



Texas Health Care Transformation and Quality Improvement Program Medicaid Demonstration Waiver

National Association of Medicaid Directors
Boot Camp
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Billy Millwee, Senior Consultant
Center for Health Care Strategies

Overview

- Waiver Catalyst
- What the Waiver Does
- Challenges
- Current Status

Waiver Catalyst

- Upper Payment Limit Conundrum
 - Federal rules do not allow capitated managed care days to count toward UPL
- Texas challenge
 - Expand managed care statewide
 - \$375 million estimated annual GR savings
 - \$2.8 billion UPL actual annual loss
- Managed care expansion contingent upon UPL preservation

What the Waiver Does

- Expands Managed Care
 - STAR (acute care)
 - STAR+PLUS (integrated acute/LTSS)
 - Dental (3.5 million children)
- Redirects UPL to drive quality improvements
 - ▶ Available funds increased from \$15 billion over 5 years to \$29 billion
- Creates Regional Health Partnerships (RHPs)
 - ▶ RHPs develop Regional Health Plans
 - ▶ Administer Funding Pools

What the Waiver Does *(continued)*

- Funding Pools
 - Uncompensated Care (UC)
 - Delivery System Reform Incentive Payments (DSRIP)
- DSRIP Menu
 - ▶ Category 1: Infrastructure Development
 - ▶ Category 2: Program Innovation and Redesign
 - ▶ Category 3: Quality Improvements
 - ▶ Category 4: Population-based Improvements

Challenges

- Consensus Building
 - Hospitals, Physicians, Community Mental Health Centers, Universities, Counties,
- Timeline
 - Began discussions with CMS February 2011
 - Waiver approved December 12, 2011
 - Implementation March 2012
- Program Administration
 - 20 RHPs
 - Over 1, 200 projects

Current Status

- Managed Care
 - Implemented March 2012
 - Additional expansion under consideration
- Regional Health Partnerships
 - Formed Summer 2012
 - Annual conferences & regular meetings
- Plans Developed
 - Submitted to CMS for review
 - Significant increase in mental health funding
 - Payment reforms consistent with state PPE focus

Current Status

- **Managed Care**
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Current Status

- More Information and Waiver Related Documents
- <http://www.hhsc.state.tx.us/1115-waiver.shtml>