



**TEXAS**  
Health and Human  
Services

# **The State of Texas Medicaid**

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**HHS Executive Commissioner  
Charles Smith**

# Overview



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- Healthcare is one-sixth of the U.S. economy.
- Increasing costs are unsustainable.
- Texas' size and diversity makes it an incubator for innovation.

# Moving Forward

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## Texas HHS will focus on three areas

- Adequate networks
- Robust holistic care for patients
- Effective oversight of tax dollars



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# What History Teaches Us



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- In 1900, Americans spent 40 percent of household income on food.
- Today we spend about 10 percent.
- Extension Agencies
  - Local solutions
  - Information rose from the farmers themselves
  - Government provided information and research

# DSRIP Summary



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- 1400 projects
- Incentivized a culture of collaboration and innovation
- Showed effectiveness of using local resources to respond to local problems

# 1115 Waiver



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- Four more years
- \$3.1 billion in DY 7 and 8
- \$2.91 billion in DY 9 and 10
- Transition plan due Oct. 1, 2019
- Focus shifting from projects to health outcome measures

# Value-based Purchasing



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- DSRIP is an incubator for value-based purchasing
- Pay for quality instead of quantity
- HHSC organizing care through accountable managed care programs

# Quality Plan Path

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1. Keeping Texans healthy at every stage of life through preventive care
2. Providing the right care in the right place at the right time in the least restrictive environment
3. Building systems to limit human error
4. Effective practices for chronic diseases
5. Supporting patients and families facing serious illnesses
6. Attracting high-performing providers for team-based collaborative care



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# Culture of Innovation



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- If you want to do things better, you must be willing to do them differently.
- We must work with and listen to all stakeholders.
- We must embrace technology such as electronic health records.

# Putting the Pieces in Place



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- HHS is in the midst of a transformation that will be continuous.
- HHS is embracing and developing metrics that will allow us to find hidden value.
- HHS is using the data we collect to find what works best.

# What it Will Take to Improve



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- We must collaborate.
- We must focus on what's best for the people we serve.

**Questions?**



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# Thank you

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