Community Centers and the Texas 1115 Medicaid Transformation Waiver

Background

In 2011, Texas Health and Human Services Commission (HHSC) and Centers for Medicare & Medicaid Services (CMS) agreed to move forward with an 1115 Medicaid Transformation Waiver that includes a new component to health care delivery: the Delivery Reform Incentive Payment (DSRIP) pool. DSRIP is designed to incentivize innovation to increase access, improve quality and better manage costs of healthcare for low income Texans. The details on how to design and implement DSRIP unfolded over the next two years and led to the program in place today, featuring a significant focus on the importance of behavioral health in reaching overall health care system goals.

All 39 Community Centers participate in the Waiver, leveraging local and state funds as Intergovernmental Transfer (IGT) to secure matching Federal funds for DSRIP projects. The Centers currently conduct 347 projects (294 four-year and 53 three-year). Community Centers provide the foundation for delivery of mental health services for Medicaid recipients and the uninsured in Texas, conducting approximately 75 percent of all behavioral health projects within the 1115 Waiver across the State. Even in the first few years of the Waiver, significant impact is apparent in local communities with increased capacity, innovative new programs and community partnerships.

Table 1. Community Center Clients

Unduplicated Clients Served During DY3[1]	Total
Clients Served Regardless of Funding Source	515,663
New Clients Served with 1115 Waiver Funds	50,350
Existing Clients that Received Enhanced Services with 1115 Waiver Funds	23,728

[1] Demonstration Year 3; third year of the Waiver

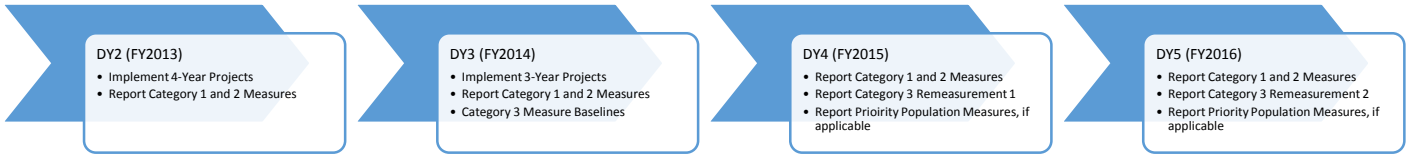
The Waiver structure is based on pay for performance (P4P). The ability to successfully meet performance metrics and measures determines whether a performing provider is eligible to receive a Delivery System Reform Incentive Payment (DSRIP). These payments are used to incentivize Community Centers to transform service delivery practices to improve quality, health status, patient experience, coordination, and cost-effectiveness.

The current Waiver will end September 2016; however, Texas will apply for an 1115 Waiver extension to allow providers the opportunity to continue and/or initiate new projects. HHSC and CMS will negotiate terms and conditions of the Waiver extension, which will determine the impact to current projects. Those terms and conditions will ultimately affect current Waiver recipients.

Current Status

The 1115 Transformation Waiver is designed with a pay for performance financing mechanism. This means providers do the work first, demonstrate performance measures have been met and then receive payment. The Waiver included planning money in DSRIP Demonstration Year (DY) 1, providing "seed" money to begin projects. The Centers report to HHSC in April and October of each year and are paid for performance in July and January. Since the Waiver is based on performance and many of the Category 3 measure specifications are based on a calendar year, Centers may not have complete baseline data until DY4 and will not be paid until DY4 for work performed in DY3. Figure 1 describes the 1115 Waiver timeline in Texas.

Figure 1. 1115 Waiver Timeline



For DY2, Community Centers received 92 percent (92%) of allocated DSRIP funds for meeting numerous milestones, metrics and measures required by CMS and HHSC. The DY3 payments based on October 2014 submissions will occur in January 2015; therefore, payment data is preliminary at this time. Most Centers are on track to meet all performance measures and receive approved allocations or have requested carryforward.

The October 2014 submission included DY3 Category 1 and 2 milestones/metrics and for the first time, baseline results of Category 3 measures. Category 1 and 2 milestones and metrics are primarily process measures. Centers report the development of infrastructure and program innovation and redesign; increases in resources such as staffing; and expansion or initiation of targeted programs to better serve consumers.

Category 3 measures are best described as outcomes measures. These measures focus on improvement in access, timeliness, and/or quality of services to the consumer and ultimately, the entire eligible population. To determine improvement and eligibility for future payments, DY4 and DY5 results of these Category 3 measures will be compared the current DY3 baseline results.

Of the numerous project areas available for Community Centers to choose from based on community needs and service gaps, six project areas were selected by multiple Centers. Table 2 identifies these project areas.

Table 2. Common Project Areas

Project Description	Sample Projects	Number of Community Centers
Improve access to specialty care	Increasing medical staff, implementing new types of programs and increasing the use of telemedicine	10
Expand the number of community based settings where behavioral health services may be delivered in underserved areas	Outpatient substance abuse, pediatric psychiatric counseling, Veteran counseling and IDD services	19
Develop and implement crisis stabilization services to address identified gaps in the current community crisis system	Crisis residential, respite, observational and mobile units for adolescents and/or adults	23
Design, implement and evaluate research supported and evidence-based interventions tailored toward individuals in the target population	Assertive Community Treatment (ACT) team, Mobile Crisis Outreach Team (MCOT), Crisis Intervention Response Team (CIRT) and Cognitive Adaption and/or Processing Therapy	25
Design, implement, and evaluate projects that provide integrated primary and behavioral health care services	Co-locate providers, provide physical health services and coordinate physical health care	31
Recruit, train and support consumers of mental health services to provide peer support services	Whole Health peer assessment/support and Veteran peer support	12

The integration of physical and behavioral healthcare is the most common DSRIP project among Centers. Thirty-one Community Centers have projects that in some way integrate physical and behavioral health care. The strong focus on the overall health of the client aligns with national priorities and is closely associated with improved population health.

For each project, Community Centers had to select and report baseline results for Category 3 measures. Measures selected by 5 or more Centers are included in Table 3.

Table 3. Common Category 3 Measures

Category 3 Measure	Measure Description	Number of Community Centers
IT-1.7	Increase controlling high blood pressure	15
IT-1.18	Increase follow-up after hospitalization for mental illness	11
IT-6.2.a	Improve Client Satisfaction Questionnaire 8 (CSQ-8) scores	9
IT-9.1	Decrease mental health admissions and readmissions to criminal justice settings such as jails or prisons	11
IT-9.4.e	Reduce emergency department visits for behavioral health/substance abuse	5
IT-10.1.a.iv	Improve Assessment of Quality of Life (AQoL-8D) scores	7
IT-10.1.b.iii	Improve RAND Short Form (SF-36) Health Survey scores	5
IT-11.5	Increase adherence to antipsychotic medications for individuals with schizophrenia	5
IT-11.8	Increase initiation and engagement of alcohol and other drug dependence treatment	5
IT-11.19	Improve assessment for psychosocial issues of psychiatric patients scores	5
IT-11.26.b	Improve Aberrant Behavior Checklist (ABC) scores	9
IT-11.26.c	Improve Adult Needs and Strength Assessment (ANSA) scores	11
IT-11.26.d	Improve Children and Adolescent Needs and Strengths Assessment (CANS-MH) scores	7
IT-11.26.e.i	Improve Patient Health Questionnaire 9 (PHQ-9) scores	6

The outcome of the Category 3 measures in DY4 and DY5 will be compared to baseline results to assess improvement. These measures examine various aspects of services provided as well as consumer perspective. The Centers selected Category 3 measures that best reflected project outcomes; however, the outcomes being measured apply to the Centers' population and are often not limited to the project population. The result is an increased burden to improve outcomes for an entire population that goes beyond the resources available to successfully implement Waiver projects. HHSC indicates future emphasis will be placed on outcomes of Category 3 measures. Additionally, these outcomes will be an important part of the 1115 Waiver renewal.

Although DY3 represents the first year of operations for many programs, the 1115 Waiver has already been successful throughout Texas communities. One key area of success is the development of new and stronger relationships with community stakeholders throughout the healthcare delivery system. These collaborative relationships have allowed the successful implementation of 1115 Waiver projects as well as other community initiatives. Table 4 includes the types of agencies/entities the Community Centers are actively engaging with to better serve their populations.

Table 4. Community Center/Stakeholder Collaboration

Key Local Stakeholder Collaboration	Percentage of Community Centers
District/County Attorneys' Office	62%
Juvenile Justice Agencies	85%
Law Enforcement Agencies	100%
Local Courts/Judiciary	90%
Local Housing Authorities	64%
Military Veteran Organizations	79%
Public or Private Hospitals	92%

In addition to collaborative relationships above, DSRIP successes include:

- Increases in capacity to serve behavioral health needs in local communities.
- Stronger partnerships between Community Centers and other providers. These relationships are key for client care coordination.
- Regions have conducted Learning Collaboratives to advance understanding and best practices in patient care.
- Centers have expanded their focus on performance measures to include calculating nationally-recognized, standardized measures and identify areas for improvement compared to National and State benchmarks.
- DSRIP payments have allowed innovative programs to be implemented and clients to be served beyond what Medicaid or General Revenue has traditionally funded.

The transformation of health care delivery systems requires funding, commitment and time for change. The DSRIP component of the 1115 Waiver provided funding and time, and Community Centers in Texas brought the commitment to transformation. The impact on behavioral health has been significant and will be even greater and farther reaching in DY4 and DY5.