



HHSC: 1115 Texas Healthcare Transformation Quality Improvement Program (THTQIP) Waiver Extension Application

June 15th, 2021

1. Welcome and introductions

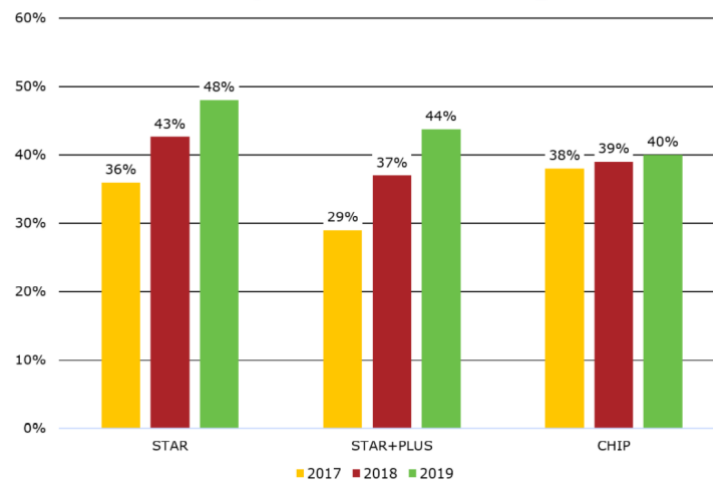
HHSC convened the meeting.

2. Overview of application

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

Alternative Payment Model Improvement

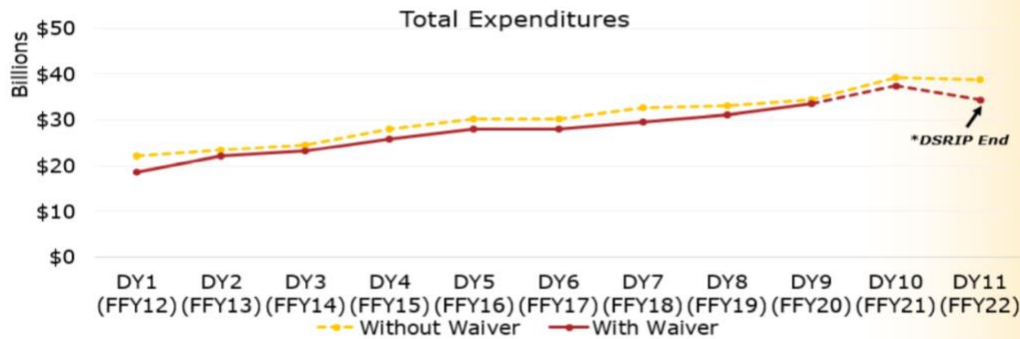


Supplemental Payments

| | |
|---|---|
| Delivery System Reform Incentive Payments <ul style="list-style-type: none"> • Ends Sept. 30, 2021 • DSRIP transition continues to advance value-based care and other effective delivery system reforms | Uncompensated Care Payments <ul style="list-style-type: none"> • Transitioned to charity care on October 1, 2019 |
|---|---|

Budget Neutrality

Demonstration expenditures under the waiver are lower than projected Medicaid expenditures without the waiver.



Initial Evaluation

December 2011 – September 2016

| Domain | Population |
|--|-----------------|
| Increased access to care | STAR, STAR+PLUS |
| Increased utilization | STAR, STAR+PLUS |
| Increased care coordination | STAR+PLUS |
| Reduced hospitalizations | STAR, STAR+PLUS |
| Reduced potentially preventable hospitalizations | STAR, STAR+PLUS |

Renewal Evaluation

January 2018- September 2022

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

Extension

Maintain Continuity

- 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

Requested Programs

- 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

++Public Health Providers 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 then based on actual costs

Uncompensated Care Pool Resizing --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, *(Resizing should not be confused with rebasing. These are different efforts)*

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

Monitoring & Reporting-- 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

External Evaluation --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
- Three Interim Evaluation Reports:
 - March 2024
 - March 2027
 - September 2029
- One Summative Evaluation Report: March 2030

Waiver Extension -- 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

June 15, 2021 / 10:00 am-- 1115 Transformation Waiver: Extension Application Public Hearing (live and virtual). HHSC is taking input through mail, email, public input, virtual input.

There will be a post awards forum on June 21st. That will provide another public comment opportunity. There is another post award forum in July. Testimony/Comment on the waiver renewal will be accepted through June 28th.

3. Public comment.

Peggy Smith, Professor at a Medical School. She has been providing UC for adolescents. There has been difficulty getting the adolescents qualified. She encouraged creativity in addressing services.

Joe Hicks, Texas Network of Industrial Areas Foundations stated that they listen to people all through the COVID crisis. They heard the following concerns:

- How do we remain in our homes?
- How do we regain employment?
- How do I have access to healthcare because of lost insurance or no insurance?

He stated that it would be better to get primary health care coverage and not rely on emergency care.

Monique Vasquez, Central Texas Interfaith addressed treatment services in El Paso and that there were not enough services during COVID. She stated she spends a great deal of time worrying about the health care of her family. Hospital reimbursement and Charity care is critical. We should expand Medicaid to the people of Texas.

Patty Peacock, Health and Justice Advocacy Network stated the need for comprehensive coverage for Texans. UC would be an unnecessary expense if Texas would avail itself of the federal Medicaid expansion dollars. She cited a personal; family story. Texans need comprehensive coverage.

Tom Hedrick, representing his firm and nonprofits stated that funding in the waiver should continue. He made four points:

- Not expanding coverage hurts the workforce
- Educated workforce results from improved health care
- Limited insurance coverage hurts the attraction of business to the state
- Expanding coverage is fiscally responsible according to four studies.

Senator Nathan Johnson stated that there are a number of people who have technical knowledge. He testified that the waiver is back at the table and a new application. The mission is to make people healthy. We should provide health insurance to people upstream, preventing them from drowning downstream. We want a dignified approach to life. Health insurance does that better than charity care. Not expansion states are being offered an increase in FMAP if they would expand Medicaid (\$ 3.5 billion for Texas just for this biennium). This demands a new approach to the resources. The January approval has been withdrawn and has to be rethought under the new administration's approach.

We have to have complete information. The issue is politically supercharging that demand accurate data. The whole picture must be presented using all relevant numbers. We must keep in mind that the policies have effect beyond the original purpose for which they were crafted. The story the

policies tell has to be true. Maybe only 20% people will be picked up in a Medicaid expansion but that's a lot of people.

Ann Dunkelberg, Every Texan (Former CPPP) stated that they appreciate the public comment process. Sixty Nine percent of Texans support Medicaid Expansion. They support the waiver expansion to hospitals and local health departments and authorities. 75% of people who could be covered under Medicaid expansion are people of color. The growing reliance on local share for match has created a lot of complexity. Expansion of payment to Medicaid providers does not provide affordable care to Texans. They will be submitting more detailed comments.

Joyce Knotts, Health and Justice Network stated that they help 200 families a week through food banks. They are the working poor and can't afford coverage on their own. We must provide them with preventive care. The 1115 waiver is critical to this. The waiver alone does not provide comprehensive care to all Texans. Preventive care saves the state money.

Linda Litzinger, Texas Parent to Parent stated
Health outcomes are improved by having a medical home
Chambers of Commerce have pointed out savings through Medicaid Expansion
Families with children with disabilities have additional crises
There are capacity issues from varying wages in programs
All Texans should have access to private providers. (The term "Charity Care" is offensive)

Craig Vosavic, UTMB stated the past 15 months have presented challenges for providers. The appreciate the rapid resubmission of the waiver. He commented on expanding the cost neutrality of the waiver. They support a strong UC pool.

Graham Cheaver, Parkland Community Health Plan stated they will be working to increase the use of innovative payment programs. They can coordinate care because of the interconnectedness of the hospital and the health plan. Expansion of the waiver is critical to continuing this. External assessments will make sure Texas is on the right path.

Sidney Carter, Network of Behavioral Health Providers supports the current waiver and also a health care coverage solution. Expansion of Medicaid and programs included under the waiver renewal. Texans should not have to choose between a waiver and Medicaid expansion. We need both.

- Sandy Docshon, stated it is a benefit to the entire state that the waiver be improved but we need Medicaid expansion:
- Rural hospitals are closing
- Preventive health care is cheaper than treatment
- Cost of Medicaid expansion is offset by dollars saved
- Early childhood care is hampered by low pay for child care workers

Will Francis, National Association of Social Workers (Texas) stated that Texas has the highest uninsured rate in Texas. Comprehensive health coverage is needed. We need a bipartisan discussion on uninsured Texans.

Adriana Kohler, Texans Care for Children stated they appreciate the public comment opportunity. The waiver does not address the uninsured rate which is the highest in the nation. The waiver should be amended to address uninsured Texans

Christina Hoppi, CHAT stated the ten-year time frame provides stability for providers. The interest of children and the providers who serve them must be addressed and prioritized.

Laura Guerra Chiartis, Children's Defense Fund stated that the waiver application should be amended to provide care to children and their families who are uninsured. Without a coverage solution, the lessons learned from the waivers will go unaddressed.

Maureen Milligan, Teaching Hospitals of Texas stated:

- Commission has done a great job in a short time frame
- UC pool is important
- Duplicate the focus on local providers to the extent possible.
- Continue health care stability and predictability

This concludes Part One of the Hearing Coverage. Any subsequent testimony will be added once the hearing is posted on the internet.

This summary contains supplemental information from third-party sources where that information provides clarity to the issues being discussed. Not every comment or statement from the speakers in these summaries is an exact transcription. For the purpose of brevity, their statements are often paraphrased. These documents should not be viewed as a word-for-word account of every meeting or hearing, but a summary. Every effort has been made to ensure the accuracy of these summaries. The information contained in this publication is the property of Texas Insight and is considered confidential and may contain proprietary information. It is meant solely for the intended recipient. Access to this published information by anyone else is unauthorized unless Texas Insight grants permission. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted in reliance on this is prohibited. The views expressed in this publication are, unless otherwise stated, those of the author and not those of Texas Insight or its management.
