



Presentation to House County Affairs on  
Texas Healthcare Transformation and Quality  
Improvement Program 1115 Waiver Update

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# Overview of Presentation

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- **Brief Review**
  - 1115 Transformation Waiver
  - Regional Healthcare Partnerships (RHPs)
  - RHP Principles
- **New RHP Development Tools**
  - Updated Proposed RHP Map
  - Preliminary Anchor List
  - Draft DSRIP menu
  - Draft Plan Template

# 1115 Transformation Waiver

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## 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**

## UC and DSRIP

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

# Pool Funding Distribution

## 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.

## RHP Planning

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- 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 performing providers to receive payments based on incentive projects.
- Performing providers will report performance metrics and receive waiver incentive payments if metrics are reached.

# RHP Principles: Anchoring Entities

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To help hospitals, IGT entities, and other community stakeholders in forming an RHP and identify appropriate anchors, HHSC developed RHP guiding principles:

- Anchoring entities coordinate—but do not control—RHPs and do not control other participants' IGT funding
- In an RHP 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.

# New RHP Development Tools

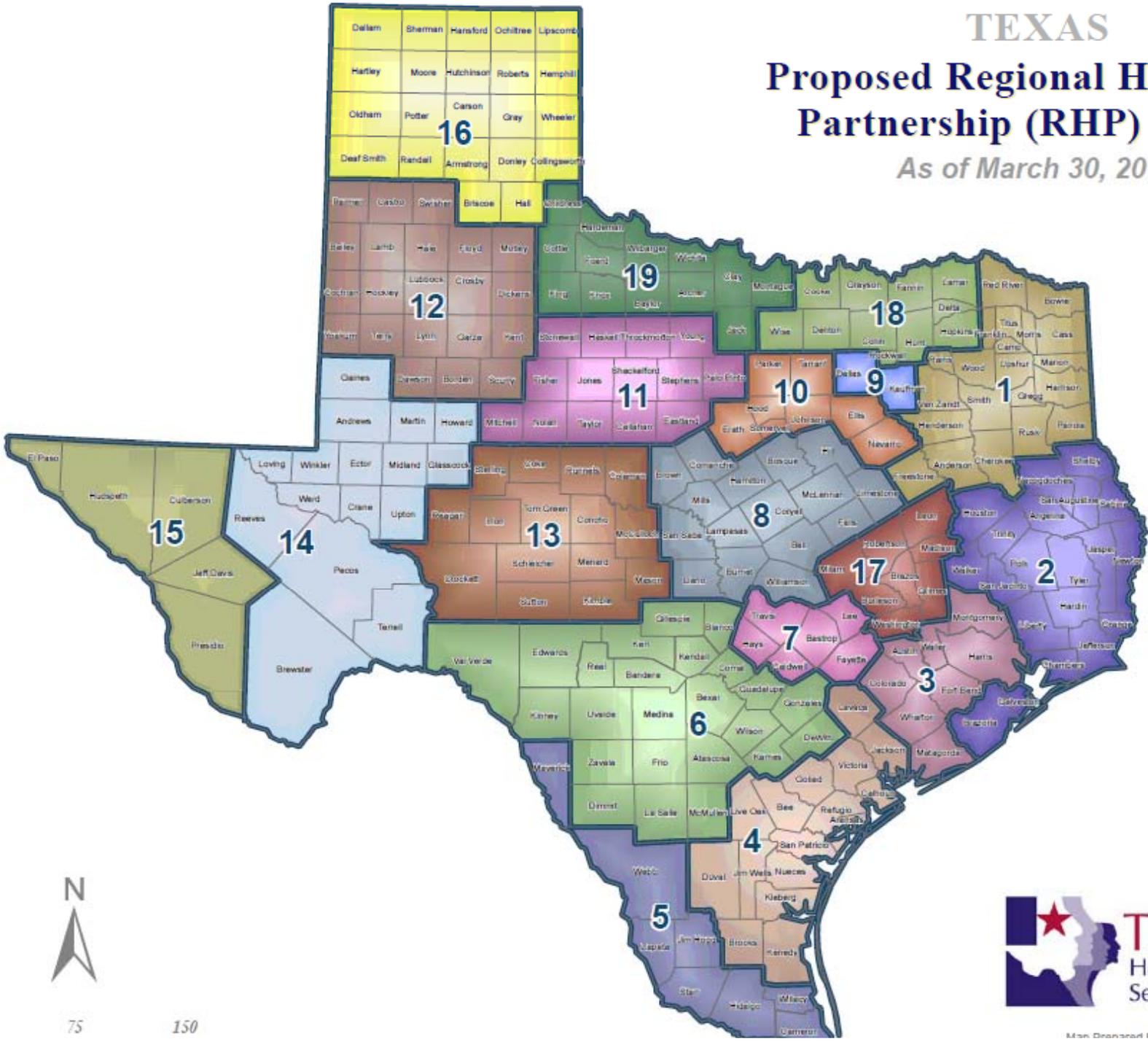
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- Updated Proposed RHP Map
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# TEXAS

## Proposed Regional Healthcare Partnership (RHP) Regions

*As of March 30, 2012*



0 75 150



Map Created By: Strategic Planning Support

## Preliminary Anchor List

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- RHP participants can use the list of preliminary anchors by RHP region posted on the waiver website 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.
- In analyzing the RHP forms, HHSC plans to work with RHPs to finalize anchoring entities.

## Other RHP Development Materials

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- **Draft DSRIP menu**
  - HHSC worked with the Clinical Champions workgroup and Texas Medical Foundation (TMF) Health Quality Institute to develop a draft menu of DSRIP projects.
  - HHSC currently is working with TMF to review public comment accepted until April 24, 2012.
- **Draft of Plan Template**
  - HHSC continues to develop the plan template.
  - This draft is intended to provide general guidance in RHP development and planning.

## El Paso RHP Updates

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- As proposed in the updated map, RHP #15 consists of:
  - Culberson,
  - El Paso,
  - Hudspeth,
  - Jeff Davis, and
  - Presidio.
- Since March 2012, HHSC has held several meetings and webinars with stakeholders in El Paso and has received positive feedback.
- Two preliminary anchors were identified for RHP #15:
  - Culberson County Hospital District, and
  - University Medical Center of El Paso (El Paso Hospital District).