LEADERSHIP SUMMIT

Social Networks and Population Health

Incentivizing Delivery System Reform in Medicaid: A Deeper Look at DSRIPs

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AMERICA'S ESSENTIAL HOSPITALS

TODAY'S DISCUSSION

- DSRIP Overview
- Evolution and Trends
- Key Considerations

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DSRIP Overview

AMERICA'S ESSENTIAL HOSPITALS

#DSRIP

NY eHealth @NYeHealth · Sep 10
How does **#DSRIP** impact the future of NY's #HealthCare? Join @CrainsNewYork at 10/1 #Healthcare Summit bit.ly/1o72I59 #medicaid
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Figuring Out DSRIP

CRAIN'S Health Pulse

Most providers in New York are unsure of how to best use money from the Delivery System Reform Incentive Payment plan that is the key funding mechanism of the $8 billion Medicaid waiver finally approved on Monday. According to a March poll conducted by KPMG, nearly half of the 90 respondents polled said they had not determined how they would use the funding. Among those who had considered how they would use the funds, 38% said they would leverage them to develop population health-management programs, address outpatient and chronic-disease treatment gaps, build integrated delivery networks and implement care management and transition programs. The KPMG survey also found that 40% of those polled estimated that their avoidable hospitalization numbers were between 11% and 20%, but 18% thought that rate was above 30% at their facilities. The survey went a bit deeper into the causes of avoidable admissions. Nearly half cited a lack of primary care staff and a lack of access to appropriate sites of service as the greatest challenges to delivering quality care. See related item for more on DSRIP.

Industry Trends

ven Healthcare Technology

Compliance Connected Health Interoperability

Changing Delivery and Spending of Medicaid through DSRIP

by Priyal Patel on May 22nd, 2014

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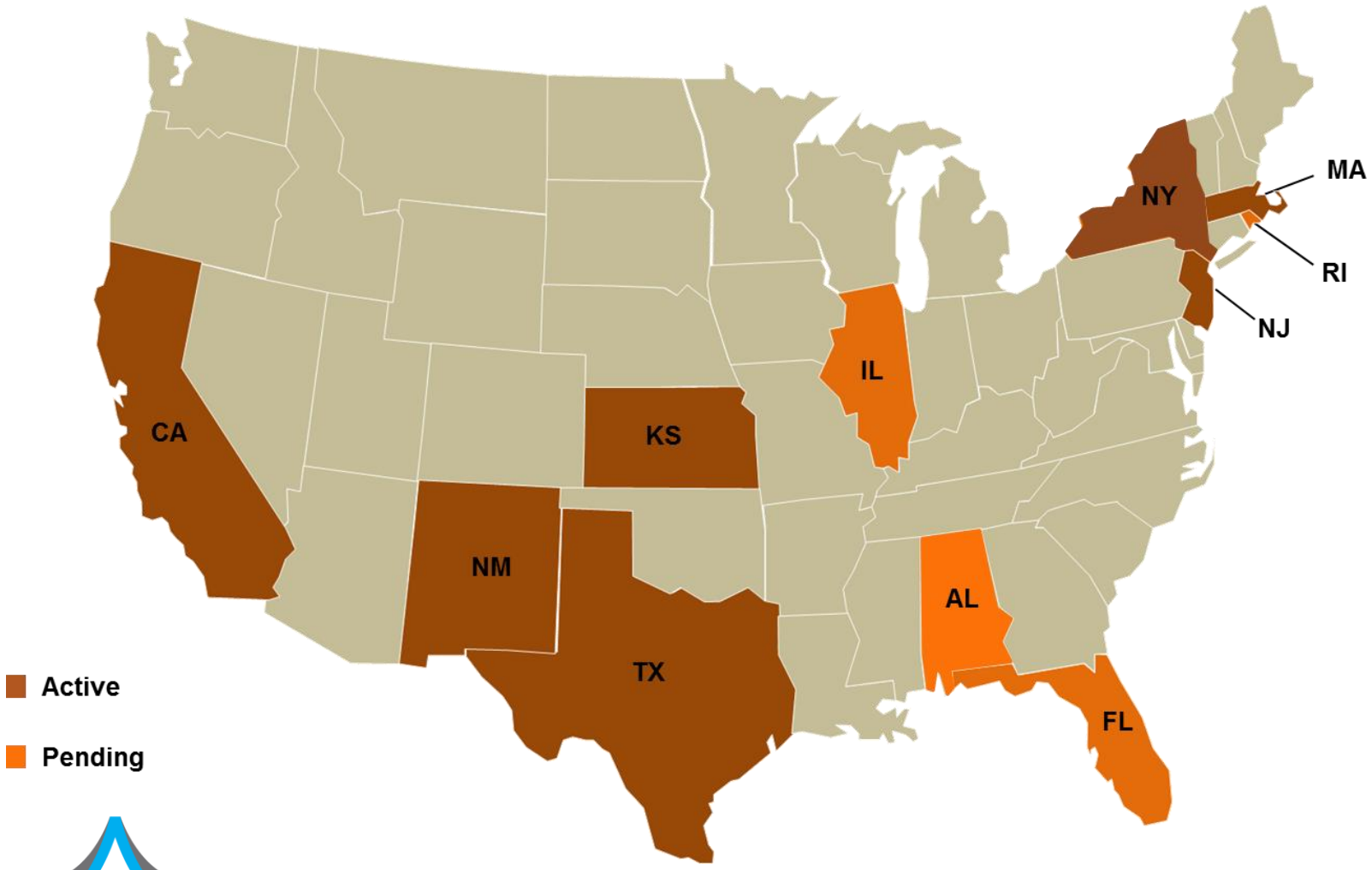
Well, folks, here's another acronym for you to add to your healthcare dictionary…DSRIP. DSRIP, or more formally known as the Delivery System Reform Incentive Program, is a demonstration program through the Centers for Medicare and Medicaid Services (CMS) that is designed to result in achieving the triple aim: better care for individuals, better health for the population, and lower costs by transitioning hospital funding to a model where payment is contingent on achieving health improvement goals[1].

ACTIVE AND PENDING DSRIPs



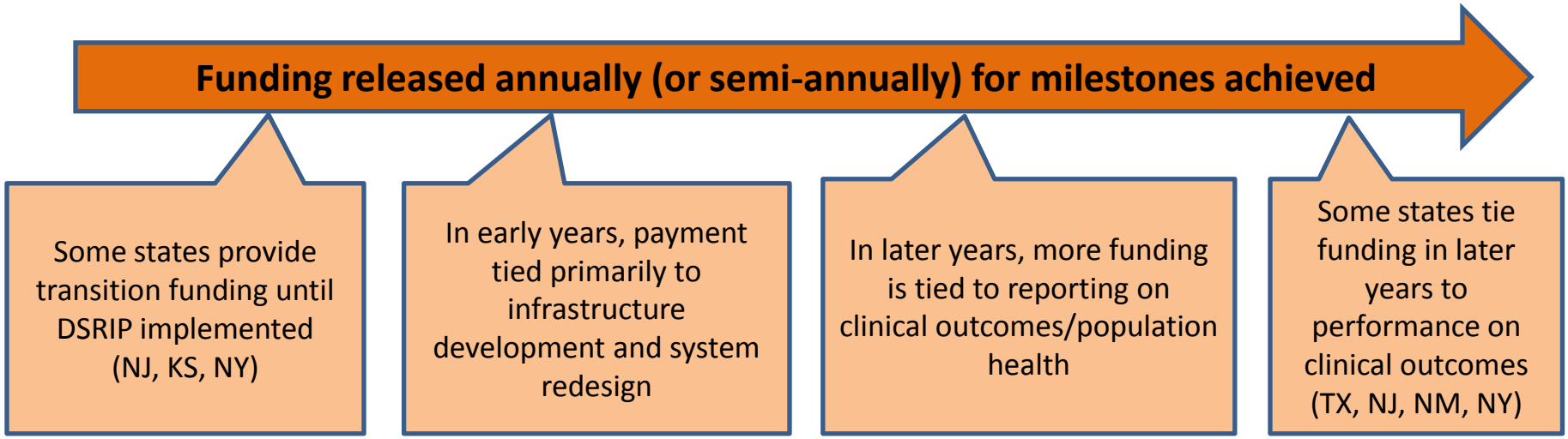
WHAT IS A DSRIP?

- Medicaid incentive payments to hospitals and health systems that undertake intensive delivery system reform
- State makes payment based on achievement of milestones
- Non-federal share may be financed by public hospitals or other public entities
- Not considered payment for services
  - » Does not count towards DSH, UPL
  - » Implemented through 1115 waiver

CONTEXT: DRSIPs ONLY ONE COMPONENT OF LARGER WAIVER

- DSRIPs should be viewed within the context of broader waiver
  - » Bridge to Reform in CA
  - » Shift to managed care in TX
  - » Medicaid redesign in NY
- Often, DSRIP funds wholly or partially replace prior supplemental payments
- Health system sustainability may be a component
- Implementation time and resource intensive; requires significant up-front investment

PAYMENTS SHIFT OVER TIME



Evolution and Trends:

- Collaboration
- Rigorous Performance Measurement
- Population Health

DSRIPS INCREASINGLY FOCUSED IN SUPPORT OF STATE POLICY GOALS

CA: Hospital-specific projects with alignment across categories

TX: Region-wide transformation plans

MA: Payment reform to prepare for statewide transition to alternative payment methodologies

NJ: Healthy NJ chronic disease reduction effort

NY: Specific goal to achieve a 25% reduction in avoidable hospital use over 5 years

INCREASING EMPHASIS ON COLLABORATION AMONG PROVIDERS

Learning Collaboratives

"As important as individual hospital efforts will be, there is even greater potential value in leveraging the hospitals' efforts for delivery system transformation through the sharing of best practices."
~MA Master DSTI Plan

Regional Healthcare Partnerships (TX)

"Multiple, complementary initiatives will be occurring in the same RHP simultaneously, reinforcing each other in the transformation of care delivery."
~TX RHP Planning Protocol

Performing Provider Systems (NY)

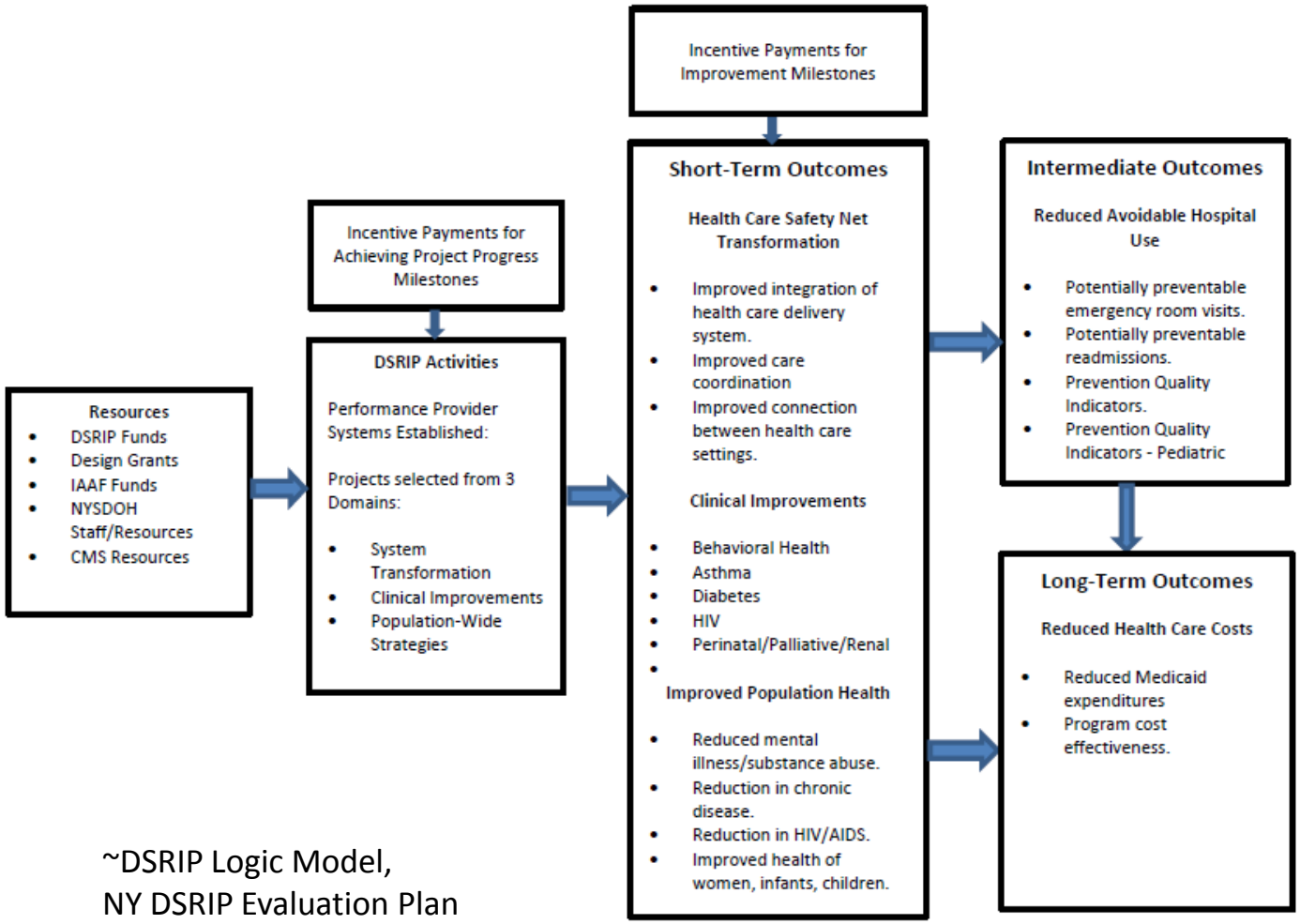
"DSRIP is about collaboration. No single provider or even a group of providers that does not cover the full spectrum of health care delivery will meet the program's requirements."
~NY Department of Health

COMPARISON OF TX AND NY REGIONAL APPROACHES

	TX RHPs	NY PPSs
Selection of RHP/PPS	RHPs based on distinct geographic boundaries that generally reflect patient flow patterns	Providers covering full spectrum of care apply as coalition to participate in DSRIP as a single PPS; must be clear business relationships among component providers (e.g., joint budget, data agreement)
Role of anchor	Public hospital or local governmental entity with authority to IGT serves as anchoring entity, which serves coordinating role	Lead coalition provider (where applicable, the public hospital providing IGTs) is primarily responsible for ensuring PPS meets all requirements, distributing payments
Project coordination	Projects generally are hospital specific, but support shared regional missions and quality goals	Participating providers participate in same projects
Performance measurement	Participating providers evaluated individually for performance on milestones/metrics	Performance on milestones/metrics reported and evaluated collectively as a PPS; patients attributed to PPS for performance measurement purposes
Payment	Participating providers receive payment individually	State pays PPS, not individual providers; payment distributed to individual providers in accordance with PPS funding distribution plan

COLLABORATION EXTENDS TO COMMUNITY

MEASURING SUCCESS: PROJECTS MUST BE LINKED TO **MEANINGFUL** AND **MEASURABLE** IMPROVEMENTS



~DSRIP Logic Model,
NY DSRIP Evaluation Plan

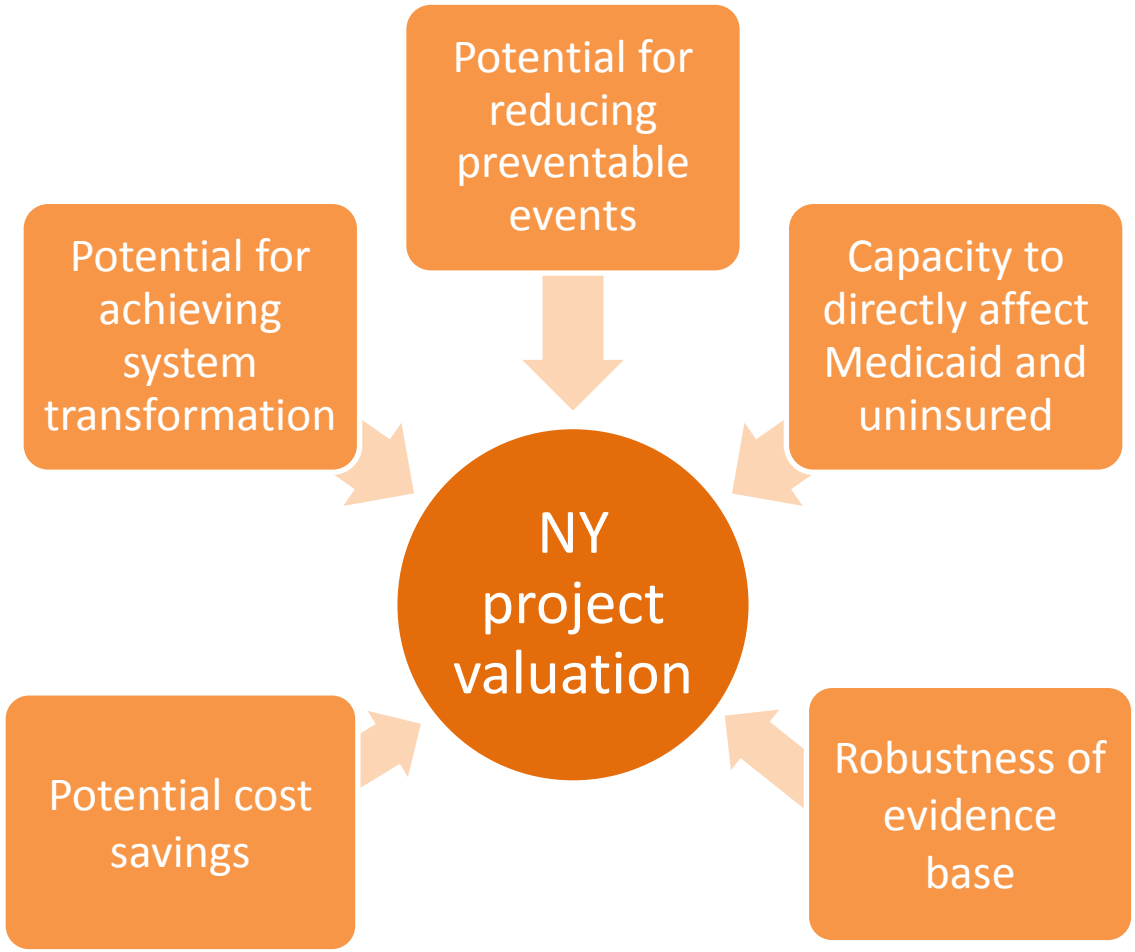
INCREASINGLY RIGOROUS EXPECTATIONS

- Tight project selection process
  - » NY: Must show data-driven evidence supporting the choice of goals and that projects align with community needs, with room for improvement
- CMS wants to see providers stretching and movement on clinical outcomes
  - » NJ Universal Performance Pool (increases from 10% of total DSRIP funding in DY3 to 25% of total funding in DY5)
  - » High Performance Fund in NY (up to 10% of total DSRIP funding in DY2-DY5)
- Focus on improvement (10% annual improvement to goal – NJ, NY)
- Expectation of sustainability post-DSRIP
- DSRIP funding may be at risk for statewide performance (NY)

INCREASINGLY RIGOROUS EXPECTATIONS: PROJECT AND MILESTONE VALUATION

"The value of funding for each milestone and for DSRIP projects overall should be proportionate to its potential benefit to the health and health care of Medicaid beneficiaries and low income uninsured individuals."
~New York Partnership Plan,
Special Terms and Conditions

INCREASINGLY RIGOROUS EXPECTATIONS: PROJECT AND MILESTONE VALUATION



INCREASINGLY RIGOROUS EXPECTATIONS: DSRIP EVALUATION

- Rapid cycle evaluation within projects
  - » Data evaluation must be ongoing to drive system transformation
- Regular provider-level progress reporting (as basis for payments)
- State-level review pursuant to CMS approved rubric
  - » CMS getting out of the business of individual project review
- Independent expert evaluation of plans
- Mid-point assessment (quantitative & qualitative), including re-approval of projects, with potential adjustments
- Overall independent evaluation of the DSRIP
  - » Must meet "the prevailing standards of scientific and academic rigor"

INCREASING FOCUS ON POPULATION HEALTH

Uniform reporting on population health measures (CA, TX, MA)

Pay for performance on population health measures (NJ)

Responsibility for a defined patient population (NY)

POPULATION ATTRIBUTION IN NY DSRIP

- Goal is to have most Medicaid (and in some regions, uninsured) populations attributed to a performing provider system (PPS)
- Attribution for valuation (prospective)
- Attribution for performance measurement (retrospective)
- Beneficiaries free to receive care from any provider

Key Considerations

BUDGET NEUTRALITY

- Waiver must be budget neutral, so must be room to accommodate DSRIP
- That said, individual DSRIP projects do not need to demonstrate budget neutrality
  - » Contrast with State Innovation Model grants, CMMI funding

SOURCE OF FINANCING

- Intergovernmental transfers
  - » Additional complexity when private providers are also participating
- State general revenues
  - » Typically redirected not new funding
- Provider assessment
  - » Statewide or local
- CPEs not feasible
  - » DSRIP payments not based on cost

FINANCING MAY DICTATE SCOPE

CA	$6.5B (total)	21 public hospitals	5 years	New/ Existing	IGTs
TX	$11.4B (federal)	300+ providers (public and private)	5 years	New/ Existing	IGTs (partnerships)
MA	$628M (total)	7 hospitals (public and private safety net)	3 years	Existing	IGTs by public; state general revenues for private
KS	$100M (total)	2 hospitals (public and private)	5 years	Existing (transition)	IGTs by public; state general revenues for private
NJ	$611M (total)	All hospitals	5 years	Existing (transition)	State general revenues
NM	$29M (federal)	29 hospitals (public and sole community providers)	5 years	Existing (transition)	IGTs
NY	$8B (federal)	Safety net providers (public and private)	6 years	New/ Existing	IGTs

ROLE OF MANAGED CARE

- How does provider-level DSRIP activity align with MCO quality efforts?
- What role can MCOs play in the DSRIP?
  - » Supporting (eg data sharing)
  - » Concurrent efforts (eg alternative provider payments)
  - » Direct participation

STAKEHOLDER INTERESTS

State

- Advancing state health care priorities
- Demonstrated improvements
- Retention of federal $$ in system
- Long-term reduction in Medicaid expenditures
- Meaningful data on population health
- Minimize administrative burden

CMS

- Accountability for investment
- Demonstrated improvements
- Reduced reliance on supplemental payments
- Meaningful data
- Replicable learning and models
- Sustainability
- Minimize administrative burden

Hospitals

- New funding to enable significant improvement
- Continued core funding
- Improved ability to participate in other initiatives (e.g., all-payer reform)
- Manageable risk levels
- Participation in development and negotiation of the program

Questions?

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