

## Delivery System Reform Incentive Payment (DSRIP): State Program Tracking

Delivery System Reform Incentive Payment (DSRIP) programs, authorized through federal Medicaid Section 1115 waivers, provide states with funding derived from projected savings to test cutting-edge ways to improve how care is paid for and delivered. Since the passage of the Affordable Care Act, the federal government has approved nine state DSRIP initiatives, with one more state currently applying for approval. The chart below provides high-level details on DSRIP programs, including both those in the implementation and the application process. The information draws from CHCS’ work in the field, and may not include all details on DSRIP state programs.

	California <sup>1</sup>	Kansas <sup>2</sup>	Massachusetts <sup>3</sup>	New Hampshire <sup>4</sup>	New Jersey <sup>5</sup>	New Mexico <sup>6</sup>	New York <sup>7</sup>	Texas <sup>8</sup>	Virginia <sup>9</sup>	Washington <sup>10</sup>
<b>Federal DSRIP Funding</b>	\$6.2B for current waiver; previous waiver \$3.34B	\$34M	\$1.8B for current waiver; previous waiver was \$628M	\$150M	\$292M	\$21M	\$6.42B	\$6.65B	To be determined	\$1.125B
<b>Program Application Status and Demo Term</b>	Current extension approved 1/2016 - 12/2020; previous waiver approved 11/2010	Approved 1/2014 – 12/2017	Current extension approved 07/2017-06/2022; previous waiver approved 12/2011	Approved 1/2016 – 12/2020	Approved 10/2012 – 6/2017	Approved 1/2014 – 12/2018	Approved 4/2014 – 12/2019	Approved 9/2012 – 9/2017	To be determined	Approved for 1/2017 – 12/2021 pending special terms and conditions of contract
<b>Goals</b>	(1) Improve delivery of ambulatory and primary care through designated public hospitals (DPHs) and strengthen their ability to enter into alternative payment models (APMs) with Medicaid managed care plans; and (2) by 2020, 60% of all managed care beneficiaries assigned to a DPH will receive all or a portion of their care under a contracted APM	Focus on: (1) sepsis reduction and heart failure resilience; (2) encouraging quality access for primary care across delivery system through Patient-Centered Medical Homes; and (3) implementing and expanding outpatient primary care centers to provide regional comprehensive care coordination for children with complex medical needs	Transition to integrated accountable care by: (1) launching Medicaid accountable care organizations (ACOs); (2) fostering linkages between ACOs and certified Community Partners that have expertise in managing those with behavioral health and long-term care needs; and (3) investing in more efficient statewide infrastructure	(1) Use integrated networks and improve access and quality; (2) support behavioral health infrastructure through the state's managed care delivery system using APMs	Improve care delivery around eight chronic diseases — including asthma, HIV/AIDS, substance abuse, and obesity — based on a menu of projects and metrics set forth by <i>Healthy New Jersey 2020</i> goals	(1) Create a unified, high-quality, comprehensive service delivery system; (2) slow the rate of growth in program costs through better care management; and (3) streamline and modernize the program in preparation for increased post-expansion membership	(1) Incentivize Medicaid providers to create and sustain an integrated, high-performing delivery system that meets the needs of Medicaid beneficiaries and low-income uninsured individuals; (2) reduce statewide emergency department use by 25%; and (3) mandate that 90% of managed care payments be value-based	(1) Expand state Medicaid managed care; and (2) hospital and non-hospital providers to implement multi-year projects with target Medicaid and low-income uninsured populations	Align with Medicaid managed long-term care supports and integrate delivery structure to accelerate value-based purchasing (VBP): (1) integrate service delivery; (2) invest in data integration; (3) expand community capacity; and (4) advance how the state pays for services	Transform Medicaid delivery through Accountable Communities of Health (ACH): (1) improved data analytics and workforce development; (2) 90% of Medicaid care to be purchased via VBP by 2021; (3) care delivery redesign with more integration and community linkages; and (4) prevention focus
<b>Providers Involved/Eligible Institutions</b>	54 PRIME five-year plan applications, 17 DPHs and, 37 district and municipal public hospitals; previously 21 DPHs (generally in large, urban counties)	Two public hospitals (one is a large public teaching hospitals and one is a border city children’s hospital)	Medicaid ACOs, certified Community Partners, and managed care organizations	Regional Integrated Delivery Networks (IDNs), led by various entities that meet IDN criteria; chosen by application (assessed on financial stability, collaborative experience, leadership capabilities, and administrative depth)	All acute care hospitals are eligible (total of 63) — 50 have approved DSRIP projects; the hospitals are encouraged but not required to work with downstream providers and share payments	29 designated hospitals (28 sole community provider hospitals and the state teaching hospital); each provider has own set of projects	Health and social service providers; Performing Provider Systems (networks of hospitals, clinics, behavioral health, and community and social service organizations) covering nearly all of the state, with some overlap	Health care service providers; 20+ regional health provider groups that promote stronger provider collaboration	Virginia Integration Partners (coalitions of providers including social workers and those from behavioral health, schools, FQHCs, and mobile care teams) with one coordinating entity in the leadership role	Partnership with ACH — partnerships will include both traditional Medicaid providers and a variety of other entities and community-based organizations

## DSRIP-Like: State Program Tracking

Four other states are pursuing “DSRIP-like” programs that are similar to official DSRIP initiatives. DSRIP-like programs also use Medicaid Section 1115 waiver authority and funding to incentivize system transformation and quality improvement for low-income patients, but do not meet all DSRIP program requirements and involve other avenues for state funds and matching federal funds beyond the 1115 waiver. The chart below provides high-level details on DSRIP-like programs, including both those in the implementation and the application process. The information draws from CHCS’ work in the field and may not include all details on DSRIP-like state programs.

	Arizona <sup>11</sup>	Florida <sup>12</sup>	Oregon <sup>13</sup>	Rhode Island <sup>14</sup>
<b>Federal DSRIP Funding</b>	To be determined	Not applicable, using other funds and authority	Not applicable, using other funds and authority	Not applicable, using other funds and authority
<b>Program Application Status and Demo Term</b>	Extension of 1115 from 9/2016 – 9/2021; delivery system reform negotiations between state and CMS still pending	Extension of 1115 from 7/2014 – 6/2017	Originally applied for 2 years, 10/2013 – 9/2015; currently negotiating extension and negotiating renewal for 7/2017 – 6/2022	Not yet approved; Category III waiver change requests the use of additional federal matching funds
<b>Goals</b>	Delivery system proposal referred to as Modernizing Arizona Medicaid, with focus on: (1) targeted populations to improve multi-agency, multi-provider care delivery for vulnerable Medicaid beneficiaries; and (2) where care integration will likely have an immediate impact for enrollees and providers	(1) Initiatives for dually eligible individuals and expanded long-term care; and (2) new expansive statewide managed care programs and eligibility groups added to managed care including children (ended Primary Care Case Management programs)	Hospital Transformation Performance Program, designed to (1) advance health system transformation; (2) reduce hospital costs; (3) improve patient safety; and (4) mandate substantial monitoring and assessment activities	Delivery system reform with focus on: (1) integration of behavioral health and primary care; (2) transition of Medicaid long-term care services from institution-based to communities; (3) performance-based payments to providers; (4) infrastructure project payments to accountable entities; and (5) workforce development
<b>Providers Involved/Eligible Institutions</b>	Varies by strategic focus population	All statewide managed care contracts; expansion requiring reporting on patient safety measures on all contracts (the first state to publicly report 15- and 30-day potentially preventable readmission rates by hospital)	Diagnosis-related group hospitals, defined as urban hospitals "with a bed capacity of greater than 50," earn incentive payments by meeting specific performance objectives	Partnership will involve Medicaid managed care organizations and Accountable Entities

### ENDNOTES

<sup>1</sup> First waiver: National Academy for State Health Policy on behalf of MACPAC, [State Experiences Designing and Implementing Medicaid DSRIP Pools](#), (2015). Second waiver: [PRIME stakeholder webinar](#) (2016). [California Department of Health Care Services News Release](#), (2015)

<sup>2</sup> National Association of Medicaid Directors, [Medicaid Innovation: Delivery System](#), (2014).

<sup>3</sup> Manatt, [Massachusetts Releases Details on Forthcoming DSRIP Waiver Proposal](#), (2016). National Partnership for the Health Care Safety Net, [Medicaid Waiver: Section 1115 Delivery System Incentive Waivers](#), (2015). Massachusetts Medicaid Policy Institute / Seifer, Grenier, and Sullivan. [The MassHealth Waiver Extension for State Fiscal Years 2015–2019](#), (2015).

<sup>4</sup> New Hampshire Department of Health and Human Services, [New Hampshire DSRIP Waiver Program—Final CMS Approved STCs and Protocols](#), (2016)

<sup>5</sup> Healthy New Jersey, [State Health Improvement Plan 2012-2015](#). National Association of Medicaid Directors, [Medicaid Innovation: Delivery System](#) (2014).

<sup>6</sup> National Association of Medicaid Directors, [Medicaid Innovation: Delivery System](#), (2014). National Academy for State Health Policy on behalf of MACPAC, [State Experiences Designing and Implementing Medicaid DSRIP Pools](#), (2015).

<sup>7</sup> New York Medicaid Redesign Team, [New York Delivery System Reform Standard Terms and Conditions](#), (2014). National Academy for State Health Policy on behalf of MACPAC, [State Experiences Designing and Implementing Medicaid DSRIP Pools](#), (2015).

<sup>8</sup> National Academy for State Health Policy on behalf of MACPAC, [State Experiences Designing and Implementing Medicaid DSRIP Pools](#), (2015). Kaiser Family Foundation, [Medicaid in an Era of Health & Delivery System Reform: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2014 and 2015](#), (2014).

<sup>9</sup> Virginia Department of Medical Assistance Services, [Accelerating Delivery System Transformation in Virginia](#), (2015).

<sup>10</sup> Healthier Washington. [Executive Summary: Global Medicaid Transformation Waiver Demonstration](#), (2015). Healthier Washington. [Washington State’s Medicaid Transformation](#), (2016).

<sup>11</sup> Centers for Medicare & Medicaid Services, [Arizona’s Application for a New Section 1115 Demonstration](#), (2015). Arizona Health Care Cost Containment System, [CMS Approves Arizona’s 1115 Waiver](#), (2016).

<sup>12</sup> Kaiser Family Foundation, [Medicaid in an Era of Health & Delivery System Reform: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2014 and 2015](#), (2014). Mathematica Policy Research, [Medicaid 1115 Demonstration Evaluation Plan](#) (2015).

<sup>13</sup> National Academy for State Health Policy on behalf of MACPAC. [State Experiences Designing and Implementing Medicaid DSRIP Pools](#), (2015). Oregon Health Authority. [Technical Specifications and Guidance Documents for Hospital Transformation Performance Program](#).

<sup>14</sup> Rhode Island Executive Office of Health and Human Services, [3/28/2016 Public Notice of Category III change of 1115 Waiver Demonstration](#). (2016)