



TEXAS HOSPITAL ASSOCIATION

February 13, 2015

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Healthcare Transformation Waiver Operations, Medicaid/CHIP
Texas Health and Human Services Commission
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Austin, TX 78751-2316

Sent via email txhealthcaretransformation@hhsc.state.tx.us

Dear Ms. Broden:

On behalf of its more than 450 member hospitals and health care systems, the Texas Hospital Association appreciates the opportunity to comment on the Texas Health and Human Services Commission's draft STC 48 Transition Plan for the Texas Healthcare Transformation and Quality Improvement Program 1115 Demonstration Waiver.

Experience with the DSRIP Pool

Texas hospitals generally agree with the recommendations made by THHSC regarding the DSRIP pool, including:

- The continuation of flexibility in project and outcome options so that different areas of the state can address the unique needs of their particular communities;
- Maintaining or increasing the amount of funds in the DSRIP pool during the extension period;
- Further integration of DSRIP goals with Medicaid managed care goals;
- Streamlining the DSRIP program to lessen the administrative burden on providers; and
- Allowing more time to (1) evaluate how the best practices from DSRIP can be sustained and replicated, and (2) assess the impact of projects on the chosen outcome measures.

In connection with this last recommendation, THHSC states that it will request that "those projects that are in good standing at the end of this waiver term be afforded more time to serve patients with systems they have built, focusing on Medicaid and low-income uninsured individuals." However, it is unclear how THHSC will determine which projects are in "good standing." The Clinical Champions workgroup, which THHSC says will be helping "inform on next steps for how to best evaluate the merits of DSRIP projects and how to further strengthen healthcare systems," may help develop this process but the workgroup did not have its first meeting until late January 2015 and will presumably need time to develop evaluative criteria and methodology.

Therefore, Texas hospitals recommend that THHSC request that CMS provide sufficient time for the Clinical Champions workgroup and any additional THHSC evaluation processes to develop meaningful criteria and methodologies for evaluating projects, especially considering that many of the projects have only recently begun to report more than baseline data. As you are aware, many hospitals and other performing providers have made significant investments in developing and implementing DSRIP projects and may want to continue projects that they believe are in the best interest of their community. Thus it will be important that projects are not discontinued prematurely before they have had a chance to produce meaningful results. It will be equally important that hospitals and other performing providers be involved in the development of that evaluative criteria and methodology.

At the bottom of page 2 of the draft, THHSC states that early DSRIP results show that the program is beginning to improve care for individuals as well as improve population health. If data are available to demonstrate that the DSRIP projects are also achieving the third leg of the IHI triple aim, reducing the per capita cost of health care, Texas hospitals suggest that THHSC include that result as well.

Uncompensated Care Trends in Texas

Texas hospitals recommend that THHSC strengthen summary language at the beginning of this section of the STC to reflect the critical need for additional uncompensated care pool funding. Our members recommend that the summary language be revised as follows:

Texas' UC burden is increasing rather than decreasing, and the existing funding sources offset only a portion of all UC costs for Medicaid and indigent patients. In order to support and maintain the safety net for Medicaid recipients and low-income uninsured individuals throughout the state, Texas needs access to a UC pool that more appropriately reflects the actual amount of uncompensated care provided.

The draft plan provides excellent documentation on the current shortfall experienced in the uncompensated care pool, and our member hospitals recommend that the state include a row in the table (highlighted below) that estimates the expected need in the UC pool over the next few years so that the UC pool amount needed is explicit:

Texas Health and Human Services Commission						
Uncompensated Care Pool Expenditures - FY2014-FY2019						
<i>amounts in billions of dollars</i>						
Item	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
UC & DSH Demand	7.7	7.6	7.7	8.1	8.5	8.9
UC (Existing)	(3.5)	(3.3)	(3.1)			
DSH (ACA Cuts)	(1.7)	(1.7)	(1.8)	(1.5)	(0.9)	(0.9)
Unmet Cost	2.5	2.6	2.8			
UC Pool Required 2017- 2019				6.6	7.6	8.0

Please contact me at 512/465-1056, rschirmer@tha.org, or John Berta at 512/465-1556, jberta@tha.org, if you have questions or need additional information.

Sincerely,



Richard Schirmer
Vice President Health Care Policy Analysis
Texas Hospital Association

cc: Greta Rymal, Deputy Executive Commissioner, Texas Health and Human Services Commission (*via email*)
Pam McDonald, Director of Rate Analysis, Texas Health and Human Services Commission (*via email*)