



Texas Healthcare Transformation and Quality
Improvement Program 1115 Waiver:

Update on RHP Development

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April 9, 2012

Overview of Webinar

- Brief Review
 - 1115 Transformation Waiver
 - Regional Healthcare Partnerships (RHPs)
- New RHP Development Tools
 - RHP Principles
 - Updated RHP Map
 - RHP Confirmation Form
 - Preliminary Anchor List
 - April Outreach
 - Other Materials
- Next Steps



Brief Review

1115 Transformation Waiver & RHPs

Brief Review

Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver

- **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**

Brief Review

Under the waiver, trended historic UPL funds and additional new funds are distributed to hospitals 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).

Brief Review

Pool Funding Distribution in Billions

Pool Type	DY* 1 (2011-2012)	DY 2 (2012- 2013)	DY 3 (2013- 2014)	DY 4 (2014-2015)	DY 5 (2015-2016)	Totals
Total/DY	\$4.2	\$6.2	\$6.2	\$6.2	\$6.2	\$29
% UC	88%	63%	57%	54%	50%	60%
% DSRIP	12%	37%	43%	46%	50%	40%

DY = Demonstration Year

FY 2011 UPL hospital payments: \$2.8 billion per year.

Brief Review

RHP Planning & Reporting under DSRIP

- Anchors will bring RHP participants and stakeholders together to develop plans for public input and review.
- IGT Entities—participants with match funds—will select incentive projects and identify hospitals to receive payments based on incentive projects.
- Participants will report performance metrics and receive waiver incentive payments if metrics are reached.

RHP Planning & Reporting under DSRIP

- RHPs shall provide opportunities for public input in plan development and review.
- HHSC is seeking broad local plan engagement including:
 - County medical associations/societies.
 - Local government partners.
 - Other key stakeholders.

Brief Review

RHP Planning & Reporting under DSRIP

- **RHP Plans include:**
 - Regional health assessments.
 - Participating local public entities.
 - Identification of hospitals receiving incentives and of yearly performance measures.
 - Incentive projects by DSRIP categories.
- **RHPs and RHP plans do not:**
 - Require four-year local funding commitments.
 - Determine health policy, Medicaid program policy, regional reimbursement, or managed care requirements.

New RHP Development Tools

- RHP Principles
- Updated RHP Map
- RHP Confirmation Form
- Preliminary Anchor List
- April Outreach
- Other Materials

RHP Principles

Defining an RHP

- RHPs must reflect patient flow and geographic proximity
- RHP responsibilities include identifying:
 - Community needs.
 - DSRIP projects to address those needs.
 - Community healthcare partners.
 - Healthcare challenges and quality objectives within the RHP.
 - Metrics associated with each project and quality objective.
- Participation is voluntary
- Healthcare delivery system transformation is key, and inclusion will contribute to RHP success

RHP Principles

Anchoring entities

- Coordinate—but do not control—RHPs and do not control participant IGT funding
 - Each transferring entity with IGT funds determines how to use its own public funds within the parameters of UC and DSRIP waiver requirements.
- Each RHP must have one anchoring entity

RHP Principles

Anchoring entities

- As outlined in the waiver Special Terms and Conditions, in RHPs with a public hospital, the anchoring entity should be a public hospital.
- In RHPs without a public hospital, the following entities may serve as the anchor:
 - A hospital district.
 - A hospital authority.
 - A county.
 - A State university with a health science center or medical school.

RHP Principles

Anchoring entities

- **Need financial solidity**
- **Anchor funding**
 - The anchor may be eligible to receive a portion of the DY1 DSRIP funding for its allowable expenses as anchor, but the plan is for most of that funding to be available for DSRIP participants
 - HHSC is working with CMS to figure out how a non-hospital anchor may get paid for its responsibilities.

RHP Confirmation Form

- Each RHP anchor must complete this form
 - Submit form to HHSC by April 24, 2012.
 - May confirm or suggest changes to HHSC proposed RHP map.
- HHSC will only accept one form from:
 - Each anchoring entity, or
 - For those with conflicts in RHP placement, a county.
- HHSC will only accept the form submitted via:
 - The waiver email address or
 - The fax number provided in the form
 - As instructed in the RHP Confirmation Form.

Preliminary Anchors

- RHP participants can use this list of preliminary anchors by RHP region to assist with regional planning.
- HHSC included on this list:
 - All proposed RHP anchor entities submitted in response to the February 2012 RHP map survey
 - With the exception of entities that HHSC determined cannot be anchors.

April HHSC Outreach: Webinar/Conference Call Schedule

Friday, April 13

- 1 pm - Proposed RHP # 10*
- 2:30 pm - Proposed RHP # 16*

Monday, April 16

- 10 am - Proposed RHP # 2*
- 11:30 am - Proposed RHP # 19*
- 1:30 pm - Proposed RHP # 3*
- 3 pm - Proposed RHP # 11*

Tuesday, April 17

- 9 am - Proposed RHP # 5*
- 10:30 am - Proposed RHP # 12*
- noon - Proposed RHP # 13*
- 2:30pm - Proposed RHP # 18*

***These proposed RHP #'s refer to
HHSC proposed RHP map updated
based on survey & stakeholder feedback*

Wednesday, April 18

- 9 am - Proposed RHP # 1*
- 10:30 am - Proposed RHP # 17*
- 3:30pm - Proposed RHP # 6*

Thursday, April 19

- 9 am - Proposed RHP # 15*
- 1 pm - Proposed RHP # 14*
- 3 pm - Proposed RHP # 8*

Friday, April 20

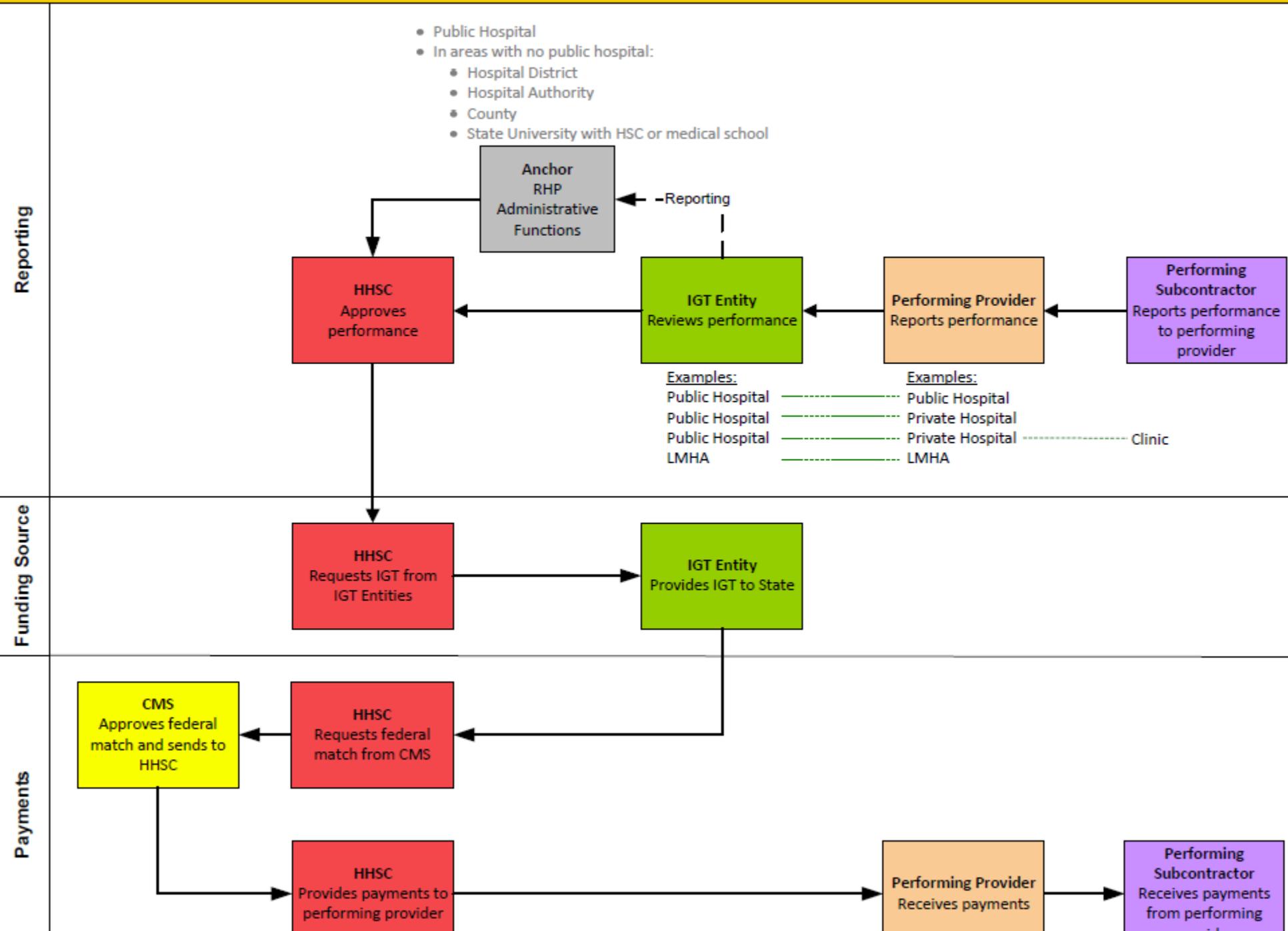
- noon - Proposed RHP # 4*
- 1:30pm - Proposed RHP # 9*
- 3 pm - Proposed RHP # 7*

Other RHP Development Materials

Available on waiver website:

- **DSRIP menu**
 - Instructions on submitting public comment to come
 - Webinar Tuesday, April 10, 2012 at 1pm
- **Draft of Plan Template**
 - HHSC continues to develop the plan template.
 - This draft is intended to provide general guidance in RHP development and planning.
 - HHSC will not accept completion of this draft.
- **Funding & Reporting Flow**
 - This graphic is intended to provide a visual for how funding and reporting may flow under DSRIP.
 - Funding will not go through anchors.

DSRIP Pool – Funding Flow





Next Steps & Takeaways

Next Steps

- April 2012 - Preliminary RHP participants meet and establish RHP areas.
- May 1, 2012 - All RHP regions should be formed.
 - Anchors must submit the RHP Confirmation Form via the waiver email address or fax to confirm RHP regions.
- September 1, 2012 – RHP plans due to HHSC.
- October 31, 2012 - Final RHP plans due to CMS.

Waiver Communications

Find updated materials & outreach details:

<http://www.hhsc.state.tx.us/1115-waiver.shtml>

Submit all questions to:

TXHealthcareTransformation@hhsc.state.tx.us

Takeaway Points

- Texas must demonstrate delivery system transformation and quality improvement.
- Anchoring entities coordinate—but do not control—RHPs and do not control other participants' IGT funding
 - Each IGT entity will direct where and to whom they would like to fund.
 - Anchors are administrative entities serving as the single point of contact, organizes stakeholder meetings, and compiles the RHP Plan.
 - HHSC is working with CMS to determine the best mechanism to compensate anchors for allowable administrative expenses, provided the anchor puts up the corresponding IGT.
 - The anchor may be eligible to receive a portion of the DY1 DSRIP funding for allowable expenses as anchor, but the plan is for most of that funding to be available for DSRIP participants.
- For all years of the waiver, under both Uncompensated Care and DSRIP, local match is required and determined by IGT entities.
- This is a voluntary program.