



TEXAS  
Health and Human  
Services

# 1115 Waiver Public Forum

---

Texas Healthcare Transformation and  
Quality Improvement Program Post Award  
Public Forum

June 22, 2020

# Overview

---

- Provide the public with an update on the following 1115 Transformation waiver topics:
  - Health Information Technology (IT) Strategic Plan
  - Delivery System Reform Incentive Payment program (DSRIP)
  - Uncompensated Care
  - Upcoming Amendments
  - Links to the 1115 DY8 annual report and COVID-19 resources will be provided at the end of this presentation
  - Nursing Home Quality Incentive Payment Program
- Opportunity for Public Comment



TEXAS  
Health and Human  
Services

# Health IT Strategic Plan

---

## Special Terms and Conditions (STC) 39

- The plan consists of strategies and milestones related to Health IT adoption and health information exchange (HIE) in Texas, which will benefit stakeholders served by the 1115 waiver.
- Following public comment the plan was submitted to CMS in March 2020.
- The plan was approved by CMS in May 2020.
- A copy is posted on the HHSC website at:  
<https://hhs.texas.gov/sites/default/files/documents/laws-regulations/policies-rules/1115-waiver/waiver-renewal/health-it-strategic-plan.pdf>



TEXAS  
Health and Human  
Services

# Health IT/Health Information Exchange (HIE) Strategies

---

## Medicaid Provider HIE Connectivity

- This strategy is intended to assist Local HIEs with connecting the ambulatory providers and hospitals in their respective areas.

## Texas Health Information Exchange (HIE) Infrastructure

- This strategy aids with building connectivity between the Texas Health Services Authority (THSA), which has a statutory charge to facilitate HIE statewide, and the state's Local HIEs.



**TEXAS**  
Health and Human  
Services

# Health IT/Health Information Exchange (HIE) Strategies (cont.)

---

## Emergency Department Encounter Notification (EDEN) system

- Texas statewide Health Information Exchange Plan promotes Local HIEs connecting hospitals to their information technology systems and exchanging Admission, Discharge, Transfer (ADT) messages.



TEXAS  
Health and Human  
Services



TEXAS  
Health and Human  
Services

# DSRIP Update

---



# Reporting Update

---

- April and October are the deadlines each demonstration year (DY) for providers to report performance data and earn payments.
  - Payments for April achievement are made in July.
- Despite COVID-19 response by providers and flexibilities for reporting offered by HHSC, providers reported more measures than in previous reporting periods.
- Submitted data reflect calendar year 2019 achievement and support transition work to analyze current DSRIP data and successes.



TEXAS  
Health and Human  
Services

# DSRIP Transition Plan

Texas must transition from DSRIP pool to sustainable reforms when DSRIP ends, Sept. 30, 2021

Date	Key Actions
By Oct. 1, 2019	HHSC submitted draft Transition Plan to CMS per the waiver special terms and conditions *
Feb. 20, 2020	HHSC submitted a revised Transition Plan, in response to CMS feedback.
By April 1, 2020	HHSC and CMS must finalize the DSRIP Transition Plan; pending due to COVID-19

\* *DSRIP Federal Financial Participation (FFP) is at-risk if Texas fails to achieve milestones outlined in the plan.*





# Transition Plan Revisions

---

- Clarified the state's commitment to advancing alternative payment models to promote healthcare quality
- Streamlined milestones to maximize efficiency
- Clarified that the Health Information Exchange connectivity project will support future delivery system reform goals by reducing barriers to provider participation in data exchange
- Clarified that the telemedicine and telehealth assessment results will inform HHSC strategies for continuing to further develop delivery system reform post waiver and enhancing access to care



TEXAS  
Health and Human  
Services

# Transition Plan Updates

---

- CMS has indicated they are ready to approve the Transition Plan, but have not formally done so because of focus on COVID-19 response
  - There are no penalties to HHSC for the delay in formal approval
- In recognition of the state's focus on COVID-19 response, CMS offered HHSC the opportunity to amend milestone deliverable due dates
  - HHSC is assessing new deliverable due dates
  - HHSC is at risk for Federal Financial Participation (FFP) if they do not meet deliverable due dates.



TEXAS  
Health and Human  
Services

# Milestone: Develop Proposals for DY11 and Post-Waiver

---

## Deliverable:

- Proposals to sustain healthcare transformation post DSRIP [DY11\* and post-waiver]

## Progress:

- Analyzing data, including populations served, Medicaid utilization, DSRIP successes and benefits
- Working with cross-agency groups to assess proposals and estimate fiscal impacts
- Reaching out to partners to aid in analysis
- Reviewing other state programs

\*DY 11 is Federal Fiscal Year 2022



# Other Milestone Progress

---

HHSC made progress on all Transition Plan milestones, including the following achievements:

- Received and began reviewing provider-submitted DY9 April performance data and cost and savings reports.
- Completed survey of MCOs on Quality Improvement cost guidance.
- Additional research into social drivers of health, including other states' programs, evidence-based best practices, and successful DSRIP interventions.



TEXAS  
Health and Human  
Services

# Other Milestone Progress (cont.)

---

HHSC made progress on all Transition Plan milestones, including the following achievements:

- Conducted a survey of rural hospitals to assess current capacity and barriers to use of telemedicine.
- Conducted a survey of anchors and providers on the current Regional Healthcare Partnership structure and recommendations for post-DSRIP structure.



**TEXAS**  
Health and Human  
Services



# Best Practices Workgroup (BPW)

---

**HHSC formed the BPW to engage DSRIIP-specific stakeholders and build on DSRIIP reporting data.**

- Includes DSRIIP participating providers, Executive Waiver Committee members, and anchors
- Each Workgroup member selected two Focus Areas to represent their areas of expertise
- Kicked off January 8, 2020



**TEXAS**  
Health and Human  
Services



# Best Practices Workgroup (BPW) (cont.)

---

**HHSC formed the BPW to engage DSRIIP-specific stakeholders and build on DSRIIP reporting data.**

- Have completed Survey 1, prioritizing measures from DSRIIP key to driving improvements in health status of clients
- Have completed first round of Survey 2, prioritizing the practices from DSRIIP key to driving improvements in health status



**TEXAS**  
Health and Human  
Services



TEXAS  
Health and Human  
Services

# **Nursing Facility Quality Incentive Payment Program Update**

---

# Nursing Facility Quality Incentive Payment Program

---

- **Year 3** – CMS approved waivers to QIPP requirements for COVID-19 response, effective March 1, 2020.
  - Component 1: waived submission of monthly Quality Assurance and Performance Improvement Validation reports.
  - Performance requirements derived from facility-reported Minimum Data Set assessments are waived:
    - Component 3: all three quality measures (component converted to rate increase).
    - Component 4: one of three infection control measure
- **Year 4** – Preprint under review. Pool size > \$1 billion.



TEXAS  
Health and Human  
Services

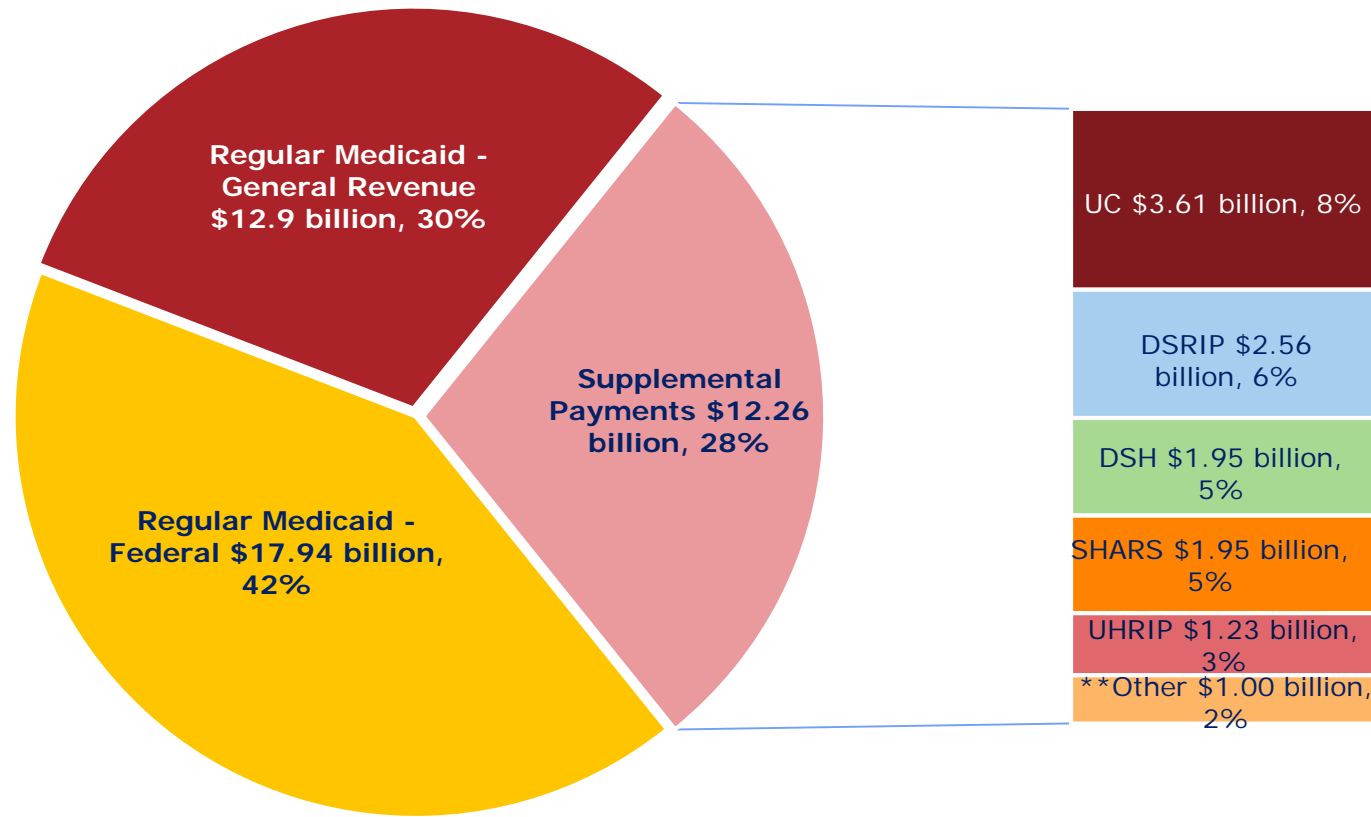


TEXAS  
Health and Human  
Services

# Uncompensated Care Update

---

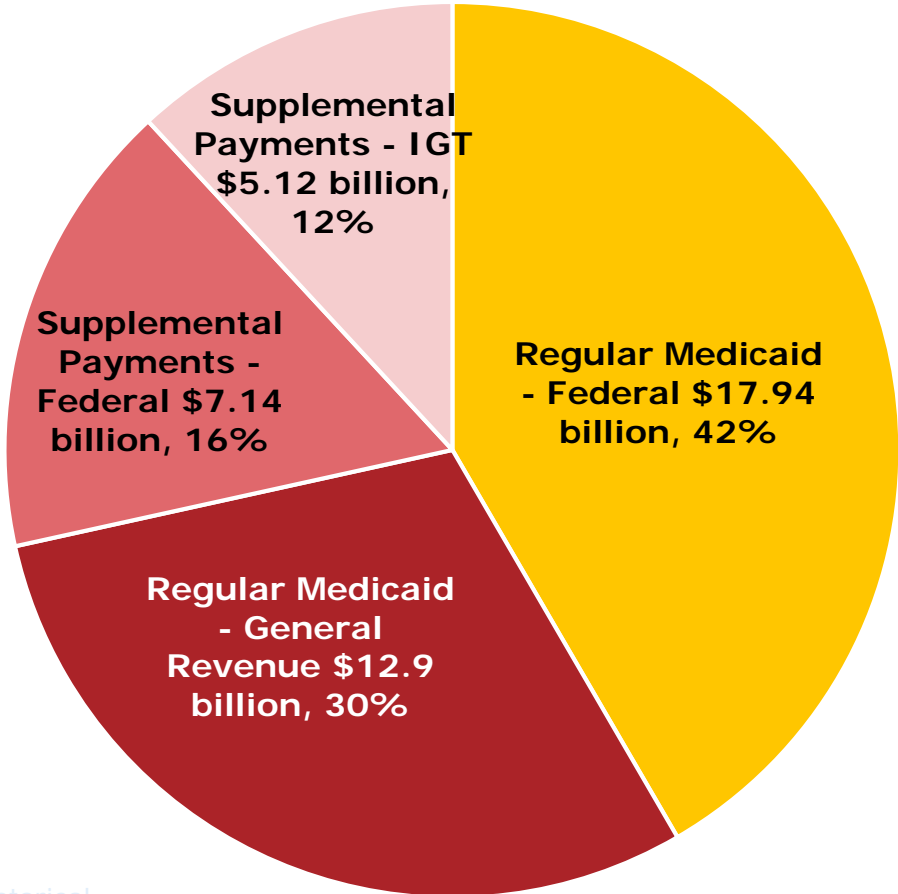
# Medicaid Client Services and Supplemental and Directed Payments, FFY 2019, \$43.1 Billion\*



\*Includes all Medicaid client services expenditures and supplemental payment programs, and excludes administrative costs, survey and certification, and vendor drug rebate revenue.

\*\*Other Supplemental Payment Programs include All Funds: QIPP (\$424 million), NAIP (\$413 million), GME (\$123 million), and ICF UPL (\$5.9 million)

# Medicaid Client Services and Supplemental and Directed Payments by Method of Finance, FFY 2019, \$43.1 Billion\* (All Funds)

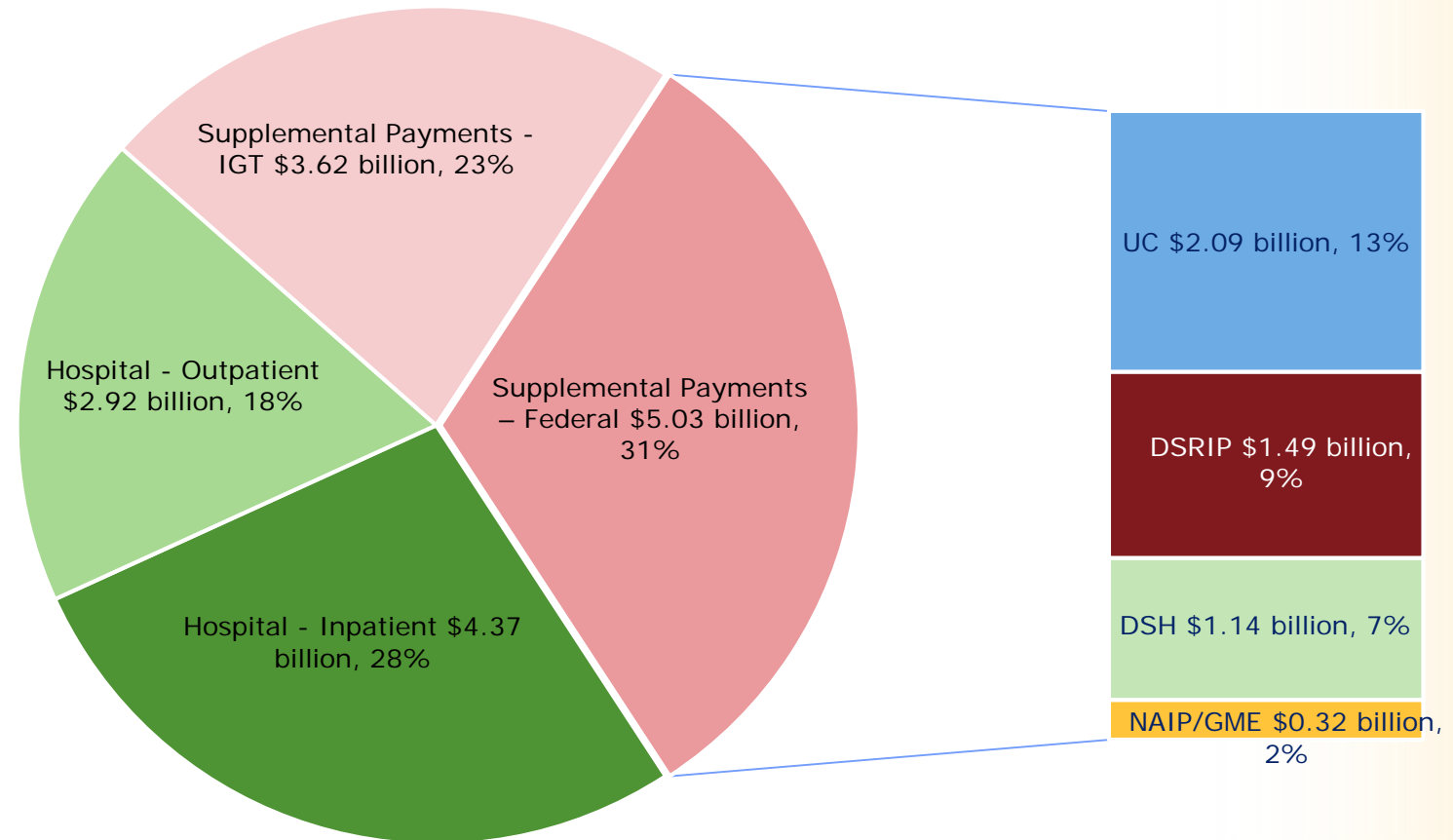


Source: FFY 2019 CMS37 Historical Report

\*Includes all Medicaid client services expenditures and supplemental payment programs, and excludes administrative costs, survey and certification, and



# Estimated Texas Medicaid Inpatient and Outpatient Hospital Payments (SFY 2019) and Hospital Supplemental and Directed Payments (FFY 2019), \$15.94 Billion\* (All Funds)



Sources: FFY 2019 CMS37 Historical

\*Includes all Medicaid client services expenditures and supplemental and directed payment programs, and excludes administrative costs, survey and certification, and vendor drug rebate revenue.

# FFY 2020 Estimates - Including Supplemental and Directed Payments to Hospitals, ISDs, Nursing Facilities and ICF/IIDs

Program	Supplemental Payment?	Primary Provider Beneficiaries	Other Provider Beneficiaries	State Funds (in billions)	IGT <sup>1</sup> (in billions)	Federal Funds (in billions)	Total Funds (in billions)	Payment Basis
Medicaid Client Services	No	All Medicaid Providers	None	\$12.12	\$0.00	\$18.88	\$31.00	Provision of services
UC	Yes	Hospitals	Local Mental Health Authorities, other	\$0.00	\$1.51	\$2.36	\$3.87	Charity Care Only
DSRIP	Yes	Hospitals	Certain physician group practices, public ambulance and dental	\$0.00	\$1.14	\$1.77	\$2.91	Achievement of metrics
DSH	Yes	Hospitals	None	\$0.00	\$0.71	\$1.10	\$1.81	Uncompensated care: Medicaid shortfall + uninsured cost (not charges)
UHRIP	Directed Payment	Hospitals	None	\$0.00	\$0.62	\$0.98	\$1.60	Based on utilization, rate increase
NAIP	Directed Payment	Public Hospitals	None	\$0.00	\$0.17	\$0.26	\$0.42	Pass-through payment to Health-related Institutions (HRIs) and Public Hospitals
GME	Yes	Public Hospitals	None	\$0.00	\$0.01	\$0.02	\$0.04	Based on cost, FTEs, and utilization
Hospital Supplemental Payment Subtotal				\$0.00	\$4.16	\$6.49	\$10.65	
SHARS	Yes	Public schools	None	\$0.00	\$0.47	\$0.73	\$1.20	Medicaid allowable cost
QIPP	Directed Payment	Public Nursing Facilities	None	\$0.00	\$0.25	\$0.40	\$0.65	Achievement of quality metrics
ICF UPL	Yes	Public ICF/IIDs	None	\$0.00	\$0.00	\$0.00	\$0.00	Difference between estimate of Medicare and Medicaid rates
Other Supplemental Payment Subtotal				\$0.00	\$0.73	\$1.13	\$1.85	
Supplemental Payment Subtotal				\$0.00	\$4.89	\$7.62	\$12.50	Supplemental Payments = 28.9% of Total Medicaid Provider Payments
<b>Grand Total</b>				<b>\$12.12</b>	<b>\$4.89</b>	<b>\$26.50</b>	<b>\$43.50</b>	



**TEXAS**  
Health and Human  
Services

# Uncompensated Care (UC)

---

- **Authority:** §1115 Waiver
- **Implementation:** December 2011
- **FFY 2020 Estimate:** \$3.87 Billion
- **Funding:** Non-federal share provided by participating local governmental entities; public funds transferred to HHSC through intergovernmental transfers (IGTs) and local provider participation funds (LPPFs)
- **Participants:** Public and private hospitals, public ambulance providers, physicians, and public dental providers



TEXAS  
Health and Human  
Services

# Uncompensated Care (UC) (cont.)

---

- **Authorized Uses of Funds:** Beginning October 1, 2019, UC payments can only reimburse health care providers for charity care provided to uninsured individuals
  - UC payments can no longer reimburse providers for the Medicaid shortfall or bad debt
- **Quality Component:** None



TEXAS  
Health and Human  
Services



TEXAS  
Health and Human  
Services

# Future Amendments

---

# Web Links to Resources

---

- **1115 Transformation Waiver Demonstration Year (DY8) annual report**

<https://hhs.texas.gov/laws-regulations/policies-rules/waivers/medicaid-1115-waiver/waiver-overview-background-resources>

- **COVID-19 provider resources**

<https://hhs.texas.gov/services/health/coronavirus-covid-19/medicaid-chip-services-information-providers>



**TEXAS**  
Health and Human  
Services





TEXAS  
Health and Human  
Services

# Public Comment

---

**HHSC will now receive public comments.**

Submit comments via the question box on the GoToWebinar dashboard.



TEXAS  
Health and Human  
Services

# Thank you

---

[TX\\_Medicaid\\_Waivers@hhsc.state.tx.us](mailto:TX_Medicaid_Waivers@hhsc.state.tx.us)