

August 16, 2019

Via electronic submission to: [TXHealthcareTransformation@hhsc.state.tx.us](mailto:TXHealthcareTransformation@hhsc.state.tx.us)

## PUBLIC COMMENT LETTER

Stephanie Muth  
Deputy Executive Commissioner  
Medicaid & CHIP Services  
Texas Health and Human Services Commission  
4900 N. Lamar Blvd  
Austin, Texas 78751-2316

### Re: Response to Draft DSRIP Transition Plan

Dear Ms. Muth:

The Texas Hospital Association appreciates the opportunity to provide input on the draft transition plan for the Delivery System Reform Incentive Payment program under Texas' Medicaid 1115 Waiver. Since 2011, Texas hospitals have used DSRIP funds to address community health needs, test innovations in care delivery and improve the health outcomes. The phase-out of DSRIP dollars presents an enormous challenge for critical safety-net providers, including Texas hospitals.

The Aug. 1 draft transition plan is an important first step to identify potential initiatives to sustain and extend the needed delivery system reforms the program provides to the state. However, as the Texas Health and Human Services Commission moves forward, continued collaboration with stakeholders on each element of the transition will be essential to ensure a successful transition for the populations currently served by DSRIP as well as DSRIP providers.

As THHSC reviews existing programs and identifies potential new proposals to leverage DSRIP successes into other aspects of the state's health care safety-net system, THA requests continued consideration of the following guiding principles.

- 1. Maximize the transition of effective DSRIP funds into the existing safety-net payment system.**  
THHSC should consider strategies to increase health care coverage, particularly for populations such as persons with behavioral health needs and women of childbearing age. THHSC also should urge the Centers for Medicare & Medicaid Services to continue making Medicaid funds available for low-income uninsured, in addition to transitioning initiatives into the Medicaid program.
- 2. Maximize federal funds. For any new programs and initiatives that rely on hospital intergovernmental transfers, including local provider participation funds, for the non-federal share of payments, funding should be directed to hospitals.** The existing financing of the DSRIP non-federal

share should not be assumed for all future programs and initiatives. THHSC should work closely with stakeholders to ensure the viability of future financing assumptions for each new initiative and program.

3. **Align quality, safety and payment reform initiatives across payors, providers and health plans, and streamline related administrative requirements.** THHSC should ensure the structure of quality payment programs, including incentives and penalties, adequately supports meaningful improvements in care delivery and health outcomes. Risk should be directed to the appropriate entity based on the specific responsibilities of the payor and the provider.
4. **Utilize the existing Medicaid framework to the extent feasible to ensure adequate hospital reimbursement and to make directed payments to hospitals.** The Regional Healthcare Partnership structure has provided a solid foundation for collaboration across regions of the state. Future initiatives should preserve and reward collaboration within these partnerships.

Special consideration should be given to initiatives that would preserve access to care in rural areas, potentially through infrastructure improvements to support access to telehealth and by testing a “step-down” or limited services rural hospital model that allows rural hospitals to continue providing essential care services.

THHSC should consider development of directed or incentive payments supporting behavioral health, discharge planning, physician, and other services, in addition to increasing funding available through the Uniform Hospital Rate Increase Program.

5. **Any new programs or initiatives should:**
  - **Build on DSRIP successes to improve health care access for vulnerable populations, including for low-income uninsured.**
  - **Increase access to primary care and chronic disease management.**
  - **Ensure timely and appropriate access to inpatient, outpatient, and community-based services and supports for individuals with behavioral health needs.**
  - **Recognize the unique needs and circumstances of different communities, patient populations and hospital types.**

THA appreciates your efforts to ensure stakeholder feedback is considered throughout the entire DSRIP transition process, and we ask for your continued collaboration on each of the milestones in the draft plan. THA looks forward to assisting THHSC in this crucial work.

Respectfully submitted,



John Hawkins  
Texas Hospital Association