



CENTRAL HEALTH

1115 Medicaid Waiver

Austin City Council
Public Health and Human Services Committee
May 15, 2012

Jeff Knodel
Director of the Regional Healthcare Partnership Plan

Ann-Marie Price
Director of Government Affairs



Presentation Overview

- + 1115 Waiver – Main Idea and Concepts
- + Overview of Region 7
- + Anchor Entities
- + Impact on Local Entities
- + Funding Structure
- + Next Steps
- + Timelines
- + Take-Away Points
- + Contact Information

1115 Waiver Main Ideas and Concepts

- + The waiver is a 5-year project that has two main objectives:
 1. Continue to provide supplemental federal funding to Texas hospitals for Medicaid patients; and
 2. Improve the healthcare delivery system for everyone
- + We are already in the first year of the waiver, which is a transition year. Most changes to the program will occur in the second through the fifth years of the waiver

3

1115 Waiver Main Ideas and Concepts

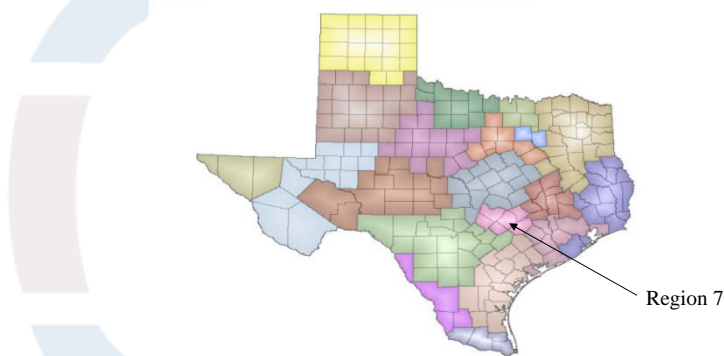
- + Waiver goals are to:
 - Protect hospital supplemental payments (e.g., UPL)
 - Expand permitted reimbursement for uncompensated care
 - Incentivize delivery system improvements and improve access and system coordination
- + These goals will be accomplished through two funding pools and the formation of Regional Healthcare Partnerships (RHPs), which will include hospitals and local governments
 - Local entities are able to utilize federal match funds for delivery and improvement of healthcare services

4

Central Texas RHP Region: Region 7

Central Texas Region 7 is comprised of 6 counties

Bastrop **Caldwell** **Lee**
Fayette **Hays** **Travis**



5

Anchor Entities

- + Each region has a designated “anchor”
- + The anchor entity in Region 7 is Central Health
- + Anchors:
 - Are the single point of contact for regional partners
 - Coordinate RHP activities on behalf of the region
 - Provide opportunities for regional partners and other stakeholders to provide input into the RHP
 - Do not make decisions regarding other entities’ funds

6

Impact on Local Entities

+Reasons to participate include:

- Leverage eligible public funds currently utilized for delivery of healthcare services to the uninsured
 - Budget neutral – utilizes existing funds for federal match
- Collaborate and plan with local hospitals and other key stakeholders to improve and expand the delivery of healthcare services

+Through RHP participation:

- Access of funds dependent on RHP participation
- Determine which hospitals and providers to support with funds
 - Which projects and what uncompensated care will be funded
 - What regional incentive projects to support with other local entities

7

Impact on Local Entities

+ Regional partners' waiver funding does not flow through the anchor

+ The waiver provides ways for local entities to access additional federal funding:

- Through a program and process that is transparent and accountable for public funds
- To help fund healthcare services to individuals who are uninsured
- To help fund “incentive” payments (DSRIP) for healthcare related projects and investments to increase:
 - Access to healthcare services
 - Quality of healthcare and health systems
 - Cost/effectiveness of services and health systems
 - Regional collaboration and coordination

8

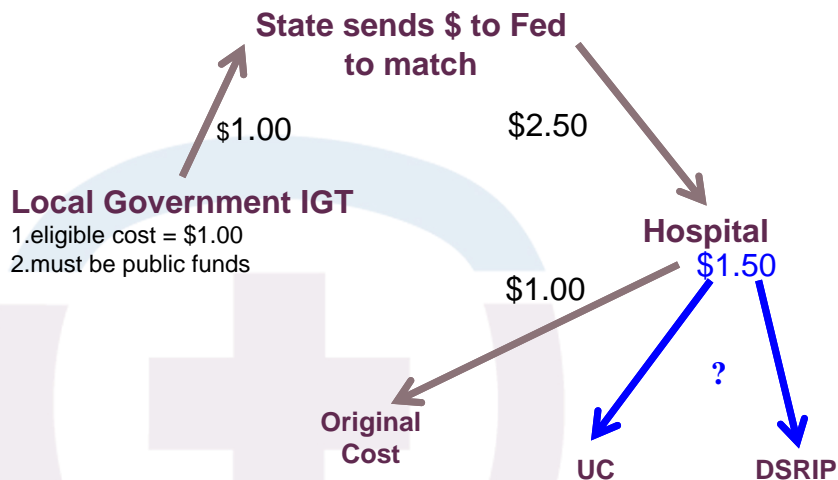
Funding Structure

Under the 1115 waiver, eligible local public funds are sent to the federal government via an Intergovernmental Transfer (IGT) and matched with additional federal funding distributed back to the designated participating hospitals through two pools:

- Uncompensated Care (UC) Pool
 - Costs of care provided to individuals who have no third party coverage for the services provided by hospitals or other providers (beginning in first year)
- Delivery System Reform Incentive Payments (DSRIP)
 - Support coordinated care and quality improvements through Regional Healthcare Partnerships (RHPs) to transform healthcare delivery systems (beginning in later waiver years)

9

Flow of Match Funds



- Local government – determines funding allocations to providers

Pool Funding Distribution

Pool Funding Distribution in Billions

Pool Type	DY* 1 (2011-2012)	DY 2 (2012-2013)	DY 3 (2013-2014)	DY 4 (2014-2015)	DY 5 (2015-2016)	Totals
Total/DY	\$4.2	\$6.2	\$6.2	\$6.2	\$6.2	\$29
% UC	88%	63%	57%	54%	50%	60%
% DSRIP	12%	37%	43%	46%	50%	40%

DY = Demonstration Year

Historical UPL hospital payments: \$2.8 billion per year.

11

Next Steps

- + Under development:
 - RHP governance structures
 - Allowable sources of match (intergovernmental transfer or IGT) for the waiver
 - Determination of statewide requirements for UC and DSRIP allocations within RHPs
 - Project values (incentive payments within plans)
- + Through the Executive Waiver Committee, HHSC is working with hospitals and local and county officials to share information and seek input on the implementation of the waiver

12

Timelines

- + May
 - Meetings convened between anchors and Regional Healthcare Partnership entities
- + June
 - Local governments develop Community Needs Assessments
 - Anchors continue to provide assistance to regional partners
- + July
 - Local governments develop DSRIP Projects and IGT capacity determinations
 - Development of the Regional Healthcare Partnership Plan
- + August
 - Public Hearings on the Regional Healthcare Partnership Plan
- + September
 - Final Regional Healthcare Partnership Plan due to September 1, 2012

13

Take-Away Points

- +Short timelines to develop final RHP Plan by September 1
- +This is a voluntary program. Must join RHP to participate
- +This is not a block grant opportunity - local match of eligible public funding is required
- +Funding decisions are made entirely by entity providing IGT
- +Anchor entity performs an administrative function and does not control the funding for IGT entities
- +Waiver funds will go directly to designated hospitals
- +All incentive funding projects must be from the DSRIP menu

14

Questions??



Central Health Contacts

Jeff Knodel, Director of the Regional Healthcare Partnership Plan

- 512-978-8191
- Jeff.Knodel@centralhealth.net

Ann-Marie Price, Director of Governmental Affairs

- 512-978-8179
- Ann-Marie.Price@centralhealth.net