



**Presentation to House Public Health Committee on Charge #5:
Texas Healthcare Transformation and Quality Improvement
Waiver Update**

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Transformation Waiver

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Transformation Waiver Overview

- Managed care expansion
 - Allows statewide Medicaid managed care services
 - Includes legislatively mandated pharmacy carve-in and dental managed care
- Hospital financing component
 - Preserves upper payment limit (UPL) hospital funding under a new methodology
 - Creates Regional Healthcare Partnerships (RHPs)
- Five Year Waiver 2011 – 2016

UC and DSRIP

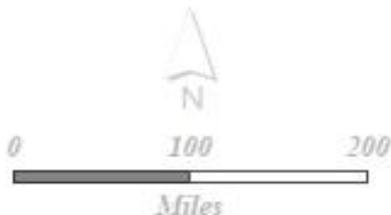
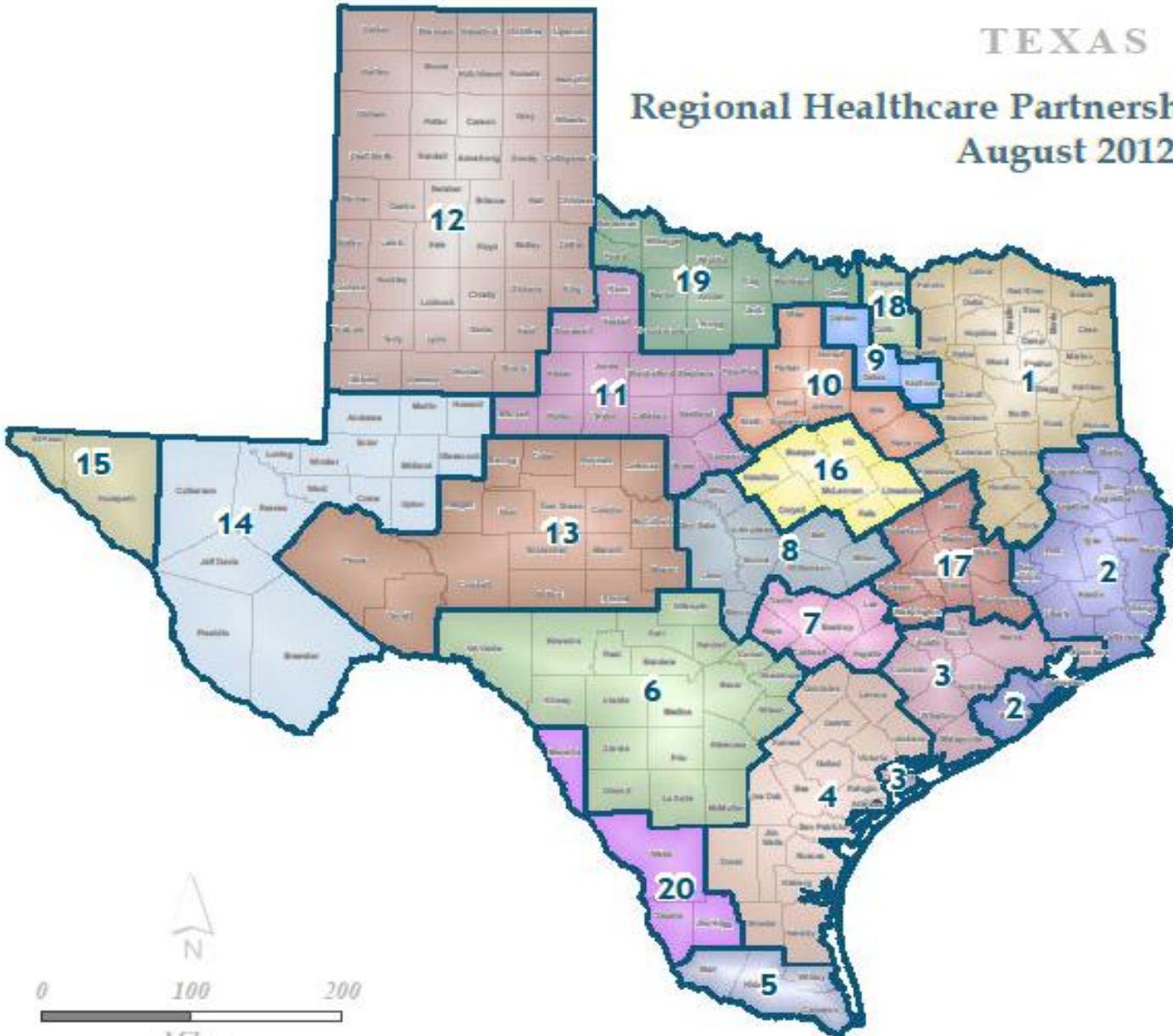
- Under the waiver, historic Upper Payment Limit (UPL) funds and new funds are distributed to hospitals and other providers through two pools:
 - **Uncompensated Care (UC) Pool**
 - Replaces UPL
 - Costs for care provided to individuals who have no third party coverage for hospital and other services
 - **Delivery System Reform Incentive Payments (DSRIP) Pool**
 - New program to support coordinated care and quality improvements through Regional Healthcare Partnerships (RHPs)
 - Transform delivery systems to improve care for individuals (including access, quality, and health outcomes), improve health for the population, and lower costs through efficiencies and improvements

Regional Healthcare Partnerships

- In May 2012, HHSC established 20 RHPs:
 - Each RHP is anchored by a public hospital or other public entity
 - Each RHP will submit an RHP Plan no later than December 31, 2012, that outlines priority community needs and DSRIP projects to improve regional health care delivery
- Beginning October 1, 2012, hospitals and other providers must participate in a Regional Healthcare Partnership (RHP) to access UC and DSRIP funds.

TEXAS

Regional Healthcare Partnership (RHP) Regions August 2012



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

RHP Plan Expectations

- HHSC and the Centers for Medicare & Medicaid Services (CMS) must approve each RHP Plan.
- CMS expectations include:
 - Planning process that demonstrates regional collaboration
 - Projects that fit within the approved menu, address community needs, and are the most transformative for the region
 - RHP Plan ties the four DSRIP categories together to demonstrate outcomes by the end of the waiver (September 30, 2016)

UC Payment Status

- The UC tools for hospital and physician practice plan services to document their UC costs received CMS approval July 2012.
- HHSC posted pre-populated UC applications on its website in September 2012.
- Hospitals and physician practice plans must complete and return the applications to HHSC by October 26, 2012.
- UC payments for Demonstration Year (DY) 1 are scheduled for disbursement beginning January 2013.

UC Payment Status

- Some hospitals will receive advance UC payments for Demonstration Year 1 in October or November 2012:
 - Hospitals that received Disproportionate Share Hospital (DSH) program payments in 2012
 - Hospitals currently receiving waiver transition payments
- Each hospital's advanced payment will be reconciled when the UC tool is submitted.
 - If the UC tool does not support the advanced payment paid to the hospital, excess funds will be recouped.

RHP Plans: Two Key Protocols

- Two protocols serve as the basis for Regional Healthcare Partnership (RHP) Plan development and Delivery System Reform Incentive Payment (DSRIP) funding.
 - **Program Funding and Mechanics (PFM) Protocol**
 - Approved by CMS on August 31, 2012
 - **RHP Planning Protocol (DSRIP Menu)**
 - Approved by CMS on September 26, 2012

PFM Protocol

- The Program Funding and Mechanics (PFM) Protocol outlines:
 - Minimum number of DSRIP projects per RHP
 - Requirements for each DSRIP performing provider
 - Organization of the RHP Plan
 - Funding allocations between and within RHPs
 - Maximum project valuation
 - Plan review process
 - Required reporting
 - Plan modifications

RHP Planning Protocol

- The RHP Planning protocol lists the menu of projects eligible for DSRIP funds:
 - Category 1, Infrastructure Development – Lays the foundation for the delivery system change through investments in people, places, processes and technology (Pay for performance)
 - Category 2, Program Innovation and Redesign – Pilots, tests, and replicates innovative care models (Pay for performance)
 - Category 3, Quality Improvements – Healthcare delivery outcomes improvement targets that are tied to Category 1 and 2 projects (Pay for outcomes)
 - Category 4, Population-Based Improvements – Requires all RHPs to report on the same measures (Pay for reporting)

RHP Menu: Category 1

Infrastructure and Development

- Project Areas
 - Expand Primary Care Capacity
 - Increase Training of Primary Care Workforce
 - Implement a Chronic Disease Management Registry
 - Collect Accurate Race, Ethnicity, and Language (REAL) Data to Reduce Disparities
 - Enhance Urgent Medical Advice, and Performance Improvement and Reporting Capacity
 - Introduce, Expand, or Enhance Telemedicine/Telehealth
 - Increase, Expand, and Enhance Dental Services
 - Expand Specialty Care Capacity

Category 1 Projects

Infrastructure and Development

- Behavioral Health Projects
 - Implement technology-assisted services (telemedicine, telehealth, and telemonitoring) to support, coordinate, or deliver services
 - Enhance service availability to appropriate levels of care
 - Develop behavioral health crisis stabilization services as alternatives to hospitalization
 - Develop workforce enhancement initiatives to support provider access in underserved markets and areas

RHP Menu: Category 2

Program Innovation and Redesign

- Project Areas
 - Enhance/Expand Medical Homes
 - Expand Chronic Care Management Models
 - Redesign Primary Care and Improve Patient Experience
 - Redesign for Cost Containment
 - Implement Evidence-based Health Promotion and Disease Prevention Programs
 - Apply Process Improvement Methodology to Improve Quality/Efficiency
 - Establish/Expand a Patient Care Navigation Program
 - Use Palliative Care Programs
 - Implement/Expand Care Transition Programs

Category 2 Projects

Program Innovation and Redesign

- Behavioral Health Projects
 - Provide interventions for targeted behavioral health populations to prevent unnecessary service use
 - Implement person-centered wellness self-management strategies
 - Integrate primary and behavioral healthcare services
 - Provide virtual psychiatric and clinical guidance to primary care providers
 - Establish care transition improvements from inpatient settings
 - Recruit, train, and support consumers of mental health services to provide peer support services
 - Develop integrated care management functions to address individual primary and behavioral health needs

RHP Menu: Category 3

Quality Improvement and Outcomes

- Continuous quality improvement (CQI) is a required component of Category 1 and 2 projects.
 - CQI must be addressed in the project narrative and related milestones are strongly encouraged
- CMS strongly encourages learning collaboratives within RHPs.
 - Annual statewide learning collaboratives will occur beginning in Demonstration Year 2

RHP Menu: Category 3

Quality Improvement and Outcomes

- CMS defines outcomes as:
 - “... *measures that assess the results of care experienced by patients, including patients’ clinical events, patients’ recovery and health status, patients’ experiences in the health system, and efficiency/cost*”
- All Category 1 and 2 projects must have one or more associated Category 3 outcomes.
- Outcome measures are based on the specific patient population served.
- Pay for performance is based on outcome improvement targets in the last two years of the waiver (2015 and 2016).

Population-Based Improvements and Reporting

- Required Reporting Domains:
 - Potentially preventable admissions (PPAs)
 - 30-day potentially preventable readmissions (PPRs)
 - Potentially preventable complications (PPCs)
 - Patient-centered healthcare including patient satisfaction and medication management
 - Emergency department utilization
- Optional Reporting Domain:
 - Initial core set of measures for adults and children in Medicaid and CHIP

RHP Plans: Status and Next Steps

- Initial RHP Plans are due to HHSC by October 31, 2012, and final plans are due to HHSC no later than December 31, 2012. Plans may be submitted sooner.
- HHSC is providing technical assistance to help RHPs submit their plans:
 - Training and technical assistance on the two DSRIP protocols
 - Final RHP plan template
 - Electronic PFM protocol workbook for performing providers and anchors
 - Weekly anchor calls

Waiver Communications

- Find updated materials and other information at:
 - <http://www.hhsc.state.tx.us/1115-waiver.shtml>
- Submit all questions to:
 - TXHealthcareTransformation@hhsc.state.tx.us