Texas Health Care Transformation and Quality Improvement Program
Medicaid Demonstration Waiver

National Association of Medicaid Directors
Boot Camp
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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
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• More Information and Waiver Related Documents

• [http://www.hhsc.state.tx.us/1115-waiver.shtml](http://www.hhsc.state.tx.us/1115-waiver.shtml)