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# **Delivery System Reform Incentive Payment (DSRIP) Transition**

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**August 26, 2019**

# Today's Agenda

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- Welcome
- Transition Plan requirements and proposed milestones
- Stakeholder comments on draft Transition Plan
- HHSC approach and planning for DSRIP transition
- Directed payment programs
- Next steps and timelines for further stakeholder engagement



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# Transition Plan Requirements



- The 1115 Waiver Special Terms and Conditions require the state to submit a Transition Plan for DSRIP by October 1, 2019 (STC #37) for review and approval by the Centers for Medicare & Medicaid Services (CMS).
- Portions of the overall Federal Financial Participation (FFP) for DSRIP will be at risk if Texas fails to submit a plan by October 1, 2019, or fails to achieve milestones outlined in the plan for DY9-10.

# STC #37

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- The plan must describe how Texas will further develop delivery system reform efforts after DSRIP ends.
- The plan must include DY9-10 milestones (FFY 2020-2021) for HHSC/Texas.
- Texas milestones may relate to:
  - Use of alternative payment models
  - State's adoption of managed care payment models
  - Payment mechanisms to support delivery system reform efforts
  - Other opportunities



# Summary of Proposed Milestones



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# Key Focus Areas for Post-DSRIP Programs

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- 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; and
- Social drivers of health.



# Key Stakeholder Feedback (Part 1)



HHSC received many comments on the draft DSRIP transition plan. We are reviewing this information, and will use it as we finalize the draft plan and develop work plans for each milestone.

Major themes:

- Next steps for low income/uninsured (e.g., access to primary care, behavioral health/SMI, and chronic care management)
- Additional key areas to focus on (e.g., access to care, public health, pediatrics, and hospital quality)
- Allow regional approaches
- Consider needs of small and rural providers

# Key Stakeholder Feedback (Part 2)



## Additional major themes:

- Maintain funding for current DSRIP providers as DSRIP phases down (DY11 forward) to sustain advances
- Sharing of timely data is necessary for VBP
- Alignment, administrative simplification, and standardization will help with VBP
- Incentives need to be meaningful to enable delivery system improvements
- More collaboration for post-DSRIP planning - including pediatric hospitals, IDD/BH stakeholders, LHDs, MCOs, IGT entities

# 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.

# Project Plan for DSRIP Transition



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- 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.

# September Stakeholder Meetings (Part 1)



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Five work sessions are planned 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

# September Stakeholder Meetings (Part 2)



- The September meetings will be targeted work sessions.
- Stakeholders should come prepared to 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.

# 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.

# Quality Incentive Payment Program (QIPP)



- **Authority:** 42 C.F.R. § 438.6(c) - CMS approved concept paper on April 13, 2017; State authority: 84<sup>th</sup> 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

# 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

# Estimated Timeline (Part 1)



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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)



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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)



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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

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**DSRIP Email:**  
**[TXHealthcareTransformation@hhsc.state.tx.us](mailto:TXHealthcareTransformation@hhsc.state.tx.us)**

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