1115 Waiver

Texas Healthcare Transformation and Quality Improvement Program
Medicaid Managed Care

• STAR
• STAR+PLUS
• STAR Kids
• Children’s Dental Program
Enhanced Accountability

Texas has implemented initiatives to improve managed care organization’s accountability for quality of care

• Medical Pay-for-Quality program
• Dental Pay-for-Quality program
• Performance Indicator Dashboards
• MCO Report Cards
• “Secret shopper” monitoring of provider access and availability
Alternative Payment Model Improvement

- **STAR**: 36% (2017), 43% (2018), 48% (2019)
- **STAR+PLUS**: 29% (2017), 37% (2018), 44% (2019)
- **CHIP**: 38% (2017), 39% (2018), 40% (2019)
Supplemental Payments

Delivery System Reform Incentive Payments

• Ends Sept. 30, 2021
• DSRIP transition continues to advance value-based care and other effective delivery system reforms

Uncompensated Care Payments

• Transitioned to charity care on October 1, 2019
Budget Neutrality

Demonstration expenditures under the waiver are lower than projected Medicaid expenditures without the waiver.

Source: Texas A&M University: 1115 Waiver Workshop Session, created from 1115 budget neutrality workbooks.

*DY11 (FFY22) decline in With Waiver expenditures due to CMS policy to end DSRIP funding.
# Initial Evaluation

## December 2011 – September 2016

<table>
<thead>
<tr>
<th>Domain</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased access to care</td>
<td>STAR, STAR+PLUS</td>
</tr>
<tr>
<td>Increased utilization</td>
<td>STAR, STAR+PLUS</td>
</tr>
<tr>
<td>Increased care coordination</td>
<td>STAR+PLUS</td>
</tr>
<tr>
<td>Reduced hospitalizations</td>
<td>STAR, STAR+PLUS</td>
</tr>
<tr>
<td>Reduced potentially preventable hospitalizations</td>
<td>STAR, STAR+PLUS</td>
</tr>
</tbody>
</table>

Renewal Evaluation

January 2018 - September 2022

<table>
<thead>
<tr>
<th>Domain</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased access to care</td>
<td>Adoption Assistance, Children’s Medicaid Dental Services, Medicaid for Breast and Cervical Cancer, Nursing Facility, STAR Kids</td>
</tr>
<tr>
<td>Increased care coordination</td>
<td>Former Foster Care Children, STAR Kids</td>
</tr>
<tr>
<td>Increased quality of care</td>
<td>Nursing Facility, STAR Kids</td>
</tr>
<tr>
<td>Improved health outcomes</td>
<td>Children’s Medicaid Dental Services, Medicaid for Breast and Cervical Cancer, Nursing Facility, STAR Kids</td>
</tr>
<tr>
<td>Increased client satisfaction</td>
<td>STAR Kids</td>
</tr>
</tbody>
</table>

Source: Texas A&M University: Preliminary Draft Results, 1115 Waiver Workshop, and Draft Interim Report; The Institute for Child Health Policy, the University of Florida: STAR Kids Program Focus Study Summary Report.
Extension
Maintain Continuity

Texas Medicaid has a mature 1115 waiver inclusive of:

• **17** Medicaid Managed Care Organizations
• **288** Performing providers in Delivery System Reform Incentive Program (DSRIP)
• **864** Nursing facilities in Quality Incentive Payment Program (QIPP)
• **529** Providers in the Uncompensated Care Program
• **3** Dental Maintenance Organizations

HHSC will continue to advance the goals of the waiver under this extension and align new programs with overall Medicaid
Requested Programs

- Comprehensive Hospital Increased Reimbursement Program (CHIRP) $5,020,000,000
- Quality Incentive Payment Program (QIPP) $1,100,000,000
- Texas Incentives for Physicians and Professional Services (TIPPS) $600,000,000
- Rural Access Primary and Preventive Services (RAPPS) $18,700,000
- Ambulance Average Commercial Reimbursement Program $150,000,000
- DPP for Behavioral Health Services (DPP BHS) $165,575,152
Public Health Providers

Extension creates the Public Health Provider-Charity Care Program (PHP-CCP)

• Begins on October 1, 2021/End of DSRIP
• Offsets costs associated with care, including behavioral health, immunizations, chronic disease prevention and other preventive services for the uninsured
• Public providers only
• Financed by certified public expenditures
• Year 1 & 2 will be up to $500 million
Uncompensated Care Pool Resizing

The UC Pool will be resized twice

• First re-sizing will take place in DY11 to take effect in DY12 (FY2023)
  • In recognition that the PHE will impact FY20 and FY21 cost report data, re-sizing will use the 2019 cost reports and the 2017 DSH payment data
• Second re-sizing will take place in DY16 to take effect in DY17 (FY2028)
  • Sizing will use the 2025 cost reports and 2023 DSH payment data
• Re-sizing will allow for adjustments to uncompensated care pool based on actual charity care
Budget Neutrality

Key Principles

• Extension preserves budget neutrality and creates room for DSRIP transition, including directed payment and charity care programs

• Without Waiver expenditures will be rebased and include directed payment program funding

• Adjustment for COVID-19 impact on enrollment and expenditures
Budget Neutrality

**Key Principles (cont.)**

- DSRIP Transition Programs and Public Health Provider funding is sustainable
- Extension achieves an estimated $10 billion in vital budget neutrality
Monitoring & Reporting

New STCs emphasize importance of monitoring and reporting

- COVID-19 disrupted data collection
- Terms negotiated with CMS
  - Emphasize the responsibility of the state to provide oversight of funds
  - Require additional reporting on sources of funds
  - Require new Home and Community Based Services (HCBS) reporting
  - Require a new HCBS Quality Assurance Report
  - Require more frequent monitoring reports
External Evaluation

New Evaluation Design for the Extension

• **Purpose**: Provide insight into whether the state is progressing on the overarching goals of the Demonstration

• **Main components**:
  • Medicaid Managed Care
  • Directed Payment Programs
  • Supplemental Payment Pools
    • Uncompensated Care
    • Public Health Providers Charity Care
  • Cost outcomes for the demonstration as a whole
External Evaluation

New Evaluation Design for the Extension (cont.)

• **Three Interim Evaluation Reports:**
  • March 2024
  • March 2027
  • September 2029

• **One Summative Evaluation Report:**
  • March 2032
Waiver Extension

• Potential of $11.4 billion per year on average
  • Includes $3.9 billion per year for payments for uncompensated care
  • Includes $500 million per year for payments for new Public Health Provider-Charity Care Program
  • Includes opportunity for $6.9 billion per year for quality and access improvements
• Saves an estimated $10 billion in taxpayer funds over the life of the waiver
Public Hearing

1 p.m. on June 21, 2021

- Post Award Forum for the 1115 Texas Healthcare Transformation Quality Improvement Program Waiver (THTQIP Waiver) and 1115 THTQIP Waiver.
- Extension Application Public Hearing
Public Hearing (cont.)

1 p.m. on June 21, 2021

• Due to the COVID-19 pandemic, this hearing will be conducted virtually using GoToWebinar only.

• During the hearing, attendees who want to provide public comment can indicate their intention through the GoToWebinar chat feature. The moderator will enable these attendees to provide oral comments virtually during the public comment portion of the hearing.

• To join the hearing, go to https://attendee.gotowebinar.com/register/3923607658676568333.
Written Comment

U.S. Mail

Texas Health and Human Services Commission
Attention: Basundhara Raychaudhuri, Waiver Coordinator, Policy Development Support
PO Box 13247
Mail Code H-600
Austin, Texas 78711-3247
Written Comment (cont.)

Email
• TX_Medicaid_Waivers@hhsc.state.tx.us

Telephone
• 512-487-3318

Fax
• Attention: Basundhara Raychaudhuri, Waiver Coordinator, at 512-206-3975
Oral Comment

In Person
Oral Comment

Virtual via GoToWebinar
If you would like to provide oral comments, please notify the moderator.
Thank you