

6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern
Health and Human Services Commission

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2014-15 GAA BILL PATTERN	\$ 6,882,000,000
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Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver - Uncompensated Care	
Estimated Beginning Balance in FY 2012	\$ -
Estimated Revenues FY 2012	\$ 1,865,427,224
Estimated Revenues FY 2013	\$ 5,734,572,776
FY 2012-13 Total	\$ 7,600,000,000
Estimated Beginning Balance in FY 2014	\$ -
Estimated Revenues FY 2014	\$ 3,534,000,000
Estimated Revenues FY 2015	\$ 3,348,000,000
FY 2014-15 Total	\$ 6,882,000,000
Constitutional or Statutory Creation and Use of Funds:	
<p>The Texas Healthcare Transformation and Quality Improvement Program is a federally approved 1115 demonstration waiver. Under the waiver, the historical trended value of supplemental hospital funding, managed care savings and negotiated funding will be available to fund a statewide pool worth \$29 billion (all funds) over the five years of the waiver. Funding from the waiver pool will be distributed to hospitals to support the following objectives: (1) an uncompensated care (UC) pool and (2) a Delivery System Reform Incentive Payments Pool (DSRIP). Uncompensated Care payments subsidize the costs incurred by hospitals and physicians for patient care services provided to Medicaid and uninsured patients that are not reimbursed through the claims adjudication process or by other supplemental payments.</p> <p>During the 2012-13 biennium, HHSC expects to make transition payments totaling \$1.8 million for each fiscal year. Transition payments will bridge supplemental payments to hospitals from the old UPL payments into uncompensated care. The balance of fiscal year 2013 would be classified as uncompensated care payments.</p>	
Method of Calculation and Revenue Assumptions:	
<p>Data obtained from the Special Terms and Conditions for the Texas Healthcare Transformation and Quality Improvement Program, Section 1115(a) Medicaid demonstration as approved by the Centers for Medicare and Medicaid Services.</p>	

**6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern
Health and Human Services Commission**

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2014-15 GAA BILL PATTERN	\$ 5,518,000,000
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Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver - Delivery System Reform Incentive Payments	
Estimated Beginning Balance in FY 2012	\$ -
Estimated Revenues FY 2012	
Estimated Revenues FY 2013	\$ 2,800,000,000
FY 2012-13 Total	\$ 2,800,000,000
Estimated Beginning Balance in FY 2014	\$ -
Estimated Revenues FY 2014	\$ 2,666,000,000
Estimated Revenues FY 2015	\$ 2,852,000,000
FY 2014-15 Total	\$ 5,518,000,000
Constitutional or Statutory Creation and Use of Funds:	
<p>The Texas Healthcare Transformation and Quality Improvement Program is a federally approved 1115 demonstration waiver. Under the waiver, the historical trended value of supplemental hospital funding, managed care savings and negotiated funding will be available to fund a statewide pool worth \$29 billion (all funds) over the five years of the waiver. Funding from the waiver pool will be distributed to hospitals to support the following objectives: (1) an uncompensated care (UC) pool and (2) a Delivery System Reform Incentive Payments Pool (DSRIP). DSRIP payments will be made to participating providers who have achieved their milestones and metrics for each project/intervention that is defined within their Regional Health Plan. Note : FY 2012 payments will not be made until after the end FY 2012 ,therefore FY 2013 is a combination of FY2012 and FY 2013 DSRIP payments.</p>	
Method of Calculation and Revenue Assumptions:	
<p>Data obtained from the Special Terms and Conditions for the Texas Healthcare Transformation and Quality Improvement Program, Section 1115(a) Medicaid demonstration as approved by the Centers for Medicare and Medicaid Services.</p>	

**6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern
Health and Human Services Commission**

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2014-15 GAA BILL PATTERN	\$ 3,378,230,344
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<u>Disproportionate Share Program Funds</u>	DSH ALLOCATION	DSH ESTIMATED SPEND
Estimated Beginning Balance in FY 2012	\$	-
Estimated Revenues FY 2012	\$	1,682,033,626
Estimated Revenues FY 2013	\$	1,686,079,016
FY 2012-13 Total	\$	3,368,112,642
Estimated Beginning Balance in FY 2014	\$	-
Estimated Revenues FY 2014	\$	1,688,102,311
Estimated Revenues FY 2015	\$	1,690,128,034
FY 2014-15 Total	\$	3,378,230,344
Constitutional or Statutory Creation and Use of Funds:		
<p>The Disproportionate Share Program is authorized in Chapter 32, Human Resource Code to reimburse certain hospitals that provide a high volume of indigent services. Transferring public hospitals (local and state) provide the required state match through an intergovernmental transfer to match federal funds. Total funding is redistributed to transferring and other public and private hospitals under federally approved methodologies.</p>		
Method of Calculation and Revenue Assumptions:		
<p>The value of the program is capped by the U.S. Centers for Medicare and Medicaid (CMS). The federal limit will determine the state match required. Provisions of the federal Affordable Care Act reduce the aggregate Medicaid DSH allotment for all states beginning in 2014. CMS has yet to release guidance and the methodology for DSH reductions. It is not known what the impact to the Texas DSH program will be.</p>		