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# 1115 Waiver

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**Texas Healthcare Transformation  
and Quality Improvement Program**

# Medicaid Managed Care

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- **STAR**
- **STAR+PLUS**
- **STAR Kids**
- **Children's Dental Program**



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# Enhanced Accountability

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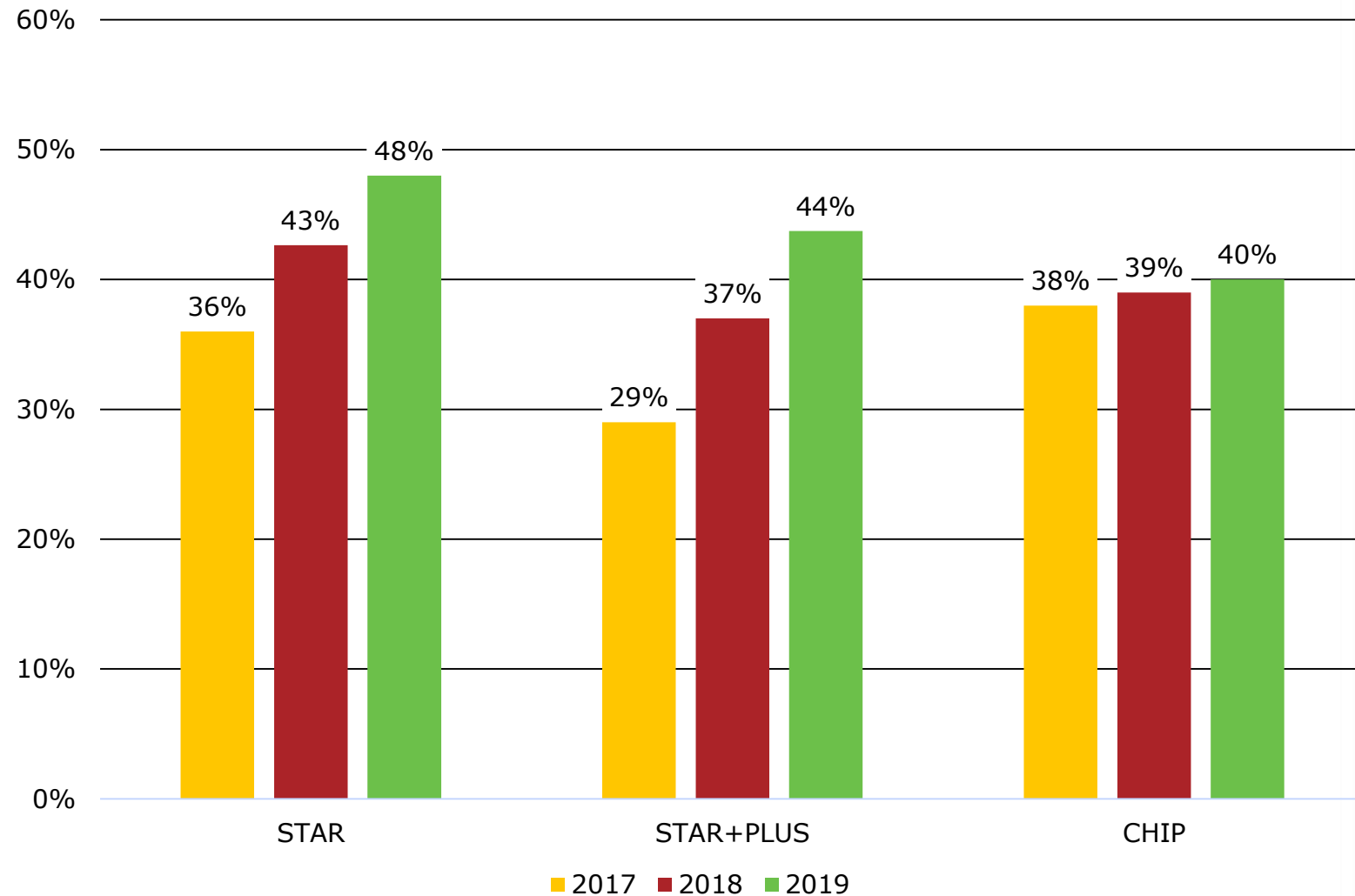
**Texas has implemented initiatives to improve managed care organization's accountability for quality of care**

- Medical Pay-for-Quality program
- Dental Pay-for-Quality program
- Performance Indicator Dashboards
- MCO Report Cards
- "Secret shopper" monitoring of provider access and availability



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# Alternative Payment Model Improvement



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# Supplemental Payments

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## 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

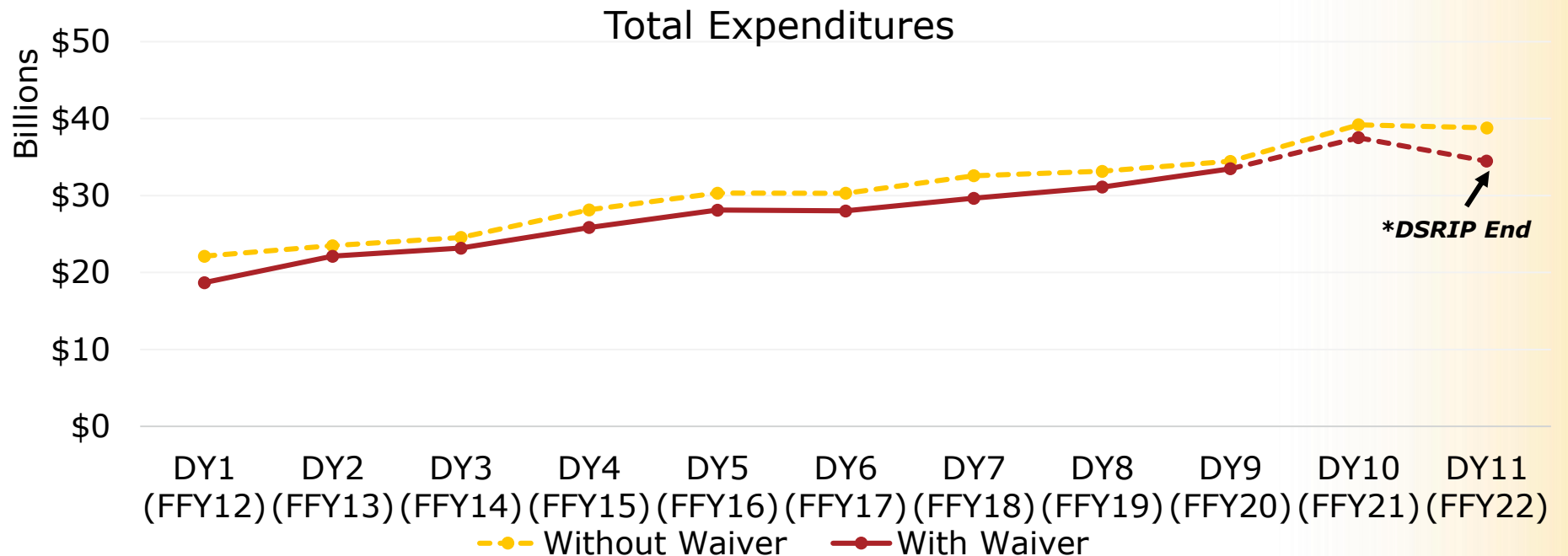
- Transitioned to charity care on October 1, 2019



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# 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**

<b>Domain</b>	<b>Population</b>
<b>Increased access to care</b>	STAR, STAR+PLUS
<b>Increased utilization</b>	STAR, STAR+PLUS
<b>Increased care coordination</b>	STAR+PLUS
<b>Reduced hospitalizations</b>	STAR, STAR+PLUS
<b>Reduced potentially preventable hospitalizations</b>	STAR, STAR+PLUS

Source: Texas Health and Human Services: Evaluation of the 1115(a) Texas Demonstration Waiver – Healthcare Transformation and Quality Improvement Final Evaluation Report.



# Renewal Evaluation

**January 2018- September 2022**

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

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.



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# Extension

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# Maintain Continuity

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- 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



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# Requested Programs

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- **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



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# Public Health Providers

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## 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



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# Uncompensated Care Pool Resizing

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## 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



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# Budget Neutrality

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## 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



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# Budget Neutrality

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## Key Principles (cont.)

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



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# Monitoring & Reporting

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## **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



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# External Evaluation

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## 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



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# External Evaluation

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## **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

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- 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



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# Medical Care Advisory Committee

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**June 10, 2021 / 9:00 am**

- **Agenda Item 5.** Extension for the 1115 Waiver: Texas Healthcare Transformation and Quality Improvement Program



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# Medical Care Advisory Committee

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**June 10, 2021 / 9:00 am (cont.)**

- **Attend Virtually:**

- Due to the COVID-19 pandemic, this meeting will be conducted virtually using Microsoft Teams only.
- There is not a physical location for this meeting.
- Please use the link provided in the agenda to attend virtually.
- Agenda can be found here <https://hhs.texas.gov/about-hhs/communications-events/meetings-events/2021/06/10/medical-care-advisory-committee-mcac-agenda>.



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# Public Hearing

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**June 15, 2021 / 10:00 am**

- 1115 Transformation Waiver: Extension Application Public Hearing

## **In Person:**

Health and Human Services Commission  
Brown-Heatly Building  
Public Hearing Room  
4900 North Lamar Blvd.  
Austin, Texas 78751

- This is an in-person and virtual hearing.



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# Public Hearing

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**June 15, 2021 / 10:00 am (cont.)**

- 1115 Transformation Waiver: Extension Application Public Hearing

## **Listening Only Option:**

<https://hhs.texas.gov/about-hhs/communications-events/live-archived-meetings>

## **Providing Virtual Oral Comments:**

[http://texashhsmeetings.org/1115Waiver\\_June152021](http://texashhsmeetings.org/1115Waiver_June152021)



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# Written Comment

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## 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



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# Written Comment (cont.)

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## Email

- TX\_Medicaid\_Waivers@hhsc.state.tx.us

## Telephone

- 512-487-3318

## Fax

- Attention: Basundhara Raychaudhuri, Waiver Coordinator, at 512-206-3975



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**Thank you**

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