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The Texas Medicaid 1115 Waiver is going through a transformation. The sooner providers prepare, the better. As the current Texas Medicaid 1115 Waiver Demonstration nears a close in late 2016, many health care providers across the state find themselves pondering the “what ifs” of operations post-DSRIP. DSRIP, or Delivery System Reform Incentive Payment, is a model the Centers for Medicare and Medicaid (CMS) has used over the last six years in various states to incentivize health care providers to reform Medicaid operations, increase access and quality, decrease cost of care and work together with other providers in collaboration and partnership to ignite large-scale change.

Since October 2011 when the Texas DSRIP program officially began, providers across the state have been focused on implementing over 1,500 projects across the state, focusing on both infrastructure and innovation, while at the same time working toward improving specific population health outcomes in the patients they serve. Now, with just seven months remaining under the initial waiver funding and structure, the Texas Health and Human Services Commission (HHSC) is working diligently to negotiate with CMS and educate providers on a full five-year extension through 2022. The proposed plan includes a transition year (DY6) that preserves projects and elements of the current waiver. For the transition year, HHSC has proposed to continue the same level of funding currently allocated in DY5 (2015-2016), approximately \$3.1 billion all funds¹ for all DSRIP activities. DSRIP providers will need to utilize the remaining time under the current waiver to prepare for the required work in DY6 in order to continue earning their allocated funding in the extension.

HHSC has released the proposed requirements in order for providers to begin their planning efforts. The sooner providers strategically plan the work for the remainder of DY5 and DY6, the better they will be equipped to approach the work proactively and set themselves up for success in the full renewal. Unique to DY6 is the focus on project evaluation and overall sustainability planning. In Texas, funds are allocated across four different categories of work, each with specific requirements to earn the funds. Providers will have the opportunity to earn 50% of their Category 3 (population health outcome measures) funds solely for completing an evaluation process (not defined by HHSC yet) of their Category 1 and 2 projects; this work could earn providers collectively slightly more than \$462.5² million during the transition period.

¹ All funds: The total amount of dollars earned by providers representative of the local funds matched by federal funds

² \$462,519,838.50 all funds based on the DY5 Category 3 funding allocated. Source

https://public.tableau.com/profile/texashhsc#!/vizhome/TexasDSRIPDashboard_02-03-2016/DSRIPAmountsbyRHP

This focus in DY6 on project evaluation and overall sustainability affords providers an important opportunity to step back and consider their projects from a strategic perspective. To be done well, successful project evaluation will require a considerable amount of time and focus. It will be essential for DSRIP providers to put in place a well-defined and objective process for evaluating their projects. A completed evaluation will not only trigger the receipt of substantial funds across the state, but also will provide the information for providers to defend the continuation of projects or substantiate the replacement of low-performing or unsustainable projects with a new initiative that ties into the long term strategic plan of their organization. Project evaluations should be completed with a multi-faceted analysis of quantitative (outcome measures success, patient impact and financial indicators), and qualitative (stakeholder engagement, patient success stories) data.

Key areas of focus for evaluations should be patient impact, organizational and/or system-wide impact, the cost-benefit of the project and overall internal (and to an extent possible external) stakeholder feedback. This significant work effort will need to be completed alongside current implementation and operational processes of DSRIP projects since providers will have other milestones to achieve as well, which may be a challenge for a number of providers who are already lean on staff. It is unknown currently if HHSC and CMS will define any specific requirements for project evaluation; regardless if specific requirements are created or not, it would be prudent for organizations to begin to design their evaluation approach and final reporting package.

Utilizing a neutral third party evaluator such as COPE Health Solutions allows current DSRIP providers to obtain clear, objective recommendations whether to continue or replace current projects, made without the emotional investment internal project owners have for their projects. In addition to objectivity, an independent firm can take the time to interview all project teams and delve deeply into operational successes and challenges, freeing up current staff to maintain their focus on operations and patient care. Based on project evaluations, it may be determined that certain projects no longer need to continue, which can be challenging for an organization to decide on their own. An independent firm can fairly make the recommendation about which replacement projects to select under the refined waiver renewal project menu that align with both regional community needs and the provider's strategic priorities. When replacing projects, it's important that the new project adheres to DSRIP requirements to be approved; skilled outside resources can provide services to write replacement projects designed around organizational priorities.

As a firm COPE Health Solutions is a deep expert in both health care growth strategies and market industry trends. This expertise, coupled with extensive multi-state DSRIP experience, particularly with other states whose waivers may influence the Texas renewal, positions our dynamic team as a significant resource not only for waiver renewal activities, but also for long term strategic planning. Our team already has defined, and executed a distinct process for Texas DSRIP project evaluation that can be rolled out quickly and efficiently, which will enable providers to earn their significant Category 3 funding over the course of DY6, and continue to focus on other operational requirements and daily priorities. We would love to partner with more providers across Texas for renewal activities such as project evaluation and sustainability planning, evaluation of potential measure selection for Regional Performance Bonus Pools, community needs updates and overall stakeholder engagement initiatives.

For more information about how COPE Health Solutions is helping clients across Texas and other DSRIP states prepare for renewal based DSRIP implementation, evaluation, and sustainability planning, please contact: consulting@copehealthsolutions.org.

