Medicaid Directed Payment Programs

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May 2021

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Directed Payment Programs

- Comprehensive Hospital Increased Reimbursement Program (CHIRP)
- Texas Incentives for Physicians and Professional Services (TIPPS)
- Rural Access to Primary and Preventative Services (RAPPS)
- Directed Payment Program for Behavioral Health Services (DPP BHS)
- Quality Incentive Payment Program (QIPP)
- Network Access Improvement Program

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Comprehensive Hospital Increased Reimbursement Program (CHIRP)

DSRIP Transition Plan

- **Authority:** 42 CFR 438.6(c)
- **Implementation:**
  - December 2017 – Piloted in Bexar and El Paso service delivery areas (SDAs)
  - September 2018 – Statewide
  - September 2021 – Program Redesign

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CHIRP (cont.)

DSRIP Transition Plan

- **SFY 2021 Estimate:** $5.02 Billion
- **Funding:** Non-federal share provided by participating local governmental entities; public funds transferred to HHSC through IGTs, including LPPFs
- **Participants:** Public and private hospitals contracted with STAR and STAR+PLUS MCOs
  - Voluntary program; requires participation from all MCOs and network hospitals in an SDA

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CHIRP (cont.)

DSRIP Transition Plan

- **Authorized Uses of Funds:** HHSC directs MCOs to increase reimbursement rates to hospitals for inpatient and outpatient services provided to Medicaid managed care members
- **Quality Component:** Various measures used to evaluate the success of the program overall; no pay-for-performance on a provider level

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Texas Incentives for Physicians and Professional Services (TIPPS)

DSRIP Transition Plan

- **Authority:** 42 CFR 438.6(c)
- **Implementation:** September 2021
- **SFY 2021 Estimate:** $600 million
- **Funding:** Non-federal share provided by participating local governmental entities; public funds transferred to HHSC through IGTs
- **Participants:** Physician groups owned by a health-related institution (HRI); certain physician groups contracted with a hospital received the indirect medical education add-on; all other physician groups; serving at least 250 Medicaid managed care clients

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TIPPS (cont.)

DSRIP Transition Plan

- **Authorized Uses of Funds:** HHSC directs MCOs to make payments to physician groups for achieving certain state-directed quality benchmarks
- **Quality Component:** TIPPS payments are distributed based on a physician group's meeting program requirements, including demonstrating achievement in pay-for quality components of the program.

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Rural Access to Primary and Preventative Services (RAPPS)

DSRIP Transition Plan

- **Authority:** 42 CFR 438.6(c)
- **Implementation:** September 2021
- **SFY 2021 Estimate:** $18.7 million
- **Funding:** Non-federal share provided by participating local governmental entities; public funds transferred to HHSC through IGTs
- **Participants:** Rural Health Clinics (RHCs)

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RAPPS (cont.)

DSRIP Transition Plan

- **Authorized Uses of Funds:** HHSC directs MCOs to make payments to RHCs, including monthly prospective uniform dollar payments based on historical utilization and uniform rate enhancements on eligible adjudicated claims.
- **Quality Component:** RHCs will report on structure and process measures as a condition of participation in the program.
  - Measures will be used for the evaluation of the program.

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Directed-Payment Program for Behavioral Health Services

DSRIP Transition Plan

- **Authority:** 42 CFR 438.6(c)
- **Implementation:** September 2021
- **SFY 2021 Estimate:** $165.6 million
- **Funding:** Non-federal share provided by participating local governmental entities; public funds transferred to HHSC through IGTs
- **Participants:** Community Mental Health Centers (CMHCs)

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DPP BHS (cont.)

DSRIP Transition Plan

- **Authorized Uses of Funds:** HHSC directs MCOs to make payments to CMHCs, including monthly prospective uniform dollar payments based on historical utilization and uniform rate enhancements on eligible adjudicated claims.
- **Quality Component:** CMHCs are incentivized to move towards the Certified Community Behavioral Health Clinic (CCBHC) model of care.
  - To earn the rate enhancement, providers must demonstrate achievement on benchmark measures.

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Quality Incentive Payment Program (QIPP)

- **Authority:** 42 CFR 438.6(c)
- **Implementation:** September 2017
- **SFY 2021 Estimate:** $1.1 Billion
- **Funding:** Non-federal share provided by participating local governmental entities; public funds transferred to HHSC through IGTs
- **Participants:** Public and private nursing facilities
  - Participation for private nursing facilities is based on Medicaid bed days threshold
  - More than 800 of the state's 1,200 nursing facilities participate

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QIPP (cont.)

- **Authorized Uses of Funds:** HHSC directs MCOs to make payments to nursing facilities for achieving certain state-directed quality benchmarks
- **Quality Component:** QIPP payments are distributed based on a nursing facility's performance on a set of defined quality metrics
  - Nursing facilities must make incremental improvements towards pre-set goals to qualify for QIPP payments
  - In SFY 2021, QIPP payments are made through four components of the STAR+PLUS capitation rates

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Network Access Improvement Program (NAIP)

- **Authority:** 42 CFR 438.6(d)
- **Implementation:**
  - March 2015 – implemented as an incentive payment
  - November 2016 – CMS determined NAIP is a pass-through payment
- **SFY 2021 Estimate:** $350 Million

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NAIP (cont.)

- **Funding:** Non-federal share provided by participating local governmental entities; public funds transferred to HHSC through IGTs
- **Participants:** MCO partnership with public hospitals and health-related institutions
  - Voluntary program; 10 MCOs, 9 public hospitals, and 5 health-related institutions participate

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NAIP (cont.)

- **Authorized Uses of Funds:** HHSC directs MCOs to make pass-through payments to public hospitals and health-related institutions to increase access to primary and specialty care for managed care members
- **Quality Component:** When NAIP was first implemented, payments were based on providers meeting certain quality metrics; however, quality metrics are no longer used since CMS determined NAIP is a pass-through

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Thank you