY 6 are reduced by 20 percent from the amounts shown in the terms and conditions for the 15-month extension, to reflect redefinition of DY 6 to be 12 months instead of 15 months. Amounts for DY 7 include the 20 percent of adjustment formerly shown as part of DY 6.

<https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/tx/tx-healthcare-transformation-ca.pdf>

20 Regional Healthcare Partnerships (RHP)



Each RHP has one “Anchor” and multiple “Performing Providers”

- Hospitals
- Community Mental Health Centers
- Physician Practices Affiliated with Academic Medical Centers/Schools
- Local Health Departments

Why the Medicaid 1115 Waiver Matters

**Address
Community Needs**

**Improve Access &
Service Delivery**

**Improve
Infrastructure
& Capacity**

**Regional
Collaboration &
Shared Learning**

**Improve Health of
Medicaid and
Indigent Residents**

**Increase
Alignment with
Managed Care**

\$61.5 Billion (2011 – 2022)

Uncompensated Care (UC) Pool

- \$13.1 B over five years (statewide)
- Significant changes to data source and calculation methodology of UC Pool incentives
- HHSC failure to meet key deadlines will result in 20% reduction in expenditure authority from the UC pool for the program year.

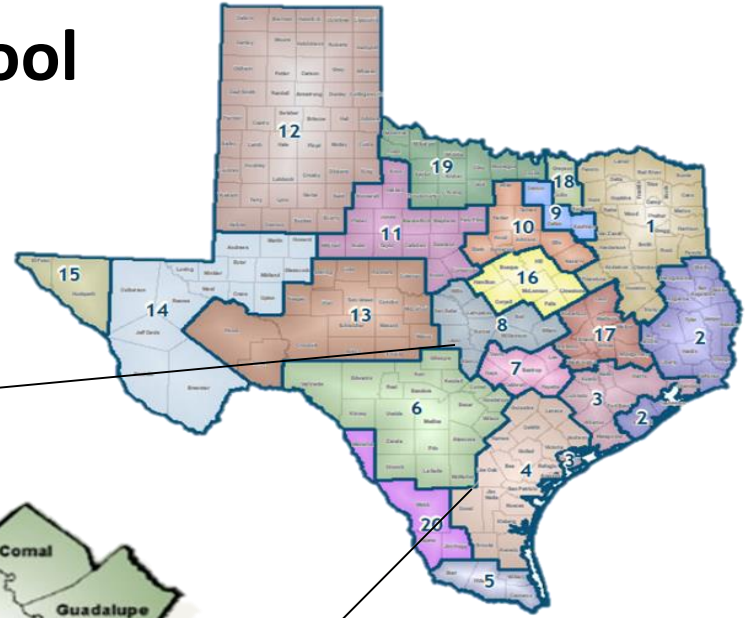
Uncompensated Care (UC) Pool

- Significant changes to data source and calculation methodology of UC Pool incentives
- Key Dates – Failure to meet any of these deadlines will result in 20% reduction in expenditure authority from the UC pool for the program year. Reductions are cumulative.
 - Draft UC protocol due to CMS by March 30, 2018
 - Draft TAC rule to be published by July 31, 2018
 - Revised draft UC applications due to CMS by May 1, 2019
 - Final TAC rule to be published by January 30, 2019 and effective by September 30, 2019
 - Revised UC protocol to be implemented by October 1, 2019
- Draft Protocol: <https://rad.hhs.texas.gov/hospitals-clinic/hospital-services/preliminary-draft-uc-payments-protocol>
- For more information, contact HHSC at uctools@hhsc.state.tx.us or <https://rad.hhs.texas.gov/hospitals-clinic/contact-list>

Delivery System Reform Incentive Payment (DSRIP) Pool

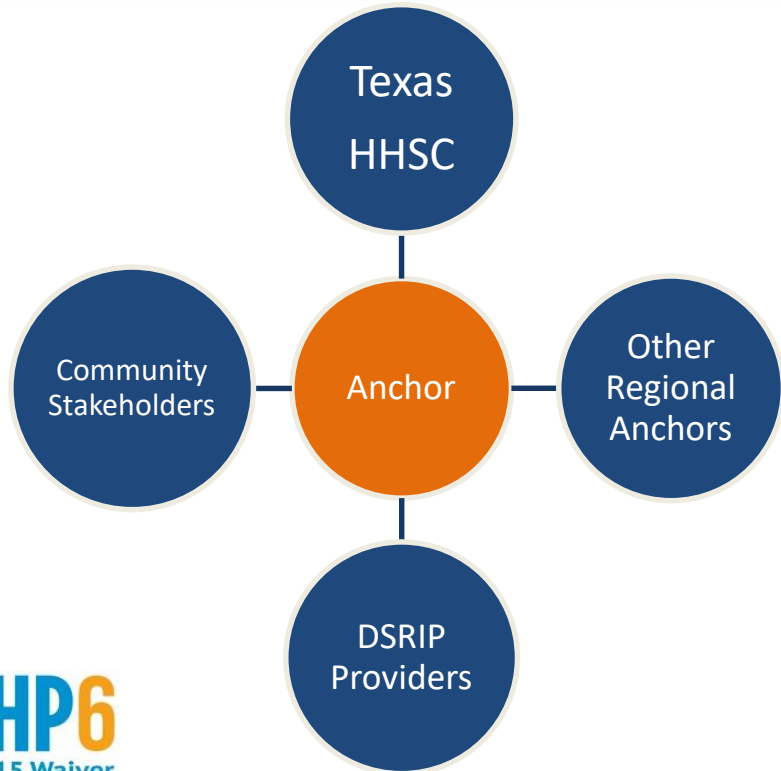


Anchored by



- 23 providers; 20 counties
- 11.8% of Texas' DSRIP value
- Potential to earn \$683 M (Yrs 7-8)
- In Years 1-6, RHP 6 providers earned 96% of incentives; valued at \$1.37 B

The Anchor Role



- Assess community needs and promote aligned direction
- Develop and submit RHP Plans
- Serve as liaison between Texas HHSC, DSRIP providers, and other partners
- Communicate protocols
- Facilitate shared learning
- Engage stakeholders
- Provide leadership on policy, protocol, and strategy

RHP 6 Community Needs

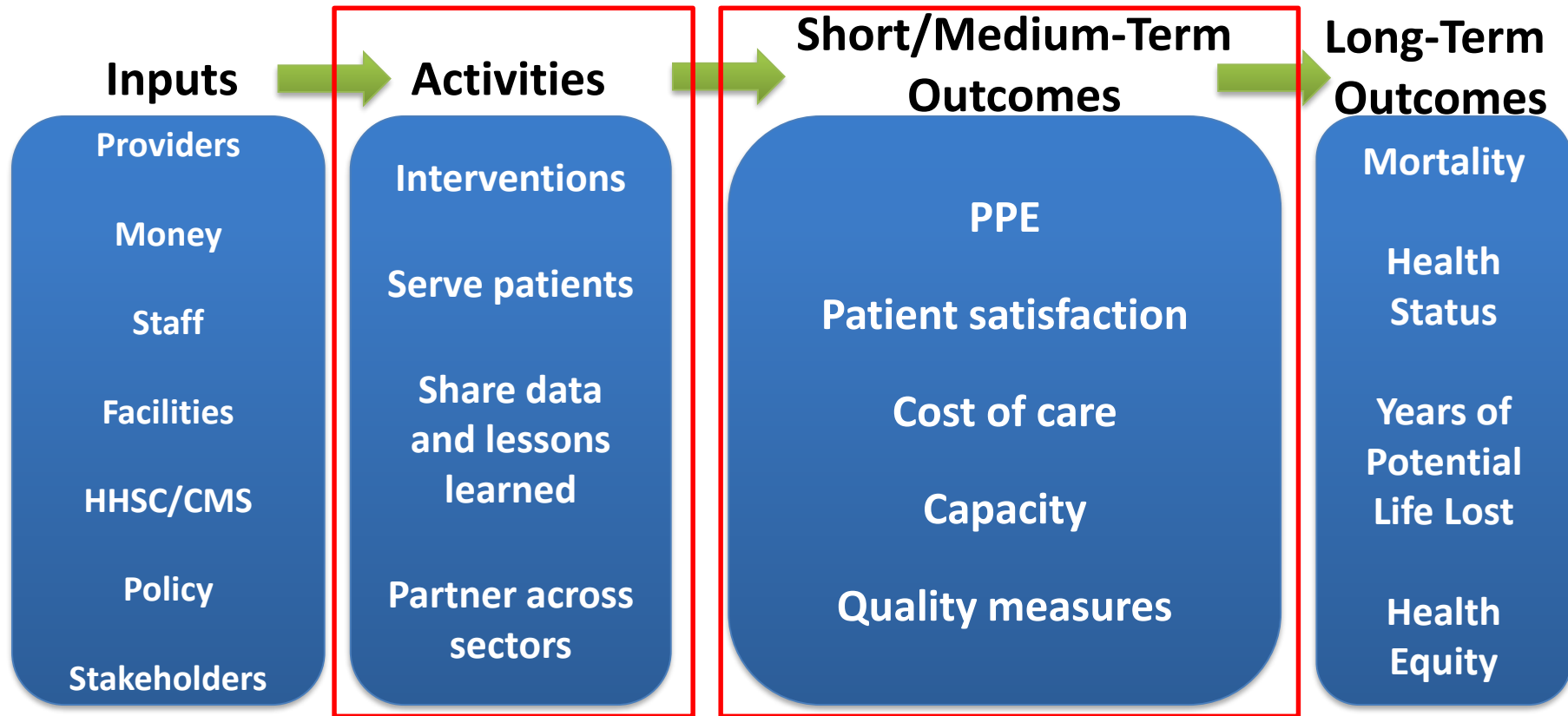
1. Improve the **quality and safety of care** delivered in clinical settings
2. Prevent and/or improve the management of **chronic conditions**
3. Improve **access** to medical and dental care
4. Improve access to and integration of **behavioral healthcare**
5. Improve **maternal and child health**
6. Prevent **infectious and vaccine-preventable diseases**



Texas 1115 Waiver

Improving Health. Transforming Care.

DSRIP Path to Success



Address social determinants

Achieve a collaborative cross-sector integrated system of care

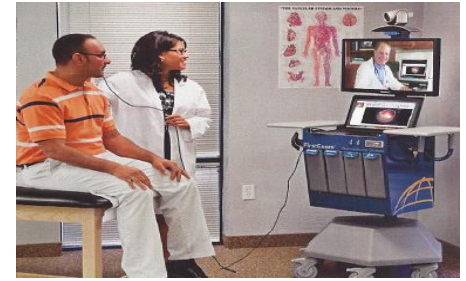
In DY 2-6, each DSRIP project earned financial incentives tied to performance on project activities and related outcomes



**Patient navigation,
care coordination, and
behavioral health services**



**School-based health, prevention,
after-hours care, and
mobile services**



**Telemedicine and
integration of clinical
services**

As of DY6, there were 25 providers implementing 112 DSRIP projects.

30% of projects were focused on behavioral health

25% of projects were focused on primary care and health promotion

RHP 6 DSRIP Milestones Achieved

94%

Process & Improvement Milestones Achieved – DY6

- Patients served
- Encounters provided
- Staff/providers hired & trained
- Quality improvement initiatives

75%

88% including partial achievement

Outcome Targets Completely Achieved – DY6

- Diabetes care and control
- Readmissions
- Cancer screenings
- Dental care
- Patient satisfaction
- Blood pressure control
- Preventive Care

96%

DSRIP incentives earned DY 1-6
\$1,366,816,833

Original Waiver DY 2-6

Address Community Needs



HHSC approves selections and plan mods

Rapid Cycle Improvement



DY 7-8+

Hospital Example

Original DSRIP

- \$1,464,687 per year (DY 5-6)
 - **Cats 1 & 2 \$849,021 (58%)**
 - ✓ Gestational diabetes program
 - ✓ Cardiovascular screening program
 - **Cat 3 \$491,540 (34%)**
 - ✓ % LBW births
 - ✓ Controlling high blood pressure
 - **Cat 4 \$124,126 (8%)**

DSRIP DY 7-8

- \$1,464,687 per year (DY 7-8); MPT=3
 - 20% RHP Plan Update (DY7)
 - **Cat A Core Activities (0%)**
 - “Implement models supporting recovery of individuals with behavioral health needs.”
 - **Cat B MLIU Served (10%)**
 - **Cat C Outcome Measures – one bundle (55% in DY7; 75% in DY8)**
 - **BH Appropriate utilization (6 measures; 11 pts)**
 - **Cat D (15%)**

Comparison of DSRIP Models

Original	New
\$14.5 B Over 6 years (Texas)	\$11.6 B Over 4 years (Texas)
Focus on PROJECTS	Focus on SYSTEMS
Higher percentage of incentives for EFFORT	Higher percentage of incentives for OUTCOMES
HHSC approval for strategy changes REQUIRED	HHSC approval for strategy changes NOT REQUIRED
Hospitals selected INDIVIDUAL MEASURES	Hospitals select MEASURE BUNDLES
Targets and incentives NOT LINKED to Medicaid / Uninsured Population	Targets and incentives LINKED to Medicaid / Uninsured Population
RHP 6 COMMUNITY NEEDS remain the same	
RHP 6 PROVIDERS remain the same	

Timeline for Waiver Years 7 and 8

2017

DY 7 Begins
Oct 1

Waiver Approved by CMS
Dec 21

2018

Protocols Approved by CMS
Jan 19

Plan Drafts Submitted to Anchor
Feb 26

Anchor hosts Stakeholder Forum
March 21

Anchor Submits Plan to HHSC
April 30

DY 7 Ends
Sept 30

DY 8 Begins
Oct 1

Statewide Planning for DYs 9 and 10
“Fall 2018”

2019

DY 8 Ends
Sept 30

Perspectives on Selecting Outcome Measures

Community
need

Opportunity
for
improvement

Size of
population

Likelihood
of success

Availability
of data

Alignment
with other
programs



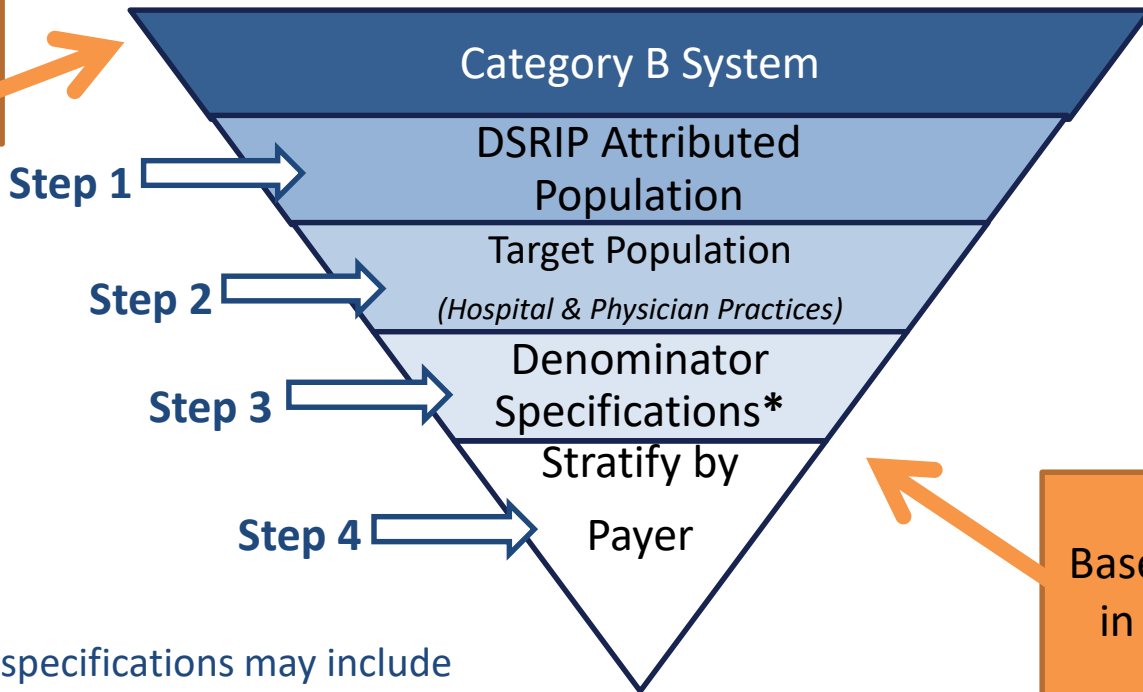
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If a provider does not select a particular outcome measure/bundles, this DOES NOT mean they are not concerned about nor working on the issue.

Attribution Model

Cat B
Baselines
reported
April 2018



Cat C
Baselines due
in October
2018

*Denominator specifications may include specific visit types as part of the denominator inclusion criteria.



TEXAS
Health and Human
Services

Achievement Targets

➤ Category A

- Implement Core Activities
- Progress on APM/VBP
- Conduct cost benefit analysis

➤ Category B

- Maintain number MLIU served

➤ Category C

- “Gap closure” improvement over baseline
 - IOS: 2.5% (DY7), 10% (DY8)
 - QSMIC: 5% (DY7), 20% (DY8)

➤ Category D

- Reporting on population-based measures

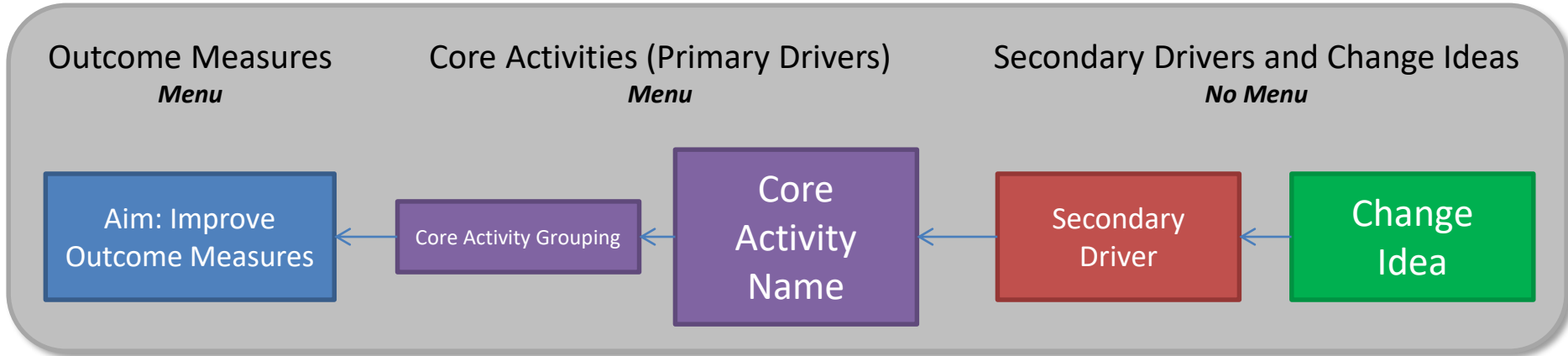
DSRIP Measure Bundles

Shown by number of RHP 6 providers selecting the bundle or related measures

8	• Behavioral Health	4	• Pediatric Primary Care
8	• Primary Care & Prevention	3	• Rural Emergency Care
6	• Diabetes Management	2	• ED Diversion / Patient Nav.
5	• Hospital Safety	2	• Care Transitions / Readmissions
5	• Maternal Care & Safety	2	• Hepatitis C
5	• Rural Preventive Care	1	• Cancer Screening
4	• Heart Disease Management	1	• Pediatric Asthma Management

Bundle Options NOT Selected: Pedi Diabetes Mgmt, Adult & Pedi Dental; Palliative Care; Specialty Care

Overview of Driver Diagrams



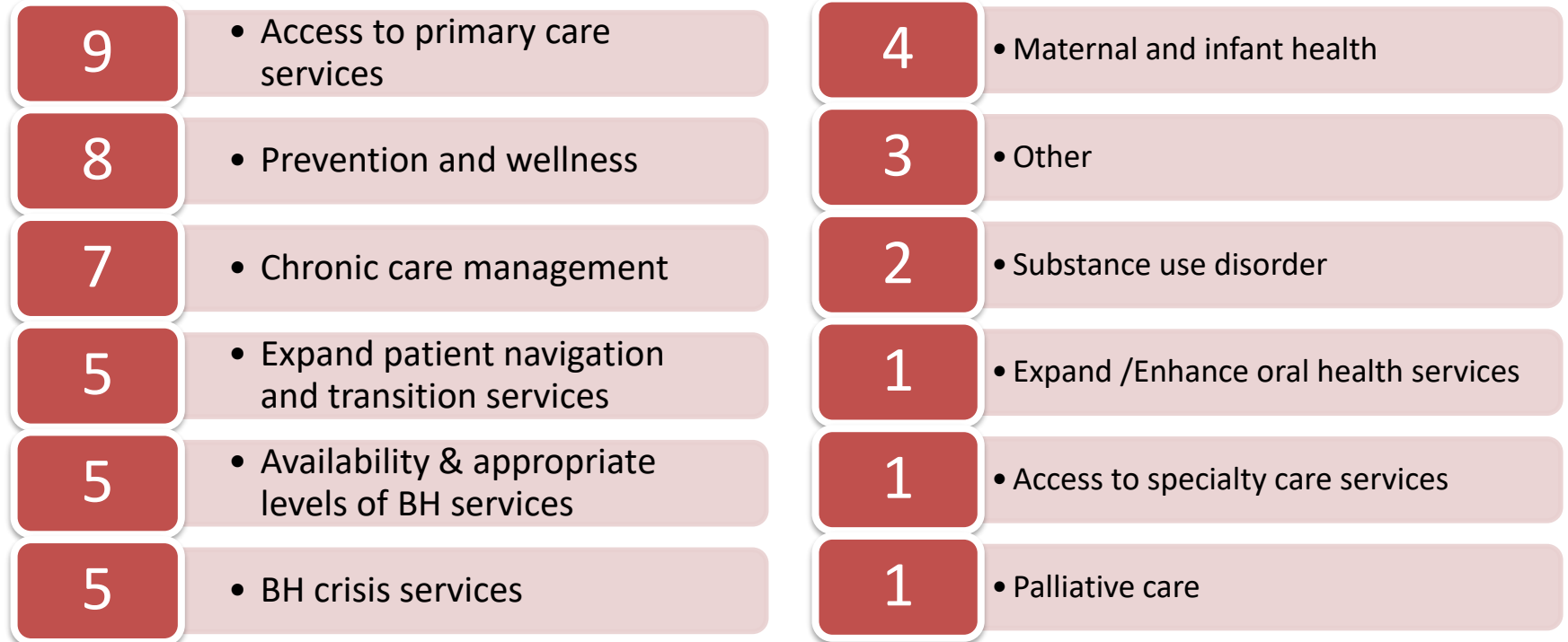
General guidelines for providers as they develop driver diagrams:

- Each measure / bundle must have at least one associated core activity.
- Each core activity must have at least one secondary driver & one change idea.
- Core activities may impact more than one measure / measure bundle
- Providers are encouraged to establish ways to measure each identified driver.

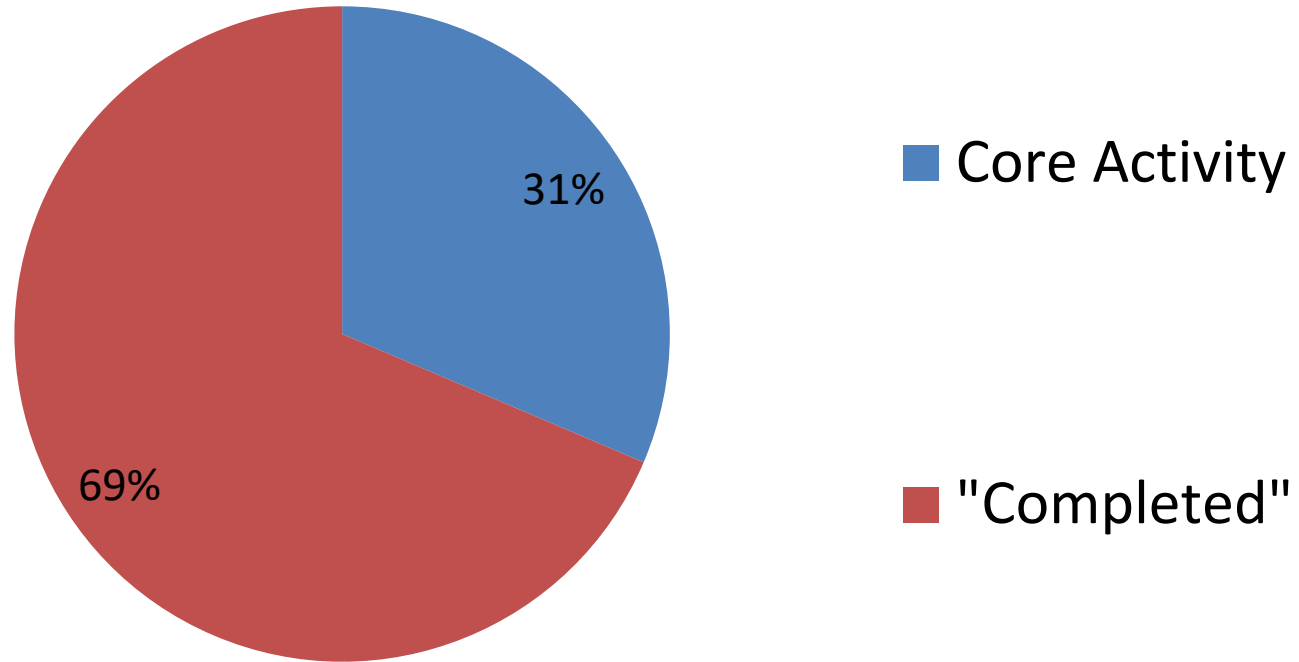
Core Activities, drivers, and change ideas can be modified without approval by HHSC.

DSRIP Core Activities

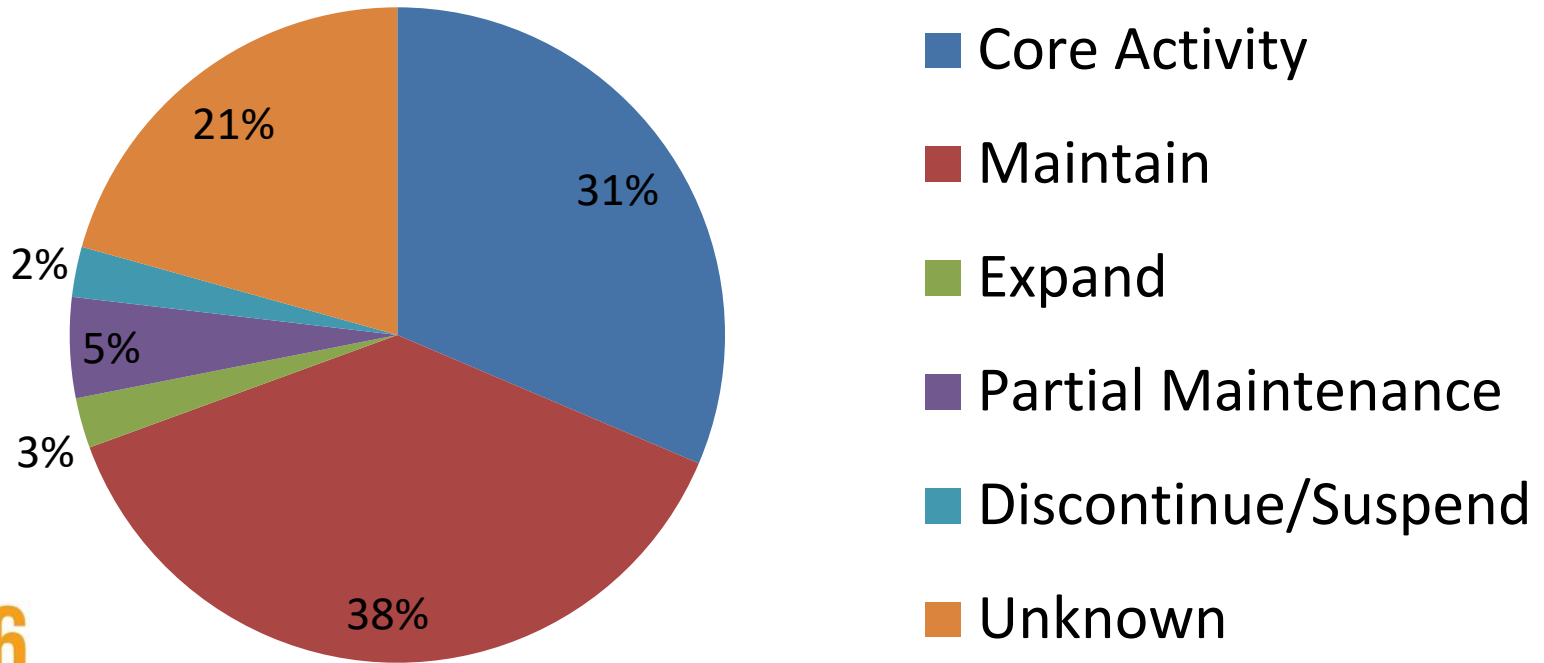
Shown by number of RHP 6 providers selecting the Core Activity



What about the “old” projects?



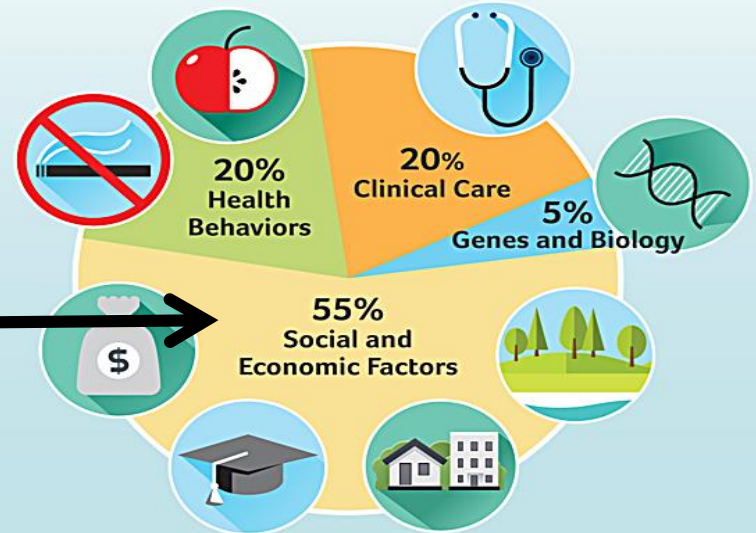
What about the “old” projects?



Transformation through an Expanded Perspective

Health starts where we live, learn, work and play.

WHAT MAKES US HEALTHY?



Need greater focus and investment here

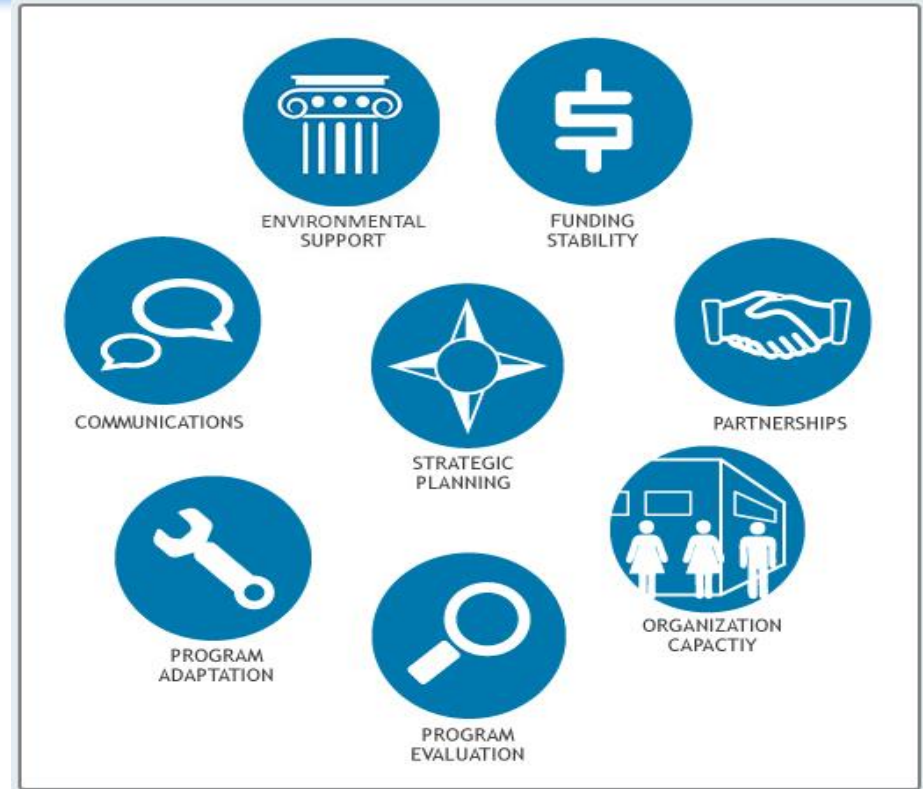


Transformation through Alignment and Integration



Transformation through Planning for Sustainability

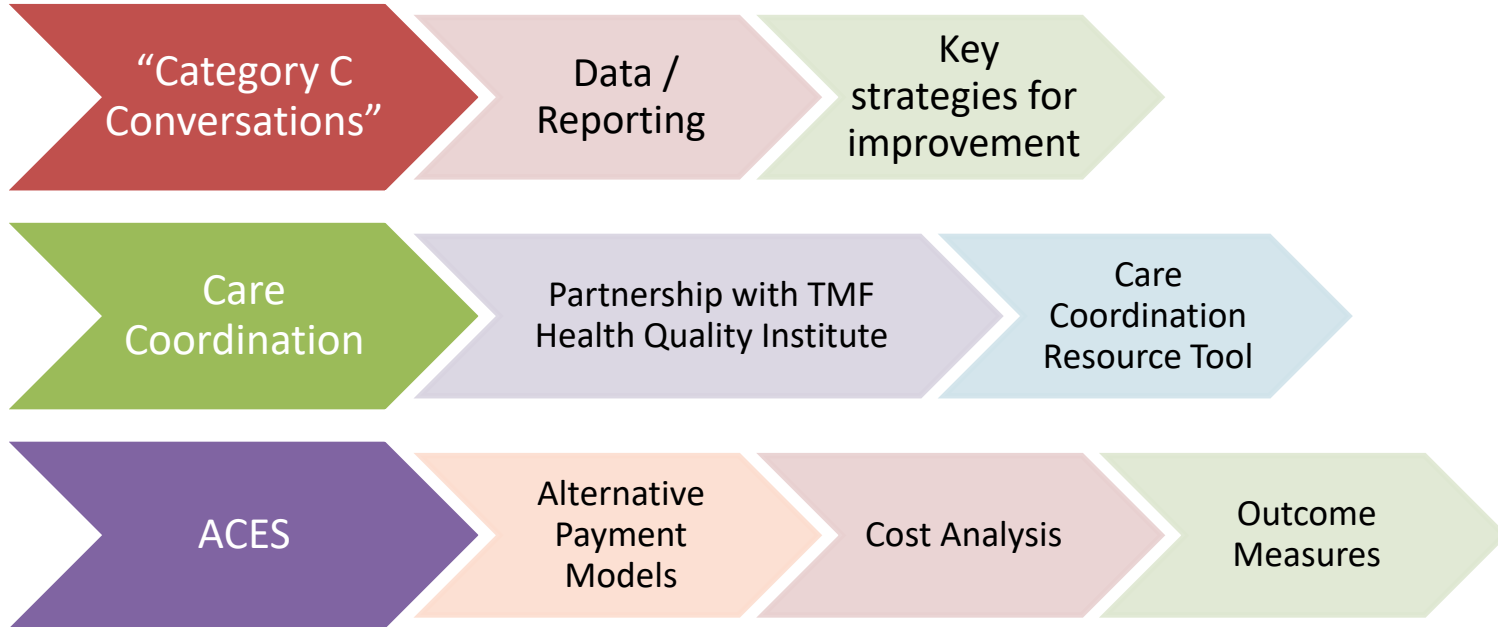
- It takes more than just money.



<https://sustaintool.org/>



Transformation through Collaborative Learning



And then what??

Program Financing & Mechanics (DY 9-10)

- No major changes to framework expected
- Need to determine allocation of funding pool reductions
- PFM due to CMS by 3/31/19

Measure Bundle Protocol (DY 9-10)

- Assess CY18 results in summer 2019
- Refresh bundles and measures
- Protocol due to CMS by 7/31/19

Transition Plan

- Milestones for VBP after DSRIP
- HHSC meeting with CMS by 6/30/18
- Due to CMS by 10/1/19

Opportunities to Collaborate

**Community
Needs**

**Service
Delivery**

**Outreach &
Education**

**Outcome
Measures**

Data

**Shared
Learning**

Planning and Support for Post-Waiver





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