



Presentation to
House Committee on Public Health on the
Healthcare Transformation Waiver and
Other Quality Initiatives

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Healthcare Transformation Waiver

- Overview
- Draft DSRIP menu
- Timeline for implementation
- Additional quality initiatives

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- Major highlights of the waiver:
 - Managed care expansion
 - Allows statewide Medicaid managed care services
 - Includes legislatively mandated pharmacy carve-in and dental managed care
 - Hospital financing component
 - Preserves federal hospital funding under a new methodology
 - Creates Regional Healthcare Partnerships
 - Five Year Waiver 2011 – 2016

UC and DSRIP

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- Under the waiver, trended historic Upper Payment Limit (UPL) funds and additional new funds are distributed to hospitals and other providers through two pools:
 - **Uncompensated Care (UC) Pool**
 - Costs of care provided to individuals who have no third party coverage for the services provided by hospitals or other providers (beginning in first year)
 - **Delivery System Reform Incentive Payments (DSRIP)**
 - Support coordinated care and quality improvements through Regional Healthcare Partnerships (RHPs) to transform care delivery systems (beginning in later waiver years)
 - **Participation in UC and DSRIP is voluntary.**

DSRIP Menu

- HHSC worked with the Texas Medical Foundation (TMF) Health Quality Institute and a Clinical Champions workgroup to develop a draft DSRIP menu.
- In April 2012, HHSC released a draft DSRIP menu and accepted public comment on the menu.
- In May 2012, HHSC is working with TMF and the Clinical Champions to review submitted comments.
- HHSC will share an updated DSRIP menu to discuss with CMS in June.



DSRIP Category 1: Infrastructure Development

- Expand behavioral health care access
- Expand primary and specialty care access
- Enhance health promotion and disease prevention
- Improve urgent and emergent care
- Enhance Health Information Exchange and Health Information Technology for Performance Improvement and Reporting Capacity

DSRIP Category 2: Program Innovation and Redesign

- Create and implement:
 - Strategies to impact Potentially Preventable Events
 - Behavioral health delivery systems
 - Delivery models using telemedicine
 - End-of-life care models
 - Health promotion and disease prevention improvements
 - Strategies to reduce inappropriate emergency department use
 - Medical Home Model
 - Disease registry management

DSRIP Category 3: Quality Improvements

- Prevention improvements and/or management of:
 - Behavioral health admissions
 - Congestive heart failure
 - Asthma
 - Diabetes
 - Healthcare acquired infections
 - HIV
 - Hypertension
 - Medication management
 - Obesity
 - Potentially preventable admissions
 - Pre-39 week elective induction
 - Birth trauma rate
 - Central line-associated bloodstream infections
 - Surgical site infections
 - Stroke/chest pain



DSRIP Category 4: Population-Focused Improvements

- Patient centered care & care coordination
- Preventative health
- At-risk populations (e.g. diabetes)

Draft DSRIP Menu Comments

Project areas that stakeholders would like included in the DSRIP menu:

- Category I
 - Reduce barriers to behavioral health programs
 - Enhance transportation services
 - Develop regional call centers to redirect patients
- Category II
 - Test alternative financing models
 - Integrate Hospital Engagement Networks (HENs)
 - Coordinate patient care upon hospital discharges

Draft DSRIP Menu Comments

- Category III
 - Healthcare acquired conditions (HACs)
 - Quality improvements in diabetes care
 - Expand breadth of interventions around perinatal outcomes.

- Category IV
 - Pediatric asthma
 - Healthcare worker vaccine intervention
 - Emergency Room measures

DSRIP Menu Development

In developing the DSRIP menu, HHSC, TMF, and the Clinical Champions are considering:

- Creating project area standardization and allowing flexibility in achieving goals.
- Setting achievable standards that enable system transformation.
- Ensuring selected projects are reasonable and measure intended innovative program changes.
- Consider data availability and existing systems.

Pending Issues

- Analysis of stakeholder comments on DSRIP menu
- Development of DSRIP and Program Funding and Mechanics protocols
- Continued work with CMS
 - Approval of the UC tool by June 1, 2012
 - Expedited review and approval by June or July 2012 of DSRIP and Program Funding and Mechanics protocols

Timeline

- May 17, 2012 - HHSC will hold a public hearing in Austin to confirm geography & anchors for all RHPs
- June 2012 - HHSC plans to hold an RHP Planning Summit
- September 1, 2012 - RHP plans are due to HHSC
- October 31, 2012 - Final RHP plans are due to CMS



Additional Quality Initiatives

Health Policy and Clinical Services

- The newly developed Health Policy and Clinical Services division is leads the HHS enterprise coordination of health and medical policy, clinical services and integration of physical and behavioral health services.
- The division oversees the following areas:
 - Texas Institute for Health Care Quality and Efficiency (Institute), Policy and Quality Units.
 - Office of the Medicaid/CHIP Medical Director
 - Dental Director
 - Behavioral Health Director

Medicaid/CHIP Quality-Based Payment Advisory Committee

S.B. 7 requires the following of HHSC:

- In consultation with committee, HHSC shall develop quality-based outcome and performance measures for Medicaid/CHIP that:
 - Promote efficient, quality healthcare
 - Includes fee for service and managed care
 - Consider measures addressing potentially preventable events
 - Take into account patient risk factors
 - Are similar to those used in private sector, as appropriate

- In consultation with committee, HHSC shall use the outcome and performance measures to:
 - Align payment incentives with high quality and cost effective care
 - Incentivize best practices
 - Promote coordinated care and collaboration
 - Promote effective delivery models and payment systems
 - Coordinate with other HHSC initiatives (EDW, MITA, ICD-10)

Medicaid/CHIP Quality-Based Payment Advisory Committee

- First meeting held February 29, 2012
 - Decision to focus work through three subcommittee areas based on highest cost groups, greatest member volume; and understanding rate setting as a way to effect payment incentives. The three subcommittees will focus on:
 - Populations who are Aged and Disabled
 - Children and Pregnant Women
 - Managed Care Organization Payment Structures
 - Each subcommittee has had an initial meeting
 - Mary Dale Peterson, MD, serves at the Chair.

- Second meeting was held on May 11, 2012.

Institute for Healthcare Quality and Efficiency

Structure and Administration of the Institute:

- Established by Article 3 of S.B. 7 (82nd Regular Legislature, First Called Session, 2011)
- Governed by a board of 15 directors appointed by the Governor
- Membership on the Board includes health care providers, payors, consumers, experts, and others
- Ex officio, nonvoting board members include:
 - HHSC Executive Commissioner
 - State Medicaid Director
 - DSHS Commissioner
 - TDI Commissioner
- The Institute is administratively attached to HHSC and is housed within the Office of Health Policy and Clinical Services
- Ben Raimer, MD, serves as the Board Chair

Institute for Healthcare Quality and Efficiency

- The Institute is charged with issuing recommendations in three general areas:
 - Improving the quality and efficiency of health care delivery
 - Improving the reporting, organization, and transparency of health care information
 - Supporting the implementation of innovative health care collaborative payment delivery systems

Institute for Healthcare Quality and Efficiency

Institute Work Plan:

- Appointments to the Board of Directors were made in March 2012
- HHSC will host the initial meeting of the Institute Board in Austin, May 24, 2012
- Aggressive initial work plan to complete required reports and recommendations for consideration during the 83th Legislative session
- Possible subsequent meeting dates pending Board direction include: July, October, and December to produce required reports.



Institute for Healthcare Quality and Efficiency Initial Deliverables

1. Maximizing benefits from the current health data and information infrastructure
 - Assess all health-related data collected by the state, its availability, and its benefit
 - Develop a plan for consolidating and enhancing reporting from existing data with the goal of improving the transparency of health care services delivered in the state
 - Conduct the assessment in collaboration with DSHS
 - Issue a report with recommendations to the Legislature by December 2012



Institute for Healthcare Quality and Efficiency Initial Deliverables

2. Building the next generation health data and information infrastructure
 - Study the feasibility and desirability of establishing a centralized database of healthcare claims across all payors, known as an all payor claims database
 - Consider other additional collection of healthcare information not required under current law
 - Consult with DSHS and TDI
 - Issue a report with recommendations to the Legislature by December 2012



Institute for Healthcare Quality and Efficiency Initial Deliverables

3. Promoting an efficient and accountable health care system

- Evaluate options for the Legislature to consider to promote a consumer driven health care system
- Examine the issue of providers charging different payors different amounts for the same or similar services (price discrimination)
- Coordinate with TDI to issue a report with recommendations by January 2013



Institute for Healthcare Quality and Efficiency Initial Deliverables

4. Measuring and reporting health care quality and efficiency
 - The Institute is charged with determining outcome measures and developing recommendations for measuring quality and cost effectiveness
 - Under this charge, the Institute will collaborate with DSHS, with DSHS acting as the lead, on the following projects:
 - Public reporting on potentially preventable readmissions and complications for Texas hospitals
 - Identification of potentially preventable health conditions that occur in long-term care facilities
 - Development of a program to recognize exemplary health care facilities for superior quality performance (recommendations due December 2012)

Role of the Institute in Relationship to DSRIP

- The DSRIP menu continues to be developed through HHSC's waiver development process, which includes incorporating stakeholder input.
- HHSC will meet with the Institute on the DSRIP menu – as context for the Institute's work and for the options for the Institute to leverage DSRIP projects and approaches.
 - For example, the DSRIP menu includes a project related to reducing pre-39 week elective induction. The Institute may choose to leverage this work in Medicaid and RHPs among a broader payor group to support all payor quality improvements.
 - The Transformation Waiver has also precipitated increased conversations, coordination, and cooperation within local health systems. This coordination at the local level may also be leveraged by the Institute for all-payor quality initiatives.