



A Review of Select State DSRIP Programs: Implications for California's Waiver Renewal

DSRIP Forum, CSAC Conference Center

December 17, 2014

Contents

2

- What Is DSRIP?
- DSRIP Models: Hospital System and Regional
- Key Model Design Issues
- DSRIP in Other States
- Conclusion

What Is DSRIP?

3

A new-ish Medicaid effort operated under a Section 1115 Medicaid waiver program that provides provider financial incentives to:

- Support delivery systems changes to meet the triple aim;
- Address gaps in care delivery;
- Improve hospital operations; and
- Increase care capacity.

States use federal dollars with a match.

Budget Neutrality rules apply.



No DSRIP Definition, but Shared Traits

4

Patient Centered

- Better patient care and experience through a more efficient, patient-centered and coordinated system.

Transparent

- Decision-making process takes place in the public eye, ensuring processes are clear and aligned across providers.

Collaborative

- Collaborative process reflects the needs of the communities and inputs of stakeholders.

Accountable

- Providers are held to common performance standards, deliverables and timelines.

Value Driven

- Focus on increasing value to patients, community, payers and other stakeholders.

Better health. Better outcomes. Reduced costs.

DSRIP Means New Effort

5

DSRIP is new work for better outcomes.

- Medicaid has a long history of providing supplemental payments for volume of care.
- The entire point of DSRIP is to move past notions of a federal volume subsidies (like DSH).

DSRIP Models: Hospital Transformation

6

- Focus on giving individual hospitals tools they need to improve outcomes for the inpatient and outpatient settings.

- Project examples:
 - ▣ Central Line-Associated Bloodstream Infection (CLABSI) Infection Prevention
 - ▣ Expanded Medical Home Model
 - ▣ Improving Chronic Disease Management – Diabetes

DSRIP Models: Regional Transformation

7

- Focus on changing the system of care in a geographic area in order to achieve increased efficiencies or improvements to population health.

- Project examples:
 - ▣ *Creating an Integrated Delivery System*
 - ▣ *Care Transitions Intervention Model*
 - ▣ *Increase Early Access to, and Retention in, HIV Care*

DSRIP Models: Comparison

8

Hospital System Transformation

- ❖ Requires collaboration internal to the hospital
- ❖ Incentive dollars only available to hospitals

Regional Transformation

- ❖ Requires collaboration across a range of providers that may or may not share the same incentives or interests
- ❖ More politically and financially complex
- ❖ Incentive dollars may be available to a range of providers

Key Model Design Issues

9

1. Participating Providers

2. DSRIP Vision and Project Categories

3. Project Planning, Evaluation and Metrics

4. Role of Managed Care

5. Sources of Non-Federal Share

Key Model Design Issue #1: Participating Providers

10

Which providers, and non-providers, should be allowed to participate in DSRIP?

- California's current DSRIP focuses on large public hospitals — only state to do that
- Additional provider classes that could participate in DSRIP include:
 - ▣ Other Public Hospital
 - ▣ Private Hospital
 - ▣ Non-hospital Providers
 - ▣ Safety Net Providers and All Providers
 - ▣ Social Services Participation
 - ▣ Behavioral Health Providers
 - ▣ Long Term Care Providers

Key Model Design Issue #2: DSRIP Vision and Project Categories

11

What change does the state want to incentivize? Is there a broader state vision/goal that the state wants to meet?

- California's vision for the 2010 DSRIP was powerful and simple: Improve the operations of public hospitals in preparation for the ACA.
- A similarly clear and compelling vision is needed for 2015 DSRIP; and securing the federal government's support will be critical.
- Other states have focused their DSRIPs on payment reform and preparing for capitation.

Key Model Design Issue #3: Project Planning, Evaluation and Metrics

12

What performance measures and evaluation methodology will be used to assess the outcomes of these projects?

- For waivers following California's 2010 DSRIP, CMS has generally required greater volume and detail in evaluation processes.
- CMS wants states to have “stretch” goals that are “truly transformative.”
- Based on this trend, California should be prepared for more rigorous planning requirements and a more rigorous set of CMS evaluation measures.

Key Model Design Issue #4: Role of Managed Health Care

13

What is the role of managed care in DSRIP, if any?

- Unlike most other states, California has a well-established delegated managed care model and is an example where DSRIP is designed to operate separately from managed care.
- Managed care plans could play a broader care integration role in Medi-Cal, like the Coordinated Care Initiative, but there would need to be a financial incentive for plans and providers to act together.

Key Model Design Issue #5: Sources of Non-Federal Share

14

Where will California get its Non-Federal share?

- California has a long history of limiting state General Fund contributions to Medi-Cal.
- Other states have varied their approach to financing, including using combinations of IGTs, General Fund, matching of Designated Public Programs, and mental health funding to finance DSRIP.
- For some stakeholders, the analysis on what DSRIP can or can't do will be contingent on understanding the sources of the non-federal share.

DSRIP States (Implemented)*

	CA	MA	TX	KS	NM	NJ	NY
Program Participants:	Public	Public & Private Providers					
<i>Hospitals Only</i>	X	X		X	X		
<i>Health Care Service Providers</i>			X			X**	
<i>Health & Social Service Providers</i>							X
Standardization:							
<i>Menu of Projects</i>	X	X	X			X	X
<i>Shared Metrics & Milestones</i>	Some		X			X	X
Projects Developed for:							
<i>Individual Providers</i>	X	X	X	X	X	X	X
<i>Groups of Providers</i>			X				X
Tie to Other State or CMS Goals:							
<i>Public Health Measures</i>						X	X
<i>Payment Reform</i>		X					X***
Approved:	Nov 2010	Dec 2011	Dec 2011	Dec 2012	Jul 2013	Aug 2013	Feb 2014

* Arizona's program was never implemented. Florida and Oregon operate DSRIP-like programs, but don't seem to be considered full DSRIP by CMS.

** New Jersey hospitals encouraged (not required) to work with downstream providers and share payments.

*** New York has a linked statewide 25% reduction in avoidable hospitalization goal that reduces all provider payments if the entire state does not reach that goal.



DSRIP in Other States: Massachusetts 2014

16

- Called Delivery System Transformation Initiatives (DSTI).
- Seven-hospital program, with each hospital expected to have six or seven projects.
- MA decided that a population health approach was not possible, and that a regional change would require a full five-year waiver.
- DSRIP portion of the waiver was recently renewed for three years.
- The goal is to prepare providers for the complete elimination of fee-for-service Medicaid.

DSRIP in Other States: New York

17

- Many details are still under development.
- CMS approved a 5.5-year waiver, with the additional time allotted for planning.
- Projects are all regional .
 - Both population health and statewide measures will be used.
 - Focus is not on hospital-specific operations.
- Tens of thousands of non-hospital providers are involved – including physicians, pharmacies, clinics, social service providers, and other provider types.
- Primary goal is to prepare providers for capitation payments in five years.
 - Additional goals include reducing unnecessary utilization of Emergency Departments by 25%.

DSRIP in Other States: Texas

18

- Five-year waiver was approved in 2011; is operational now with 1,400 projects underway.
 - ▣ Some are hospital-specific.
 - ▣ Most are regional; with a range of provider types able to participate.
- Strong focus on population health.
- Includes both public and private providers.
- Primary goal was to prepare hospital providers for carving inpatient care into managed care.

Conclusion

19

- 1115 waivers offer states flexibility, but include important controls.
- CMS has no obligation to approve a state waiver request.
- CA needs to first establish its vision and goals for the next DSRIP, then figure out how to align these with the federal government.
- Once shared goals are established, it will be easier to move forward with the design of the programmatic and financial systems.



For more information, visit:
www.harbageconsulting.com

or, contact us at:
info@harbageconsulting.com