The University of Texas at Austin
Dell Medical School

Update on Value Based Purchasing in Texas Medicaid and DSRIP Transition Planning

June 5, 2019

Texas Health & Human Services
Value Based Payment (VBP) Roadmap

Why?

- To organize all HHS initiatives that are designed to align payment with value
- To illustrate intersections between initiatives
- To articulate challenges and next steps
- Companion document to HHS Healthcare Quality Plan
- A living document

HHSC VBP Roadmap

Guiding Principles:

- Continuous Engagement of Stakeholders
- Harmonize Efforts
- Administrative Simplification
- Data Driven Decision-Making
- Movement through the VBP Continuum
- Reward Success

Leading to Goals of:

- Aligned Incentives, Optimal Outcomes/Patient Experience, Improved Efficiency

VBP Roadmap and DSRIP

HHSC is seeking effective ways to support the migration of DSRIP Innovations into managed care organization (MCO) payment approaches:

- DSRIP 1.0 - HHSC as a convener between MCOs and DSRIP providers/anchors. Very limited traction.
- DSRIP 2.0 - What can we learn/apply?
- Beyond DSRIP 2.0 - Stakeholder proposals

How HHSC Incentivizes MCO Value: MCO Pay for Quality

- MCO premiums at risk (3% MCO, 1.5% DC)
- Performance on metrics is based on improvement over baseline year and relative performance within year
  - MCO compete against their own previous performance and against each other
- Each program (STAR, STAR+PLUS, CHIP) includes measures specific to its population

MCO Pay for Quality – At Risk Measures

At-risk Measures	STAR	STAR+PLUS	CHIP
Potentially Preventable Emergency Room Visits (PPVs)	√	√	√
Appropriate Treatment for Children with Upper Respiratory Infection (URI)	√		√
Prenatal and Postpartum Care (PPC)	√		
Well Child Visits in the First 15 months of Life (W15)	√		
Diabetes Control - HbA1c < 8% (CDC)		√	
High Blood Pressure Controlled (CBP)		√	
Diabetes Screening for People with Schizophrenia or Bipolar Disorder who are using antipsychotics (SSD)		√	
Cervical Cancer Screening (CCS)		√	
Weight Assessment and Counseling for Nutrition and Physical Activity for Children and Adolescents (WCC) - Sub measures counseling for nutrition and counseling for physical activity			√
Adolescent Well Care (AWC)			√

MCO Pay for Quality – Bonus Pool Measures

Bonus Pool Measures	STAR	STAR+PLUS	CHIP
Potentially Preventable Admissions (PPA)	√		
Low Birth Weight (LBW)	√		
Good Access to Urgent Care (CAHPS)	√	√	√
Rating their Health Plan a 9 or 10 (CAHPS)	√	√	√
Potentially Preventable Readmissions (PPR)		√	
Potentially Preventable Complications (PPC)		√	
Prevention Quality Indicator Composite (PQI)		√	
Childhood Immunization Status (CIS) Combination 10			√

How HHSC Incentivizes MCO Value: Hospital Pay for Quality

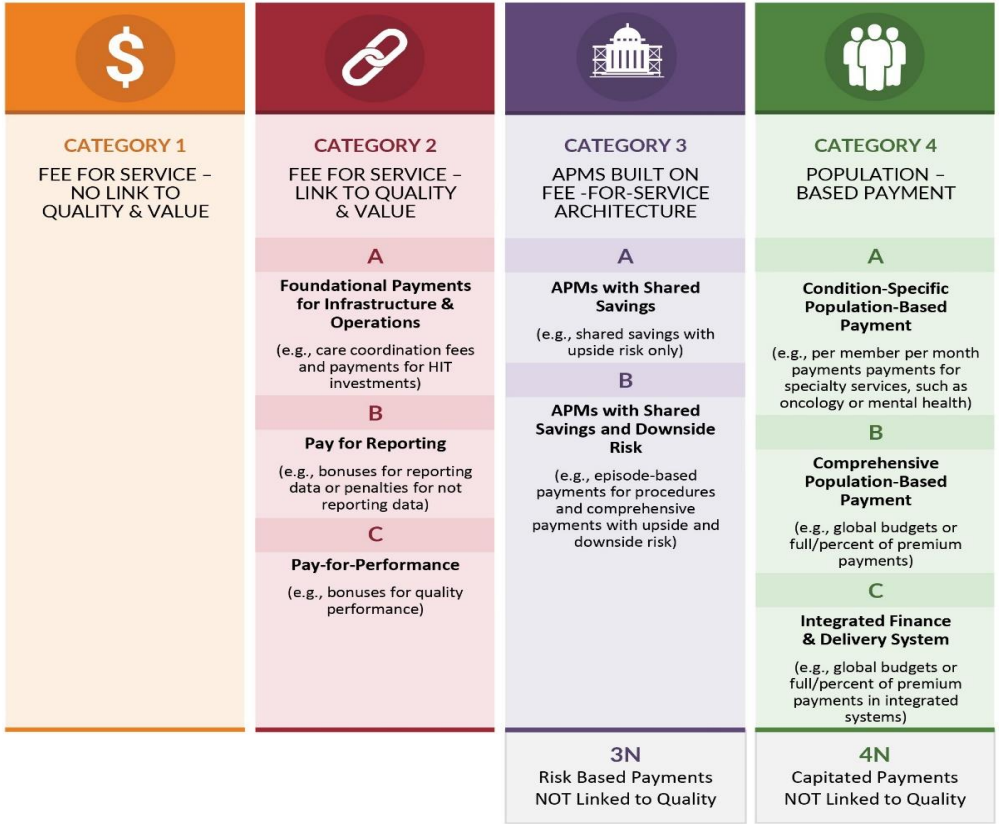
- Potentially Preventable Readmissions
- Potentially Preventable Inpatient Complications
- Up to 4.5% of inpatient payments at risk
- Payment adjustments made annually in MCO rates and fee for service

How HHSC Incentivizes MCO Value: MCO-Provider VBP/APM Targets

- Method for Calculation/Exceptions
- Reporting Process

Year	Overall VBP Target	Risk Based VBP Target
2018	25% of medical expense in a VBP model for MCOs and Dental Contractors (DCs)	10% of medical expense in a Risk Based VBP model for MCOs; 2% for DCs
2021	50 % of medical expense in a VBP model for MCOs and DCs	25% of medical expense in a Risk Based VBP model for MCOs; 10% for DCs

A Standard Method for Calculation, a Common Language



The LAN published this framework in 2016 and revised it in 2017 to establish a common nomenclature for defining, implementing, and sharing successful payment models.

In 2019, the LAN launched the Roadmap for Driving High Performance in APMs effort to promote the adoption of high-performing, value-based payment models by identifying APMs that meet meaningful goals related to cost and quality, identifying their most promising practices, and developing a guide for payers to create and implement high-performing APMs. https://hcp-lan.org/apm-roadmap/

Texas HHS VBP/APM Progress

2014-2017 APM information by MCO/DC is posted on HHSC's website

https://hhs.texas.gov/about-hhs/process-improvement/medicaid-chip-quality-efficiency-improvement/value-based-contracting

- MCOs are engaging providers based on their readiness and where the MCO sees opportunity
- Most MCOs are starting with VBP/APM models that do not involve provider risk
- Most MCOs are deploying models based on P4Q metrics

The Path Forward

- MCOs will likely meet or exceed APM targets for 2018.
- Meeting APM targets is not the goal, but to stimulate movement toward a value-driven system.
- HHSC will continue to seek ways to support the principles outlined in the VBP Roadmap.

DSRIP Transition

- CMS considers DSRIP time-limited for the support of demonstrable delivery system reform.
- Waiver renewal approval letter from CMS specifies:

> *"Texas' DSRIP program will transition to a more strategic systemic effort focusing on health system performance measurement and improvement that achieves sustainable and effective delivery system reform."*

- The DSRIP pool phases out in the renewal period (ends 9/30/2021).
- The Waiver Special Terms and Conditions require the state to submit a Transition Plan for DSRIP by October 1, 2019 (STC #37).
- Portions of DSRIP federal funds are at risk for DY9-10 if Texas fails to submit the plan or achieve plan milestones.

DY9-10 Milestones in Transition Plan

- **The DSRIP Transition Plan submitted to CMS is a first step that will include state-level process-oriented milestones.**
- Possible examples of milestones:
  - Contractual targets for value-based purchasing (VBP) in Medicaid managed care
  - Annual updates to HHSC's VBP Roadmap
  - Analysis of DSRIP 2.0 quality measurement data
  - Target dates for submitting requests to CMS for approval of new strategies
  - Etc.

DSRIP Transition Plan Timeline

#	Action	Target Dates
1	• HHSC announces request for initial stakeholder input regarding 1115 waiver programs and services post-DSRIP.	10/17/2018
2	• Stakeholders submit responses via email to waiver mailbox: TXHealthcareTransformation@hhsc.state.tx.us	11/30/2018
3	• HHSC reviews/summarizes stakeholder input to inform discussions with state leadership and CMS.	12/1/2018 - 12/31/2018
4	• 86th Texas Legislative Session	1/8/2019 - 5/27/2019
5	• HHSC provides status updates to Executive Waiver Committee	2/28/2019 5/23/2019

DSRIP Transition Plan Timeline (cont.)

#	Action	Target Dates
6	• HHSC posts an initial draft of the DSRIP Transition Plan for stakeholder review and comment	Summer 2019
7	• HHSC submits draft DSRIP Transition Plan to CMS	9/30/2019
8	• CMS works with HHSC to finalize plan	3/31/2020
9	• HHSC ensures that DY9-10 milestones are achieved, including any requests to CMS for approval of proposed programs and services	4/1/2020 - 9/30/2021
10	• Demonstration Year 11 begins	10/1/2021

DSRIP Transition

HHSC understands that DSRIP providers and other stakeholders are interested in sustaining impactful DSRIP work and continuing delivery system reform.

Possible strategies include:

- Existing programmatic mechanisms such as alternative payment models (APMs) with health plans
- Consideration of Medicaid state plan benefits or policy changes
- Quality Improvement (QI) Costs strategy in Medicaid managed care
- New programs

Stakeholder Input for New Programs

In October 2018 HHSC released a request for new program ideas:

- To identify initial stakeholder proposals for programs and services after DSRIP ends
- To inform development of the DSRIP Transition Plan
- To inform discussions with State leadership

Stakeholder Input for New Programs (cont.)

Most proposals recommended post-DSRIP initiatives both for Medicaid and low income/uninsured individuals.

The proposals include multiple areas for consideration beyond new programs, including:

- Medicaid managed care strategies
- Consideration of state plan benefits and policy changes
- Role of the Regional Healthcare Partnerships (RHPs)

Proposal Themes

- Coverage proposals for uninsured (leadership direction required for insurance coverage proposals)
- State-directed payment programs through Medicaid managed care
- Behavioral health
- Alternative payment models
- Chronic care management

Proposal Themes (cont.)

- Social Determinants/Drivers of Health
- Telemedicine/telehealth
- Care transitions/care coordination for complex patients
- Continued coordination with public health
- Unique rural needs

HIT Strategic Plan

The 1115 Waiver requires HHSC to submit a Health Information Technology (IT) strategic plan by October 1, 2019 to link Medicaid services and core providers across the continuum of care to the greatest extent possible, including:

- Electronic exchange of clinical health information among the interdisciplinary care team
- Medicaid enterprise master patient index
- Comprehensive Medicaid service provider directory
- Improved coordination and integration between Medicaid Behavioral Health, Physical Health, Home and Community Based Providers and community-level collaborators through the adoption of provider-level Health IT infrastructure and software
- A comprehensive Health IT-enabled quality measurement strategy for the State to monitor and evaluate programmatic objectives of the demonstration

Alignment with VBPQI Advisory Committee Recommendations

Value-Based Payment & Quality Improvement Advisory Committee's 2019-2020 work plan and synergy with DSRIP Transition

- MCO quality improvement costs - Develop use cases (may relate to support DSRIP activities such as care navigation for high cost/high needs patients, community health workers, etc.)
- Work with stakeholders to standardize APM quality measures for maternal/newborn health and behavioral health
- Continued stakeholder engagement regarding HHS's VBP initiatives

Next Steps for Post-DSRIP Planning

- Release draft DSRIP transition plan for stakeholder feedback June-July 2019
- Further develop themes from stakeholder input on new programs for leadership and CMS consideration
- Continue to work with stakeholders on potential strategies for sustaining impactful DSRIP activities through Texas Medicaid policies and benefits
- Consider future of the Regional Healthcare Partnerships (RHPs)
- Monitor activities in other states

Thank You!

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