



Authors: Mallory Cole, Director, and Alain Huynh, Analyst



Health care providers in Texas continue to work diligently to improve care delivery systems to all patients through Medicaid 1115 waiver transformation initiatives, specifically

focusing on the Medicaid and low-income uninsured populations. The work of the Anchors and Delivery System Reform Incentive Payment (DSRIP) program providers in 2017 and previous years is evident in the increased access and improvement in quality outcomes demonstrated through the program. Looking back, 2017 brought uncertainty in regard to the future of the DSRIP program in Texas, but the new year brings the highly anticipated approval from the Centers for Medicare and Medicaid (CMS) to reinstate another five years of DSRIP and Uncompensated Care (UC) funding for Texas.

With the official approval letter received, Anchors and providers will be tasked with implementing significant changes to the DSRIP program and reporting structure, as well as resubmitting their DSRIP plans to Texas Health and Human Services Commission (HHSC). Other large tasks will include developing baselines for all measure bundle components (Category C requirement) and defining the System-Level Medicaid/Low-Income/ Uninsured (MLIU) Population (Category B requirement). The waiver renewal will require DSRIP providers throughout Texas to transition from project-based transformation initiatives to a more quality/risk-based program, implementing and reporting on quality measure bundles and core activities for a defined target population. The new DSRIP program also challenges providers to more strategically leverage DSRIP funding to support the transition to population health management under value based purchasing “risk” managed care contracts for all lines of business (Medicaid, Medicare and commercial).

Our team of experts has unparalleled expertise not only in the Texas DSRIP program, but in other national Medicaid waivers with similar goals, such as the New York 1115 Medicaid Waiver, and we are the premier national consulting firm and data analytics experts for health systems and providers looking to succeed in value based purchasing, or “risk” contracting with managed care organizations (MCOs).

Below are our thoughts on a few key actions and best practices that DSRIP providers and Anchors should consider in preparation for upcoming challenges in the short-term, and overall success measures when the waiver is over.

## **1. Prepare for an accurate and timely submission of the updated RHP plan.**

Both providers and Anchors will need to gather accurate data, while selecting appropriate measure bundles and core activities, in preparation for submitting an updated RHP plan. Each organization undergoes unique challenges in serving their specific populations; thus, it is important to recognize your current strengths and gaps in selecting the appropriate measure bundles and core activities.

## 2. Understand reliable revenue based on your historic performance.

Financial performance is critical for maintaining and improving your organization's programs. Moving to a more pay-for-performance focused program can be a challenging and scary transition. It will be important for providers to assess their current performance against required benchmarks for measure bundles and understand what DSRIP funding going forward you can rely on, such as measures against which you are currently performing well, versus metrics that may be difficult to achieve and lead to unearned revenue.

## 3. Establish an organizational roadmap to Value-Based Purchasing (VBP).

The health care reimbursement landscape shifts more and more towards VBP each day, as evidenced in HHSC's "Roadmap to VBP," in addition to DSRIP switching to measure bundles instead of projects. With this in mind, it will be important to pivot your organizational focus from project-level implementation to organization-specific outcomes. Furthermore, your organization should begin aligning DSRIP quality metrics with other quality programs as you begin to take on risk in Medicaid or other lines of businesses.

## 4. Define your data strategy.

One key to success will be ensuring that providers understand the importance of data in measuring program performance and effectiveness. As measure bundles and system definitions are major components of DSRIP funding, having accurate and timely data will allow your organization to receive maximal funding. Data is also crucial for identifying gaps in care in order to target specific populations more effectively.

## 5. Prepare for long-term sustainability of your transformation investments.

Knowing that DSRIP funding won't last forever, it is highly important that organizations begin to prepare for long-term sustainability. Organizations should start thinking about ways to continue your transformation programs and improving quality outcomes without DSRIP funding.

While this waiver renewal period may pose significant challenges and uncertainty for many participating DSRIP providers, many fears and setbacks can be mitigated by focusing on the key actions outlined in this piece, among others. In addition to this piece, we have a [menu of services](#) available to help Anchors and providers understand how our team can add value to your initial planning and implementation efforts early in the new waiver phase.

*COPE Health Solutions can partner with your organization to perform a readiness assessment on your ability to perform against core activity and measure bundle options, leveraging findings to answer key strategic questions. Our goal is to assist our clients to align managed care strategy and DSRIP performance to create opportunities to maximize the use of DSRIP dollars as investments in population health infrastructure and equip you with the necessary tools to be successful in risk-based environments. We believe using a data-driven approach will help you identify gaps, and areas for improvement, building off of your current DSRIP programs and planning long-term to help prepare your organization for financial sustainability. Not knowing what is in store for Texas when the DSRIP program ends in five years, it is important to consider all of the various opportunities that your organization will face that will enable you to continue to provide effective, sustainable care to your population.*

For more information how to prepare and respond to the waiver renewal, please contact Mallory Johnson Cole, Director, COPE Health Solutions at [mcole@copehealthsolutions.com](mailto:mcole@copehealthsolutions.com) or Allen Miller, Chief Executive Officer, COPE Health Solutions at [amiller@copehealthsolutions.com](mailto:amiller@copehealthsolutions.com).

