



Texas 1115 Transformation Waiver DSRIP Success Longer Term Extension Planning

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Welcome

- Third Annual DSRIP Statewide Learning Collaborative
- Celebrate successes
 - Delivery System Reform Incentive Payment (DSRIP) Project Outcomes
 - Statewide Progress
- Next steps in demonstration year six (DY 6)
- Planning for longer term extension
 - Learn from the initial waiver period
 - Continue to transform the Texas health care system

1115 Transformation Waiver Goals

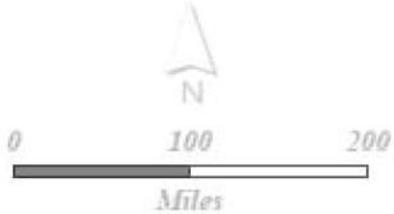
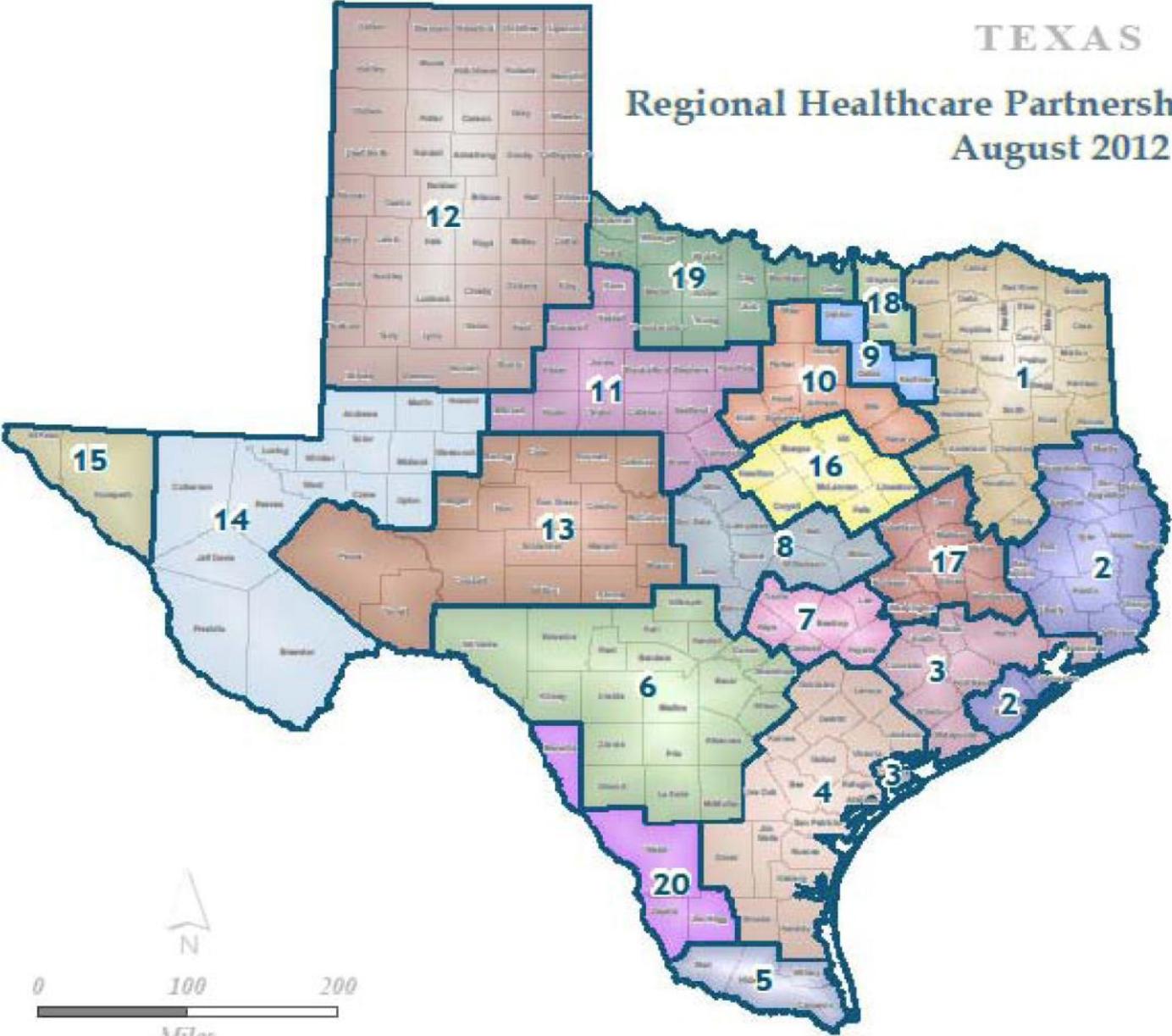
- Expand Medicaid managed care statewide
- Develop and maintain a coordinated care delivery system
- Improve health outcomes while containing costs
- Establish two funding pools to provide payments for uncompensated care (UC) and delivery system transformation through infrastructure and innovation
- Transition to quality-based payment systems across managed care and hospitals

1115 Transformation Waiver

- Three major components:
 - Statewide Medicaid managed care through the STAR, STAR+PLUS, and Children's Medicaid Dental Services programs (including carve-in of inpatient hospital, pharmacy and children's dental services).
 - Provider reimbursement to offset uncompensated care costs (UC Pool)
 - Incentive payments for hospitals and other providers for healthcare infrastructure and innovation through 20 Regional Healthcare Partnerships (DSRIP Pool)

TEXAS

Regional Healthcare Partnership (RHP) Regions August 2012



Map Prepared by: Strategic Division Support Department,
Texas Health and Human Services Commission,
August 7, 2012

DSRIP Status

- 1,450+ active DSRIP projects
- Almost 300 providers – hospitals (public and private), physician groups (mostly affiliated with academic health science centers), community mental health centers, and local health departments

DSRIP Status

- Major project focuses:
 - 25%+ - behavioral healthcare
 - 20% - access to primary care
 - 18% - chronic care management and helping patients with complex needs navigate the healthcare system
 - 9% - access to specialty care
 - 8% - health promotion and disease prevention
- Nearly \$7.9 billion earned for DY1 – DY5, as of July 2016
 - DY 5 second reporting period in October for payments in January 2017

DSRIP Success: Highlights

DSRIP is impacting lives all around the state and improving capacity of providers to measure outcomes.

- To date, 5.2 million individuals served / 6.5 million encounters provided that are attributable to DSRIP projects (cumulative DY3-5 totals, not unduplicated counts)
 - 22 percent Medicaid beneficiaries
 - 33 percent Low-Income Uninsured

DSRIP Success: Highlights

- DSRIP outcomes progress
 - Most Category 3 outcomes associated with Category 1 & 2 projects have reported a baseline and at least one year of performance.
 - 81% of pay-for-performance outcomes have earned incentive payments for reporting improvement in DY4.

DSRIP Success: Highlights

- Statewide progress in several Medicaid data areas
 - Potentially Preventable Admissions (all cause) and expenditures
 - Outpatient visits per 1,000 members
 - Hypertension admissions
 - HEDIS 7-Day Follow-Up after hospitalization for mental illness

DSRIP Success: Cat. 3 Outcomes

- Pediatric ED visits for Ambulatory Care Sensitive Conditions (11 P4P outcomes have reported performance):
 - 100% reported improvement in DY4
 - Median reported reduction in ED visits of 33%
- Blood Pressure Control (57 P4P outcomes have reported performance):
 - 84% reported improvement in DY4
 - 92% of outcomes reported by behavioral health providers received payment for improvement, with a median reported improvement of 24%

DSRIP Success: Cat. 3 Outcomes

- Diabetes Care: HbA1c Poor Control (>9%) (84 P4P outcomes have reported performance):
 - 75% reported improvement in DY4
 - Median reported reduction of 17%
- 30-Day Risk Adjusted All Cause Readmission (52 P4P outcomes have reported performance):
 - 73% reported improvement in DY4
 - Median reported improvement of 10%
- 30-Day Risk Adjusted Readmissions for Behavioral Health/Substance Abuse (10 P4P outcomes have reported performance):
 - 100% reported improvement in DY4
 - Median reported improvement of 21%

Statewide Trends

- Potentially Preventable Admissions (PPAs) per 1,000 Member Months (MM) (TX Medicaid/CHIP Population)
 - Improved from 1.25 admissions per 1,000 MMs in calendar year (CY) 2013 to 1.10 admissions in CY 2015
 - Represents a 12% reduction in PPAs per MM over two years
- Potentially Preventable Admissions Expenditures (TX Medicaid/CHIP Population)
 - Decreased from a total of \$6,966 per 1,000 MMs in CY 2013 to \$5,831 in CY 2015
 - Represents a decrease in PPA expenditures of 16% per MM over two years

Statewide Trends

- Outpatient Visits per 1,000 MM (TX Medicaid/CHIP Population)
 - Increased from 872.47 per 1,000 MMs in CY 2013 to 894.72 in CY 2015
 - Represents a 3% increase per MM in outpatient visits over two years
- Adult Prevention Quality Indicators- Hypertension Admissions (All-Payers)
 - Decreased from 11,741 admissions in CY 2013 to 11,160 admissions in CY 2014
 - Represents a 5% decrease in hypertension admissions in a one-year period

Statewide Trends

- Healthcare Effectiveness Data and Information Set (HEDIS) 7-Day Follow-Up After Hospitalization for Mental Illness (TX Medicaid/CHIP Population)
 - Improved from 34% in CY 2013 to 39% in CY 2014
 - Represents nearly a 15% improvement in the 7-day follow-up rate after hospitalization for mental illness in a one-year period

Statewide Trends

While these trends are promising, there are some limitations of statewide data that should be considered:

- The differences observed have not been analyzed for practical significance (whether or not the difference observed is practically meaningful)
- In addition to DSRIP, there are other factors in the state that may have contributed to the trends observed in statewide data
- Statewide trends do not necessarily represent each DSRIP project and its participants. Projects have heterogeneity in their effects, so it is difficult to make attributions to particular project and interventions

Opportunities for Continued Improvement

- Performance varies across the state.
- The availability of statewide data facilitates comparisons across regions and helps identify opportunities for improvement by outcome measure.

Opportunities for Continued Improvement

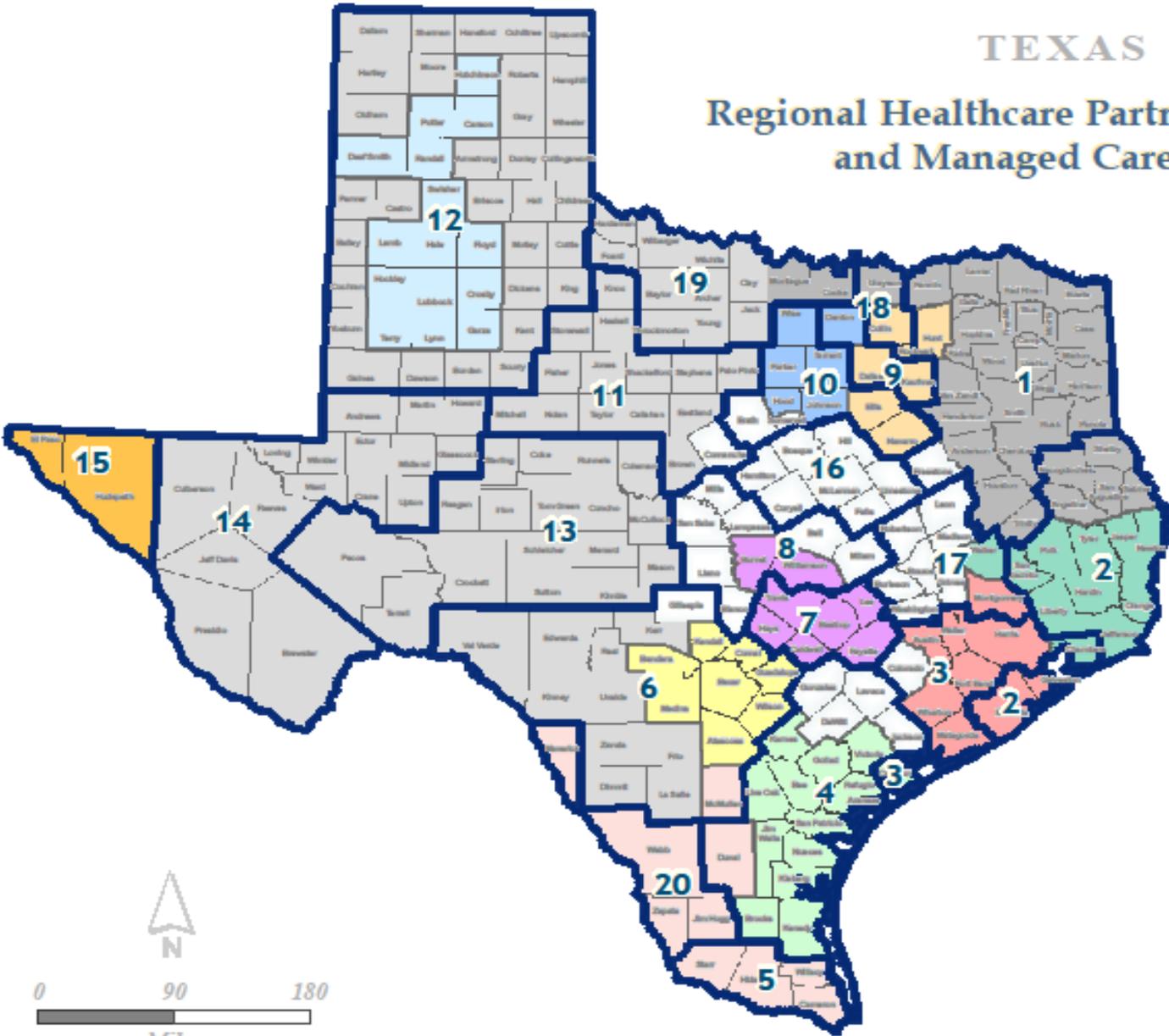
- Statewide, there continues to be a disparity in health-related outcomes for individuals with serious mental illness (SMI) compared to the those without SMI.
 - For example, the all-cause PPA rate (per 1,000 MM) for individuals with an SMI diagnosis was roughly 8X greater than those without an SMI (Texas Medicaid/CHIP population) in CY 2015.
 - Individuals with an SMI diagnosis also have higher rates of admissions for asthma, diabetes, hypertension, and heart failure.

DSRIP Success: Increased Collaboration with Managed Care

- Performance Improvement Projects (PIPs)
 - Beginning in 2016, each Texas Medicaid MCO is required to have a collaborative PIP project.
 - PIP goals are to assess and improve processes and outcomes.
 - PIP projects can involve partnering with another MCO or with a DSRIP project.
 - PIP topics for 2016 were selected based on the top clinically significant potentially preventable event (PPE) reasons by count and expenditures.
 - In 2016, there are 10 PIP projects that involve collaboration with DSRIP projects.

TEXAS

Regional Healthcare Partnership (RHP) and Managed Care SDAs



STAR Service Delivery Areas:

- El Paso
- Lubbock
- Bexar
- Travis
- Tarrant
- Dallas
- Nueces
- Harris
- Jefferson
- Hidalgo
- MRSA West Texas
- MRSA Central Texas
- MRSA Northeast Texas
- RHP Region Boundary



Map Prepared by: Strategic Decision Support Department, Texas Health and Human Services Commission, January 8, 2016

DSRIP Success: Increased Collaboration with Managed Care

- Performance Improvement Projects (PIPs)
 - Collaborations include
 - New data sharing agreements
 - Expansion of primary care capacity
 - Patient education and member outreach initiatives
 - Existing PIP projects focus on
 - Reducing Upper Respiratory Tract Potentially Preventable Visits (PPVs)
 - Increased utilization of preventative services
 - Behavioral Health related Potentially Preventable Admissions and Readmissions (PPAs and PPRs)

DSRIP Success: Increased Collaboration with Managed Care

- Performance Improvement Projects (PIPs)
 - PIP topics for 2017 were selected with DSRIP project outcomes in mind.
 - HHSC continues to work to foster collaboration between DSRIP projects and MCOs with an eye toward sustainability and increasing value-based purchasing.
 - Developing a model for collaboration
 - Encouraging MCO and DSRIP provider relationships
 - Evaluating Medicaid policies and solutions to barriers

Medicaid and Value-Based Purchasing

- One of Texas' waiver extension principles is to further integrate DSRIP with Texas Medicaid managed care quality strategies and value-based payment efforts
- For several years outside of DSRIP, HHSC has been working to incorporate value-based purchasing into Medicaid managed care

Medicaid and Value-Based Purchasing

- In 2012, HHSC conducted an assessment of the types of value-based payment models MCO's have **with providers**
- This led to a contract provision for MCO's to report on their "value-based" payment models
- Over time, this activity by MCOs is increasing, both in terms of number of providers and the types of payment models
- HHSC holds regular one-on-one calls with MCOs to discuss progress and barriers in this area
- HHSC continues to seek ways to harmonize this strategy with DSRIP and other activities related to quality

Extension Request

- In September 2015, HHSC submitted a request to the federal Centers for Medicare and Medicaid Services (CMS) to continue all three components of the waiver (statewide managed care, UC pool, and DSRIP pool) for another five years.
 - Continue DY5 funding level for DSRIP (\$3.1 billion annually)
 - Increase UC pool to equal the unmet need in Texas adjusted to remain within budget neutrality each year (ranging from \$5.8 billion to \$7.4 billion per demonstration year)

Extension Request

- Texas has made progress related to all five waiver goals and has proposed program improvements to make further progress toward those goals to support and strengthen the healthcare delivery system for low-income Texans.

Texas DSRIP Extension Principles

- Further incentivize transformation and **strengthen healthcare systems** across the state by building on the regional health plan (RHP) structure.
- Maintain **program flexibility** to reflect the diversity of Texas' 254 counties, 20 RHPs, and almost 300 DSRIP providers.
- Further **integrate with Texas Medicaid managed care** quality strategy and value based payment efforts.

Texas DSRIP Extension Principles

- **Streamline** to lesson administrative burden on providers while focusing on collecting the most important information.
- Improve project-level evaluation to **identify the best practices** to be sustained and replicated.
- Continue to **support the healthcare safety net** for Medicaid and low-income uninsured Texans.

Extension Requirement: Uncompensated Care Independent Report

- CMS is requiring Texas to submit an Evaluation of UC Costs for the Uninsured report by August 31, 2016
 - Must be completed by an independent entity
 - HHSC is using Health Management Associates and Deloitte Consulting
 - Should review the role of UC and DSRIP payments in the overall Medicaid system for paying hospitals
 - Consider adequacy of base Medicaid payment levels and their relation to Medicaid shortfalls and indicate degree to which UC pool and DSRIP payments compensate for insufficient base payment levels

Extension Requirement: Uncompensated Care Independent Report

- Identify percentage of UC pool payments not specifically related to Medicaid shortfalls
- Define UC costs as those associated with charity care as defined by the principles of the Healthcare Financial Management Association and not include bad debt or Medicaid shortfall
- Estimate what Texas' UC burden would be in FFY 2017 if Texas Medicaid rates fully funded the Medicaid shortfall and if Texas opted to expand Medicaid as allowed under the ACA

15-Month Waiver Extension Approval

- In April, HHSC submitted a request to CMS for a 15-month extension at level funding from DY 5 of the waiver, during which negotiations will continue on a longer-term agreement.
- On May 1, 2016, HHSC received approval of this 15-month extension from CMS.
 - The 15-month extension maintains current funding levels for both UC and DSRIP.
 - During the extension period, HHSC and CMS will work on a longer term agreement.

Changes in Waiver Standard Terms and Conditions with Extension

- CMS and the state must agree on the size of the UC pool and DSRIP structure by the end of 2017.
- If no agreement is reached:
 - There will be no DSRIP renewal except as a phase down to zero dollars – 25% starting each year beginning in 2018.
 - UC will be renewed but at a reduced level consistent with CMS' principles for uncompensated care.

CMS Principles for Uncompensated Care

- CMS' UC pool principles are:
 - Coverage is the best way to assure beneficiary access to healthcare for low-income individuals, and UC pool funding should not pay for costs that would otherwise be covered in a Medicaid expansion
 - Medicaid should support the provision of services to Medicaid and low-income uninsured individuals
 - Provider payment rates must be sufficient to promote provider participation and access, and should support plans in managing and coordinating care (e.g., UC should not cover costs associated with Medicaid shortfall)

DSRIP Next Steps

- Promising DSRIP projects now have more time in the initial extension to demonstrate outcomes and develop sustainability plans
- Texas will continue to strengthen the DSRIP program in the extension period to support systems of care for Medicaid enrollees and low-income uninsured individuals
 - Use DSRIP results to inform Medicaid benefits and value-based purchasing in managed care
 - Develop a quality roadmap for Medicaid managed care and DSRIP

DSRIP Next Steps

- Promote increased data sharing across providers.
- Support RHPs and providers on continuing to strengthen collaboration to continue transformation of the healthcare system in Texas.
- Publish state-level data to show whether Texas, the RHPs, and managed care service areas are making progress on key quality indicators.

DSRIP DY 6 Implementation

- Categories 1 & 2
 - Most projects have elected to continue in DY6A
 - HHSC has provided initial feedback on requested Category 1 & 2 changes
 - There will be four Category 1 & 2 milestones in DY6A
 - Total Quantifiable Patient Impact (QPI)
 - Medicaid and Low-income or Uninsured (MLIU) QPI
 - Project Summary and Core Component reporting, including continuous quality improvement
 - Sustainability Planning, which may include activities toward furthering the exchange of health information, integration into managed care, collaboration with other community partners, or project-level evaluation

DSRIP DY 6 Implementation

- **Category 3**
 - Providers will continue to report on outcomes established in DY3
 - Most outcomes will be required to show improvement over goals established for DY5
 - Cost Analysis and Value Based Purchasing Planning has been added as an stretch activity
- **Category 4**
 - If a provider participated in Category 4 in DY5, the provider will continue to participate in Category 4 in DY6
 - The provider's Category 4 value for DY6 will be equal to the value for DY5 in most cases

DSRIP DY 6 Implementation

- Other
 - Anchors will be required to conduct an extension stakeholder forum to promote collaboration in the next phase of the waiver and community goals

Longer Term Extension Planning



- Longer term extension planning is contingent on waiver extension negotiations
- Goals for DY7-10 planning:
 - Further transformation of health care based on innovative ideas and use of best practices in projects
 - Further simplification of projects' structure, which brings additional flexibility for project design and replication

Longer Term Extension Planning



- Projects that continue in DY 6 may be required to take a next step for DY 7-10
- Four-year projects from 2.4, 2.5, 2.8, and 1.10 project areas (except 1.10 for learning collaborative purposes, which may continue) will be required to take a next step into a Project Option from the Transformational Extension Menu (TEM)

Longer Term Extension: Proposed Next Steps for Cat. 1-2 Projects

- Next steps could include:
 - DSRIP projects moving toward integration with Medicaid managed care
 - Expanding or enhancing a current project or stepping into a different project option that would be a logical next step for the project
- Next steps or replacement projects would be submitted to HHSC during DY 6 at a date TBD upon CMS approval

Longer Term Extension Planning Timeline

- HHSC will submit high-level proposals to CMS for consideration on an ongoing basis
- Based on CMS feedback about the feasibility of various elements, HHSC then will work with stakeholders to develop detailed requirements
- HHSC will develop an initial draft of program parameters for the longer term extension in Fall 2016

Waiver Evaluation

- CMS requires an evaluation of the 1115 Transformation Waiver
 - HHSC Strategic Decision Support, Texas A&M Health Science Center, University of Texas Health Science Center at Houston, and University of Louisville are completing the evaluation
 - Interim Evaluation Report currently available on the HHSC Transformation Waiver website
 - Final Evaluation Report HHSC draft is due to CMS on January 31, 2017, with the final report due within 60 days of CMS comments

Final Evaluation Waiver Report Overview

Evaluation Goals 1-4

- Evaluate the impact of Medicaid Managed Care Expansion to Triple Aim

Evaluation Goal 5

- Evaluate the effect on Uncompensated Care (UC) cost as a result of DSRIP

Evaluation Goals 6-8

- Evaluate DSRIP impact to Triple Aim for subset of projects

Evaluation Goal 9

- Evaluate collaboration among organizations as a result of DSRIP

Evaluation Goals 10-11

- Assess stakeholder perceptions and recommendations

Evaluation Goal 9: Evaluate collaboration among organizations as a result of DSRIP (preliminary findings)

- Surveyed organizations participating in DSRIP to report on their past and current collaborations (overall response rate 84%)
- DSRIP led to new collaborations within and between RHPs through increased sharing of information, resources, and health data

	Prior to Waiver	During DY 2	% Change
All Collaboration	36%	45%	25%
Collaboration to Deliver Programs and Services	33%	42%	25%
Collaboration to Share Tangible Resources	13%	19%	48%
Formal Data Sharing Agreements	10%	15%	58%

Evaluate DSRIP impact to Triple Aim for subset of projects (EG 6-8)

- Emergency Department (ED)-related care navigation DSRIP project sites were matched to comparison sites on provider and context characteristics
- Data collected from patient interviews/focus groups, staff interviews, and site visits
- Statistically model Triple Aim outcomes at the patient level and examine:
 - Impact of DSRIP ED-related care navigation versus comparison sites
 - Intervention intensity, fidelity, quality as predictors
 - Potential impact of local and organizational context

Summit Goals

- Celebrating successes with outcome data
- Focus on Value-Based Purchasing and Alternative Payment Methods
- Increased focus on Medicaid Managed Care
- Focus on local and state data to further plan for improvement
- Sustainability planning – increased focus on Medicaid Managed Care and population health
- Looking ahead to DY 6 and planning for longer term extension

Thank You!

