Healthy Health Policy Lecture Series

# Transforming Regional Health through Collaboration

Understanding the 1115 Demonstration Waiver

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# Agenda

- A national "health" system in crisis
- A Texas-sized challenge . . . and opportunity
- The 1115 Demonstration Waiver
- UTMB's strengths and opportunities
- Regional planning efforts
- Closing thoughts
- Questions

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### Drivers of Health Care Reform

- Sluggish economy, high unemployment
- Inequitable access to coverage and care
- Provider capacity (workforce, hospitals)
- Unsustainable reimbursement
- · "Safety net" funding
- · High cost of health care
- · Unsatisfactory outcomes

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Country Rankings 1.00–2.33 2.34–4.66		<b> </b>			NE		
4.67–7.00	AUS	CAN	GER	NETH	NZ	UK	US
OVERALL RANKING (2010)	3	6	4	1	5	2	7
Quality Care	4	7	5	2	1	3	6
Effective Care	2	7	6	3	5	1	4
Safe Care	6	5	3	1	4	2	7
Coordinated Care	4	5	7	2	1	3	6
Patient-Centered Care	2	5	3	6	1	7	4
Access	6.5	5	3	1	4	2	6.5
Cost-Related Problem	6	3.5	3.5	2	5	1	7
Timeliness of Care	6	7	2	1	3	4	5
Efficiency	2	6	5	3	4	1	7
Equity	4	5	3	1	6	2	7
Long, Healthy, Productive Lives	1	2	3	4	5	6	7
Health Expenditures/Capita, 2007	\$3,357	\$3,895	\$3,588	\$3,837*	\$2,454	\$2,992	\$7,290

# A Texas-Sized Challenge

- Medicaid Budget
  - oFY10 \$22.3B
  - oFY11 \$22.7B
  - oFY12 \$24.9B
  - o FY13 \$15.8B
- HHSC Commissioner and Medicaid Director retiring
- Health care workforce shortage

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### The 1115 Demonstration Waiver

- HHSC instructed by Texas Legislature to
  - o Cut costs by expanding managed care
  - Preserve locally funded supplemental payments to hospitals (UPL)
- Texas Healthcare Transformation and Quality Improvement Program (better known as the 1115 Demonstration Waiver)
  - Approved by Centers for Medicare and Medicaid Services Dec. 2011; expires Sept. 2016



# Program Structure

- Creates two funding pools for supplemental payments
  - o Generated locally through inter-governmental transfers (IGTs)
  - Matched by federal dollars (\$29B available over 5 years)

# Uncompensated Care Pool (UC)

 Most supplemental payments devoted to UC pool in early years; decreases in later years

#### Delivery System Reform Incentive Pool

#### (DSRIP)

- Improve the care experience
- Improve population health
- Contain costs
- Creates Regional Healthcare Partnerships (RHPs)

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Working Together to Work Wonders

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# Delivery System Reform Incentive Pool

#### **CATEGORY 1 CATEGORY 2** · Infrastructure development • Program innovation, redesign · Investments in people, facilities, · Piloting, testing, replicating and processes, technology expanding innovative care models **CATEGORY 3** CATEGORY 4 • Urgent clinical improvements Population-focused improvement (hospitals report on care · Targeted quality and patient experience, care coordination, safety improvement measures prevention, health outcomes of at-risk populations)

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# Regional Healthcare Partnerships

- · RHP members include
  - o Hospitals and other health care providers
  - o Mental and behavioral health care providers
  - Community organizations
  - Local governmental entities
  - o Private hospitals (if IGT transferred on their behalf)
- RHP members collaboratively create 5-year coordinated regional plans that
  - o Identify all participants
  - o Include regional assessment of community health needs
  - o Outlines projects and interventions
  - o Identifies goals, milestones, metrics, anticipated results
  - o Outlines funding distribution

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# UTMB: A Regional Anchor

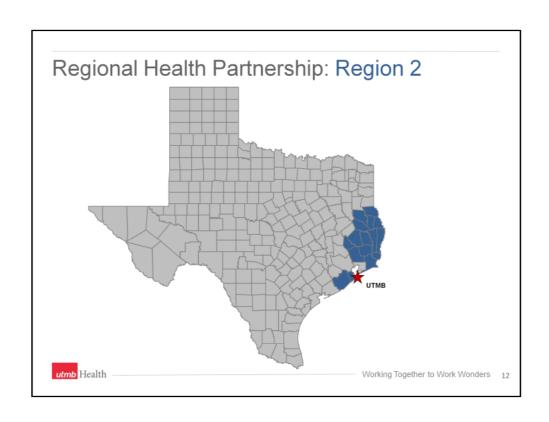
- · As an anchor, UTMB will:
  - o Coordinate community needs assessment process
  - Coordinate and facilitate regional health plan planning efforts
  - Serve as HHSC's single point of contact for reporting purposes
- UTMB will not:
  - Manage or broker funds (funds flow directly to and from the state to each participating entity)
  - o Make decisions for other entities in Region 2

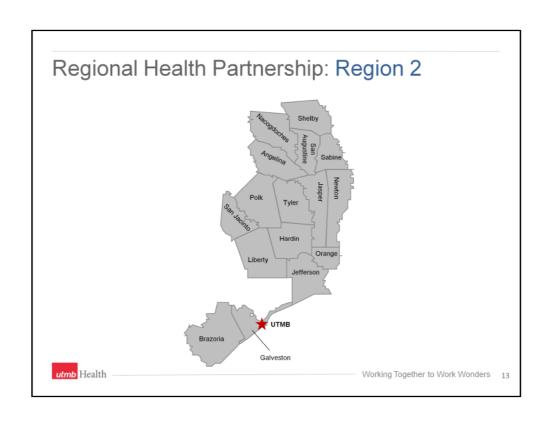


# UTMB's Strengths

- · Broad-based relationships
- · Accountability and transparency
- · Historical commitment to the medically underserved
- Proven spirit of innovation, expertise in health care delivery reform
  - o EMR, meaningful use, quality reporting
  - Telehealth
  - o Regional Maternal and Child Health Program
  - o Community Health Program
  - o Multi-Share Program
  - o St. Vincent's Nurse-Managed Clinic

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# Region 2 Planning Efforts

- · Community needs assessment process nearly complete
- Regional Steering Committee formed
- · Inclusive bi-weekly meetings taking place
- Focused brainstorming sessions (e.g., mental/behavioral health, infrastructure/IT) happening



- Website: www.utmb.edu/1115
- RHP plan due to HHSC August 31st
- · Outstanding participation, engagement throughout the region
- Transformational ideas taking shape

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### **Closing Thoughts**

- · The issue of equitable access to care is broad in scope.
- · Achieving that ideal is beyond the efforts of a single institution or the collaborative efforts within a single region.
- · Real and meaningful progress will depend on providers, government, public service agencies, the business community and many other organizations . . .
  - o being willing to think about health care financing and delivery differently, and
  - o working together to develop solutions based on a more rational use of resources that promote and maintain health.

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