

FY 21 PROPOSED UHRIP REFORMS ARE ON HOLD

After listening to stakeholders and through internal discussions, the Health and Human Services Commission (HHSC) decided to put the reforms proposed for the Uniform Hospital Rate Increase Program (UHRIP) on hold temporarily.

HHSC is unsure if it has the administrative capacity to implement the reforms at his time. In addition, there could be unanticipated consequences affecting budget neutrality for a potential 1115 waiver extension. Budget neutrality is the difference between state Medicaid spending with a waiver and without a waiver. Therefore, HHSC believes it should proceed cautiously when implementing changes that could have an impact on Texas Medicaid for many years. As it has in previous years, HHSC will use the service delivery area (SDA) liaison application process for FY 2021.

Last fall, HHSC presented several changes to stakeholders for the UHRIP program; these included:

- 1. Using actual utilization data to pay a uniform dollar amount in periodic lump sums.
- 2. Eliminating applications and service delivery liaisons.
- 3. Linking the UHRIP pool allocation methodology to managed care expenditures.
- 4. Ensuring IGT occurs in closer proximity to hospital payments.
- 5. Linking a portion of the UHRIP pool to achieve a quality outcome and/or positive policy change.

HHSC requested stakeholder input via a webinar, in-person meetings, and email throughout the last half of 2019. Stakeholders contributed comments and suggested modifications to the proposed changes.

UHRIP is a Medicaid directed payment program operated by HHSC. HHSC launched UHRIP as a pilot project in December 2017 in the El Paso and Bexar managed care service delivery areas (SDAs). In September 2018, UHRIP expanded to the entire state.



If you have questions regarding UHRIP, please email us at: <u>RAD 1115 Waiver Finance@hhsc.state.tx.us</u>