



TEXAS HOSPITAL ASSOCIATION

## Texas Hospital Industry Supports Continuation of 1115 Medicaid Transformation Waiver

1. Texas hospitals are united around the goal of renewing or extending the 1115 Medicaid Transformation Waiver beyond its Sept. 30, 2016 expiration date.
2. The next iteration of the waiver should include an **increased uncompensated care pool** so that hospitals and other health care providers can continue investing in systems of care that provide health care for uninsured Texans. Texas hospitals support the Texas Health and Human Services Commission's request for a larger UC pool that reflects actual need.

- a. UC pool required 2017-2021 (THHSC calculations)

	2017	2018	2019	2020	2021
<b>UC Pool Required</b>	\$5.8 billion	\$6.6 billion	\$7.4 billion	\$7.4 billion	\$7.4 billion

- b. Texas' population is growing faster than any other state's. Texas is making strides to reduce the number of uninsured residents (e.g. had the second highest federal exchange enrollment with 1.2 million enrollees), but the growth in the population overall means that the number of uninsured...and hospital uncompensated care...remain a challenge.

3. Continuing the waiver is essential for reducing health care costs in Texas.
  - a. Because of the waiver, more than 85 percent of acute care program beneficiaries are enrolled in managed care.
  - b. Medicaid managed care has saved the Texas Medicaid program nearly \$4 billion over six years, compared with projected costs under the fee-for-service program. Under managed care, additional savings of \$3.3 billion all funds over the next three years are expected.
4. DSRIP projects are working as intended to improve care quality, improve health care outcomes and reduce health care costs.
  - a. They are reducing unnecessary hospital admissions and readmissions.
  - b. They are increasing access to community-based primary and preventive care and health education and care management.
  - c. They are integrating primary and behavioral health care.
  - d. They are increasing access to timelier behavioral health care services and avoiding behavioral health crises.
  - e. They are increasing self-management of chronic conditions, improving medication compliance and reducing reliance on EMS, first responders and hospital emergency departments.
  - f. They are breaking down barriers to care.
  - g. They are fostering collaboration among different sectors, e.g. health care, education, justice, which would not occur in the absence of the waiver and in doing so, are having an impact beyond the health care sector, such as reducing jail recidivism and improving school attendance.