



Next Steps for DSRIP and the Waiver

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Waiver Extension/Renewal

- The Texas Transformation Waiver is a 5-year Medicaid demonstration waiver from 2011-2016.
- The Transformation Waiver includes Texas' largest Medicaid managed care programs (STAR and STAR+PLUS, plus children's dental managed care), the Uncompensated Care (UC) pool and the Delivery System Reform Incentive Payment (DSRIP) pool.
- To continue these programs and pools, Texas must request a waiver renewal/extension.

Type of Pool	DY 1 (2011-2012)	DY 2 (2012- 2013)	DY 3 (2013- 2014)	DY 4 (2014-2015)	DY 5 (2015-2016)	Totals
UC	3,700,000,000	3,900,000,000	3,534,000,000	3,348,000,000	3,100,000,000	\$17,582,000,000
DSRIP	500,000,000	2,300,000,000	2,666,000,000	2,852,000,000	3,100,000,000	\$11,418,000,000
Total/DY	4,200,000,000	6,200,000,000	6,200,000,000	6,200,000,000	6,200,000,000	\$29,000,000,000
% UC	88%	63%	57%	54%	50%	60%
% DSRIP	12%	37%	43%	46%	50%	40%

- The waiver expires on September 30, 2016.
- Per the Texas waiver terms:
 - HHSC must submit a transition plan to the Centers for Medicare & Medicaid Services (CMS) by March 31, 2015, based on the experience with the DSRIP pools, actual uncompensated care trends in the State, and investment in value based purchasing or other reform options.
 - HHSC must submit a renewal request to CMS no later than September 30, 2015, to request to extend/renew the waiver.
- A waiver renewal request must:
 - Meet public notice requirements.
 - Include a demonstration summary, demonstration objectives, and provide evidence of how objectives were met.

Pool Transition Plan Due March 2015

- For the March transition plan submission, HHSC plans to convey the continued need for both UC and DSRIP funds in Texas.
- Texas' UC burden has not decreased, and the existing funding sources do not offset all UC costs for Medicaid and indigent patients.
- Regarding DSRIP, more time is needed to evaluate project outcomes and lessons learned.
 - Texas' almost 1500 projects received initial approval from mid-2013 through mid-2014.
 - Outcomes baseline data will be reporting later this year to measure outcomes improvements in years 4 & 5 of the waiver.
 - Early results indicate many promising projects, but more information is needed to identify best practices and how to sustain and replicate them.

Timeline to Develop Renewal Request

- HHSC will work with Texas stakeholders to develop the waiver renewal request.
- HHSC will use information from this summit, the Executive Waiver Committee, and a forthcoming stakeholder survey to get input about the future of the DSRIP program.
- HHSC plans to begin to draft the renewal request this year prior to the 84th Legislative Session.
- Texas Legislative Session – January-May 2015
- HHSC will hold stakeholder meetings regarding the renewal request around the state during summer 2015.
- Renewal request due to CMS September 30, 2015
 - If Texas submits a 3-year renewal request with no changes to the waiver terms and conditions, CMS has six months to approve or deny.
 - If Texas requests a 5-year renewal, then both HHSC and CMS may request changes to the current waiver terms and conditions.

Elements Required in the Renewal Request

- Historical narrative summary
- Description of changes requested, if any
- Enrollment data and projections
- Description of waivers and expenditure authorities being requested (or that Texas is requesting the same as currently approved)
- Summaries of External Quality Review Organization and other quality reports
- Financial data including historical and projected expenditures, and compliance with budget neutrality cap
- Interim evaluation report for the current demonstration
- Documentation of compliance with transparency and public notice requirements
- Documentation of compliance with each of the special terms and conditions (STCs)

DSRIP issues to consider for renewal

- A strength of Texas' DSRIP program is its regional approach to delivery system reform, with different types of providers working together to improve care.
 - HHSC plans to work to further align its quality strategy for Medicaid managed care and DSRIP.
 - How to build on the RHP structure to further strengthen and support systems of care?
- Given the time it took to get the DSRIP program off the ground and the deadline for submitting the renewal request, we need to work together to show how DSRIP is improving care for individuals, particularly for Medicaid and low-income uninsured patients, as well as population health.
 - Project-level data, preliminary outcomes information, learning collaboratives, midpoint assessment results, formal waiver evaluation

A possible scenario for the DSRIP renewal ask:

- Request to continue existing projects that are demonstrating success (but did not get approved and underway until mid-DY2 through mid-DY3).
 - Give these projects more time to demonstrate outcomes improvement
 - Allow time to identify best practices
- Develop a strategic plan to further align DSRIP initiatives and Medicaid managed care.
- For DSRIP funds not allocated to projects as of DY5:
 - Use for new, promising initiatives or to enhance successful projects?
 - Establish shared bonus pool for high-performing RHPs?

- UC – Texas will plan to make a strong case for the continued need for UC in the waiver.
 - How does Texas' UC compare to the amounts available for reimbursement through Medicaid rates, DSH, and UC?
 - Need to examine the interplay between Exchange coverage, Texas' Medicaid coverage, DSRIP and UC.
 - How do UC payments impact local communities?

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- Types of questions that will be included in the DSRIP survey to be released soon:
 - After this initial waiver term ends, would you support continuing the projects that are active at that time to improve healthcare delivery in Texas?
 - Would you recommend any structural or administrative changes to the DSRIP program?
 - Would you recommend any financing changes to the DSRIP program?
 - Would you recommend any changes regarding how HHSC handles DSRIP requirements for large/urban providers vs. small/rural providers?
 - Would you support an incentive bonus pool for RHPs with particularly strong achievement? If so, what measures would you recommend for demonstrating regional achievement?
 - Do you have suggestions on how to further align DSRIP with Medicaid managed care?