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Waiver Planning Next Steps

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September 5, 2019

Session Overview

- Finalizing Draft DSRIP Transition Plan
- Transition Plan goals and milestones
- HHSC approach and planning for DSRIP transition
- September work sessions with DSRIP performing provider groups
- Directed payment programs
- Stakeholder engagement areas of alignment
- Next steps and timelines

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Finalizing Draft Transition Plan

- Texas submits a draft Transition Plan to CMS October 1, 2019
- The plan must be finalized within six months of submission to CMS (by April 1, 2019)
- The plan includes state-level DY9-10 milestones that are completed in DY9-10 (FFY 2020-2021).
- HHSC is beginning work on the milestones while the plan is being finalized with CMS.

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Transition Plan Goals

Milestones are organized by the following goals:

- Advance APMs that target specific quality improvements.
- Support further delivery system reform that builds on the successes of the Waiver and includes current priorities in health care.
- Explore innovative financing models.
- Develop cross-focus areas such as social drivers of health that use the latest national data and analysis to continue to innovate in Texas.
- Strengthen supporting infrastructure for increased access to health care and improved health for Texans.

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Summary of Proposed Milestones

2021 Legislative Session

DY 11 (Oct. 2021 – Sept. 2022)

September 2020

- HHSC updates the Texas Value-Based Purchasing Roadmap to address strategies to sustain key DSRIP initiative areas.
- HHSC identifies and submits to CMS any proposals for new programs, including state-directed payment programs, to sustain key DSRIP initiative areas in DY 11 of current Waiver period.

December 2020

- HHSC updates the Texas Medicaid quality strategy to address program and stakeholder goals.
- HHSC reviews DSRIP activities as possible Medicaid state plan benefits and policy changes, and submits to CMS review results or approval requests, as necessary.
- HHSC assesses the current capacity and use of telemedicine and telehealth, particularly in rural areas of Texas, to inform next steps to address access gaps.
- HHSC conducts a preliminary analysis of DY 7-8 DSRIP quality data and related core activities to outline lessons learned on health system performance measurement and improvement.

March 2021

- HHSC assesses Texas' current financial incentives for Medicaid MCOs and providers to enter into meaningful quality-based alternative payment models and identifies potential opportunities to strengthen or align incentives.
- HHSC completes an assessment of which social factors are correlated with Texas Medicaid health outcomes.
- HHSC identifies options for the Regional Healthcare Partnership structure post-DSRIP.

September 2021

- HHSC identifies and submits to CMS any additional proposals for new programs to sustain key DSRIP initiative areas that would start in the next Waiver renewal period.

Ongoing, Active Stakeholder Engagement

HHSC Approach

- Develop plans to achieve milestones and continue to invest in delivery system reform successes.
- Assess options to sustain reforms in Medicaid program while leveraging existing waiver financing structures, including:
  - Directed payments in managed care
  - Targeted enhancements of benefits
  - Other federally-allowable options
- Prioritize best practices from DSRIP and emerging areas of health care innovation that address identified focus areas.
- Engage stakeholders throughout this process to collaborate on development and analysis of potential strategies.

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Key Focus Areas for Post-DSRIP Planning

- Behavioral health
- Primary care
- Patient navigation, care coordination, and care transitions, especially for patients with high costs and high utilization
- Chronic care management
- Health promotion and disease prevention
- Maternal health and birth outcomes, including in rural areas of the state
- Pediatric care
- Rural health care
- Telemedicine and telehealth
- Social drivers of health

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Project Plan for DSRIP Transition

- Each milestone is a separate project for which HHSC is developing a work plan.
- Stakeholder engagement and coordination with CMS will be part of these work plans.
- HHSC will prioritize work plan development for each milestone based on when activities must begin to meet milestone deadlines.

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September Stakeholder Meetings (Part 1)

Five work sessions are scheduled with representatives of DSRIP performing provider types:

- Community mental health centers
- Physician practices, largely associated with academic health science centers
- Rural hospitals and rural RHPs that submitted proposals
- Hospitals
- Local health departments

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September Stakeholder Meetings (Part 2)

- The September meetings will be targeted work sessions.
- Stakeholders will discuss:
  - Proposals that would fit into a directed payment program or targeted enhancement of benefits
  - Possible quality measures for proposals that align with key focus areas
  - DSRIP strategies that represent potential statewide best practices
- HHSC will continue to communicate about the agendas and progress of work sessions.

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Directed Payment Programs Background

- Permitted under federal Medicaid managed care regulations. See 42 CFR § 438.6(c).
- Allows managed organizations to make increased payments for services through adjustments to provider reimbursement rates or as incentive payments.
- States must submit a preprint describing the program which must be approved annually by CMS.
- There are no timelines associated with the submission or approval process, though HHSC must take into account the managed care contract cycle when planning.

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Quality Incentive Payment Program (QIPP)

- **Authority:** 42 C.F.R. § 438.6(c) - CMS approved concept paper on April 13, 2017; State authority: 84th Texas Legislature, Rider 97, Art. II, General Appropriations Act (2015)
- **Payment Type:** Directed payment; quality-based
- **Implementation:** September 1, 2017
- **Participants:** Public and private nursing facilities are permitted to participate based on Medicaid bed days threshold
  - About 525 of the state's 1,200 nursing facilities participate in SFY19
  - About 811 of the state's 1,200 nursing facilities will participate in SFY20
- **Concept:** payments will be made quarterly by the STAR+PLUS MCOs to nursing facilities based on the facilities performance related to agreed-upon metrics, which include: restraints, falls, pressure ulcers, antipsychotic drug use. Staffing measure to be added for SFY20.
- **Funding:** Estimated All Funds amount (SFY 2020): $600 million
  - Costs are included in Section 1115 waiver budget neutrality calculation
  - Non-federal share of funding is to be provided by participating local governmental entities

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Uniform Hospital Rate Increase Program (UHRIP)

- **Authority:** 42 C.F.R. § 438.6(c) - CMS approved UHRIP concept paper on April 5, 2017 for the Bexar and El Paso Service Delivery Areas (SDAs). All other SDAs approved August 2017.
- **Payment Type:** Directed payment; at risk
- **Implementation:** March 1, 2018
- **Participants:** Voluntary program - Cannot be implemented in an SDA unless all the MCOs and the hospitals with which they contract commit to participate
  - STAR and STAR+PLUS only
- **Concept:** raises reimbursement rates for specific hospitals in an SDA and directs MCOs to make those increased payments
- **Funding:** Estimated All Funds amount (SFY 2020): $1.6 billion
  - Costs are included in the Section 1115 waiver budget neutrality calculation
  - Non-federal share of funding is provided by participating local governmental entities

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Stakeholder Engagement Areas of Alignment

- Development of Stakeholder Engagement Plan
  - September meetings with DSRIP performing provider groups are a starting point
  - Further engagement will include Medicaid MCOs, private physicians and other entities
  - Much of the stakeholder feedback to the draft Transition Plan was focused on specific milestones and will inform development of milestone plans
- Value-Based Payment and Quality Improvement (VBPQI) Advisory Committee
  - The VBP Roadmap milestone plan will use this committee for stakeholder input
- Key Legislation - Article II, HHSC, Rider 38. Cost Effectiveness of Delivery System Reform and Incentive Payment Program
- Health IT Strategic Plan – Another required deliverable for the 1115 waiver

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VBPQI Committee

Areas of alignment with committee recommendations:

- Guidance for managed care organizations (MCOs) and providers on how to leverage the Quality Improvement cost strategy available in managed care.
- HHSC will convene stakeholders, including clinical experts, providers and MCOs to identify common measures and specifications for voluntary use by MCOs for value-based contracting in Medicaid. (The work would begin with metrics for maternal and newborn health, with behavioral health to follow.)

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Key Legislation

Article II, HHSC, Rider 38. Cost Effectiveness of Delivery System Reform and Incentive Payment Program

By December 1, 2020, HHSC must report on the outcomes achieved by DSRIP providers, with specific reporting requirements for demonstration years 7 and 8, including descriptions of the core activities and measure bundles selected by performing providers, their performance on the measures, core activities associated with successful performance and positive return on investment, a final cost and savings report, and amounts of DSRIP funds earned by each type of performing provider.

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Health IT Strategic Plan

STC 39 from the Waiver

- The state will use Health IT to link services and core providers across the continuum of care to the greatest extent possible.
- The state is expected to achieve minimum standards in foundational areas of Health IT and to develop its own goals for the transformational areas of Health IT use.
- Target date to submit plan to CMS: October 1, 2019.

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Estimated Timeline (Part 1)

Target Date	Task
August 15, 2019	Stakeholder comments due on the draft DSRIP Transition Plan
August 2019	HHSC holds a kickoff meeting with groups that submitted post-DSRIP proposals
September 4–5, 2019	DSRIP Statewide Learning Collaborative
September 2019	HHSC holds meetings with key stakeholder groups that submitted proposals
October 1, 2019	HHSC incorporates stakeholder feedback into the DSRIP Transition Plan as appropriate and submits it to CMS

Estimated Timeline (Part 2)

Target Date	Task
October – November 2019	DSRIP provider reporting and completion of RHP Plan Update for DY9-10
October 2019 - June 2020	Planning for and holding ongoing stakeholder meetings on potential new programs to begin in DY 11
April 1, 2020	HHSC and CMS finalize the DSRIP Transition Plan
September 30, 2020	HHSC submits to CMS any post-DSRIP programs to begin in DY 11

Estimated Timeline (Part 3)

Target Date	Task
April 1, 2020 – September 30, 2021	HHSC ensures that DY 9-10 milestones are achieved, including any requests to CMS for approval of proposed programs and services
December 2020 – June 2021	Ongoing stakeholder meetings on potential post-DSRIP programs to begin in the next waiver renewal period
October 1, 2021	DY 11 begins
January 2023	Final DSRIP payments

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Thank you

DSRIP Email:
TXHealthcareTransformation@hhsc.state.tx.us

DSRIP Website: https://hhs.texas.gov/laws-regulations/policies-rules/waivers/medicaid-1115-waiver/waiver-renewal