DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Administrator
Washington, DC 20201

April 16, 2021

Stephanie Stephens
State Medicaid Director
Texas Health and Human Services Commission
4900 Lamar Boulevard
MC: H100
P.O. Box 13247
Austin, Texas 78751

Dear Ms. Stephens:

On January 15, 2021, the Centers for Medicare & Medicaid Services (CMS) approved a request from Texas to amend and extend its section 1115(a) demonstration titled "Texas Healthcare Transformation and Quality Improvement Program (THTQIP)" (project number 11-W-00278/6) for a ten-year extension through September 30, 2030. The THTQIP demonstration was previously approved through September 30, 2022, and the recent extension included significant programmatic changes to the existing demonstration's structure. CMS approved this extension based on the state's November 30, 2020 application submission that included a request to exempt the extension application from the public notice and comment process requirements for section 1115 demonstrations that generally apply under section 1115(d)(2) of the Social Security Act (the Act) and implementing regulations in 42 C.F.R. Part 431, Subpart G.

On December 15, 2020, CMS informed Texas that its application was complete and that CMS was approving the state's request for an exemption from the public notice and comment requirements. Texas asserted that this exemption was necessary to provide financial stability for providers in the state, as well as the state's Medicaid program, in the midst of the COVID-19 public health emergency. On January 15, 2021, CMS approved the state's request to extend the THTQIP demonstration with substantial modifications from the state's extension application, including but not limited to a new uncompensated care pool and a new approval period through September 30, 2030, instead of through September 30, 2027, as the state requested in its application.

Although Texas requested an exemption from the public notice and comment process, the state nevertheless undertook a state-level notice and comment process. On November 27, 2020, the state both published a notice of the extension request in the *Texas Register* and provided written notification to tribal representatives, after which the state held tribal and public hearings about the extension request on December 4, 7, and 8, 2020. These public notice materials were consistent with the state's extension application as submitted to CMS on November 30, 2020, and did not reflect the substantial modifications that were ultimately approved, including the new uncompensated care pool and the new approval period through September 30, 2030.
Upon further review, we have determined that CMS materially erred in granting Texas's request for an exemption from the normal public notice process under 42 C.F.R. § 431.416(g), as further

explained below. We have determined that the state's exemption request did not articulate a sufficient basis for us to conclude that approving the state's emergency request for an exemption from the normal public notice process was needed to address a public health emergency or other sudden emergency threat to human lives, as required under 42 C.F.R. § 431.416(g). The state's exemption request in its application did not establish that the request to extend the demonstration, which was already authorized through September 30, 2022, was substantially related to the public health emergency for COVID-19 or any other sudden emergency threat to human lives, that the circumstances surrounding the extension request constituted an emergency, or that delay sufficient to complete the public notice and comment process before approval of the extension request would have undermined or compromised the purpose of the demonstration or been contrary to the interest of beneficiaries. Rather, the erroneous initial determination to approve an exemption from the normal public notice and comment requirements was itself contrary to the interest of beneficiaries, as well as of Texas and CMS, because it deprived beneficiaries and other interested stakeholders of the opportunity to comment on, and potentially influence, the state's request to extend a complex demonstration – already authorized through September 30, 2022 – into the next decade. The demonstration would not yet expire for a significant period of time, and the extension also included new programmatic features not ever previously approved by CMS. Furthermore, the exemption from the normal public notice process deprived Texas and CMS of the benefit of public comments that might have helpfully informed Texas's design of the extension request and the decision to approve it. Therefore, in the interest of comporting with federal statutory and regulatory protections for public participation in the development of section 1115 demonstration applications and extensions, we are rescinding the approval issued on January 15, 2021. The waivers, expenditure authorities, and Special Terms and Conditions (STCs) that were in effect with our October 13, 2020 issuance of technical corrections to the THTQIP section 1115 demonstration will continue to be in effect, including reinstatement of the demonstration expiration date associated with those STCs. Withdrawing the January 15, 2021 extension approval is necessary to avoid uncertainty and adverse consequences that could result from reliance on the January 15, 2021 approval, the precise terms of which Texas might not request and CMS might not approve once informed by feedback from beneficiaries and other stakeholders who would be impacted by the extension of the THTQIP section 1115 demonstration. Accordingly, the THTQIP section 1115 demonstration is currently authorized through September 30, 2022. Should the state still wish to extend the demonstration past that date, we stand ready to work with the state to accomplish state submission and CMS review of a complete extension application during the next eighteen months that the demonstration continues to be authorized.

Section 1115(d)(2)(A) of the Act and 42 C.F.R. § 431.408(a) require a state-level process for public notice and comment, including public hearings, be completed prior to submitting a section 1115 demonstration extension application to CMS, to ensure a meaningful level of public input in the state's development of its application. Following receipt of a complete extension application from the state, including documentation of the state's compliance with the state-level public notice process (*see* 42 C.F.R. § 431.412(c)(2)(vii)), CMS is required to complete a federal-level public notice and comment process, as provided under section 1115(d)(2)(C) of the Act and 42 C.F.R. § 431.416(b), to further inform our review and determination of the state's application. Federal regulations at 42 C.F.R. § 431.416(g) set forth a narrow exemption from these state and federal public notice requirements, which we may approve to expedite a decision

on a proposed demonstration or demonstration extension request that addresses a natural disaster, public health emergency, or other sudden emergency threats to human lives. To obtain an exemption from the normal public notice process, the state must meet all three criteria specified in 42 C.F.R. § 431.416(g)(3): (i) the state acted in good faith, and in a diligent, timely, and prudent manner; (ii) the circumstances must constitute an emergency that could not have been reasonably foreseen; and (iii) it must be the case that delay would undermine or compromise the purpose of the demonstration and be contrary to the interests of beneficiaries. Upon further consideration of the state's exemption request, CMS's approval, and the effect of depriving beneficiaries and other interested stakeholders of an opportunity to comment on the extension and associated demonstration changes that we initially approved, we have determined that the state's exemption request did not articulate a sufficient basis for us to conclude that the state's emergency request for an exemption from the normal public notice process met the criteria specified in 42 C.F.R. § 431.416(g) for this narrow exception.

Texas's rationale for seeking exemption from the normal public notice process was premised on the state's conclusory assertion that healthcare providers in the state must have the financial stability they need to prepare for and respond to the COVID-19 public health emergency, and without an emergency approval of the extension request, the goals, purpose, and achievements from the THTQIP demonstration would be undermined. However, the state's exemption request did not meaningfully explain why the extension request addressed the COVID-19 public health emergency or any other sudden emergency threat to human lives, as required under 42 C.F.R. § 431.416(g)(1) and (2); why the circumstances constituted an emergency, as required under 42 C.F.R. § 431.416(g)(3)(ii); or why delay would undermine or compromise the purpose of the demonstration or be contrary to the interest of beneficiaries, as required under 42 C.F.R. § 431.416(g)(3)(iii).[1]

The THTQIP section 1115 demonstration extension request contained no features that specifically address the COVID-19 public health emergency. The demonstration was initially approved effective December 12, 2011 and, had already been extended through September 30, 2022, before the COVID-19 public health emergency began. Moreover, the state did not request any new or modified authorities designed to address the COVID-19 public health emergency, or any other sudden emergency threat to human lives. Instead, as Texas stated in its request for an exemption from the public notice and comment requirements, the state decided to "forgo[] requesting any modifications or complex or substantive changes to the waiver" to "achieve timely submission" of its request to extend the demonstration for an additional five years, through September 30, 2027. Although we ultimately approved substantial modifications to the demonstration as part of the January 15, 2021 extension approval, neither Texas's exemption request nor any later submission from the state attempted to explain why a five-year extension period – let alone the longer extension through September 30, 2030 or the new uncompensated care pool that the state did not initially request but that we ultimately approved – was necessary to address an emergency. And, in any event, none of the changes initially requested by the state

[1] Because we find that we erroneously concluded that Texas's application sufficiently demonstrated that the extension request addressed a public health emergency, that the circumstances constituted an emergency, and that delay would undermine or compromise the purpose of the demonstration or be contrary to the interest of beneficiaries, we need not consider whether Texas sufficiently demonstrated that it met the requirements under 42 C.F.R. § 431.416(g)(3)(i).

or that CMS approved was in fact geared to address the COVID-19 public health emergency or any other sudden emergency threat to human lives.

Moreover, to the extent Texas needed to make changes to the THTQIP demonstration to address the COVID-19 public health emergency, we have made available a streamlined section 1115 demonstration application template to do so. Many states, including Texas, have used this template to request and receive expedited CMS approval for new demonstrations and demonstration changes needed to address the exigencies of the COVID-19 public health emergency. Through that mechanism, states can, for example, request authority for certain supplemental payments to providers or to modify payment rates to ensure the financial stability of Medicaid providers affected by the public health emergency.

Additionally, considering the existence of the COVID-19 public health emergency and the financial pressures that many providers across the nation have experienced as a result, the state did not identify any circumstances that constituted a genuine emergency with respect to its request for an exemption from the public notice and comment requirements. It is unclear why Texas, or Medicaid providers in the state, reasonably could have been concerned about the stability of Medicaid payments authorized under the demonstration in the near term, as the demonstration already was authorized for almost an additional two years at the time of the state's extension request. While one component of the demonstration – the Delivery System Reform Incentive Payment (DSRIP) program – was slated to expire a year before the rest of the demonstration, on September 30, 2021, Texas was aware since CMS's December 21, 2017 demonstration extension approval that this authority would expire on September 30, 2021, and was specifically required under the terms of that approval to be working on a transition plan to operate the DSRIP program under traditional Medicaid authorities, or otherwise prepare for the cessation of federal financial participation in the DSRIP program after September 30, 2021. Rather than an emergency justifying an urgent demonstration extension without public notice and comment, the winding down of the DSRIP program was well known to the state and should have been a matter of state planning before the COVID-19 public health emergency. Furthermore, the January 15, 2021 extension approval did not alter the September 30, 2021 expiration of DSRIP program authority.

In view of the foregoing, Texas did not demonstrate in its request for an exemption from the public notice requirement that delaying approval of the extension application long enough to complete the state-and federal-level public notice and comment processes would undermine or compromise the purpose of the demonstration or be contrary to the interests of beneficiaries. Simply put, there was adequate time at the time of application to conduct the state-level public notice process and submit a complete extension application to CMS, and for us to conduct the federal-level public notice process and take action on the extension application, before the DSRIP program's expiration date of September 30, 2021, and certainly before the rest of the demonstration expires on September 30, 2022. In fact, there is still sufficient time today to accomplish an extension while respecting all applicable federal legal requirements. Therefore, Texas has not shown that approval of the exemption from the public notice process was needed to avoid undermining or compromising the purpose of the demonstration – which is not, and has not since its 2011 inception, been designed to address the COVID-19 public health emergency or any other sudden emergency threat to human lives.

Furthermore, delaying the extension application submission and approval long enough to conduct the state- and federal-level public notice and comment processes would not have been contrary to the public interest where there was no ordinary programmatic or extraordinary emergency-related need for expedited extension approval. Instead, our erroneous approval of the state's request for an exemption from the public notice process was contrary to the interests of beneficiaries, as well as other interested stakeholders, because it deprived them of the opportunity to comment on, and potentially influence the design of, the state's section 1115 demonstration project, which encompasses almost all of the state's Medicaid program, affecting approximately four million beneficiaries in the state and involving billions of dollars of state and federal spending annually.

Even if we initially approved the extension without modification through September 30, 2027, as the state originally requested, specifically, the interests of beneficiaries and the public generally would have been harmed by the inability to comment on how the requested extension could affect their access to high quality health care or to suggest new or alternative approaches for how the state could better achieve the goals of the demonstration. The public notice and opportunity for comment generally required by federal statute and regulation is of heightened importance in connection with this extension, which is the longest extension period ever approved for this demonstration. Where the state did not demonstrate an exigent need for the exceptionally expedited approval process, it was contrary to the interest of beneficiaries to deprive them and other stakeholders (including providers) of the opportunity to comment on this lengthy extension and the substantial associated programmatic changes that CMS approved, including a significant new uncompensated care pool that would funnel $1 billion to selected providers in the state in just the first two years of payments from the pool. Stakeholders, including beneficiaries and providers, were denied the opportunity to learn how this new uncompensated care pool for certain providers would affect their interests, for example, whether and how it would promote the overall stability of the state's Medicaid provider network or improve access to services, and whether payments to the specific providers eligible for the pool are likely to promote access to the particular services and in the particular areas where improved access is most needed.

By its terms, the regulatory exemption from the normal public notice process is only available in the event of a natural disaster, public health emergency, or other sudden emergency threat to human lives, 42 C.F.R. § 431.416(g)(1). 42 C.F.R. § 431.416(g)(2) further emphasizes that the circumstances supporting the exemption must "*directly threaten*[] human lives" (emphasis added). As discussed above, the only reason stated in Texas's request for an exemption from the public notice requirements was to help provide financial certainty for providers in the state, and for the Texas Medicaid program itself. While the state did not request any new authorities in its application, or the extension of any authorities that were set to expire before September 30, 2022, the state explained that expediting its extension request would be the state's "primary way to provide certainty to providers."

We understand the concerns of the state and providers in the state, as well as the relevance of the demonstration's continuation to the Texas Medicaid program. However, the state did not provide any information to substantiate that an expedited decision on the extension request would alleviate provider concerns, which were principally related to the financial impacts of reduced hours, location closures, and the provision of fewer non-COVID-19 related services due

to the effects of the public health emergency. Nor did the state demonstrate that there would be any consequence for providers or the Texas Medicaid program if the state and CMS adhered to the federal statutory and regulatory requirements for meaningful public notice and opportunity for comment prior to extension application submission and approval. Merely easing abstract concerns about the continuation of the THTQIP demonstration, already authorized for another twenty-two months after the date of Texas's extension request, would not address the stresses on the Medicaid system due to the public health emergency, nor do those abstract concerns themselves reach the level of a "sudden emergency threat to human lives," let alone a circumstance that "directly threatens human lives," within the meaning of 42 C.F.R. § 431.416(g)(1) and (2).

In sum, the state did not articulate a sufficient basis for us to conclude that approving the state's emergency request for an exemption from the normal public notice process was needed to address the COVID-19 public health emergency or other sudden emergency threat to human lives. Instead, Texas's request for an extension of the THTQIP demonstration and the amendments we initially approved alongside the extension were ordinary programmatic actions that could have proceeded, and still may proceed, through the ordinary programmatic processes, as provided in section 1115(d) of the Act; 42 C.F.R. Part 431, Subpart G; and the STCs governing the THTQIP demonstration. The state did not articulate any rationale in its request for an emergency exemption that, consistent with the implementing regulations in 42 C.F.R. § 431.416(g), could be sufficient to override Congress' general intent, expressed in section 1115(d)(2)(A) and (C) of the Act, that there should be a process to "ensure a meaningful level of public input" with respect to demonstration applications and extensions, *cf.* 77 Fed. Reg. 11,678, 11,679 (Feb. 27, 2012) (discussing statutory requirement to issue regulations to "ensure the public has adequate opportunities to provide meaningful input into the development of State demonstration projects, as well as in the Federal review and approval of State demonstration applications and renewals [that is, extensions]").

For these reasons, we have determined that our initial approval of Texas's request for an exemption from the normal public notice requirements was in error, because the state's request did not provide sufficient justification for why it met the criteria in 42 C.F.R. § 431.416(g). Specifically, the state's request did not sufficiently demonstrate that its extension request addressed a natural disaster, public health emergency, or other sudden emergency threat to human lives; the circumstances of the state's exemption and extension requests constituted an emergency; and that a delay sufficient to complete the state- and federal-level public notice and comment processes would have undermined or compromised the purpose of the demonstration or been contrary to the interest of beneficiaries.

Our error in this regard was not harmless; it has deprived beneficiaries and other interested stakeholders of the opportunity to comment on, and potentially influence the design or continuation of, the THTQIP demonstration, for which we approved a lengthy extension period of almost ten years. As Texas indicated in its request for an exemption from the normal public notice process, the THTQIP demonstration is critical for providing comprehensive health coverage to beneficiaries and for maintaining Medicaid provider network stability to promote access to care. Therefore, it is especially important that the interests of beneficiaries, providers, and other affected stakeholders are adequately addressed in the design of the state's proposal for

extending the THTQIP demonstration and in our decision to approve it. With the absence of the required public notice and comment process, Texas has been deprived of the benefit of public comments that could have informed the features of the extension request it submitted, and CMS has been deprived of the benefit of public comments that could have informed the determination whether to approve the state's request (or a revised version thereof). On the other hand, the THTQIP demonstration is operating today without material change from the demonstration's operations as it was approved before our January 15, 2021 approval; and because payments from the new uncompensated care pool are not authorized until October 1, 2021, no material programmatic changes have been implemented at this time and the state has not incurred a reliance interest based on the January 15, 2021 approval.

Accordingly, we are rescinding our approval of the state's 42 C.F.R. § 431.416(g) exemption request and our January 15, 2021 demonstration extension approval, and providing Texas the opportunity to resubmit its completed application after going through the necessary public notice and comment procedures required under section 1115 of the Act and its implementing regulations. We are withdrawing the January 15, 2021 extension approval, rather than leaving it in place while Texas and CMS conduct the required state- and federal-level public notice and comment processes, to avoid uncertainty for Texas and providers in Texas. On December 28, 2021, after we initially approved the emergency exemption from the public notice requirements but before we approved the extension, we received a letter from three public interest groups opposing our approval of the exemption from the normal public notice process and arguing that public notice and an opportunity for comment were needed so that Texans could weigh in on changes that could better serve Texans and the goals of the Medicaid program. Leaving the January 15, 2021 extension approval in place during public notice and comment would risk creating a misplaced expectation on the part of the state or providers in the state that the demonstration extension necessarily will proceed according to the January 15, 2021 approval.

Therefore, to avoid any adverse consequences that might result from the state or providers in the state making plans based on the January 15, 2021 approval, we have determined that leaving this approval in effect would not be an appropriate approach to remedy the underlying procedural errors and are instead withdrawing that extension approval while affording the state the opportunity to resubmit a complete extension application. The waivers, expenditure authorities, and STCs that were in effect with our October 13, 2020 issuance of technical corrections to the THTQIP demonstration will continue to be in effect, including reinstatement of the demonstration expiration date associated with those STCs. Accordingly, the THTQIP section 1115 demonstration is currently authorized through September 30, 2022. The established timeline for the interim and summative evaluation reports and all other reporting requirements as described in the STCs, dated October 13, 2020, remains in effect. CMS looks forward to continuing to work with the state on the interim and summative evaluation reports.

We recognize that, should the state wish to proceed with its extension request, the state must comply with the requirements in 42 C.F.R. § 431.408 for public notice and an opportunity for comment, including applicable tribal consultation requirements, before submitting to us a complete application to extend the demonstration that meets the requirements of 42 C.F.R. § 431.412(c). We stand ready to provide whatever technical assistance might be helpful to the

state in meeting these requirements to speed the submission of a complete extension application for our review.

To the extent that Texas wishes specifically to address challenges raised by the COVID-19 pandemic, as noted above, we released a separate COVID-19 section 1115 demonstration template that can include an expedited public notice process for state efforts to directly respond to the public health emergency. In fact, as you know, we approved an amendment on September 3, 2020 to the THTQIP demonstration using this emergency template to allow Texas to provide expanded services to certain beneficiaries. We are available to provide technical assistance on further flexibilities that could be available to Texas, including through the COVID-19 section 1115 demonstration template, which could directly address the COVID-19 public health emergency. For example, this template could be used to authorize certain supplemental payments to providers or to modify payment rates, if the state has concerns about the financial stability of providers in the state arising from the public health emergency.

CMS is committed to working with Texas on achieving our shared goals for the Medicaid program, including through the THTQIP section 1115 demonstration project. We are available to provide technical assistance, should the state decide to move forward with an extension application consistent with all applicable federal legal requirements. If you have questions, please contact Ms. Judith Cash, Acting Deputy Director, Center for Medicaid & CHIP Services, at (410) 786-9686.

Sincerely,

[redacted]

Elizabeth Richter
Acting Administrator

CENTERS FOR MEDICARE & MEDICAID SERVICES

WAIVER LIST

NUMBER: **No. 11-W-00278/6**

TITLE: **Texas Healthcare Transformation and Quality Improvement Program**

AWARDEE: **Texas Health and Human Services Commission**

Title XIX Waivers

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly waived in this list, shall apply to the Demonstration project beginning January 1, 2018 through September 30, 2022. In addition, these waivers may only be implemented consistent with the approved Special Terms and Conditions (STCs).

Under the authority of section 1115(a)(1) of the Social Security Act (the Act), the following waivers of State plan requirements contained in section 1902 of the Act are granted in order to enable Texas to carry out the Texas Healthcare Transformation and Quality Improvement Program section 1115 Demonstration.

1. Statewideness **Section 1902(a)(1)**

To enable the State to conduct a phased transition of Medicaid beneficiaries from fee-for-service to a managed care delivery system based on geographic service areas.

To the extent necessary, to enable the State to operate the STAR+PLUS program on a less than statewide basis.

2. Amount, Duration, and Scope of Services **Section 1902(a)(10)(B)**

To the extent necessary to enable the State to vary the amount, duration, and scope of services offered to individuals, regardless of eligibility category, by providing additional, or cost-effective alternative benefit packages to enrollees in certain managed care arrangements. To the extent necessary to enable the state to provide a greater duration of hospital services for individuals with severe and persistent mental illness.

3. Freedom of Choice **Section 1902(a)(23)(A)**

To the extent necessary, to enable the State to restrict freedom of choice of provider through the use of mandatory enrollment in managed care plans for the receipt of covered services. No waiver of freedom of choice is authorized for family planning providers.

4. Self-Direction of Care for HCBS Members Section 1902(a)(32)

To permit section 1915(c)-like Home and Community Based Services (hereinafter HCBS) members to self-direct expenditures for HCBS long-term care and supports as specified in paragraph 43(h) of the STCs.

CENTERS FOR MEDICARE & MEDICAID SERVICES
EXPENDITURE AUTHORITIES

NUMBER: **No. 11-W-00278/6**

TITLE: **Texas Healthcare Transformation and Quality Improvement Program**

AWARDEE: **Texas Health and Human Services Commission**

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by the State for the items identified below, which are not otherwise included as expenditures under section 1903 of the Act, shall, for the period of this demonstration extension, January 1, 2018, through September 30, 2022, be regarded as expenditures under the State's Medicaid title XIX State plan.

The expenditure authorities listed below promote the objectives of title XIX in the following ways:

- Expenditure authorities 1, 2, 3 4, 6, and 7 promote the objectives of title XIX by increasing efficiency and quality of care through initiatives to transform service delivery networks.
- Expenditure authorities 1, 2, 3, and 4 promote the objectives of title
- XIX by increasing overall coverage of low-income individuals in the state.
- Expenditure authorities 1, 2, 3, 4, 6, and 7 promote the objectives of title XIX by improving health outcomes for Medicaid and other low-income populations in the state.
- Expenditure authorities 1, 2, 3, 4, 5, 6, and 7 promote the objectives of title XIX by increasing access to, stabilizing, and strengthening providers and provider networks available to serve Medicaid and low-income populations in the state

EXPENDITURES RELATED TO POPULATIONS COVERED UNDER THE DEMONSTRATION

1. Expenditures for the STAR+PLUS 217-Like HCBS Group

Expenditures for the provision of state plan benefits and HCBS like services to individuals age 65 and older, or age 21 and older with disabilities, not eligible for these benefits under the state plan, who would otherwise be Medicaid-eligible under section 1902(a)(10)(A)(ii)(VI) of the Act and 42 CFR § 435.217 in conjunction with section 1902(a)(10)(A)(ii)(V) of the Act, if the services they receive under STAR+PLUS were provided under a HCBS waiver granted to the State under section 1915(c) of the Act. This expenditure authority is subject to an enrollment cap. All Medicaid laws, regulations and policies apply to this expenditure authority except as expressly waived or listed as not applicable.

2. Expenditures Related to Managed Care Organization (MCO) Enrollment and Disenrollment

Expenditures made under contracts that do not meet the requirements in section 1903(m) of the Act specified below. Texas managed care plans will be required to meet all requirements of section 1903(m) of the Act except the following:

- Section 1903(m)(2)(H) of the Act, Federal regulations at 42 CFR 438.1, to the extent that the rules in section 1932(a)(4) are inconsistent with the enrollment and disenrollment rules contained in STC 23(c) of the Demonstration's Special Terms and Conditions (STCs), which permit the State to authorize automatic re-enrollment in the same managed care organization (MCO) if the beneficiary loses eligibility for less than six (6) months.

3. Expenditures for Inpatient Hospital Services and Prescription Drugs for STAR, STAR Kids, and STAR+PLUS Enrollees that Exceed State Plan Limits

Expenditures for all enrollees for inpatient hospital services that would not otherwise be covered under the State plan (as outlined in the STCs), and expenditures for prescription drugs for adults ages 21 and older enrolled in STAR or STAR+PLUS.

4. HCBS for SSI-Related State Plan Eligibles

Expenditures for the provision of HCBS waiver-like services as specified in Table 5 and Attachment C of the STCs that are not described in section 1905(a) of the Act, and not otherwise available under the approved State plan, but that could be provided under the authority of section 1915(c) waivers, that are furnished to STAR+PLUS enrollees who are ages 65 and older and ages 21 and older with disabilities, qualifying income and resources, and a nursing facility institutional level of care. All Medicaid laws, regulations and policies apply to the Demonstration Expenditure authority except as expressly waived or listed as not applicable.

EXPENDITURES RELATED TO THE UNCOMPENSATED CARE POOL

Subject to an overall cap on the Uncompensated Care (UC) Pool, the following expenditure authorities are granted for the period of the Demonstration:

5. Through September 30, 2019, expenditures for care and services that meet the definition of "medical assistance" contained in section 1905(a) of the Act that are incurred by hospitals and other providers for uncompensated costs of medical services provided to Medicaid eligible or uninsured individuals, and to the extent that those costs exceed the amounts paid to the hospitals pursuant to section 1923 of the Act. Effective October 1, 2019, expenditures for care and services that meet the definition of "medical assistance" contained in section 1905(a) of the Act that are incurred by hospitals and other providers for uncompensated costs of medical services provided to uninsured individuals as charity care, and to the extent that those costs exceed the amounts paid to the hospitals pursuant to section 1923 of the Act.

EXPENDITURES RELATED TO THE DELIVERY SYSTEM REFORM INCENTIVE PAYMENT (DSRIP) PROGRAM

The following expenditure authorities are granted for the 7th and 8th years of the Demonstration (FFY 2018 and FFY 2019):

6. Expenditures for incentive payments from DSRIP pool funds for the Delivery System Reform Incentive Payment (DSRIP) Program.

Subject to CMS' timely receipt and approval of all deliverables specified in STC 37 (Transition Plan for DSRIP Pool) relating to the creation and implementation of the sustainability plan and associated milestones for DSRIP transition, the following expenditure authorities are granted for the 9th and 10th years of the Demonstration (FFY 2020 and FFY 2021):

7. Expenditures for incentive payments from DSRIP pool funds for the Delivery System Reform Incentive Payment Program.

EXPENDITURES RELATED TO COVID-19 RESPONSE

8. Additional inpatient hospital care during COVID-19 Public Health Emergency.

The following are temporary expenditure authorities that will expire 60 days after the conclusion of the Secretary's Public Health Emergency, and are effective March 1, 2020:

Expenditure authority for inpatient hospital stays related to COVID-19 (i.e. a stay for which the COVID-19 diagnosis is listed anywhere on the claim but is not necessarily the primary diagnosis, excluding presumptive positive cases), in order to extend the 30-day spell of illness limitation in STAR+PLUS for an additional 30 days, allowing an individual to stay up to 60 days in a hospital.

Expenditure authority for inpatient hospital stays related to COVID-19 to extend the 30-day spell of illness limitation described in the state plan for an additional 30 days to allow a Medicaid beneficiary to stay up to 60 days in a hospital.

Expenditure authority to allow Medicaid beneficiaries to exceed the $200,000 inpatient hospital benefit limitation for COVID-19 related stays.

CENTERS FOR MEDICARE AND MEDICAID SERVICES
SPECIAL TERMS AND CONDITIONS (STCs)

NUMBER: **11-W-00278/6**

TITLE: **Texas Healthcare Transformation and Quality Improvement Program**

AWARDEE: **Texas Health and Human Services Commission**

DEMONSTRATION EXTENSION PERIOD: **December 13, 2017 through September 30, 2022**

CENTERS FOR MEDICARE & MEDICAID SERVICES
SPECIAL TERMS AND CONDITIONS

NUMBER: **Title XIX No. 11-W-00278/6**

TITLE: **Texas Healthcare Transformation and Quality Improvement Program**

AWARDEE: **Texas Health and Human Services Commission**

I. PREFACE

The following are the Special Terms and Conditions (STCs) for the Texas Healthcare Transformation and Quality Improvement Program section 1115(a) Medicaid demonstration (hereinafter "demonstration"). The parties to this agreement are the Texas Health and Human Services Commission (HHSC/state) and the Centers for Medicare & Medicaid Services (CMS). The STCs set forth, in detail, the nature, character, and extent of Federal involvement in the Demonstrations, and the state's obligations to CMS during the life of the demonstration. This Demonstration is effective the date of the approval letter through September 30, 2022, unless otherwise specified.

The STCs have been arranged into the following subject areas:

I. Preface
II. Program Description and Objectives
III. General Program Requirements
IV. Demonstration Delivery Systems
    A. Managed Care Delivery Systems
    B. Assurances Related to the Ongoing Operation of Managed Care
    C. Beneficiaries Served Through the Demonstration
    D. STAR AND STAR+PLUS (non-HCBS) and STAR Kids Enrollment, Benefits and Reporting Requirements
    E. Children's Dental Program
    F. STAR+PLUS HCBS Enrollment, Benefits and Reporting Requirements

V. Funding Pools Under the Demonstration
VI. Health IT
VII. General Financial Requirements
VIII. Monitoring Budget Neutrality for the Demonstration
IX. General Reporting Requirements
X. Monitoring Calls and Discussion
XI. Evaluation of the Demonstration

The following attachments have been included to provide supplemental information and guidance for specific STCs. The following attachments are incorporated as part of this agreement.

Attachment A: Schedule of Deliverables
Attachment B: Semi-annual and Annual Report Template
Attachment C: HCBS Service Definitions
Attachment D: Reserved
Attachment E: Reserved
Attachment F: HCBS Fair Hearing Procedures
Attachment G: HCBS Participant Safeguards
Attachment H: UC Claiming Protocol and Application
Attachment I: Regional Healthcare Partnership (RHP) Planning Protocol
Attachment J: Program and Funding Mechanics Protocol
Attachment K: Administrative Cost Claiming Protocol
Attachment L: Consumer Support System Plan
Attachment M: Historical Demonstration Information
Attachment N: Reserved
Attachment O: Preparing the Evaluation Plan
Attachment P: Preparing the Evaluation Report
Attachment Q: DSRIP Sustainability Plan
Attachment R: Measure Bundle Protocol
Attachment S: Evaluation Design

II. OBJECTIVES

Through this demonstration, the state aims to:

- Expand risk-based managed care to new populations and services;
- Support the development and maintenance of a coordinated care delivery system;
- Improve outcomes while containing cost growth; and
- Transition to quality-based payment systems across managed care and providers.

III. GENERAL PROGRAM REQUIREMENTS

1. **Compliance with Federal Non-Discrimination Statutes.** The state must comply with all applicable Federal statutes relating to non-discrimination. These include, but are not limited to, the Americans with Disabilities Act of 1990, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.

2. **Compliance with Medicaid and Children's Health Insurance Program (CHIP) Law, Regulation, and Policy.** All requirements of the Medicaid program and CHIP expressed in law, regulation, and policy statement, not expressly waived or identified as not applicable in the waiver and expenditure authority documents (of which these terms and conditions are part), must apply to the demonstration.

3. **Changes in Medicaid and CHIP Law, Regulation, and Policy.** The state must, within the timeframes specified in law, regulation, or policy statement, come into compliance with any changes in federal law, regulation, or policy affecting the Medicaid program that occur during this demonstration approval period, unless the provision being changed is expressly waived or identified as not applicable. In addition, CMS reserves the right to amend the STCs as needed to reflect such changes and/or changes of an operational nature without requiring the state to submit an amendment to the demonstration under STCs 6 and 7. CMS will notify the state at least 30 days prior to the expected approval date of the amended STCs to allow the state to provide comment. Changes will be considered in force upon issuance of the approval letter by CMS. The state must accept the changes in writing

4. **Impact on Demonstration of Changes in Federal Law, Regulation, and Policy Statements.**

   a. To the extent that a change in Federal law, regulation, or policy requires either a reduction or an increase in Federal financial participation (FFP) for expenditures made under this Demonstration, the State must adopt, subject to CMS approval, modified budget neutrality and allotment neutrality agreements for the Demonstration as necessary to comply with such change. The modified agreements will be effective upon the implementation of the change. The trend rates for the budget neutrality agreement are not subject to change under the subparagraph.

   b. If mandated changes in the Federal law require state legislation, the changes must take effect on the day such state legislation becomes effective, or on the last day such legislation was required to be in effect under the law.

5. **State Plan Amendments.** The state will not be required to submit a title XIX state plan amendment for changes affecting any populations made eligible solely through the demonstration. If a population eligible through the Medicaid state plan is affected by a change to the demonstration, a conforming amendment to the state plan may be required, except as otherwise noted in these STCs.

6. **Changes Subject to the Amendment Process.** Changes related to eligibility, enrollment, benefits, cost sharing, sources of non-Federal share of funding, budget neutrality, spending limits for funding pools, methodologies for determining amounts paid from pools (to the extent specified in the STCs), deadlines for deliverables, and other comparable program elements must be submitted to CMS as amendments to the demonstration. All amendment requests are subject to approval at the discretion of the Secretary, in accordance with section 1115 of the Act. The state must not implement changes to these elements without prior approval by CMS. Amendments to the demonstration are not retroactive, and FFP will not be available for changes to the demonstration that have not been approved through the amendment process set forth in STC 7 below (*Amendment Process*).

7. **Amendment Process.** Requests to amend the demonstration must be submitted to CMS for approval no later than 120 days prior to the planned date of implementation of the change and may not be implemented until approved. CMS reserves the right to deny or delay

approval of a demonstration amendment based on non-compliance with the STCs, including but not limited to failure by the state to submit required elements of a viable amendment request as found in these STCs, reports or other deliverables required in the approved STCs in a timely fashion according to the deadlines specified herein. Amendment requests must, at a minimum, include the following information:

a. Public Notice: The state must provide documentation of the state's compliance with the public notice process and tribal consultation requirements outlined in STC 14 for demonstration amendments. Such documentation shall include a summary of any public feedback received and identification of how this feedback was addressed by the state in the final amendment request submitted to CMS.

c. Demonstration Amendment Summary and Objectives: The state must provide a detailed description of the amendment, including what the state intends to demonstrate via the amendment as well as impact on beneficiaries with sufficient supporting documentation, the objective of the change and desired outcomes including a conforming Title XIX and/or Title XXI state plan amendment, if necessary.

d. Waiver and Expenditure Authorities: The state must provide a list, along with a programmatic description, of the waivers and expenditure authorities that are being requested for the amendment.

e. The state must provide a data analysis worksheet which identifies the specific "with waiver" impact of the proposed amendment on the current BN agreement. Such analysis shall include current total computable (TC) "With Waiver" and "Without Waiver" status on both a summary and detailed level through the current approval period using the most recent actual expenditures, as well as summary and detailed projections of the change in the "with waiver" expenditure total as a result of the proposed amendment, which isolates (by Eligibility Group) the impact of the amendment.

f. The state must provide an up-to-date CHIP allotment neutrality worksheet, if necessary.

g. The state must provide updates to existing demonstration reporting and evaluation plans: A description of how the evaluation design, and reports will be modified to incorporate the amendment provisions, as well as the oversight, monitoring and measurement of the provisions.

8. **Extension of the Demonstration.** States that intend to request demonstration extensions under sections 1115(e) or 1115(f) of the Act must submit extension applications in accordance with the timelines contained in statute. Otherwise, no later than 12 months prior to the expiration date of the demonstration, the Governor of Texas must submit to CMS either a demonstration extension request that meets federal requirements at 42 CFR section 431.412(c) or a transition and phase-out plan consistent with the requirements of STC 9.

9. **Demonstration Transition and Phase-Out.** The state may only suspend or terminate this demonstration in whole, or in part, consistent with the following requirements;

a. Notification of Suspension or Termination: The state must promptly notify CMS in writing of the reason(s) for the suspension or termination, together with the effective date and a transition and phase-out plan. The state must submit its notification letter and a draft phase-out plan to CMS no less than 6 months before the effective date of the demonstration's suspension or termination. Prior to submitting the draft transition and phase-out plan to CMS, the state must publish on its website the draft transition and phase-out plan for a 30-day public comment period. In addition, the state must conduct tribal consultation in accordance with its approved tribal consultation state plan amendment. Once the 30-day public comment period has ended, the state must provide a summary of each public comment received, the state's response to the comment and how the state incorporated the received comment into a revised phase-out plan.

b. The state must obtain CMS approval of the phase-out plan prior to the implementation of the phase-out activities. Implementation of phase-out activities must be no sooner than 14 days after CMS approval of the phase-out plan.

c. Transition and Phase-out Plan Requirements: The state must include, at a minimum, in its phase-out plan, the process by which it will notify affected beneficiaries(including those on any applicable interest lists), the content of said notices (including information on the beneficiary's appeal rights), the process by which the state will conduct administrative reviews of Medicaid eligibility for the affected beneficiaries, and ensure ongoing coverage for those beneficiaries currently enrolled who are eligible.

d. Phase-out Procedures: The state must comply with all notice requirements found in 42 CFR §431.206, 431.210 and 431.213. In addition, the state must assure all appeal and hearing rights afforded to demonstration participants as outlined in 42 CFR §431.220 and 431.221. If a demonstration participant requests a hearing before the date of action, the state must maintain benefits as required in 42 CFR §431.230. In addition, the state must conduct administrative renewals for all affected beneficiaries in order to determine if they qualify for Medicaid eligibility under a different eligibility category as discussed in October 1, 2010, State Health Official Letter #10-008.

e. Exemption from Public Notice Procedures 42 CFR 431.416(g): CMS may expedite or waive the federal and state public notice requirements under circumstances described in 42 CFR §431.416(g).

f. Federal Financial Participation (FFP): If the project is terminated or any relevant waivers suspended by the state, FFP shall be limited to normal closeout costs associated with terminating the demonstration including services and administrative costs of disenrolling enrollees.

10. Expiring Demonstration Authority. For demonstration authority that expires prior to the demonstration's expiration date, the state must submit a demonstration expiration plan to CMS no later than 6 months prior to the applicable demonstration authority's expiration date, consistent with the following requirements:

a) Expiration Requirements: The state must include, at a minimum, in its demonstration expiration plan the process by which it will notify affected beneficiaries, the content of said notices (including information on the beneficiary's appeal rights), the process by

which the state will conduct administrative reviews of Medicaid eligibility for the affected beneficiaries, and ensure ongoing coverage for eligible individuals, as well as any community outreach activities.

b) Expiration Procedures: The state must comply with all notice requirements found in 42 CFR § 431.206, 431.210 and 431.213. In addition, the state must assure all appeal and hearing rights afforded to demonstration participants as outlined in 42 CFR § 431.220 and 431.221. If a demonstration participant requests a hearing before the date of action, the state must maintain benefits as required in 42 CFR §431.230. In addition, the state must conduct administrative renewals for all affected beneficiaries in order to determine if they qualify for Medicaid eligibility under a different eligibility category as discussed in October 1, 2010, State Health Official Letter #10-008.

c) Federal Public Notice: CMS will conduct a 30-day federal public comment period consistent with the process outlined in 42 CFR § 431.416 in order to solicit public input on the state's demonstration expiration plan. CMS will consider comments received during the 30-day period during its review and approval of the state's demonstration expiration plan. The state must obtain CMS approval of the demonstration expiration plan prior to the implementation of the expiration activities. Implementation of expiration activities must be no sooner than 14 days after CMS approval of the plan.

d) Federal Financial Participation: FFP shall be limited to normal closeout costs associated with the expiration of the demonstration including services and administrative costs of disenrolling enrollees.

11. CMS Right to Terminate or Suspend.

a. CMS may suspend or terminate the demonstration (in whole or in part) at any time before the date of expiration, whenever it determines, following a hearing, that the state has materially failed to comply with the terms of the project. CMS will promptly notify the state in writing of the determination and the reasons for the suspension or termination, together with the effective date.

b. **Finding of Non-Compliance.** The state does not relinquish its rights to challenge the CMS finding that the state materially failed to comply.

12. Withdrawal of Waiver Authority. CMS reserves the right to withdraw waivers of expenditure authorities at any time it determines that continuing the waivers or expenditure authorities would no longer be in the public interest or promote the objectives of title XIX and/or XXI. CMS will promptly notify the State in writing of the determination and the reasons for the withdrawal, together with the effective date, and afford the State an opportunity to request a hearing to challenge CMS' determination prior to the effective date. If a waiver or expenditure authority is withdrawn, FFP is limited to normal closeout costs associated with terminating the waiver or expenditure authority, including services and administrative costs or disenrolling participants.

13. **Adequacy of Infrastructure.** The State will ensure the availability of adequate resources for the implementation and monitoring of the Demonstration, including education, outreach, and enrollment; maintaining eligibility systems; compliance with cost sharing requirements; and reporting on financial and other Demonstration components.

14. **Public Notice, Tribal Consultation, and Consultation with Interested Parties.** The state must comply with the state notice procedures as required in 42 Code of Federal Regulations (CFR) section 431.408 prior to submitting an application to extend the demonstration. For applications to amend the demonstration, the state must comply with the state notice procedures set forth in 59 Fed. Reg. 49249 (September 27, 1994) prior to submitting such request. The state must also comply with the public notice procedures set forth in 42 CFR section 447.205 for changes in statewide methods and standards for setting payment rates.

    The state must also comply with tribal and Indian Health Program/Urban Indian Health Organization consultation requirements at section 1902(a)(73) of the Act, 42 CFR section 431.408(b), State Medicaid Director Letter #01-024, and contained in the state's approved Medicaid State plan, when any program changes to the demonstration, either through amendment as set out in STC 6 or extension, are proposed by the state

15. **Federal Financial Participation (FFP).** No federal matching funds for expenditures authorized for this demonstration will be available prior to the effective date identified in the demonstration approval letter.

16. **Common Rule Exemption.** The state shall ensure that the only involvement of human subjects in research activities which may be authorized and/or required by this demonstration is for projects which are conducted by or subject to the approval of CMS, and which are designed to study, evaluate, or otherwise examine the Medicaid program – including public benefit or service programs; procedures for obtaining Medicaid benefits or services; possible changes in or alternatives to those programs or procedures; or possible changes in methods or level of payment for benefits or services under those programs. CMS has determined that this demonstration as represented in these approved STCs meets the requirements for exemption from the human subject research provisions of the Common Rule set forth in 45 CFR 46.101(b)(5).

IV. DEMONSTRATION DELIVERY SYSTEMS

This section governs the state's exercise of the following: waivers of the requirements for Statewideness (section 1902(a)(1)), Amount, Duration, and Scope of Services (section 1902(a)(10)(B)), Freedom of Choice (section 1902(a)(23)(A)), and Self-Direction of Care for HCBS Participants (section 1902(a)(32)), and Expenditure Authorities 1 through 4, as well as waivers of the requirements of the federal regulations implementing these statutory provisions.

A. MANAGED CARE DELIVERY SYSTEMS

17. **Description of Managed Care Program.** Under terms of this demonstration, the state provides managed medical assistance through the following programs.

a. **STAR.** STAR is the primary managed care program providing acute care services to low-income families, children, and pregnant women.

b. **STAR+PLUS.** STAR+PLUS provides acute and long-term service and supports to older adults and adults with disabilities.

c. **STAR Kids.** The STAR Kids Program provides acute and long-term service and supports to children with disabilities.

i. **Delivery of Medically Dependent Children Program (MDCP) Services.** The State will deliver services authorized under the MDCP section 1915(c) waiver through the STAR Kids managed care model for those individuals not in state conservatorship. Those children in state conservatorship who are eligible for the MDCP section 1915(c) waiver will receive those services through the STAR Health managed care program under the 1915(a) authority, rather than under the 1115 authority, and through contract with the STAR Health managed care organization.

18. The state contracts with managed care organizations on a geographical basis, and for this purpose, the state is divided in to service areas. Table 1 provides the definitions of the service areas.

Table 1. Service Areas and Delivery Systems

Service Area	STAR, STAR+PLUS, and STAR Kids
Bexar	Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, Wilson
Dallas	Collin, Dallas, Ellis, Hunt, Kaufman, Navarro, Rockwall
El Paso	El Paso, Hudspeth
Harris	Austin, Brazoria, Fort Bend, Galveston, Harris, Matagorda, Montgomery, Waller, Wharton
Hidalgo	Cameron, Duval, Hidalgo, Jim Hogg, Maverick, McMullen, Starr, Webb, Willacy, Zapata
Jefferson	Chambers, Hardin, Jasper, Jefferson, Liberty, Newton, Orange, Polk, San Jacinto, Tyler, Walker
Lubbock	Carson, Crosby, Deaf Smith, Floyd, Garza, Hale, Hockley, Hutchinson, Lamb, Lubbock, Lynn, Potter, Randall, Swisher, Terry

Service Area	STAR, STAR+PLUS, and STAR Kids
Nueces	Aransas, Bee, Brooks, Calhoun, Goliad, Jim Wells, Karnes, Kenedy, Kleberg, Live Oak, Nueces, Refugio, San Patricio, Victoria
Tarrant	Denton, Hood, Johnson, Parker, Tarrant, Wise
Travis	Bastrop, Burnet, Caldwell, Fayette, Hays, Lee, Travis, Williamson
Medicaid Rural Service Area: West Texas	Andrews, Archer, Armstrong, Bailey, Baylor, Borden, Brewster, Briscoe, Brown, Callahan, Castro, Childress, Clay, Cochran, Coke, Coleman, Collingsworth, Concho, Cottle, Crane, Crockett, Culberson, Dallam, Dawson, Dickens, Dimmit, Donley, Eastland, Ector, Edwards, Fisher, Foard, Frio, Gaines, Glasscock, Gray, Hall, Hansford, Hardeman, Hartley, Haskell, Hemphill, Howard, Irion, Jack, Jeff Davis, Jones, Kent, Kerr, Kimble, King, Kinney, Knox, La Salle, Lipscomb, Loving, Martin, Mason, McCulloch, Menard, Midland, Mitchell, Moore, Motley, Nolan, Ochiltree, Oldham, Palo Pinto, Parmer, Pecos, Presidio, Reagan, Real, Reeves, Roberts, Runnels, Schleicher, Scurry, Shackelford, Sherman, Stephens, Sterling, Stonewall, Sutton, Taylor, Terrell, Throckmorton, Tom Green, Upton, Uvalde, Val Verde, Ward, Wheeler, Wichita, Wilbarger, Winkler, Yoakum, Young, and Zavala
Medicaid Rural Service Area: Central Texas	Bell, Blanco, Bosque, Brazos, Burleson, Colorado, Comanche, Coryell, DeWitt, Erath, Falls, Freestone, Gillespie, Gonzales, Grimes, Hamilton, Hill, Jackson, Lampasas, Lavaca, Leon, Limestone, Llano, Madison, McLennan, Milam, Mills, Robertson, San Saba, Somervell, Washington
Medicaid Rural Service Area: Northeast Texas	Anderson, Angelina, Bowie, Camp, Cass, Cherokee, Cooke, Delta, Fannin, Franklin, Grayson, Gregg, Harrison, Henderson, Hopkins, Houston, Lamar, Marion, Montague, Morris, Nacogdoches, Panola, Rains, Red River, Rusk, Sabine, San Augustine, Shelby, Smith, Titus, Trinity, Upshur, Van Zandt, Wood

B. ASSURANCES RELATED TO THE ONGOING OPERATION OF MANAGED CARE

19. Managed Care Requirements.

a. General. The state must comply with the managed care regulations published at 42 CFR 438.

b. Medical Care Advisory Committee. The state will maintain a state Medical Care Advisory Committee, per CFR §431.12, which is comprised of Medicaid recipients, Managed Care Organizations, providers, community-based organizations and advocates serving or representing Medicaid recipients and other interested parties as set forth in Tex. Gov't Code sec. 533.041. The advisory committee will provide input and recommendations to the Health and Human Services Commission regarding the statewide implementation of Medicaid Managed Care, including input and recommendations regarding: 1) program design and benefits, 2) systematic concerns from consumers and providers, 3) the efficiency and quality of services delivered by Medicaid managed care organizations, 4) contract requirements for the Medicaid managed care organizations, 5) Medicaid managed care network adequacy, and 6) trends in claims processing. The advisory committee will also assist HHSC with issues relevant to Medicaid managed care to improve the polices established for and programs operating under Medicaid managed care, including early and periodic screening, diagnosis and treatment, provider and patient education issues, and patient eligibility issues. The state will maintain minutes from these meetings and use them in monitoring program operations and identifying necessary program changes. Copies of committee meeting minutes will be made available to CMS upon request and the outcomes of the meetings may be discussed on the demonstration monitoring calls.

c. MCO Participant Advisory Committees. The state shall require each MCO, through its contracts, to create and maintain participant advisory committees through which the MCO can share information and capture enrollee feedback. The MCOs will be required to support and facilitate participant involvement and submit meeting minutes to the State. Copies of meeting minutes will be made available to CMS upon request.

d. Independent Consumer Supports. To support the beneficiary's experience receiving medical assistance and long term services and supports in a managed care environment, the State shall create and maintain a system of consumer supports independent from the managed care plans to assist enrollees in understanding the coverage model and in the resolution of problems regarding services, coverage, access and rights.

e. Core Elements of the Independent Consumer Support System.

   i. *Organizational Structure.* The Independent Consumer Supports System shall operate independently from any STAR+PLUS or STAR Kids MCO. The organizational structure of the support system shall facilitate transparent and collaborative operation with beneficiaries, MCOs, and state government.

ii. *Accessibility*. The services of the Independent Consumer Supports System will be available to all Medicaid beneficiaries enrolled in STAR+PLUS or STAR Kids receiving Medicaid long-term services and supports (institutional, residential and community based). The Independent Consumer Supports system will be accessible through multiple entryways (e.g., phone, internet, office) and will have the capacity to reach out to beneficiaries and/or authorized representatives through various means (mail, phone, in person), as appropriate.

iii. *Functions*. The Independent Consumer Supports system will be available to assist beneficiaries in navigating and accessing covered health care services and supports. Where an individual is enrolling in a new delivery system, the services of this system help individuals understand their choices and resolve problems and concerns that may arise between the individual and a provider/payer. The following list encompasses the system's scope of activity.

A. The system will offer beneficiaries support in the pre-enrollment stage, such as unbiased health plan choice counseling and general program-related information.

B. The system will serve as an access point for complaints and concerns about health plan enrollment, access to services, and other related matters.

C. The system will be available to help enrollees understand the hearing, grievance, and appeal rights and processes within the health plan as well as the fair hearing, grievance, and appeal rights and processes available at the state level and assist them through the process if needed/requested.

iv. *Staffing and training*. The Independent Consumer Supports system will include individuals who are knowledgeable about the state's Medicaid programs; beneficiary protections and rights under Medicaid managed care arrangements; and the health and service needs of persons with complex needs, including those with a chronic condition, disability, and cognitive or behavioral needs. In addition, the Independent Consumer Supports System will ensure that its services are delivered in a culturally competent manner and are accessible to individuals with limited English proficiency. The system ultimately developed by the state may draw upon existing staff within the chosen organizational structure and provide substantive training to ensure core competencies and a consistent consumer experience.

v. *Data Collection and Reporting*. The Independent Consumer Supports System shall track the volume and nature of beneficiary complaints and the resolution of such complaints on a schedule and manner determined by the state, but no less frequently than quarterly. This information will inform the state of any provider or contractor issues and support the reporting requirements to CMS.

f. Reporting under the Demonstration. The state will report on the activities of the Independent Consumer Support System in the annual reports. The approved Independent Consumer Support System Plan is shown in Attachment L. Changes to Attachment L must be submitted to CMS for review and approval subject to STC 7. The state will monitor the impact of the Independent Consumer Support Program in the demonstration.

C. BENEFICIARIES SERVED THROUGH THE DEMONSTRATION

20. Eligibility Groups Affected by the Demonstration. Mandatory and optional Medicaid state plan groups described below are subject to all applicable Medicaid laws and regulations except as expressly waived under authority granted by this Demonstration and as described in these STCs. Any Medicaid state plan amendments to the eligibility standards and methodologies for these eligibility groups will apply to this demonstration. These state plan eligible beneficiaries are required under the demonstration to enroll in managed care to receive benefits and may have access to additional benefits not described in the state plan.

Table 2 below describes the state plan eligibility groups that are mandatory and voluntary enrollees into managed care. A STAR+PLUS member who enters a nursing facility remains in STAR+PLUS and the nursing facility services are paid through managed care.

Table 2. State Plan Populations Affected by the Demonstration

A=STAR Start of Demo; **B** = STAR+PLUS Start of Demo; **C** = STAR March 2012; **D** = STAR March 2012 (MRSA); **E** = STAR+PLUS March 2012; **F**= STAR January 2014; **G =** STAR+PLUS September 2014; * = Effective through August 31, 2014 (part of STAR+PLUS effective September 1, 2014 – see "G"); **H** = STAR Kids November 1, 2016, includes only individuals from birth through age 20; **I** = STAR+PLUS September 2017; **J**=STAR Kids September 2017; **K**= STAR September 2017.

Medicaid Eligibility Group	Description and Medicaid Eligibility Group (MEG)	Income Limit and Resource Standards	STAR		STAR+ (T)		STAR Kids (S)	
			Mandatory	Voluntary	Mandatory	Voluntary	Mandatory	Voluntary
Low Income Families §1931 low income families	Parents and other caretaker relatives; §1902(a)(10)(A)(i)(I); 42 CFR §435.110 MEG: THTQIP-Adults (parents and caretaker relatives)	14% FPL (uses MAGI converted AFDC limits); No resource test; member meets relationship requirement	A C D					
Earnings Transitional Twelve months TMA from increase in earnings, combined increase in earnings and Alimony/Spousal support	Individuals who lose eligibility under §1931 due to increased earnings or hours of work §1902(a)(52); §1902(e)(1); §1925; §1931(c)(2) MEG: THTQIP-Adults (parents and caretaker relatives) OR THTQIP-Children (dependent children)	185% FPL in second extension period; No resource test	A C D					

A=STAR Start of Demo; **B** = STAR+PLUS Start of Demo; **C** = STAR March 2012; **D** = STAR March 2012 (MRSA); **E** = STAR+PLUS March 2012; **F**= STAR January 2014; **G =** STAR+PLUS September 2014; * = Effective through August 31, 2014 (part of STAR+PLUS effective September 1, 2014 – see "G"); **H** = STAR Kids November 1, 2016, includes only individuals from birth through age 20; **I** = STAR+PLUS September 2017; **J**=STAR Kids September 2017; **K**= STAR September 2017.								
Medicaid Eligibility Group	**Description and Medicaid Eligibility Group (MEG)**	**Income Limit and Resource Standards**	**STAR**		**STAR+ (T)**		**STAR Kids (S)**	
			Mandatory	**Voluntary**	**Mandatory**	**Voluntary**	**Mandatory**	**Voluntary**
Alimony/Spousal Support Transitional Four months post Medicaid resulting from Alimony/Spousal support	Individuals who lose eligibility under §1931 due to Alimony/Spousal support; §1902(a)(10)(A)(i)(I);); 42 CFR §435.115 MEG: THTQIP-Adults (parents and caretaker relatives) OR THTQIP-Children (dependent children)	N/A; No resource test	A C D					
Pregnant Women	§1902(a)(10)(A)(i)(IV), §1902(l)(1)(A); 42 CFR §435.116 MEG: THTQIP-Adults	198% FPL; No resource test	A C D					
Children Under 1	Poverty level infants; §1902(a)(10)(A)(i)(IV), §1902(l)(1)(B);); 42 CFR §435.118 MEG: THTQIP-Children	198% FPL	A C D					
Newborn Children Children to age one born to Medicaid eligible mother	Deemed Newborn – mother was eligible for and received Medicaid for the birth; §1902(e)(4), 42 CFR §435.117 MEG: THTQIP-Children	N/A; No resource test	A C D					
Children Age 1-5	Poverty level children under 6; §1902(a)(10)(A)(i)(VI), §1902(l)(1)(C); 42 CFR §435.118 MEG: THTQIP-Children	144% FPL	A C D					

A=STAR Start of Demo; **B** = STAR+PLUS Start of Demo; **C** = STAR March 2012; **D** = STAR March 2012 (MRSA); **E** = STAR+PLUS March 2012; **F**= STAR January 2014; **G =** STAR+PLUS September 2014; * = Effective through August 31, 2014 (part of STAR+PLUS effective September 1, 2014 – see "G"); **H** = STAR Kids November 1, 2016, includes only individuals from birth through age 20; **I** = STAR+PLUS September 2017; **J**=STAR Kids September 2017; **K**= STAR September 2017.								
Medicaid Eligibility Group	**Description and Medicaid Eligibility Group (MEG)**	**Income Limit and Resource Standards**	**STAR**		**STAR+ (T)**		**STAR Kids (S)**	
			Mandatory	**Voluntary**	**Mandatory**	**Voluntary**	**Mandatory**	**Voluntary**
Children Age 6-18	Poverty level children under 19; §1902(a)(10)(A)(i)(VII), §1902(l)(1)(D); 42 CFR §435.118 Note: All children at or below 100 percent FPL in this eligibility group are funded through title XIX. Title XXI funding for children between 100-133% FPL shall be claimed as outlined in 42 CFR § 433.11 MEG: If title XIX: THTQIP-Children If title XXI: THTQIP-MCHIP Children	133% FPL;[1]	A C D F					
Former Foster Care Children	Former foster care children §1902(a)(10)(A)(i)(IX); 42 CFR §435.150 Mandatory managed care for 18-26. Ages 18 through 20: - Choice between STAR Health or STAR. - If receiving 1915(c) services: choice between STAR Health or STAR Kids. Ages 21 through 26: - STAR -If receiving 1915(c) IDD waiver services (unless the individual is dually eligible): STAR+PLUS MEG: THTQIP-Children THTQIP-Adults (parents and caretaker relatives)	N/A; No resource test	F		I		J	

A=STAR Start of Demo; **B** = STAR+PLUS Start of Demo; **C** = STAR March 2012; **D** = STAR March 2012 (MRSA); **E** = STAR+PLUS March 2012; **F**= STAR January 2014; **G =** STAR+PLUS September 2014; * = Effective through August 31, 2014 (part of STAR+PLUS effective September 1, 2014 – see "G"); **H** = STAR Kids November 1, 2016, includes only individuals from birth through age 20; **I** = STAR+PLUS September 2017; **J**=STAR Kids September 2017; **K**= STAR September 2017.								
Medicaid Eligibility Group	**Description and Medicaid Eligibility Group (MEG)**	**Income Limit and Resource Standards**	**STAR**		**STAR+ (T)**		**STAR Kids (S)**	
			Mandatory	**Voluntary**	**Mandatory**	**Voluntary**	**Mandatory**	**Voluntary**
SSI Recipient 21 and older with Medicare (Dual)	Individuals receiving SSI cash benefits; §1902(a)(10)(A)(i)(ll) §1902(a)(10)(A)(i)(ll)(cc) Covers gap month children within the waiver; however, retroactive payments, including payment for the gap month, are paid via FFS MEG: THTQIP-AMR	74% FPL (SSI Limit); $2,000 individual, $3,000 couple			B E G			
SSI Recipient under 21 with Medicare (Dual)	Individuals receiving SSI cash benefits; §1902(a)(10)(A)(i)(ll) §1902(a)(10)(A)(i)(ll)(cc). Covers gap month children within the waiver; however, retroactive payments, including payment for the gap month, are paid via FFS MEG: THTQIP-AMR	74% FPL (SSI Limit); $2,000 individual, $3,000 couple				B E G	H	
SSI Recipient without Medicare 21 and older	Individuals receiving SSI cash benefits; §1902(a)(10)(A)(i)(II). §1902(a)(10)(A)(i)(II)(cc). Covers gap month children within the waiver; however, retroactive payments, including payment for the gap month, are paid via FFS MEG: THTQIP-Disabled	74% FPL (SSI Limit); $2,000 individual, $3,000 couple	D*	A*	B E G			
SSI Recipient without Medicare under 21	Individuals receiving SSI cash benefits; §1902(a)(10)(A)(i)(II) §1902(a)(10)(A)(i)(II)(cc) Covers gap month children within the waiver; however, retroactive payments, including payment for the gap month, are paid via FFS MEG: THTQIP-Disabled	74% FPL (SSI Limit); $2,000 individual, $3,000 couple		A* D*		B E G	H	
Pickle Group 21 and older, with Medicare Includes pre-Pickle eligibility group	Would be eligible for SSI if title II COLAs deducted from income; 42 CFR §§435.134, 435.135 MEG: THTQIP-AMR	74% FPL (SSI Limit); $2,000 individual, $3,000 couple			B E G			
Pickle Group 21 and older without Medicare	Would be eligible for SSI if title II COLAs were deducted from income; 42 CFR §435.134, 42 CFR §435.135	74% FPL (SSI Limit); $2,000 individual, $3,000 couple	D*	A*	B E G			

A=STAR Start of Demo; **B** = STAR+PLUS Start of Demo; **C** = STAR March 2012; **D** = STAR March 2012 (MRSA); **E** = STAR+PLUS March 2012; **F**= STAR January 2014; **G =** STAR+PLUS September 2014; * = Effective through August 31, 2014 (part of STAR+PLUS effective September 1, 2014 – see "G"); **H** = STAR Kids November 1, 2016, includes only individuals from birth through age 20; **I** = STAR+PLUS September 2017; **J**=STAR Kids September 2017; **K**= STAR September 2017.								
Medicaid Eligibility Group	**Description and Medicaid Eligibility Group (MEG)**	**Income Limit and Resource Standards**	**STAR**		**STAR+ (T)**		**STAR Kids (S)**	
			Mandatory	**Voluntary**	**Mandatory**	**Voluntary**	**Mandatory**	**Voluntary**
Includes pre-Pickle eligibility group	MEG: THTQIP-Disabled							
Pickle Group under 21 with Medicare	Would be eligible for SSI if title II COLAs deducted from income; 42 CFR §435.135 MEG: THTQIP-AMR	74% FPL (SSI Limit); $2,000 individual, $3,000 couple				B E G	H	
Pickle Group under 21 without Medicare	Would be eligible for SSI if title II COLAs deducted from income; 42 CFR §435.135 MEG: THTQIP-Disabled	74% FPL (SSI Limit); $2,000 individual, $3,000 couple		A* D*		B E G	H	
Disabled Adult Children (DAC) 21 or over with Medicare	§1635(c); §1935 MEG: THTQIP-AMR	74% FPL (SSI Limit); $2,000 individual, $3,000 couple			B E G			
Disabled Adult Children (DAC) 21 or over without Medicare	§1635(c); §1935 MEG: THTQIP-Disabled	74% FPL (SSI Limit); $2,000 individual, $3,000 couple	D*	A*	B E G			
DAC under 21 with Medicare	§1635(c); §1935 MEG: THTQIP-AMR	74% FPL (SSI Limit); $2,000 individual, $3,000 couple				B E G	H	
DAC under 21 without Medicare	1635(c); §1935 MEG: THTQIP-Disabled	74% FPL (SSI Limit); $2,000 individual, $3,000 couple		A* D*		B E G	H	
Disabled Widow(er)	Widows/Widowers, 1634(b); §1935 MEG: THTQIP-Disabled	74% FPL (SSI Limit); $2,000 individual, $3,000 couple	D*	A*	B E G			
Early Aged Widow(er)	Early Widows/Widowers, 1634(d); §1935 MEG: THTQIP-Disabled	74% FPL (SSI Limit); $2,000 individual, $3,000 couple	D*	A*	B E G			
Medicaid Buy-In (MBI) with Medicare	BBA Work Incentives Group; §1902(a)(10)(ii)(XIII) MEG: THTQIP-AMR	250% FPL; $2,000			B E G		H	
Medicaid Buy-In (MBI) without Medicare	BBA Work Incentives Group; §1902(a)(10)(ii)(XIII) MEG: THTQIP-Disabled	250% FPL; $2,000	D*	A*		B E G	H	
Medicaid Buy-In for Children (under age 19) with Medicare	Family Opportunity Act (MBIC), §1902(a)(10)(A)(ii)(XIX) MEG: THTQIP-AMR	300% FPL; No resource standard				B E G	H	

A=STAR Start of Demo; **B** = STAR+PLUS Start of Demo; **C** = STAR March 2012; **D** = STAR March 2012 (MRSA); **E** = STAR+PLUS March 2012; **F**= STAR January 2014; **G =** STAR+PLUS September 2014; * = Effective through August 31, 2014 (part of STAR+PLUS effective September 1, 2014 – see "G"); **H** = STAR Kids November 1, 2016, includes only individuals from birth through age 20; **I** = STAR+PLUS September 2017; **J**=STAR Kids September 2017; **K**= STAR September 2017.								
Medicaid Eligibility Group	**Description and Medicaid Eligibility Group (MEG)**	**Income Limit and Resource Standards**	**STAR**		**STAR+ (T)**		**STAR Kids (S)**	
			Mandatory	**Voluntary**	**Mandatory**	**Voluntary**	**Mandatory**	**Voluntary**
Medicaid Buy-In for Children(under age 19) without Medicare	Family Opportunity Act (MBIC), §1902(a)(10)(A)(ii)(XIX) MEG: THTQIP-Disabled	300% FPL; No resource standard		A* D*		B E G	H	
Nursing Facility age 21 and older	Special income level group, in a medical institution for at least 30 consecutive days with gross income that does not exceed 300% of the SSI income standard; §1902(a)(10)(A)(ii)(V) MEG: THTQIP-AMR (with Medicare) OR THTQIP-Disabled (without Medicare)	300% SSI or Approx. 220% FPL; $2,000 individual/ $3,000 couple			B† E† G			
217 Group without Medicare under 21	Institutional eligibility and post-eligibility rules for individuals who are eligible as specified under 42 CFR 435.217, 435.236, and 435.726 and §1924 of the Act. MEG: THTQIP-Disabled (without Medicare)	300% SSI or Approx. 220% FPL; $2,000 individual/$3,000 couple. Use spousal impoverishment policy for eligibility, and for post-eligibility.		D*		G	H	
217 Group without Medicare 21and older	Institutional eligibility and post-eligibility rules for individuals who are eligible as specified under 42 CFR 435.217, 435.236, and 435.726 and §1924 of the Act. MEG: THTQIP-Disabled (without Medicare)	300% SSI or Approx. 220% FPL; $2,000 individual/$3,000 couple. Use spousal impoverishment policy for eligibility, and for post-eligibility.	D*		G			
Medicaid for Breast and Cervical Cancer (MBCC)	Individuals screened for breast and cervical cancer by the Centers for Disease Control and Prevention breast and cervical cancer early detection program and found to need treatment for breast or	N/A; No resource test.			I			

A=STAR Start of Demo; **B** = STAR+PLUS Start of Demo; **C** = STAR March 2012; **D** = STAR March 2012 (MRSA); **E** = STAR+PLUS March 2012; **F**= STAR January 2014; **G =** STAR+PLUS September 2014; * = Effective through August 31, 2014 (part of STAR+PLUS effective September 1, 2014 – see "G"); **H** = STAR Kids November 1, 2016, includes only individuals from birth through age 20; **I** = STAR+PLUS September 2017; **J**=STAR Kids September 2017, choice of STAR Kids September 2020; **K**= STAR September 2017.								
Medicaid Eligibility Group	**Description and Medicaid Eligibility Group (MEG)**	**Income Limit and Resource Standards**	**STAR**		**STAR+ (T)**		**STAR Kids (S)**	
			Mandatory	**Voluntary**	**Mandatory**	**Voluntary**	**Mandatory**	**Voluntary**
	cervical cancer as specified in §1902 (aa) and 42 CFR 435.213. MEG: THTQIP-AMR							
<u>Adoption Assistance and Permanency Care Assistance (AAPCA)</u>	Children and young adults who are the subject of a IV-E adoption assistance agreement, as specified in SSA §1902(a)(10)(A)(i)(I), SSA §473(b)(3), and 42 CFR §435.145. Children and young adults who are the subject of a non-IV-E adoption assistance agreement, as specified in SSA §1902(a)(10)(A)(ii)(VII) and 42 CFR §435.227. Children and young adults for whom IV-E guardianship assistance payments are made, as specified in SSA §1902(a)(10)(A)(i)(I), SSA §473(b)(3), and 42 CFR §435.145. Children and young adults in AAPCA who meet any of the following criteria will have a choice between STAR Health and STAR Kids: • receiving Supplemental Security Income (SSI), • were receiving SSI before becoming eligible for AAPCA • enrolled in Medicare • enrolled in a 1915(c) Medicaid waiver Children and young adults in AAPCA who meet all of the	N/A; No resource test.	K					J

	following criteria are mandatory for STAR: • not receiving SSI, • not receiving SSI before becoming eligible for AAPCA • not enrolled in Medicare • not enrolled in a 1915(c) waiver Note: AAPCA clients who reside out-of-state will remain FFS. MEG: THTQIP-Children OR THTQIP-Adult							

(S): Note children and young adults who are members of federally-recognized tribes will still be able to opt to remain in traditional fee-for-service Medicaid. **(T):** Note individuals who are members of federally-recognized tribes, and have Medicaid through the Medicaid for Breast and Cervical Cancer Program, Adoption Assistance Program, Permanency Care Assistance Program or Former Foster Care Group will be able to voluntarily enroll in managed care or opt to remain in traditional fee-for-service Medicaid.

21. **Demonstration Expansion Population – STAR+PLUS 217-Like Eligibility Group.** Table 3 below describes the demonstration expansion populations that are mandatory and voluntary enrollees into managed care. Groups made eligible by virtue of the expenditure authorities expressly granted in this demonstration are subject to Medicaid laws, regulations and policies, except as expressly identified as not applicable under expenditure authority granted in this demonstration.

Table 3. Demonstration Expansion Populations Made Eligible by the Demonstration

A=STAR Start of Demo; **B** = STAR+PLUS Start of Demo; **C** = STAR March 2012; **D** = STAR March 2012 (MRSA); **E** = STAR+PLUS March 2012; **F** = STAR January 2014; **G** = STAR+PLUS September 2014; * = Effective through August 31, 2014 (part of STAR+PLUS effective September 1, 2014 – see "G")

Expansion Eligibility Group	Description and MEG	Income Limit and Resource Standards	STAR		STAR+	
			Mandatory	Voluntary	Mandatory	Voluntary
217-Like Group Categorically needy individuals under the State plan receiving HCBS services (of the kind listed in Table 5) in the STAR+PLUS service areas.	Institutional eligibility and post-eligibility rules for individuals who would only be eligible in the same manner as specified under 42 CFR 435.217, 435.236, 435.726, and §1924 of the Act, if the State had not eliminated its 1915(c) STAR+PLUS and CBA waivers. MEG: THTQIP-AMR (with Medicare) OR THTQIP-Disabled (without Medicare)	300% SSI or Approx. 220% FPL; $2,000 individual/$3,000 couple. Use spousal impoverishment policy for eligibility and for post-eligibility			B	

22. Populations Not Affected by the Demonstration. The following populations receive Medicaid services without regard to the demonstration.

a. Medically Needy;

b. STAR Health enrollees, transitioning foster care youth, independent foster care adolescents, and optional categorically needy children eligible under 42 CFR 435.222;

c. Adults 21 or older who have Medicare Part A or B and who are receiving 1915(c) IDD waiver services (HCS, TxHmL, CLASS and DBMD);

d. Residents of State Supported Living Centers;

e. Undocumented or Ineligible (5-year bar) Aliens only eligible for emergency medical services;

f. Individuals residing in a nursing facility who entered the nursing facility while enrolled in STAR, beginning with the month after the State receives notification that they entered the nursing facility;

g. Individuals enrolled in the Program for All Inclusive Care for the Elderly (PACE) program; and

h. Individuals residing in a facility in the pediatric care facility class of nursing facilities (currently, the Truman W. Smith Children Care Center), or any Veterans Land Board (VLB) Texas State Veterans Homes.

D. STAR, STAR+PLUS (non-HCBS), and STAR Kids ENROLLMENT, BENEFITS AND REPORTING REQUIREMENTS

23. Enrollment.

a. **Time to Choose a Plan.** All beneficiaries who obtain Medicaid eligibility will have at least 15 days to choose a managed care organization.

b. **Auto-Assignment.** If a potential beneficiary does not choose a managed care organization within the time frames defined in (a), he or she may be auto-assigned to a managed care organization. When possible, the auto-assignment algorithm shall take into consideration the beneficiary's history with a primary care provider, and when applicable, the beneficiary's history with a managed care organization. If this is not possible the state will equitably distribute beneficiaries among qualified MCOs.

c. **Re-Enrollment.** The State may automatically re-enroll a beneficiary in the same managed care organization if there is a loss of Medicaid eligibility for six months or less.

24. Disenrollment or Transfer. Individuals should be informed of opportunities no less than annually for disenrollment and ongoing plan choice opportunities, regularly and in a manner consistent with 42 CFR 438 and other requirements set forth in the Demonstration Special Terms and Conditions.

a. **MCO Transfer at Request of Beneficiary.** Beneficiaries may request transfer to another managed care organization in the service area through the enrollment broker at any time.

b. **Disenrollment at Request of Beneficiary.** Recipients that are voluntarily enrolled in a managed care programs may request disenrollment and return to traditional Medicaid. Mandatory recipients must request disenrollment from managed care in writing to HHSC; however, HHSC considers disenrollment from managed care only in rare situations, when sufficient medical documentation establishes that the MCO cannot provide the needed services, or in any of the circumstances described in 42 CFR 438.56(c). An authorized HHSC representative reviews all disenrollment requests, and processes approved requests for disenrollment from an MCO. The Enrollment Broker provides disenrollment education and offers other options as appropriate.

c. **Disenrollment at Request of MCO.** A managed care organization has a limited right to request a beneficiary be disenrolled from the managed care organization without the beneficiary's consent pursuant to 42 CFR 438.56(b).

25. Benefits. The following Table 3a specifies the scope of services that may be made available to STAR, STAR+PLUS, and STAR Kids enrollees through the STAR, STAR+PLUS and STAR Kids managed care plans. The schedule of services mirrors those provided in the Medicaid State plan, with the exception of 1915(b)(3)-like services as described in this waiver. The individuals in these programs would still be able to receive all Texas state plan services based on medical necessity that are not listed in this chart and delivered outside of managed care; e.g. dental, ICF/IID.

Should the state amend its State plan to provide additional optional services not listed below, coverage for those services may also be provided through the STAR, STAR+PLUS, and STAR Kids MCOs.

Table 3a. State Plan Services[1] for STAR, STAR+PLUS, and STAR Kids Participants

Adult/Child	Service	Mandatory or Optional State Plan Services (*)
Adult/Child	Inpatient Hospital Services[1,2,3]	Mandatory §1905(a)(1)
Adult/Child	Outpatient Hospital Services	Mandatory §1905(a)(2)
Adult/Child	Rural Health Clinic Services	Mandatory §1905(a)(2)
Adult/Child	(Federally Qualified Health Center (FQHC) Services	Mandatory §1905(a)(2)
Adult/Child	Laboratory and x-ray services	Mandatory §1905(a)(3)
Adult/Child	Diagnostic Services	Optional §1905(a)(13)
Child	EPSDT	Mandatory §1905(a)(4)
Adult/Child	Family Planning	Mandatory §1905(a)(4)
Adult/Child	Tobacco cessation counseling services for pregnant women.	Mandatory §1905(a)(4)
Adult/Child	Physician's Services	Mandatory §1905(a)(5)
Adult/Child	Medical and Surgical Services Furnished by a Dentist	Mandatory §1905(a)(5)
Adult/Child	Podiatrists' Services	Optional §1905(a)(6)
Adult/Child	Optometrists' Services	Optional §1905(a)(6)
Adult/Child	Chiropractor services	Optional §1905(a)(6)
Adult/Child	Other practitioner services: certified registered nurse anesthetists' Services, other categories of advanced nurse practitioner services, licensed clinical social worker (LCSW) services, licensed professional counselor (LPC) services, licensed marriage and family therapist (LMFT) services, psychologists services, services provided by physician assistants, and licensed midwife services	Optional §1905(a)(6)

[1] Services are provided as detailed in Texas' state plan.

Adult/Child	Intermittent or part-time nursing services provided by a home health agency	Mandatory for individuals who, under the State plan, are entitled to nursing facility services, §1902(a)(10)(D)
Adult/Child	Home health aide services provided by a home health agency	Mandatory for individuals who, under the State plan, are entitled to nursing facility services, §1902(a)(10)(D)
Adult/Child	Medical supplies, equipment, and appliances	Mandatory for individuals who, under the State plan, are entitled to nursing facility services, §1902(a)(10)(D)
Adult/Child	Physical therapy, occupational therapy, speech pathology, and audiology provided by a home health agency	Optional §1902(a)(10)(D), 42 CFR 440.70
Adult/Child	Clinic Services	Optional §1905(a)(9)
Child	Private Duty Nursing Services	Optional §1905(a)(8)
Adult/Child	Prescribed Drugs	Optional §1927(d)
Adult/Child	Physical Therapy and related services	Optional §1905(a)(11)
Adult/Child	Speech Therapy services	Optional §1905(a)(11)
Adult/Child	Non-prescription drugs	Optional §1927(d), §1905(a)(12)
Adult/Child	Prosthetic Devices	Optional §1905(a)(12)
Adult/Child	Eyeglasses	Optional §1905(a)(12)
Adult/Child	Preventive Services	Optional §1905(a)(13)
Adult	Services for individuals over age 65 in IMDs – Inpatient, Not Nursing Facility	Optional §1905(a)(14)
Adult	Nursing facility services (STAR+PLUS only)	Mandatory §1905(a)(4)
Child	Inpatient psychiatric facility services for individuals under age 21	Optional §1905(a)(16)
Adult (STAR+PLUS/STAR Kids)	Rehabilitative Services – Day Activity & Health Services	Optional, Rehabilitation Service, 42 CFR 440.130(d), 1905(a)(13)
Adult/Child	Mental Health Rehabilitative Services	Optional, Rehabilitation Service, 1905(a)(13) and 42 CFR 440.130(d)
Adult/Child	Targeted Case Management for Individuals with Chronic Mental Illness	Optional 1915(a)(19), 1915(g)
Adult/Child	Nurse-Midwife Services	Mandatory §1905(a)(17)
Adult/Child	Extended services for pregnant women–Pregnancy-related and postpartum services for a 60-day period after the pregnancy ends and any remaining days in the month in which the 60th day falls	Mandatory §1902(e)(5)
Adult/Child	Extended services for pregnant women–Services for any other medical conditions that may complicate pregnancy.	Mandatory §1905(a)(1-5), (17), (21), (28)
Adult/Child	Certified pediatric or family nurse practitioners' services	Mandatory §1905(a)(21)
Adult/Child	Personal care services in the home	Optional §1905(a)(24), 42 CFR 440.160

Adult/Child	Community First Choice	Optional §1915(k)
Adult/Child	Ambulatory prenatal care for pregnant women furnished during a presumptive eligibility period by a eligible provider (in accordance with section 1920 of the Act).	Optional §1920
Adult/Child	Respiratory care services (in accordance with section 1902(e)(9)(A) through (C) of the Act).	Optional §1905(a)(20)
Adult/Child	Services provided in Religious Nonmedical Health Care Institutions.	Optional §1905(a)(29)
Adult/Child	Emergency hospital services.	Optional §1905(a)(29)
Adult/Child	Ambulatory Surgical Center Services	Optional §1905(a)(29)
Adult/Child	Birthing Center Facility Services	Optional §1905(a)(28), (29)

[1]Substance use disorder treatment services are capitated services for STAR, STAR+PLUS, and STAR Kids, and MCOs may provide these services in a chemical dependency treatment facility in lieu of the acute care inpatient hospital setting. Similarly, the MCOs will be responsible for providing acute inpatient days for psychiatric conditions, and may provide these services in a free-standing psychiatric hospital in lieu of acute care inpatient hospital settings. The State does not include non-State plan services, such as room and board, in the STAR, STAR+PLUS, and STAR Kids capitation; however, the MCO is not restricted to only the delivery of State plan services when alternative services are a cost-effective and medically appropriate response to the needs of the member.

[2] The 30-day spell of illness limitation for hospital inpatient services described in the state plan does not apply to STAR enrollees, certain approved transplants, children age 20 and younger, or to individuals with severe and persistent mental illness. In addition, for inpatient hospital stays related to COVID-19 (i.e. a stay for which the COVID-19 diagnosis is listed anywhere on the claim but is not necessarily the primary diagnosis, excluding presumptive positive cases), Texas will extend the 30-day spell of illness limitation described in the state plan for an additional 30 days to allow an individual to stay up to 60 days in a hospital for the period of the COVID-19 Public Health Emergency (PHE). The state will also allow an individual to exceed the $200,000 inpatient hospital benefit limitation for COVID-19 related stays during the PHE.

[3] The annual monetary benefit limitation on inpatient hospital services that is described in the state plan does not apply to STAR, STAR+PLUS, and STAR Kids enrollees.

(*) This column describes whether a services is a required state plan service or if a state can elect to cover the service under the Social Security Act. All services listed here are covered in the Texas State plan.

+ The state plan prescription drug limitations for adults aged 21 and older do not apply to STAR or STAR+PLUS enrollees.

26. Self-Referral. Demonstration beneficiaries may self-refer for the following services:

a. In-network behavioral health services;

b. Obstetric and gynecological services, regardless of whether the provider is in the client's MCO network;

c. In-network eye health care services, other than surgery, including optometry and ophthalmology;

d. Family planning services, regardless of whether the provider is in the client's MCO network; and

e. Services from a provider with the Early Childhood Intervention program for children ages 0-3 years with a developmental delay.

27. **Federally Qualified Health Centers and Rural Health Centers.** An enrollee is guaranteed the choice of at least one MCO which has at least one FQHC as a participating provider. If the enrollee elects not to select an MCO that includes a FQHC in the provider network, no FQHC services will be required to be furnished to the enrollee while the enrollee is enrolled with that MCO. The same requirements apply to Rural Health Centers.

28. **Early and Periodic Screening, Diagnosis, and Treatment (EPSDT).** The MCOs will fulfill the state's responsibilities for coverage, outreach, and assistance with respect to EPSDT services that are described in the requirements of sections 1905(a)(4)(b) (services), 1902(a)(43) (administrative requirements), and 1905(r) (definitions).

E. CHILDREN'S DENTAL PROGRAM

29. **Implementation of the Children's Dental Program.** Children's primary and preventive Medicaid dental services are delivered through a capitated statewide dental services program (the Children's Dental Program). Contracting dental maintenance organizations (DMOs) maintain networks of Main Dental Home providers, consisting of general dentists and pediatric dentists. The dental home framework under this statewide program is informed by the improved dental outcomes evidenced under the "First Dental Home Initiative" in the State. Services provided through the Children's Dental Program are separate from the medical services provided by the STAR,STAR+PLUS, and STAR Kids managed care organizations, and are available to persons listed in Table 2 who are under age 21, with the exception of the groups listed in (a) below. The Children's Dental Program must conform to all applicable regulations governing prepaid ambulatory health plans (PAHPs), as specified in 42 C.F.R. 438.

    a. The following Medicaid recipients are excluded from the Children's Dental Program, and will continue to receive their Medicaid dental services outside of the Demonstration: Medicaid recipients age 21 and over; all Medicaid recipients, regardless of age, residing in Medicaid-paid facilities such as nursing homes, state supported living centers, or Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions (ICF/ID); and STAR Health Program recipients.

    b. The state will collect relevant data from each DMO to comply with CMS-416 reporting requirements.

F. STAR+PLUS HOME AND COMMUNITY BASED SERVICES (HCBS) ENROLLMENT, BENEFITS AND REPORTING REQUIREMENTS

30. **Operations of the STAR+PLUS HCBS Program**

    a. **Compliance with Specified HCBS Requirements.** All federal regulations that govern the provision of HCBS under section 1915(c) waivers apply, to the HCBS program

authorized under section 1115, and provided through STAR+PLUS. The state includes a description of the steps taken to ensure compliance with these regulations as part of the Annual Report discussed in STC 60. HCBS, under the demonstration, operates in accordance with these STCs and associated attachments.

b. **Determination of Benefits by Designation into a STAR+PLUS HCBS Group.** The STAR+PLUS HCBS Program provides long-term services and supports as identified in Table 5 to two groups of people, as defined below:

i. **STAR+PLUS 217-Like HCBS Group.** This group consists of persons age 21 and older, who meet the NF level of care (LOC), who qualify as members of the 217-Like HCBS Group, and who need and are receiving HCBS as an alternative to NF care. The Demonstration population includes persons who could have been eligible under 42 CFR 435.217 had the state continued its section 1915(c) HCBS waiver for persons who are elderly and/or physically disabled. This group is subject to a numeric enrollment limitation, as described below.

A. **Interest List for STAR+PLUS 217-LIKE HCBS Group.** The state operates an interest list for the STAR+PLUS 217-Like HCBS population in the demonstration who are not in the STAR+PLUS mandatory eligibility categories. An interest list is a list that an individual is placed on when they express interest in enrollment, to the state or local agency that determines eligibility for STAR +PLUS. Individuals meeting all eligibility criteria are enrolled into this population on a "first-come, first-served" basis from the interest list, except that persons entering the demonstration through Money Follows the Person (MFP) are placed at the head of the interest list. These lists are managed on a statewide basis using a standardized assessment tool, and in accord with criteria established by the state. Interest list policies are based on objective criteria and applied consistently in all geographic areas served.

B **Unduplicated Participant Slots for the 217-Like HCBS Group.** Table 4a below specifies the unduplicated number of participants for the 217-Like Group.

I. Column A reflects the following slots: (1) the number of unduplicated participant slots transferred from the STAR+PLUS 1915(c) waiver, TX 0862; (2) unduplicated participant slots transferred from the Community Based Alternatives (CBA) 1915(c) waiver, TX 0266; (3) individuals released from the interest list; and (4) individuals discharged from institutional care who are in the Money Follows the Person (MFP) Demonstration, in the areas of the state where the managed care expansion occurred.

II. Column B reflects the additional slots made available for the Nursing Facility Diversion Group, created June 1, 2013. The Nursing Facility Diversion Group was created as a subset of the STAR+PLUS 217-Like HCBS Group. This group consists of persons age 65 and older,

and adults with physical disabilities age 21 and older, who meet the NF LOC as defined by the state, who qualify as members of the 217-Like HCBS Group, and who are at imminent risk of entering a nursing facility as a result of a catastrophic episode. Examples of a catastrophic episode include: (1) an individual is significantly dependent on a caregiver to remain in the community and the caregiver passes away or is suddenly no longer able to provide care; (2) an individual has a community support system but must suddenly move where there is no support system; (3) an individual has a sudden occurrence that would cause imminent placement in a nursing facility because he can no longer care for himself; or (4) an individual is identified by the Texas Department of Family and Protective Services as being at imminent risk of nursing facility placement. The number of nursing facility diversion group slots for each DY is listed in the chart below. Nursing Facility Diversion Group slots may be encumbered only by individuals identified as belonging to the Nursing Facility Diversion Group.

III. Column C reflects the additional slots added September 1, 2015 and September 1, 2016 after the 84th Legislature (Regular Session) of Texas appropriated additional funds to increase the number of unduplicated participants for the STAR+PLUS 217-Like Group served by the STAR+PLUS HCBS Program.

Table 4a. Unduplicated Number of Participants for the STAR+PLUS 217-Like HCBS group				
Demonstration Year	Column A	Column B	Column C	Total
DY 7	23,001	100	1,235	24,336
DY 8	23,090	100	1,235	24,425
DY 9	23,407	100	1,235	24,742
DY 10	23,793	100	1,235	25,128
DY 11	24,239	100	1,235	25,574

ii. **SSI-Related Eligibles.** Persons age 65 and older, and adults age 21 and older, with physical disabilities that qualify as SSI eligibles and meet the NF LOC as defined by the state. Table 4b below specifies the unduplicated number of participants for the SSI-Related Eligible HCBS Group.

I. Column A column reflects the following slots: (1) the number of unduplicated participants transferred from the STAR+PLUS 1915(c) waiver, TX 0325; (2) the number of unduplicated participants transferred from the CBA 1915(c) waiver; and (3) individuals released from the interest list; and (4) individuals discharged from institutional care who are in the Money Follows the Person (MFP) Demonstration, in the areas of the state where the managed care expansion occurred.

Table 4b. Unduplicated Number of Participants for the SSI-Related Eligible Group	
Demonstration Year	Column A
DY 7	44,249
DY 8	44,710
DY 9	45,562
DY 10	46,514
DY 11	47,563

c. **Eligibility for STAR+PLUS HCBS Benefits.** Individuals can be eligible for HCBS under STAR+PLUS depending upon their medical and / or functional needs, financial eligibility designation as a member of the 217-Like STAR+PLUS HCBS Group or an SSI-related recipient, and the ability of the State to provide them with safe, appropriate, and cost-effective LTC services.

   i. Medical and / or functional needs are assessed according to LOC criteria published by the State in State rules. These LOC criteria will be used in assessing eligibility for STAR+PLUS HCBS benefits through the 217-Like or SSI-related eligibility pathways.

   ii. For an individual to be eligible for HCBS services, the State must have determined that the individual's cost to provide services is equal to or less than 202 percent of the cost of the level of care in a nursing facility.

d. **Freedom of Choice.** The service coordinators employed by the managed care organizations must be required to inform each applicant or member of any alternatives available, including the choice of institutional care versus home and community based services, during the assessment process. The Freedom of Choice Form must be incorporated into the Service Plan. The applicant or member must sign this form to indicate that he or she freely choices waiver services over institutional care. The managed care organization's service coordinator also addresses living arrangements, choice of providers, and available third party resources during the assessment.

e. **Service Plan.** In accordance with 42 CFR § 441.301(b)(1)(i), a participant-centered service plan of care must be developed for each participant. All waiver services must be furnished pursuant to the service plan, according to the projected frequency and type of provider. The service plan must also describe the other services, regardless of the funding source, and the informal supports that complement HCBS services in meeting the needs of the participant. The service plan is subject to the approval of the HHSC. Federal financial participation (FFP) may not be claimed for waiver services furnished prior to the development of the service plan or for services that are not included in the service plan. The State will use an electronic process for submission and approval of most individual service plans. Service plans for individuals turning 21, outside the cost ceiling, and the 217-Like Group will remain a manual process.

f. **Benefit Package under the STAR+PLUS HCBS Program.** The following Table 5 describe the benefits available to HCBS participants, whether in the 217-Like HCBS Group or the SSI-related group, that are provider-directed and, if the participant elects the option, self-directed. The services are further defined in Attachment C.

Table 5. HCBS Services

Service	Provider Directed	Participant Directed
Personal Assistance Service	X	X
Respite	X	X
Financial Management Services	X	
Support Consultation	X	X
Adaptive Aids and Medical Supplies	X	
Adult Foster Care	X	
Assisted Living	X	
Dental Services	X	
Emergency Response Services	X	
Home Delivered Meals	X	
Minor Home Modifications	X	
Nursing	X	X
Occupational Therapy	X	X
Physical Therapy	X	X
Speech, Hearing, and Language Therapy	X	X
Transition Assistance Services	X	
Cognitive Rehabilitation Therapy (Effective March 6, 2014)	X	X
Supported Employment Services (Effective September 1, 2014)	X	X
Employment Assistance Services (Effective September 1, 2014)	X	X

g. **Self-Direction of Home and Community Based Services.** STAR+PLUS participants who elect the self-direction opportunity will have the option to self-direct all or some of the long term services, as identified in Table 5, under the Demonstration. The services, goods, and supports that a participant self-directs will still be included in the calculations of the participant's budget. Participant's budget plans will reflect the plan for purchasing these needed services, goods, and supports.

i. **Information and Assistance in Support of Participant Direction.** The state shall have a support system that provides participants with information, training, counseling, and assistance, as needed or desired by each participant, to assist the participant to effectively direct and manage their self-directed services and budgets. Participants shall be informed about self-directed care, including feasible alternatives, before electing the self-direction option. Participants shall also have access to the support system throughout the time that they are self-directing their care. Support

activities must include, but are not limited to, financial management services and support consultation, defined as follows.

A **Financial Management Services.** Financial management services provide assistance to members with managing funds associated with the services elected for self-direction. Financial management services include initial orientation and ongoing training related to responsibilities of being an employer, and adhering to legal requirements for employers. The financial management services providers, referred to as the Financial Management Services Agency (FMSA), serves as the member's employer-agent, which is the Internal Revenue Service's (IRS) designation of the entity responsible for making payables and withholding, and filing and depositing taxes on behalf of the members. As the employer-agent, the FMSA files required forms and reports to the Texas Workforce Commission.

B **Support Consultation.** Support Consultation offers practical skills training and assistance to enable an individual to successfully direct those services the individual elects for participant-direction. This service is provided by a certified support advisor, and includes skills training related to recruiting, screening, and hiring workers, preparing job descriptions, verifying employment eligibility and qualifications, completion of documents required to employ an individual, management of workers, and development of effective back-up plans for services considered critical to the individual's health and welfare in the absence of the regular provider or an emergency situation. Support consultation is provided only by a certified support advisor certified by HHSC.

ii. **Participant Direction by Representative.** The participant who self-directs one or more services may appoint a volunteer designated representative to assist with or perform employer responsibilities to the extent approved by the participant. The participant documents the employer responsibilities, and that only a non-legal representative freely chosen by the participant or legally authorized representative may serve as the designated representative to assist in performance of employer responsibilities, to the extent desired by the individual or legally authorized representative. The participant documents the employer responsibilities that the designated representative may and may not perform on the participant's behalf.

iii. **Participant Budget Authority.** The participant's budget authority is operated and developed as follows:

A. The participant has budget authority and decision-making authority over the budget to reallocate funds among services included in the budget; to determine the amount paid for services within the State's established limits; to substitute service providers and to schedule the provision of services; to specify additional service provider qualifications consistent with established criteria; to specify the provision of services consistent with service specifications in Attachment C for services that may be self-directed as specified in Table 5; to identify service providers and refer for provider enrollment; to authorize payment for waiver

goods and services; and to review and approve provider invoices for services rendered.

B. All participants, in conjunction with the FMSA, must develop a budget based on the service plan. The amount of funds included in the service plan is calculated by the service planning team based on the planned waiver services and the adopted reimbursement rate. The service plan is developed in the same manner for the participant who elects to have services delivered through the consumer directed services option as it is for the participant who elects to have services delivered through the traditional provider-managed option.

With approval of the FMSA, the participant may make revisions to a specific service budget that does not change the amount of funds available for the service in the approved service plan. Revisions to the service plan amount available for a particular service, or a request to shift funds from one self-directed waiver service component to another, must be justified by the participant's service planning team and authorized by the MCO.

C. Modifications to the participant directed budget must be preceded by a change in the service plan.

iv. **Disenrollment from Self-Direction.** A participant may voluntarily disenroll from the self-directed option at any time and return to a traditional service delivery system. A participant may also be involuntarily disenrolled from the self-directed option for cause, if continued participation in the consumer directed services option would not permit the participant's health, safety, or welfare needs to be met, or the participant or the participant's representative, when provided with additional support from the CDSA, or through Support Consultation, has not carried out employer responsibilities in accordance with the requirements of this option. If a participant is terminated voluntarily or involuntarily from the self-directed service delivery option, the State will transition the participant to the traditional agency direction option and will have safeguards in place to ensure continuity of services.

h. **Fair Hearing.** For standard and expedited appeals, members must exhaust the MCO's internal standard or expedited appeals process before making a request for a standard or expedited state fair hearing. Procedures related to state fair hearings are described in Attachment F.

i. **Participant Safeguards**. The state must follow all member safeguard procedures as described in Attachment G of these STCs.

V. FUNDING POOLS UNDER THE DEMONSTRATION

The terms and conditions in Section V apply to the state's exercise of the following Expenditure Authorities: Expenditures Related to the Uncompensated Care Pool, and Expenditures Related to the Delivery System Incentive Reform Payment (DSRIP) Pool.

32. Terms and Conditions Applying to Pools Generally.

a. The non-Federal share of pool payments to providers may be funded by state general revenue funds, transfers from units of local government, and certified public expenditures that are compliant with section 1903(w) of the Act. Any payments funded by intergovernmental transfers must remain with the provider, and may not be transferred back to any unit of government.

b. The state must inform CMS of the funding of all payments from the pools to hospitals or other providers through a quarterly payment report to be submitted to CMS within 60 days after the end of each quarter. This report must identify the funding sources associated with each type of payment received by each provider.

c. The state will ensure that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope or quality of services available under the State plan or this Demonstration. The preceding sentence is not intended to preclude the state from modifying the Medicaid benefit through the State Plan amendment process.

33. Uncompensated Care (UC) Pool. Through September 30, 2019, payments from the pool may be used to defray the actual uncompensated cost of medical services that meet the definition of "medical assistance" contained in section 1905(a) of the Act, that are provided to Medicaid eligible or uninsured individuals incurred by hospitals, clinics, or by other provider types, as agreed upon by CMS and the state and defined at subparagraph (c) below. Starting October 1, 2019, payments from this pool may be used to defray the actual uncompensated cost of medical services that meet the definition of "medical assistance" contained in section 1905(a) of the Act, that are provided to uninsured individuals as charity care by hospitals, clinics, or by other provider types, as specified at subparagraph (c) below, including uninsured full or partial discounts, that provide all or a portion of services free of charge to patients who meet the provider's charity care policy and that adhere to the charity care principles of the Healthcare Financial Management Association.[2] Annual UC Pool payments are limited to the annual amounts identified in STC 35. Expenditures for UC payments must be claimed in accordance with CMS-approved claiming protocols for each provider type and application form in Attachment H. The methodology used by the state to determine UC payments will ensure that payments to hospitals, clinics, and other providers are distributed based on uncompensated cost, without any relationship to source of non-federal share, as specified in Attachment H.

a) **UC Application.** To qualify for a UC Payment, a provider must submit to the state an annual UC Application that will collect cost and payment data on services eligible for reimbursement under the UC Pool. Data collected from the application will form the basis for UC Payments made to individual hospitals and non-hospital providers. The state must require hospitals to report data in a manner that is consistent with the

[2] Available at http://www.hfma.org/WorkArea/DownloadAsset.aspx?id=14589.

Medicare Form 2552-10 cost report, or for non-hospital providers, a CMS-approved cost report consistent with Medicare cost reporting principles.

i. Cost and payment data included on the application must be based on the Medicare 2552-10 cost report, or for non-hospital providers, a CMS-approved cost report consistent with Medicare cost reporting principles. For hospitals and physician groups, data on the application is for the federal fiscal year (FFY) that is two years prior to the DY in which UC Payments are to be made, in order to allow time for providers to finalize their cost reports from that data year and submit their application data to HHSC. (For example, FFY 2010 was the data year for UC Payments under the UC pool in DY 1.) The state may trend the data to model costs incurred in the year in which payments are to be made. HHSC or its designee will reconcile estimates for prior years. If trending is used, the base year can be no older than 2 years old and must be tied to a generally recognized and widely published trending factor used for trending health care costs. For hospitals not required to report charity care uncompensated costs on their cost reports, the hospital must report the required data in the tool approved by CMS and included in Attachment H. Any overpayments identified in the reconciliation process that occurred in a prior year must be recouped from the provider, with the FFP returned to CMS, except that during the reconciliation process, if a provider demonstrates that it has allowable uncompensated costs consistent with the protocol that were not reimbursed through the initial UC Payment (based on application figures), and the state has available UC Pool funding for the year in which the costs accrued, the state may provide reimbursement for those actual documented unreimbursed UC costs through a prior period of adjustment. For ambulance and dental providers, data on the application is based on actual eligible costs incurred during the demonstration year for which the payments are made.

ii. Any provider that meets the criteria below may submit a UC Application to be eligible to receive a UC Payment.

    A. Private providers must have an executed indigent care affiliation agreement on file with HHSC.

    B. Only providers participating in a (Regional Health Partnership) RHP are eligible to receive a UC Payment, although exceptions may be approved by CMS on a case by case basis.

iii. When submitting the UC Application, providers may request that cost and payment data from the data year be adjusted to reflect increases or decreases in costs, resulting from changes in operations or circumstances. A provider may request that:

A. Costs and revenue not reflected on the filed cost report, but which would be incurred for the program year, be included when calculating payment amounts; or

B. Costs and revenue reflected on the filed cost report, but which would not be incurred for the program year, be excluded when calculating payment amounts.

Adjustments described in subparagraphs (A) and (B) above cannot be considered as part of the reconciliation of a prior year payment. Such costs must be properly documented by the provider, and are subject to review by the State. Such costs are subject to reconciliation to ensure that providers actually incurred such eligible uncompensated costs.

iv. All applicable inpatient and outpatient hospital UC payments received by a hospital provider count as title XIX revenue, and must be included as offsetting revenue in the State's annual DSH audit reports. Providers receiving both DSH and UC Payments cannot receive total payments under the State plan and the UC Pool (related to inpatient and outpatient hospital services) that exceed the hospital's total eligible uncompensated costs for those services. UC Payments for physicians, non-physician professionals, pharmacy, and clinic costs are not considered inpatient or outpatient Medicaid payments for the purpose of annual hospital specific DSH limits and the DSH audit rule. All reimbursements must be made in accordance with CMS approved cost-claiming protocols that are consistent with the Medicare Form 2552-10 cost report or, for non-hospital providers, a CMS approved cost report consistent with Medicare cost reporting principles.

b) **UC Payment Protocol.** The UC Payment Protocol, also known as the funding and reimbursement protocol, establishes rules and guidelines for the State to claim FFP for UC Payments. The approved UC Payment Protocol is appended into these STCs as Attachment H. By March 30, 2018, the state must submit for CMS approval an addendum to the funding and reimbursement protocol that will establish rules and guidelines for the State to claim FFP for UC Payments beginning in DY 9 (October 1, 2019 through September 30, 2020). CMS and Texas will work collaboratively with the expectation of CMS approval of the protocol within 90 calendar days after it receives the addendum. The state cannot claim FFP for any UC Payments for DY 9 or later until a UC Protocol addendum has been submitted to and approved by CMS. The UC Payment Protocol addendum must include precise definitions of eligible uncompensated provider charity care costs (consistent with the Medicare cost reporting principles and revenues that must be included in the calculation of uncompensated charity care cost for purpose of reconciling UC payments to unreimbursed charity care cost). The Protocol will also identify the allowable source documents to support costs; it will include detailed instructions regarding the calculation and documentation of eligible costs, the tool used by the State and providers to apply for UC Payments, and a timetable and reconciliation of payments

against actual charity care cost documentation. This process will align the application process (based on prior cost periods) to the reconciliation process (using the application costs from subsequent years to reconcile earlier payments). The Protocol will contain not only allowable costs and revenues, it will also indicate the twelve (12) month period for which the costs will apply.

The State must submit a UC Payment Protocol addendum for each non-hospital provider type that may seek UC payments. FFP will not be available for UC Payments made to a non-hospital provider type for DY 9 or later until a cost-claiming protocol addendum consistent with the Medicare cost reporting principles is approved by CMS for the relevant non-hospital provider type.

c) **UC Payments to Non-Hospital Providers.** UC Payments may be provided only to the following qualifying non-hospital providers: physician practice groups, government ambulance providers, and government dental providers. UC Payments are considered to be Medicaid payments to providers and must be treated as Medicaid revenue when determining total title XIX funding received, in particular for any provider utilizing certified public expenditures as the non-Federal share of a Medicaid payment.

d) **Reporting Requirements for UC Payments**. The state will submit to CMS two reports related to the amount of UC Payments made from the UC Pool per Demonstration Year. The reporting requirements are as follows:

   i. By December 31st of each Demonstration Year, the State shall provide the following information to CMS:

      A. The UC payment applications submitted by eligible providers; and

      B. A chart of estimated UC Payments to each provider for a DY.

   ii. Within ninety (90) days after the end of each Demonstration year, the State shall provide the following information to CMS:

      A. The UC Payment applications submitted by eligible providers; and

      B. A chart of actual UC payments to each provider for the previous DY.

e) **Required Milestones for UC Pool Transition.** CMS expects Texas will work in good faith to implement all requirements specified in these STCs, and in particular this STC 33, within the necessary timeline. To help ensure the state is making adequate progress toward meeting these requirements on the required timetable, the state must satisfy the milestones specified in this sub-STC 33(e). If Texas fails to meet any one or more of them, the permanent reduction of expenditure authority will immediately and irrevocably apply, as specified below. CMS will only modify these

milestones and associated penalties in extraordinary circumstances, and only through an amendment request pursuant to STC 7.

i. Submit and implement the revised Attachment H by DY9: Texas is required to submit the addendum to Attachment H (the UC Payment Protocol) that is described in paragraph (b) of this STC for CMS review by March 30, 2018. The methodology described in the addendum must be implemented as part of the revised UC distribution methodology for DY 9.

   A. CMS will permanently reduce Texas' UC expenditure authority by 20 percent for DY 7 and disallow funding that exceeds the reduced expenditure authority amount if Texas has not submitted a draft addendum to Attachment H to CMS by March 30, 2018.

   B. Texas may not claim FFP for UC payments for DY 9 until CMS has approved the addendum to Attachment H.

   C. Texas may claim FFP for DY 9 after it has received CMS approval and implemented the addendum to Attachment H, up to the annual limit (which is subject to reduction pursuant to sub-STC 33(e)(i)(D), below).

   D. If Texas has not demonstrated to CMS it has implemented the methodology described in the addendum to Attachment H by October 1, 2019, CMS will permanently reduce Texas' UC pool expenditure authority by 20 percent for DY 9 and disallow funding that exceeds the reduced expenditure authority amount.

ii. Revise UC applications for all provider types: After HHSC receives CMS approval of the addendum to Attachment H (UC Payment Protocol), and concurrent with the state administrative rule amendment timeframe (see sub-STC 33(e)(iii), below), HHSC must revise, test, and obtain CMS approval of the application tools used to collect the information needed to determine the eligibility of providers to participate in the UC pool and their eligible uncompensated costs, as described in the protocol.

   A. CMS will permanently reduce Texas' UC expenditure authority by 20 percent for DY 8 and disallow funding that exceeds the reduced expenditure authority amount if Texas has not submitted draft revised UC application tools for all provider types to CMS by May 1, 2019, or if CMS has not approved revised UC tools for all provider types by August 31, 2019.

iii. Amend the administrative rules that govern the program: Once HHSC has received CMS approval of the addendum to Attachment H (UC Payment Protocol), and concurrent with its revision of the UC applications for all provider types, HHSC must conduct the state administrative rulemaking

process to amend the state's administrative rules governing the UC pool with respect to each provider type to comport with the requirements of these STCs. The state has indicated that the rule development timeline is normally six-to-nine months, including the notice and comment periods required by state law.

A. CMS will permanently reduce Texas' UC expenditure authority by 20 percent for DY7 and disallow funding that exceeds the reduced expenditure authority amount unless Texas begins the necessary administrative rule amendment process required to implement the UC pool distribution changes required by these STCs by no later than July 31, 2018. Texas must demonstrate to CMS that it is undertaking rulemaking to amend the Texas Administrative Code (TAC) to implement the required UC pool distribution methodology changes; this will be demonstrated by publishing a notice of the proposed rulemaking in the Texas Register and notice of a public hearing related to that rulemaking.

B. CMS will permanently reduce Texas' UC expenditure authority by an additional 20 percent for DY8 and disallow funding that exceeds the reduced expenditure authority amount unless Texas has published the necessary final administrative rules to implement the required UC pool distribution methodology by January 30, 2019. The amended rules must be effective no later than September 30, 2019. Texas must demonstrate this by sending CMS a copy of the final rule as published in the Texas Register.

iv. If Texas's UC expenditure authority is reduced more than once for a DY, the reductions are applied cumulatively.[3]

v. The deliverables mentioned in this subparagraph (e) are not subject to STC 56.

34. Delivery System Reform Incentive Payment (DSRIP) Pool. The DSRIP Pool is available for the development of a program of activity that supports providers' efforts to enhance access to health care, the quality of care, and the health of the patients and families they serve. The program of activity funded by the DSRIP shall be based in Regional Healthcare Partnerships (RHPs) that are directly responsive to the needs and characteristics of the populations and communities comprising the RHP. Each RHP will have geographic boundaries, and will be directed by a public hospital or a local governmental entity. In collaboration with participating providers, the public hospital or local governmental entity will develop a delivery reform and incentive plan that is rooted in the intensive learning and sharing that will accelerate meaningful improvement within the providers participating in

[3] For one reduction in a DY, multiply the original UC pool limit by (1 - 0.20). For two reductions in a DY, multiply the reduced UC pool limit again by (1 – 0.20), or equivalently, multiply the original UC pool limit by (1 - 0.20)×(1 - 0.20).

the RHP. Individual providers' DSRIP proposals must flow from the RHP plans, and be consistent with the providers' shared mission and quality goals within the RHP, as well as CMS's overarching approach for improving health care through the simultaneous pursuit of three aims: better care for individuals (including access to care, quality of care, and health outcomes; better health for the population; and lower cost through improvement (without any harm whatsoever to individuals, families or communities) (the Three Part Aim).

Starting with DY 7, DSRIP will be temporarily extended with the goal of identifying non-DSRIP funding to continue financing these activities, and an updated methodology, reflecting an evolution from project-level reporting to provider core activities supporting performing provider-level outcomes that measure continued transformation of the Texas healthcare system. Performing providers are named in RHP plans to be eligible to receive DSRIP payments. DSRIP in this extension will support performing providers to move further towards sustainability of their transformed systems outside of the DSRIP funding structure, which could include development of Alternative Payment Models (APMs) to continue services for Medicaid beneficiaries within managed care or FFS funding structures, and to low-income or uninsured individuals outside of the Medicaid program after the demonstration ends. Further operational details (such as the definitions of categories, terms and processes below) will be delineated in the protocols.

a. **Focus Areas.** There are 4 areas for which funding is available under the DSRIP, each of which has explicit connection to the achievement of the Three Part Aim. Activities will be identified within the following categories, and included in the full list of projects provided in the Measure Bundle Protocol (Attachment R)

   i. **Category A: Required reporting in order to be eligible for any amount of DSRIP payment** – Providers will describe transition from DY 2-6 to DY 7-8 activities, and specifically address the following.
      1. Core activities – Report on performance improvement projects designed to enhance achievement on Category C measure goals.
      2. Alternative Payment Methodology (APM) – Report on provider's progress toward, or implementation of, APM arrangements.
      3. Costs and savings – Performing providers with greater than $1M total valuation will submit costs and forecasted/generated savings for at least one core activity. Valuations are described in Attachment J.
      4. Collaborative activities - Performing providers will attend at least one learning collaborative, stakeholder forum, or other stakeholder meeting annually.

   ii. **Category B: Report on Medicaid and Low-income or Uninsured (MLIU) Patient Population by Provider (PPP)** – Performing providers must maintain or increase number of MLIU individuals served each DY, within allowable variation specified in the protocols.

   iii. **Category C: Measure Bundles and Measures** – Providers will select and report on health care quality and system performance measures, selected from

a menu of pre-determined Measure Bundles or measures, and be rewarded based on meeting targeted improvement goals.

iv. **Category D: Statewide Reporting Measure Bundle** – Providers will report on a statewide reporting Measure Bundle of population health measures for their provider type, to gain information on and understanding of the health status of key populations and to build the capacity for reporting on a comprehensive set of population health metrics.

b. **Regional Healthcare Partnerships.** Regional Healthcare Partnerships will be maintained throughout the state to coordinate regional planning, information sharing, and ongoing collaborative activities among DSRIP providers. Each RHP will include a variety of healthcare providers to adequately respond to the needs of the community, and the process of maintaining each RHP and developing RHP plans will evidence meaningful participation by all interested providers. Each RHP will be anchored (i.e. single point of contact for the RHP) by a public hospital (or in areas with no public hospital, anchored by a local governmental entity) that will be responsible for developing the RHP's DSRIP plan in coordination with other identified RHP providers.

c. **DSRIP Plans within the RHP.** RHP anchoring entities will develop RHP plans in good faith, to leverage public and non-public hospital and other community resources to best achieve delivery system transformation goals within RHP areas consistent with the Demonstration's requirements. RHP anchoring entities shall provide opportunities for public input to the development of RHP plans, and shall provide opportunities for discussion and review of proposed RHP plans prior to plan submission to the state. In accordance with the guidelines specified in the DSRIP protocols (see STC 34(d)), a final RHP DSRIP Plan must include maximum payment amounts for DSRIP Payments. These amounts may be proportionally adjusted based on available non-Federal share.

d. **DSRIP Plans and Protocols.** The state may not claim DSRIP funding after January 1, 2018, for DSRIP DY 7-10, until the milestones discussed in this paragraph have been met.

i. Within one month of the approval of this second extension, CMS, the state and Texas providers will, through a collaborative process, finalize updates to the RHP Planning Protocol (Attachment I), Program Funding and Mechanics Protocol (Attachment J), or other protocol documents as the state may propose to implement the DSRIP program as described above.

ii. The updated protocols must include information on state and CMS review and approval processes for RHP Plan Updates, RHP and State reporting requirements, how potential DSRIP incentive payment amounts will be distributed to Performing Providers and to RHPs, mechanisms and payment methodologies.

iii. Texas may not claim FFP for DSRIP payments after January1, 2018 for DSRIP DY 7-10, or later until after updated protocols for those DYs have been approved by CMS.

e. **DSRIP Payments are Not Direct Reimbursement for Expenditures or Payments for Services.** Payments from the DSRIP pool are intended to support and reward hospital systems and other providers for improvements in their delivery systems that support the simultaneous pursuit of improving the experience of care, improving the health of populations, and reducing per capita costs of health care. Payments from the DSRIP Pool are not considered patient care revenue, and shall not be offset against disproportionate share hospital expenditures or other Medicaid expenditures that are related to the cost of patient care (including stepped down costs of administration of such care) as defined under these Special Terms and Conditions, and/or under the State Plan.

f. **DSRIP Expenditure Reporting**. Texas will submit total DSRIP expenditures, including payments to providers reflecting the basis for incentive payments, 6 months after the end of each demonstration year.

35. Limits on Pool Payments. Expenditures eligible for FFP for UC Pool and DSRIP Pool in each DY may not exceed the amounts shown in Table 6.

a. **Reassessment of Hospitals' Uncompensated Charity Care.** CMS and Texas agree that UC Pool limits for DY 9-11 will be revised based on a reassessment of the amount of uncompensated charity care cost provided by Texas hospitals, to take place by September 1, 2019. The state and CMS will collaborate on the reassessment, which will be based on information reported by hospitals for 2017 on schedule S-10 of the CMS 2552-10 hospital cost report, with adjustment to ensure that demonstration pool payments do not enter the calculation, following a methodology approved by CMS. For non-S-10 hospitals, costs will be based on the CMS-approved cost reports described in Attachment H for the most recent available year. The results of the reassessment will be used to revise the UC Pool limits for DY 9-11.

b. If the reassessment discussed in (a) is not completed to produce an updated UC Pool limit by September 1, 2019, the place-holder amounts shown in Table 6 will be used to supply the preliminary UC Pool limits for DY 9-11.

c. When 2017 S-10 data as specified in 35(a) becomes available, the state and CMS will collaborate to recalculate the UC pool limits for DY 9-11 based on this updated information. The recalculated UC pool limits will become the final UC pool limits for DY 9-11. In addition to prospectively modifying the UC pool limits based on this recalculation, CMS and the state will perform a reconciliation of UC pool payments made on or after October 1, 2019. If UC pool payments for the reconciliation period have exceeded the final UC pool limit for that period, CMS will reclaim overpayments for these years. If the UC pool payments for the reconciliation period were less than the final

UC pool limit, CMS will provide FFP for additional payments consistent with the final UC pool limits so that Texas may make additional payments to providers for UC costs.

Table 6. Pool Allocations According to Demonstration Year (total computable)

Type of Pool	DY 6* (2016-2017)	DY 7* (2017-2018)	DY 8 (2018- 2019)	DY 9 (2019- 2020)	DY 10 (2020-2021)	DY 11 (2021-2022)
UC	3,100,000,000	3,101,776,278	3,101,776,278	3,873,206,193	3,873,206,193	3,873,206,193
DSRIP	3,100,000,000	3,100,000,000	3,100,000,000	2,910,000,000	2,490,000,000	0

*Amounts shown for DY 6 are reduced by 20 percent from the amounts shown in the terms and conditions for the 15-month extension, to reflect redefinition of DY 6 to be 12 months instead of 15 months. Amounts for DY 7 include the 20 percent of adjustment formerly shown as part of DY 6.

36. Assurance of Budget Neutrality.

a. By October 1 of each year, the State must submit an assessment of budget neutrality to CMS, including a summation of all expenditures and member months already reported to CMS, estimates of expenditures already incurred but not reported, and projections of future expenditures and member months to the end of the Demonstration, broken out by DY and Medicaid Eligibility Group (MEG) or other spending category.

b. Should the report in (a) indicate that the budget neutrality Annual Target for any DY has been exceeded, or is projected to be exceeded, the State must propose adjustments to the limits on UC Pool and DSRIP Pool limits, such that the Demonstration will again be budget neutral on an annual basis, and over the lifetime of the Demonstration. The new limits will be incorporated through an amendment to the Demonstration.

37. Transition Plan for DSRIP Pool.

a. Texas will submit a draft transition plan to CMS by October 1, 2019 for CMS review and approval, describing how the state will further develop its delivery system reform efforts without DSRIP funding and/or phase out DSRIP funded activities. The final transition plan will become Attachment Q of the STCs for this demonstration. It must be finalized within 6 months of submission to CMS. As Texas' DSRIP is a time-limited federal investment that will conclude by October 2021, Texas will propose milestones by which it will be accountable for measuring sustainability of its delivery system reform efforts absent DSRIP funding. Milestones may relate to the use of alternative payment models, the state's adoption of managed care payment models, payment mechanisms that support providers' delivery system reform efforts, and other opportunities.

b. Portions of overall FFP for DSRIP will be at-risk for the state's achievement on achievement milestones, as specified below. If Texas fails to submit a complete sustainability plan by October 1, 2019, CMS will defer 10 percent of FFP for DSRIP funding starting in the next quarter, and an amount in all subsequent quarters indefinitely until the state comes into compliance. Accountability for performance on these milestones will be as follows:, an additional 15 percent for FFP for DSRIP will be at risk

in demonstration year 9, and additional 20 percent off FFP for DSRIP will be at risk in demonstration year 10.

c. This deliverable will not be subject to the deferral as described to STC 56; all accountability for the Transition Plan will be applied as per this STC.

38. 1115A Duals Demonstration Savings. When Texas' section 1115(a) demonstration is considered for an amendment, renewal, and at the end of the duals demonstration, CMS' Office of the Actuary (OACT) will estimate and certify actual title XIX savings to date under the duals demonstration attributable to populations and services provided under the 1115(a) demonstration. This amount will be subtracted from the 1115(a) budget neutrality savings approved for the renewal.

Specifically, OACT will estimate and certify actual title XIX savings attributable to populations and services provided under the 1115(a) demonstration following the methodology below.

The actual title XIX savings attributable to populations and services provided under the 1115(a) demonstration are equal to the savings percentage specified in the 1115A duals demonstration MOU multiplied by the Medicaid portion of the 1115A demonstration capitation rate and the number of 1115A duals demonstration beneficiaries enrolled in the 1115(a) demonstration. The Medicaid portion of the 1115A Demonstration capitation rate is reviewed by CMS's Medicare and Medicaid Coordination Office (MMCO), MMCO's contracted actuaries and CMS' Office of the Actuary (OACT), and was certified by the state's actuaries. Per the 1115A duals demonstration MOU, the actual Medicaid rate paid for beneficiaries enrolled in the 1115A demonstration is equivalent to the state's 1115A Medicaid capitation rate minus an established savings percentage (as outlined in the chart below). The state must track the number of member months for every Medicare-Medicaid enrollee (MME) who participates in both the 1115(a) and 1115A demonstration.

The table below provides an illustrative example of how the savings attributable to populations and services provided under the 1115(a) demonstration is calculated

A. 1115A Demonstration Year	**B. Medicaid Capitation Rate (hypothetical)**	**C. Medicaid Savings Percentage Applied Per MOU (average)**	**D. Savings Per Month (B*C)**	**E. Member Months of MMEs who participated in 1115A and 1115(a) Demos (estimated)**	**F. Amount subtracted from 1115(a) BN savings/ margin (D*E)**
DY 1.a	$1,000 PMPM	1.25%	$12.50 PMPM	1,000	1,000* $12.50 PMPM = $12,500

DY 1.b	$1,000 PMPM	2.75%	$27.50 PMPM	1,000	1,000 * $27.50 PMPM = $27,500
DY 2	$1,000 PMPM	3.75%	$37.50 PMPM	1,000	1,000* $37.50 PMPM = $37,500
DY 3	$1,000 PMPM	5.5%	$55.00 PMPM	1,000	1,000 * $55.00 PMPM = $55,000

In each quarterly budget neutrality report, the state must provide the information in the above-named chart (replacing estimated figures with actual data). Should rates differ by geographic area and/or rating category within the 1115A demonstration, this table should be done for each geographic area and/or rating category. In addition, the state must show the "amount subtracted from the 1115(a) budget neutrality savings" in the updated budget neutrality Excel worksheets that are submitted each quarter.

Finally, in each quarterly CMS-64 submission and in each quarterly budget neutrality report, the state must indicate in the notes section: "For purposes of 1115(a) demonstration budget neutrality reporting purposes, the state reports the following information:

- Number of Medicare-Medicaid enrollees served under the 1115 duals demonstration = *[Insert number]*
- Number of member months = *[Insert number]*
- PMPM savings per dual beneficiary enrolled from the 1115A duals demonstration = *[Insert number]*

The State must make the necessary retroactive adjustments to the budget neutrality worksheets to reflect modifications to the rates paid in the 1115A demonstration. This must include any Medicaid payment triggered by the risk corridor, IGTs, or other retroactive adjustments. The State must add additional columns to the chart above in subsequent quarterly reporting to reflect those adjustments.

VI. HEALTH IT

39. This STC is specifically related to the purposes of this demonstration. The plans envisioned in this section however should be aligned with the state's broader State Medicaid Health IT Plan (SMHP). The state will use Health Information Technology ("Health IT") to link services and core providers across the continuum of care to the greatest extent possible. The state is expected to achieve minimum standards in foundational areas of Health IT and to develop its own goals for the transformational areas of Health IT use. The state will discuss how it plans to meet the Health IT goals/milestones outlined below . Through semi-annual reporting, the state will further enumerate how it has, or intends to, meet the stated goals. This STC is not subject to STC 56.

a. The state must have plan(s) with achievable milestones for Health IT adoption for Medicaid service providers both eligible and ineligible for the Medicaid Electronic Health Records (EHR) Incentive Programs and execute upon the plan(s).
b. The state shall create a pathway, or a plan, for the exchange of clinical health information related to Medicaid beneficiaries statewide to support the demonstration's program objectives.
c. The state shall advance the standards identified in the "Interoperability Standards Advisory—Best Available Standards and Implementation Specifications" (ISA) in developing and implementing state policies—and in all applicable state procurements (e.g. including managed care contracts).
    i. Wherever it is appropriate, the state must require that contractors providing services paid for by funds authorized under this demonstration shall adopt the standards referenced in 45 CFR Part 170.
    ii. Wherever services paid for by funds authorized by this demonstration are not addressed by 45 CFR Part 170, but are addressed by the ISA, the state should require that contractors providing such services adopt the appropriate ISA standard.
    iii. States should use the CMS 1115 Health IT resources available on "Medicaid Program Alignment with State Systems to Advance HIT, HIE, and Interoperability" at https://www.medicaid.gov/medicaid/data-and-systems/hie/index.html. Specifically, the state should utilize the "1115 Health IT Toolkit" for health IT considerations in conducting an assessment and developing their Health IT Strategic Plans.
d. Based on the assessment described above, the state will provide a Health IT Strategic Plan that details existing HIT capabilities. Texas will aim to submit the Plan to CMS by October 1, 2019. The Strategic Plan should also support the goals below -- and develop a mutually-agreed upon timeframe between CMS and the state for submitting the plan and any necessary enhancements.
    i. When multiple Medicaid providers provide coordinated care to a beneficiary, the state shall require the legally appropriate electronic exchange of clinical health information, using the Consolidated Clinical Document Architecture (C-CDA), among appropriate members of the individual patient's interdisciplinary care team.
    ii. The state shall ensure legally appropriate access to a comprehensive Medicaid enterprise master patient index that supports the programmatic objectives of the demonstration.
    iii. The state shall ensure a comprehensive Medicaid service provider directory strategy that supports the programmatic objectives of the demonstration.
    iv. The state will pursue legally appropriate means of improved coordination and improved integration between Medicaid Behavioral Health, Physical Health, Home and Community Based Providers and community-level collaborators for Improved Care Coordination (as applicable) through the adoption of provider-level Health IT infrastructure and software—to facilitate and improve integration and coordination to support the programmatic objectives of the demonstration.

v. The State shall ensure a comprehensive Health IT-enabled quality measurement strategy that supports the legally appropriate collection of data necessary for the State to monitor and evaluate programmatic objectives of the demonstration, and the legally appropriate means of providing such data for demonstration monitoring and evaluation activities.

VII. GENERAL FINANCIAL REQUIREMENTS

This project is approved for title XIX expenditures applicable to services rendered during the demonstration period. This project is approved for title XXI expenditures applicable to services rendered during the demonstration period for certain children ages 6-18 between 100-133% FPL. This section describes the general financial requirements for these expenditures.

40. Quarterly Expenditure Reports. The state must provide quarterly title XIX expenditure reports using Form CMS-64, to separately report total expenditures for services provided through this demonstration under section 1115 authority that are subject to budget neutrality. This project is approved for expenditures applicable to services rendered during the demonstration period. CMS shall provide FFP for allowable demonstration expenditures, only as long as they do not exceed the pre-defined limits on the costs incurred, as specified in Section VIII.

The state shall provide quarterly title XXI expenditure reports using the Form CMS64.21U/CMS64.21UP to report total title XXI expenditures for services provided to M-CHIP children under the section 1115 authority until its XXI allotment is spent and then using the 64.9/64.9P Waiver form with waiver name of “THTQIP-M-CHIP," and “THTQIP-Qualified”. CMS will provide Federal financial participation (FFP) for allowable Texas title XXI demonstration expenditures that do not exceed the state’s available title XXI funding and then Federal participation at the enhanced rate under Title XIX once the state's Title XXI funding is fully exhausted.

41. Expenditures Subject to the title XIX Budget Neutrality Expenditure Limit.

a. All expenditures for Medicaid services for demonstration participants (as defined in STC 20 [Table 2], 21 [Table 3], and 30 [Table 5]) are demonstration expenditures subject to the budget neutrality expenditure limit, except expenditures for the services listed as follows:

i. Medical transportation;

ii. Medicare premiums;

iii. Other 1915(c) waiver programs as follows: Medically Dependent Children Program (TX 0181), Deaf Blind with Multiple Disabilities (TX 0281), Home and Community-Based Services (TX 0110), Community Living Assistance and Support Services (TX

0221), Texas Home Living (TX 0403), and Youth Empowerment Services (TX 0657).

b. All Funding Pool expenditures (as defined in Section V) are demonstration expenditures subject to the budget neutrality expenditure limit.

42. Reporting Expenditures Under the Demonstration. The following describes the reporting of expenditures subject to the budget neutrality agreement:

a. **Use of Waiver Forms.** In order to track expenditures under this demonstration, the state must report demonstration expenditures through the Medicaid and Children's Health Insurance Program Budget and Expenditure System (MBES/CBES), following routine CMS-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual (SMM). All Demonstration expenditures claimed under the authority of title XIX of the Act, and subject to the budget neutrality expenditure limit, must be reported each quarter on separate Forms CMS-64.9 Waiver and/or 64.9P Waiver, identified by the Demonstration Project Number (11-W-00278/6) assigned by CMS.

b. **Reporting By Date of Service.** In each quarter, Demonstration expenditures (including prior period adjustments) must be totaled and reported on separate Forms CMS-64.9 Waiver and/or 64.9P Waiver by Demonstration Year (DY). The DY for which expenditures are reported is identified using the project number extension (a 2-digit number appended to the Demonstration Project Number). Expenditures must be assigned to DYs on the basis of date of service (except for pool payments, as discussed below). The date of service for premium payments is identified as the DY that includes the larger share of the month for which the payment is principally made. Pool payments must be reported by DY as follows: UC payments must be reported in a manner consistent with the payment timeframes specified in the UC Pool Protocol, and DSRIP payments must be reported based on the payment methodologies and annual maximum budgets specified in the final master DSRIP plans. DY 1 will be the year beginning October 1, 2011, and ending September 30, 2012, and subsequent DYs will be defined accordingly.

c. **Use of Waiver Forms.** Each quarter, the State must identify separate forms CMS-64.9 Waiver and/or 64.9P Waiver by Waiver Name to report expenditures that belong in the following categories:

i. “THTQIP-Adults” – Medicaid service expenditures for all participating individuals whose MEG is defined as Adults;

ii. “THTQIP-Children” – Medicaid service expenditures for all participating individuals whose MEG is defined as Children;

iii. “THTQIP-AMR” – Medicaid service expenditures for all participating individuals who are aged, or who are disabled and have Medicare;

iv. “THTQIP-Disabled” – Medicare service expenditures for all participating individuals

who are disabled and do not have Medicare;

v. "THTQIP-UC" – All expenditures that count against UC Pool limits;

vi. "THTQIP-DSRIP" – All DSRIP Pool expenditures.

vii. "THTQIP-QUALIFIED" – Medicaid service expenditures for all participating individuals whose MEG is defined as Qualified aliens. Title XXI expenditures for this group are excluded from budget neutrality but are counted against the Title XXI allotment as described in paragraph (d) below.

viii. "THTQIP-M-CHIP" – All expenditures for children who are ages 6-18 and between 100-133% FPL, or children served in CHIP on December 31, 2013 due to assets in excess of Medicaid eligibility limits. These are children who meet the definition of "targeted low-income child" specified in section 2110 (b)(1) of the Social Security Act. Title XXI expenditures for this group are excluded from budget neutrality but are counted against the Title XXI allotment as described in paragraph (d) below.

d. Title XXI Funded Groups in the Waiver.

Expenditures for THTQIP-Qualified and THTQIP-M-CHIP under title XXI must be reported on separate Forms CMS-64.21U and/or 64.21UP in accordance with the instructions in section 2115 of the State Medicaid Manual, identified using Waiver Name "THTQIP-M-CHIP" or "THTQIP-QUALIFIED."

i. Title XIX funds for children who are ages 6-18 and between 100-133% FPL meeting the definition of "targeted low-income child" specified in section 2110(b)(1) of the Social Security Act (M-CHIP children) are available under this demonstration if the state exhausts its title XXI allotment once timely notification as described in subparagraph (iii) has been provided.

ii. If the state exhausts its title XXI allotment prior to the end of a federal fiscal year, title XIX federal matching funds are available for these M-CHIP children. During the period when title XIX funds are used, expenditures related to this demonstration population must be reported as waiver expenditures on the Forms CMS 64.9 Waiver and/or CMS 64.9P Waiver, identified using Waiver Name "THTQIP-M-CHIP.". To initiate this:

A. The state shall provide CMS with 120 days prior notice before it begins to draw down title XIX matching funds for the M-CHIP children demonstration population;

B. The State shall submit:

I. An updated budget neutrality assessment that includes a data analysis which identifies the specific "with waiver" impact of the proposed change on the current budget neutrality expenditure cap. Such analysis shall include current total computable "with waiver" and "without waiver" status on both a summary and detailed level through the current extension approval period using the most recent actual expenditures, as well as summary and detailed projections of the change in the "with waiver" expenditure total as result of the proposed change which isolates (by Eligibility Group) the impact of the change;

II. An updated CHIP allotment neutrality worksheet.

iii. If the state exhausts its title XXI allotment prior to the end of a Federal fiscal year, the expenditures attributable to the M-CHIP children demonstration population for which title XIX funds are available will count toward the budget neutrality expenditure cap calculated under STC 50, using member month of title XIX funded M-CHIP children times the per member per month (PMPM) amounts for TANF Children described in STC 50(b)(ii), and will be considered expenditures subject to the budget neutrality cap as defined in STC 48(a).

e. **Pharmacy Rebates.** Because pharmacy rebates are not reflected in the data used to determine the budget neutrality expenditure limit, all pharmacy rebates must be reported on Forms CMS-64.9 Base or Forms CMS-64.9P Base, and not on any waiver form associated with this Demonstration.

f. **Cost Settlements.** For monitoring purposes, cost settlements related to the Demonstration must be recorded on the appropriate prior period adjustment schedules (Form CMS 64.9P Waiver) for the Summary Sheet Line 7 or 10.B, in lieu of Line 9. For any other cost settlements (i.e., those not attributable to this Demonstration), the adjustments should be reported, as instructed in the State Medicaid Manual. The amount of non-claim specific cost settlements will be allocated to each DY based on the larger share of the coverage period for which the cost settlement is made.

g. **Premium and Cost Sharing Adjustments.** Premiums and other applicable cost-sharing contributions that are collected by the State from enrollees under the Demonstration must be reported to CMS each quarter on Form CMS-64 Summary Sheet Line 9D, columns A and B. In order to assure that these collections are properly credited to the Demonstration, premium and cost-sharing collections (both total computable and Federal share) should also be reported separately by Demonstration Year on the Form CMS-64 Narrative. In the calculation of expenditures subject to the budget neutrality expenditure limit, premium collections applicable to Demonstration populations will be offset against expenditures. These section 1115 premium collections will be included as a manual adjustment (decrease) to the Demonstration's actual expenditures on a quarterly basis.

h. **Administrative Costs.** Administrative costs are not included in the budget neutrality expenditure limit, but the State must separately track and report additional administrative

costs that are directly attributable to the demonstration. All attributable administrative costs must be identified on the Forms CMS-64.10 Waiver and/or 64.10P Waiver, using Waiver Name "TX Reform Admin."

i. **Administrative Cost Claiming Protocol.** The state must maintain a CMS-approved Administrative Cost Claiming Protocol, to be incorporated as Attachment K to these STCs, which explains the process the State will use to determine administrative costs incurred under the demonstration. CMS will provide Federal financial participation (FFP) to the State at the regular 50 percent match rate for administrative costs incurred according to limitations set forth in the approved Administrative Cost Claiming protocol. No FFP is allowed until a claiming protocol is approved by CMS.

j. **Claiming Period**. All claims for expenditures subject to the budget neutrality expenditure limit (including any cost settlements) must be made within 2 years after the calendar quarter in which the state made the expenditures. Furthermore, all claims for services during the demonstration period (including any cost settlements) must be made within 2 years after the conclusion or termination of the demonstration. During the latter 2-year period, the State must continue to identify separately on the CMS-64 waiver forms, the net expenditures related to dates of service during the operation of the section 1115 demonstration, in order to account for these expenditures properly to determine budget neutrality.

43. Reporting Member Months. The following describes the reporting of member months for Demonstration participants.

a. For the purpose of calculating the budget neutrality expenditure limit, the state must provide to CMS, as part of the Budget Neutrality Monitoring Tool required under STC 54, the actual number of eligible member months for all demonstration participants, according to the MEGs defined in STCs 20 (Table 2) and 21 (Table 3). The state must submit a statement accompanying the Budget Neutrality Monitoring Tool, which certifies the accuracy of this information.

b. To permit full recognition of "in-process" eligibility, reported member month totals may be revised subsequently, as needed. To document revisions to totals submitted in prior quarters, the State must report a new table with revised member month totals indicating the quarter for which the member month report is superseded.

c. The term "eligible member months" refers to the number of months in which persons are eligible to receive services. For example, a person who is eligible for 3 months contributes 3 eligible member months to the total. Two individuals, who are eligible for 2 months each, contribute 2 eligible member months to the total, for a total of 4 eligible member months.

44. Standard Medicaid and CHIP Funding Process.

a. The standard Medicaid funding process must be used during the Demonstration. The State must estimate matchable demonstration expenditures (total computable and Federal

share) subject to the budget neutrality expenditure limit, and separately report these expenditures by quarter for each Federal fiscal year on the Form CMS-37 for both the Medical Assistance Payments (MAP) and State and Local Administration Costs (ADM). CMS shall make Federal funds available based upon the State's estimate, as approved by CMS. Within 30 days after the end of each quarter, the State must submit the Form CMS-64 quarterly Medicaid expenditure report, showing Medicaid expenditures made in the quarter just ended. CMS shall reconcile expenditures reported on the Form CMS-64 with Federal funding previously made available to the state, and include the reconciling adjustment in the finalization of the grant award to the state.

b. The standard title XXI funding process will be used during the demonstration for M-CHIP children. The state must estimate matchable M-CHIP expenditures on the quarterly Form CMS-37. As a footnote to the CMS-37, the state shall provide updated estimates of expenditures for the M-CHIP children demonstration populations. CMS will make Federal funds available based upon the state's estimate, as approved by CMS. Within 30 days after the end of each quarter, the state must submit the Form CMS-64.21 U-Waiver quarterly CHIP expenditure report. CMS will reconcile expenditures reported on the Form CMS-64.21U-waiver with Federal funding previously made available to the state, and include the reconciling adjustment in the finalization of the grant award to the state.

45. Extent of Federal Financial Participation for the Demonstration. Subject to CMS approval of the source(s) of the non-federal share of funding (see STC 46, *Sources of Non-Federal Share*), CMS shall provide FFP at the applicable federal matching rates for the demonstration as a whole as outlined below, subject to the budget neutrality limits described in Section IX of these STCs:

a. Administrative costs, including those associated with the administration of the demonstration;

b. Net expenditures and prior period adjustments of the Medicaid program that are paid in accordance with the approved Medicaid state plan and waiver authorities;

c. Net expenditures and prior period adjustments, made under approved Expenditure Authorities granted through section 1115(a)(2) of the Act, with dates of service during the operation of the demonstration;

d. Net expenditures for Funding Pool payments.

46. Sources of Non-Federal Share. The state certifies that the matching non-Federal share of funds for the demonstration is state/local monies. The state further certifies that such funds shall not be used as the match for any other federal grant or contract, except as permitted by law. All sources of non-Federal funding must be compliant with section 1903(w) of the Act and applicable regulations. In addition, all sources of the non-Federal share of funding are subject to CMS approval. CMS approval of this demonstration does not constitute approval of any specific Medicaid financing mechanism used to support provider payment

arrangements. All federal statutes and regulations not expressly waived or identified as inapplicable, including with respect to state share financing, continue to apply.

a. CMS may review, at any time, the sources of the non-federal share of funding for the demonstration. The State agrees that all funding sources deemed unacceptable by CMS shall be addressed within the time frames set by CMS.

b. Any amendments that impact the financial status of the program shall require the State to provide information to CMS regarding all sources of the non-Federal share of funding.

c. Under all circumstances, health care providers must retain 100 percent of the STAR, STAR+PLUS, and STAR Kids reimbursement amounts claimed by the state as a demonstration expenditure. Moreover, no pre-arranged agreements (contractual or otherwise) may exist between the health care providers and the State and/or local government to return and/or redirect any portion of the Medicaid payments. This confirmation of Medicaid payment retention is made with the understanding that payments that are the normal operating expenses of conducting business (such as payments related to taxes (including health care provider-related taxes), fees, and business relationships with governments that are unrelated to Medicaid and in which there is no connection to Medicaid payments) are not considered returning and/or redirecting a Medicaid payment.

47. Demonstration Year Definitions. Demonstration Years are defined in the following table.

Table 7: Demonstration Year Definitions

Demonstration Year	Start Date	End Date
DY 1	December 12, 2011*	September 30, 2012
DY 2	October 1, 2012	September 30, 2013
DY 3	October 1, 2013	September 30, 2014
DY 4	October 1, 2014	September 30, 2015
DY 5	October 1, 2015	September 30, 2016
DY 6	October 1, 2016	September 30, 2017
DY 7	October 1, 2017	September 30, 2018
DY 8	October 1, 2018	September 30, 2019
DY 9	October 1, 2019	September 30, 2020
DY 10	October 1, 2020	September 30, 2021
DY 11	October 1, 2021	September 30, 2022

* For purpose of expenditure reporting and budget neutrality, DY 1 begins October 1, 2011.

VIII. MONITORING BUDGET NEUTRALITY FOR THE DEMONSTRATION

48. Limit on Title XIX and XXI Funding.

a. The state shall be subject to a limit on the amount of federal title XIX funding that the state may receive on selected Medicaid expenditures during the period of approval of the

demonstration. The limit is determined by using a per capita cost method, with an aggregate adjustment for projected supplemental provider payments. The budget neutrality expenditure targets are set on a yearly basis with a cumulative budget neutrality expenditure limit for the length of the entire demonstration. Actual expenditures subject to the budget neutrality expenditure limit shall be reported by the state using the procedures described in Section VII.

b. The state will be subject to a limit on the amount of federal title XXI funding that the state may receive on demonstration expenditures for M-CHIP children during the demonstration period. Federal title XXI funding available for demonstration expenditures for M-CHIP children is limited to the state's available allotment, including currently available reallocated funds and contingency funds. Should the state expend its available title XXI Federal funds for the claiming period, no further enhanced title XXI Federal matching funds will be available for costs of the approved title XXI child health program or demonstration until the next allotment becomes available.

   i. Exhaustion of title XXI Funds. After the State has exhausted title XXI funds, expenditures for M-CHIP children, may be claimed as title XIX expenditures. The State shall report expenditures for these children as waiver expenditures on the Forms CMS 64.9 Waiver and/or CMS 64.9P Waiver in accordance with STC 42.

   ii. Exhaustion of title XXI Funds Notification. The State must notify CMS in writing of any anticipated title XXI shortfall at least 120 days prior to an expected change in claiming of expenditures for the M-CHIP children. The State must follow Medicaid State plan criteria for these beneficiaries unless specific waiver and expenditure authorities are granted through this demonstration.

49. **Risk.** Under this budget neutrality agreement, Texas shall be at risk for the per capita cost of participating Medicaid and demonstration eligibles, but not for the number of demonstration eligibles. In this way, Texas will not be at risk for changing economic conditions that impact enrollment levels; however, by placing Texas at risk for the per capita costs for Medicaid and demonstration eligibles, CMS assures that the Federal demonstration expenditures do not exceed the level of expenditures that would have occurred had there been no demonstration.

50. **Budget Neutrality Expenditure Limit**. The following describes the method for calculating the budget neutrality expenditure limit:

a. For each DY of the budget neutrality agreement, an Annual Target is calculated as the sum two components.

   i. The Per Capita Component is the sum of four sub-components, calculated as the projected per member per month (PMPM) cost, times the actual number of member months (reported by the State in accordance with STC 43) for the MEGs identified in (b) below.

ii. The Aggregate Component is a projection of what certain supplemental payments to providers would have cost each year in the absence of the Demonstration, as shown in (c) below.

b. Table 8 gives the projected PMPM costs to be used in the Per Capita Component calculation in each DY.

Table 8 – Projected PMPM Costs, Base Medical and Included UPL

MEG	DY 6 Base	Trend	DY 7	DY 8	DY 9	DY 10	DY 11
AMR	$1,167.10	3.8%	$1,253.57	$1,301.21	$1,350.66	$1,401.98	$1,455.26
Disabled	$1,755.80	4.1%	$1,723.19	$1,793.84	$1,867.39	$1,943.96	$2,023.66
Adults	$1,110.87	5.3%	$1,023.19	$1,077.42	$1,134.52	$1,194.65	$1,257.96
Children	$344.52	4.5%	$347.08	$362.70	$379.02	$396.07	$413.90

c. The following table shows the calculation of the Aggregate Component for each DY. These projections were developed by the state and accepted by CMS, and are based on historical trends in supplemental payment amounts and UPLs. They represent what the state would have paid in supplemental provider payments in the absence of the demonstration.

Table 9-– Aggregate Component

Payment Stream	DY 6 Base*	DY 7	DY 8	DY 9	DY 10	DY 11
Inpatient Hospital UPL for Included Population	N/A	$2,346,880,705	$2,346,880,705	$2,346,880,705	$2,346,880,705	$2,346,880,705
Inpatient Hospital UPL for Excluded Population	$1,681,649,843	$1,681,649,843	$1,681,649,843	$1,681,649,843	$1,681,649,843	$1,681,649,843
Outpatient Hospital UPL	$72,483,206	$72,483,206	$72,483,206	$72,483,206	$72,483,206	$72,483,206
Physician UPL	$84,237,473	$84,237,473	$84,237,473	$84,237,473	$84,237,473	$84,237,473
TOTAL	$1,838,370,522	$4,185,251,227	$4,185,251,227	$4,185,251,227	$4,185,251,227	$4,185,251,227

* DY 6 amounts are reduced by 20 percent from the May 2016 temporary extension amount due to redefinition of DY 6 from a 15-month to a 12-month period.

d. The budget neutrality expenditure limit is the Federal share of the combined total of the Annual Targets for all DYs, and is calculated as the sum of the Annual Targets times the Composite Federal Share (defined in (e) below). This limit represents the maximum

amount of FFP that the State may receive for title XIX expenditures during the Demonstration period.

e. **Savings Phase-out.** Each DY, the net variance between the without-waiver cost and actual with-waiver cost will be reduced for selected Medicaid population-based MEGs. The reduced variance will be calculated as a percentage of the total variance, which will then be substituted for the total variance to determine overall budget neutrality for the demonstration. (Equivalently, the difference between the total variance and reduced variance could be subtracted from the without-waiver cost estimate.) The formula for calculating the reduced variance is: reduced variance equals total variance times applicable percentage. The percentages for each MEG and DY are determined based on the amount of time the associated population has been enrolled in managed care subject to this demonstration; lower percentages are for longer established managed care populations will have lower percentages applied to them. The MEGs affected by this provision and the applicable percentages are shown in Table 10 below, except that if the total variance for an MEG in a DY is negative, the applicable percentage is 100 percent.

Table 10 – Savings Phase-Out

MEG	DY 7	DY 8	DY 9	DY 10	DY 11
AMR	86%	83%	76%	68%	60%
Disabled	82%	78%	74%	69%	61%
Adults	52%	48%	44%	41%	37%
Children	60%	55%	49%	43%	38%

f. The Composite Federal Share is the ratio calculated by dividing the sum total of FFP received by the State on actual Demonstration expenditures during the approval period (as reported through the MBES/CBES and summarized on Schedule C) by total computable Demonstration expenditures for the same period as reported on the same forms.

g. CMS policy requires that budget neutral savings cannot be derived from hypothetical populations. In this Demonstration, the STAR+PLUS 217-Like HCBS Eligibility Group is the only hypothetical population. On request from CMS, the State must provide separate expenditure and member month totals by MEG for individuals in the STAR+PLUS 217-Like HCBS Eligibility Group to allow any saving attributable to that group to be netted out of the budget neutrality calculation.

51. Future Adjustments to the Budget Neutrality Expenditure Limit. CMS reserves the right to adjust the budget neutrality expenditure limit to be consistent with enforcement of impermissible provider payments, health care related taxes, new Federal statutes, or policy interpretations implemented through letters, memoranda, or regulations with respect to the provision of services covered under this demonstration. CMS reserves the right to make adjustments to the budget neutrality expenditure limit if any health care-related tax that was in effect during the base year with respect to the provision of services covered under this Demonstration, or provider-related donation that occurred during the base year, is determined by CMS to be in violation of the provider donation and health care-related tax

provisions of section 1903(w) of the Social Security Act. Adjustments to annual budget targets will reflect the phase out of impermissible provider payments by law or regulation, where applicable.

52. **Enforcement of Budget Neutrality**. CMS shall enforce budget neutrality over the life of the demonstration extension, which for this purpose will be from October 1, 2017 through September 30, 2022 (i.e., DY 7 through DY 11). The budget neutrality test for the demonstration extension may incorporate net savings from the immediately prior demonstration period consisting of DY 2 through DY 6, but not from any earlier approval period. If the State exceeds the calculated cumulative target limit for this approval period by the percentage identified below for any of the DYs, the state shall submit a corrective action plan to CMS for approval.

DY	Cumulative Target Definition	Percentage
DY 7	Cumulative budget neutrality cap plus:	3 percent
DY 8	Cumulative budget neutrality cap plus:	1 percent
DY 9	Cumulative budget neutrality cap plus:	0.5 percent
DY 10	Cumulative budget neutrality cap plus:	0 percent
DY 11	Cumulative budget neutrality cap plus:	0 percent

53. **Exceeding Budget Neutrality**. If the budget neutrality expenditure limit has been exceeded at the end of this demonstration period, the excess Federal funds shall be returned to CMS. If the demonstration is terminated prior to the end of the budget neutrality agreement, the budget neutrality test shall be based on the time elapsed through the termination date.

54. **Budget Neutrality Monitoring Tool.** The state and CMS will jointly develop a budget neutrality monitoring tool (using a mutually agreeable spreadsheet program) for the state to use for quarterly budget neutrality status updates and other in situations when an analysis of budget neutrality is required. The state will revise this tool quarterly, and submit it to CMS within 60 days after the end of each quarter. The tool will incorporate the C Report for monitoring actual expenditures subject to budget neutrality. A working version of the monitoring tool will be available in early calendar year 2018. Should CMS issue a standardized budget neutrality monitoring tool, the state will begin providing its quarterly budget neutrality status updates using the standardized tool as directed by CMS.

55. **Withholding of Payment of Claims Under the Uncompensated Care Expenditure Authority Based on Failure to Submit Uncompensated Care Pool Reconciliations.** Texas must submit to CMS final reconciliations of all uncompensated care pools payments (e.g., identify all overpayments) for the period of DY1 to DY5 by January 30, 2020. If the final reconciliation is not submitted by January 30, 2020, CMS will make a retroactive deferral adjustment to the State's DY5 expenditure authority for the UC Pool by one percent for non-compliance with the final reconciliation requirement for failure to adequately document uncompensated care pool claims through reconciliation of claimed payments with allowable payments. If the final reconciliation has not been submitted within six months of initiation of the withhold, CMS will reduce the UC expenditure

authority by one percent for DY5 and will offset any amount claimed for DY5 in excess of the resulting expenditure authority from the grant award for the second quarter of calendar year 2020.

Texas must submit to CMS reconciliations of all uncompensated care pools payments for DY 6 (October 1, 2016 - September 30, 2017) by January 31, 2021. If the final reconciliation is not submitted by the dates set out above, CMS will withhold FFP (in the manner of a deferral) payable under the grant award for the fourth quarter of 2020, in an amount equal to the federal share of one percent of the state's DY6 expenditure authority for the UC Pool for failure to adequately document uncompensated care pool claims through reconciliation of claimed payments with allowable payments. If the final reconciliation has not been submitted within six months of initiation of the withhold, CMS will reduce the UC expenditure authority by one percent for DY6 and will offset any amount claimed for DY6 in excess of the resulting expenditure authority from the grant award for the third quarter of calendar year 2021. The above provisions will apply in the same manner to reconciliations of uncompensated care pools payments for DYs subsequent to DY 6, with key dates adjusted accordingly.

Texas must also credit the federal government with a share of any provider overpayments that are found in the course of reconciliations in accordance with the requirements of 42 CFR Part 433, Subpart F, or redistribute them as authorized elsewhere in these STCs. Under those regulations, a refund of the Federal share of an overpayment must be made to CMS within one year after the date on which an overpayment is discovered or, if earlier, the date the provider refunded the overpayment. The date of discovery will be the earlier of the date that: the reconciliation is finalized; the provider was notified in writing of the overpayment or acknowledged the overpayment; or the state initiated a formal recoupment action.

Deliverables under this section will not be subject to the deferral indicated in STC 56, but solely the deferrals denoted in this STC.

IX. GENERAL REPORTING REQUIREMENTS

56. Deferral for Failure to Submit Timely Demonstration Deliverables. CMS may issue deferrals in the amount of $5,000,000 per deliverable (federal share) when items required by these STCs, such as listed in Attachment A, (e.g., required data elements, analyses, reports, design documents, presentations, and other items specified in these STCs (hereafter singly or collectively referred to as "deliverable(s)") are not submitted timely to CMS or found to not be consistent with the requirements approved by CMS. Specifically:

a. Thirty (30) days after the deliverable was due, CMS will issue a written notification to the state providing advance notification of a pending deferral for late or non-compliant submissions of required deliverables.

b. For each deliverable, the state may submit a written request for an extension to submit the required deliverable. Extension requests that extend beyond the current fiscal quarter must include a Corrective Action Plan (CAP).

   i. CMS may decline the extension request.

   ii. Should CMS agree in writing to the state's request, a corresponding extension of the deferral process described below can be provided.

   iii. If the state's request for an extension includes a CAP, CMS may agree to or further negotiate the CAP as an interim step before applying the deferral.

c. The deferral would be issued against the next quarterly expenditure report following the written deferral notification.

d. When the state submits the overdue deliverable(s) that are accepted by CMS, the deferral(s) will be released.

e. As the purpose of a section 1115 demonstration is to test new methods of operation or services, a state's failure to submit all required deliverables may preclude a state from renewing a demonstration or obtaining a new demonstration.

f. CMS will consider with the state an alternative set of operational steps for implementing the intended deferral to align the process with the state's existing deferral process, for example what quarter the deferral applies to, and how the deferral is released.

57. Submission of Post-approval Deliverables. The state must submit all deliverables as stipulated by CMS and within the timeframes outlined within these STCs.

58. Compliance with Federal Systems Updates. As federal systems continue to evolve and incorporate additional 1115 waiver reporting and analytics functions, the state will work with CMS to:

a. Revise the reporting templates and submission processes to accommodate timely compliance with the requirements of the new systems;

b. Ensure all 1115, T-MSIS, and other data elements that have been agreed to for reporting and analytics are provided by the state; and

c. Submit deliverables to the appropriate system as directed by CMS.

59. Cooperation with Federal Evaluators. As required under 42 CFR 431.420(f), the state shall cooperate fully and timely with CMS and its contractors' in any federal evaluation of the demonstration or any component of the demonstration. This includes, but is not limited to, commenting on design and other federal evaluation documents and providing

data and analytic files to CMS, including entering into a data use agreement that explains how the data and data files will be exchanged, and providing a technical point of contact to support specification of the data and files to be disclosed, as well as relevant data dictionaries and record layouts. The state shall include in its contracts with entities who collect, produce or maintain data and files for the demonstration, that they shall make such data available for the federal evaluation as is required under 42 CFR 431.420(f) to support federal evaluation. The state may claim administrative match for these activities. Failure to comply with this STC may result in a deferral being issued as outlined in STC 56.

60. **Monitoring Reports.** The state must submit one (1) compiled Annual Report each DY. The compiled Annual Report is due no later than 120 days following the end of the DY. The state shall submit one semi-annual report each year. In addition, CMS reserves the right to increase the frequency of reporting as deemed necessary by CMS Officials (e.g., to require quarterly reports). The Annual Report will include all required elements as per 42 CFR 431.428 subpart G, and should not direct readers to links outside the report. Additional links not referenced in the document may be listed in a Reference/Bibliography section. The Monitoring Reports must follow the framework provided by CMS, which is subject to change as monitoring systems are developed/evolve, and be provided in a structured manner that supports federal tracking and analysis.

a. Operational Updates - Per 42 CFR 431.428, the Monitoring Reports must document any policy or administrative difficulties in operating the demonstration. The reports shall provide sufficient information to document key challenges, underlying causes of challenges, how challenges are being addressed, as well as key achievements and to what conditions and efforts successes can be attributed. The discussion should also include any issues or complaints identified by beneficiaries; lawsuits or legal actions; unusual or unanticipated trends; legislative updates; and descriptions of any public forums held. The Monitoring Report should also include a summary of all public comments received through post-award public forums regarding the progress of the demonstration.

b. Performance Metrics – Per 42 CFR 431.428, the Monitoring Reports must document the impact of the demonstration in providing insurance coverage to beneficiaries and the uninsured population, as well as outcomes of care, quality and cost of care, and access to care. This may also include the results of beneficiary satisfaction surveys, if conducted, grievances and appeals. The required monitoring and performance metrics must be included in writing in the Monitoring Reports, and will follow the framework provided by CMS to support federal tracking and analysis.

c. Budget Neutrality and Financial Reporting Requirements – Per 42 CFR 431.428, the Monitoring Reports must document the financial performance of the demonstration. The state must provide an updated budget neutrality workbook with every Monitoring Report that meets all the reporting requirements for monitoring budget neutrality set forth in the General Financial Requirements section of these STCs, including the

submission of corrected budget neutrality data upon request. In addition, the state must report quarterly and annual expenditures associated with the populations affected by this demonstration on the Form CMS-64. Administrative costs should be reported separately.

Evaluation Activities and Interim Findings. Per 42 CFR 431.428, the Monitoring Reports must document any results of the demonstration to date per the evaluation hypotheses. Additionally, the state shall include a summary of the progress of evaluation activities, including key milestones accomplished, as well as challenges encountered and how they were addressed.

61. Close Out Report. Within 120 days prior to the expiration of the demonstration, the state must submit a draft Close Out Report to CMS for comments.

d. The draft final report must comply with the most current guidance from CMS.

e. The state will present to and participate in a discussion with CMS on the Close-Out report.

f. The state must take into consideration CMS' comments for incorporation into the final Close Out Report.

g. The final Close Out Report is due to CMS no later than thirty (30) days after receipt of CMS' comments.

h. A delay in submitting the draft or final version of the Close Out Report may subject the state to penalties described in STC 56.

X. MONITORING CALLS AND DISCUSSIONS

62. Monitoring Calls. CMS will convene periodic conference calls with the state.

i. The purpose of these calls is to discuss ongoing demonstration operation, to include (but not limited to), any significant actual or anticipated developments affecting the demonstration. Examples include implementation activities, enrollment and access, managed care issues, budget neutrality, and progress on evaluation activities.

j. CMS will provide updates on any pending actions, as well as federal policies and issues that may affect any aspect of the demonstration.

k. The state and CMS will jointly develop the agenda for the calls.

63. Post Award Forum. Pursuant to 42 CFR 431.420(c), within six (6) months of the demonstration's implementation, and annually thereafter, the state shall afford the public with an opportunity to provide meaningful comment on the progress of the

demonstration. At least thirty (30) days prior to the date of the planned public forum, the state must publish the date, time and location of the forum in a prominent location on its website. The state must also post the most recent annual report on its website with the public forum announcement. Pursuant to 42 CFR 431.420(c), the state must include a summary of the comments in the Monitoring Report associated with the quarter in which the forum was held, as well as in its compiled Annual Report.

XI. EVALUATION OF THE DEMONSTRATION

64. **Independent Evaluator.** Upon approval of the demonstration, the state must begin arrangements with an independent party to conduct an evaluation of the demonstration to ensure that the necessary data is collected at the level of detail needed to research the approved hypotheses. The independent party must sign an agreement to conduct the demonstration evaluation in an independent manner in accord with the CMS-approved, draft Evaluation Design. When conducting analyses and developing the evaluation reports, every effort should be made to follow the approved methodology. However, the state may request, and CMS may agree to, changes in the methodology in appropriate circumstances.

65. **Evaluation Budget.** A budget for the evaluation shall be provided with the draft Evaluation Design. It will include the total estimated cost, as well as a breakdown of estimated staff, administrative and other costs for all aspects of the evaluation such as any survey and measurement development, quantitative and qualitative data collection and cleaning, analyses and report generation. A justification of the costs may be required by CMS if the estimates provided do not appear to sufficiently cover the costs of the design or if CMS finds that the design is not sufficiently developed, or if the estimates appear to be excessive.

66. **Draft Evaluation Design.** The draft Evaluation Design must be developed in accordance with Attachments O (Developing the Evaluation Plan) of these STCs. The state must submit, for CMS comment and approval, a draft Evaluation Design with implementation timeline, no later than one hundred twenty (120) days after the approval date of these STCs. Any modifications to an existing approved Evaluation Design will not affect previously established requirements and timelines for report submission for the demonstration, if applicable. The state may choose to use the expertise of the independent party in the development of the draft Evaluation Design.

67. **Evaluation Design Approval and Updates.** The state must submit a revised draft Evaluation Design within sixty (60) days after receipt of CMS' comments. Upon CMS approval of the draft Evaluation Design, the document will be included as an attachment to these STCs. Per 42 CFR 431.424(c), the state will publish the approved Evaluation Design within thirty (30) days of CMS approval. The state must implement the evaluation design and submit a description of its evaluation implementation progress in each of the Monitoring Reports, including any required Rapid Cycle Assessments specified in these SCTs. Once CMS approves the evaluation design, if the state wishes to make changes, the state must submit a revised evaluation design to CMS for approval.

68. Evaluation Questions and Hypotheses. Consistent with Attachments O and P (Developing the Evaluation Plan and Preparing the Evaluation Report) of these STCs, the evaluation documents must include a discussion of the evaluation questions and hypotheses that the state intends to test. There are three main demonstration components: the carve-in of additional populations and services into Medicaid managed care, the UC pool, and DSRIP. Each demonstration component should have at least one evaluation question and hypothesis. The hypothesis testing should include, where possible, assessment of both process and outcome measures. Proposed measures should be selected from nationally-recognized sources and national measures sets, where possible. Measures sets could include CMS's Core Set of Health Care Quality Measures for Children in Medicaid and CHIP (Child Core Set), CMS's Core Set of Health Care Quality Measures for Medicaid-eligible Adults (Adult Core Set), Consumer Assessment of Health Care Providers and Systems (CAHPS), and/or measures endorsed by National Quality Forum (NQF).

69. Interim Evaluation Report. The state must submit an Interim Evaluation Report for the completed years of the demonstration, and for each subsequent renewal or extension of the demonstration, as outlined in 42 CFR 431.412(c)(2)(vi). When submitting an application for renewal, the Evaluation Report should be posted to the state's website with the application for public comment.

l. The interim evaluation report will discuss evaluation progress and present findings to date as per the approved evaluation design.

m. For demonstration authority that expires prior to the overall demonstration's expiration date, the Interim Evaluation Report must include an evaluation of the authority as approved by CMS.

n. If the state is seeking to renew or extend the demonstration, the draft Interim Evaluation Report is due when the application for renewal is submitted. If the state made changes to the demonstration in its application for renewal, the research questions and hypotheses, and how the design was adapted should be included. If the state is not requesting a renewal for a demonstration, an Interim Evaluation report is due one (1) year prior to the end of the demonstration, September 30, 2021. For demonstration phase outs prior to the expiration of the approval period, the draft Interim Evaluation Report is due to CMS on the date that will be specified in the notice of termination or suspension.

o. The state must submit the final Interim Evaluation Report 60 days after receiving CMS comments on the draft Interim Evaluation Report and post the document to the state's website.

p. The Interim Evaluation Report must comply with attachment P (Preparing the Evaluation Report) of these STCs.

70. **Summative Evaluation Report.** The draft Summative Evaluation Report must be developed in accordance with Attachment P (Preparing the Evaluation Report) of these STCs. The state must submit a draft Summative Evaluation Report for the demonstration's current approval period within 18 months of the end of the approval period represented by these STCs (March 30, 2024). The Summative Evaluation Report must include the information in the approved Evaluation Design.

    q. Unless otherwise agreed upon in writing by CMS, the state shall submit the final Summative Evaluation Report within 60 days of receiving comments from CMS on the draft.

    r. The final Summative Evaluation Report must be posted to the state's Medicaid website within 30 days of approval by CMS.

71. **State Presentations for CMS.** CMS reserves the right to request that the state present and participate in a discussion with CMS on the Evaluation Design, the interim evaluation, and/or the summative evaluation.

72. **Public Access.** The state shall post the final documents (e.g., Monitoring Reports, Close Out Report, approved Evaluation Design, Interim Evaluation Report, and Summative Evaluation Report) on the state's Medicaid website within 30 days of approval by CMS.

73. **Additional Publications and Presentations.** For a period of twelve (12) months following CMS approval of the final reports, CMS will be notified prior to presentation of these reports or their findings, including in related publications (including, for example, journal articles), by the state, contractor, or any other third party directly connected to the demonstration. Prior to release of these reports, articles or other publications, CMS will be provided a copy including any associated press materials. CMS will be given ten (10) business days to review and comment on publications before they are released. CMS may choose to decline to comment or review some or all of these notifications and reviews. This requirement does not apply to the release or presentation of these materials to state or local government officials, or if otherwise required by law.

Attachment A

Demonstration Deliverables

Quarterly Deliverables		
	Quarterly expenditure, budget neutrality, member month reports	Section VII, 42, 43
Annual Deliverables		
December 31st of each DY	Estimated UC Payments	33
90 days following end of DY	Actual UC Payments	33
6 months following end of DY	DSRIP Payments	34
120 days after end of each Demonstration year	Draft Annual Report	60
Within 60 days of receipt of comments from CMS, annually	Final Annual Report	60
Oct. 1st of each year	Assurance of Budget Neutrality	36(a)
Semi-annual Deliverables		
July 29 of each year (Beginning with DY 8)	**Semi-Annual report**	**60**
Other Deliverables		
No later than March 30, 2018	Revised UC Payment Protocol	33(b)
No later than October 1, 2019	Draft DSRIP Transition Plan	37
Within 6 months of submission to CMS	Final DSRIP Transition Plan	37
Target date of October 1, 2019	Health IT Strategic Plan	39
No later than January 30, 2020	Final reconciliations of all uncompensated care pools payments (e.g., identify all overpayments) for the	55

	period of DY1 to DY5 by January 30, 2020	
No later than January 31, 2021	Reconciliations of all uncompensated care pools payments for DY 6 (October 1, 2016 - September 30, 2017) by January 31, 2021.	55
No later than by January 31, 2022.	Reconciliations of all uncompensated care pools payments for DY 7 (October 1, 2017 - September 30, 2018) by January 31, 2022.	55
No later than by January 31, 2023.	Reconciliations of all uncompensated care pools payments for DY 8 (October 1, 2018 - September 30, 2019) by January 31, 2023.	55
No later than by January 31, 2024.	Reconciliations of all uncompensated care pools payments for DY 9 (October 1, 2019 - September 30, 2020) by January 31, 2024.	55
No later than by January 31, 2025.	Reconciliations of all uncompensated care pools payments for DY 10 (October 1, 2020 - September 30, 2021) by January 31, 2025.	55
No later than by January 31, 2026.	Reconciliations of all uncompensated care pools payments for DY 11 (October 1, 2021 - September 30, 2022) by January 31, 2026.	55
No later than 120 days after approval of demonstration extension	Draft Evaluation Design	66
Within 60 days after receipt of CMS' comments	Final Evaluation Design	67
12 months before expiration of Demonstration	Request For Extension	8
6 months prior to the effective date of Demonstration's suspension or termination	Notification letter and Draft Phase-Out Plan	9
Within 120 days prior to the expiration of the	Within 120 days prior to the expiration of the demonstration, the state must submit	61

demonstration (June 2nd, 2022)	a draft Close Out Report to CMS for comments	
Post 30-day public comment period	Revised Phase-Out Plan incorporating public comment	9
The date of Application for Renewal	Interim Evaluation Report	8 and 69
Within 18 months of the end of the demonstration approval period	Draft Summative Evaluation Report	70
Within 60 days of receipt of CMS comments on Draft Summative Evaluation Report	Final Summative Evaluation Report	70
Within 60 days of the end of each quarter	Quarterly Budget Neutrality Template	54

Attachment B: Semi-annual and annual report template

Reserved

Attachment C
HCBS Service Definitions

The following are the provider guidelines and service definitions for HCBS provided to individuals requiring a nursing facility level of care under STAR+PLUS.

Service	Service Definition
Adaptive Aids and Medical Supplies	Adaptive aids and medical supplies are specialized medical equipment and supplies which include devices, controls, or appliances that enable members to increase their abilities to perform activities of daily living, or to perceive, control, or communicate with the environment in which they live. This service also includes items necessary for life support, ancillary supplies, and equipment necessary to the proper functioning of such items, and durable and non-durable medical equipment not available under the Texas State Plan, such as: vehicle modifications, service animals and supplies, environmental adaptations, aids for daily living, reachers, adapted utensils, and certain types of lifts. The annual cost limit of this service is $10,000 per waiver plan year, which is the 12-month period defined by the individual service plan. The State allows a member to select a relative or legal guardian, other than a legally responsible individual, to be his/her provider for this service if the relative or legal guardian meets the requirements for this type of service.
Adult Foster Care	Adult foster care services are personal care services, homemaker, chore, and companion services, and medication oversight provided in a licensed (where applicable) private home by an adult foster care provider who lives in the home. Adult foster care services are furnished to adults who receive these services in conjunction with residing in the home. The total number of individuals (including persons served in the waiver) living in the home cannot exceed three, without appropriate licensure. Separate payment will not be made for personal assistance services furnished to a member receiving adult foster care services, since these services are integral to and inherent in the provision of adult foster care services. Payments for adult foster care services are not made for room and board, items of comfort or convenience, or the costs of facility maintenance, upkeep, and improvement. The State allows a member to select a relative or legal guardian, other than a spouse, to be his/her provider for this service if the relative or legal guardian meets the requirements to provide this service.
Assisted Living	Assisted living services are personal care, homemaker, and chore services; medication oversight; and therapeutic, social and recreational programming provided in a homelike environment in a licensed community facility in conjunction with residing in the facility. This service includes 24-hour on-site response staff to meet scheduled or unpredictable needs in a way that promotes maximum dignity and independence, and to provide supervision, safety, and security. Other individuals or agencies may also furnish care directly, or under arrangement with the community facility, but the services provided by these other entities supplement that provided by the community facility and do not supplant those of the community facility. The individual has a right to privacy. Living units may be locked at the discretion of the individuals, except when a physician or mental health professional has certified in writing that the individual is sufficiently cognitively impaired as to be a danger to self or others if given the opportunity to lock the door. The facility must have a central dining room,

Attachment C
HCBS Service Definitions

Service	Service Definition
	living room or parlor, and common activity center(s) (which may also serve as living rooms or dining rooms. The individual retains the right to assume risk, tempered only by the individual's ability to assume responsibility for that risk. The State allows an individual to select a relative or legal guardian, other than a spouse, to be his/her provider for this service if the relative or legal guardian meets the requirements to provide this service. Nursing and skilled therapy services (except periodic nursing evaluations if specified above) are incidental, rather than integral to the provision of assisted living services. Payment will not be made for 24-hour skilled care or supervision. Federal financial participation is not available in the cost of room and board furnished in conjunction with residing in an assisted living facility.
Cognitive Rehabilitation Therapy (effective March 6, 2014)	Cognitive rehabilitation therapy is a service that assists an individual in learning or relearning cognitive skills that have been lost or altered as a result of damage to brain cells/chemistry in order to enable the individual to compensate for the lost cognitive functions. Cognitive rehabilitation therapy is provided when determined to be medically necessary through an assessment conducted by an appropriate professional. Cognitive rehabilitation therapy is provided in accordance with the plan of care developed by the assessor, and includes reinforcing, strengthening, or reestablishing previously learned patterns of behavior, or establishing new patterns of cognitive activity or compensatory mechanisms for impaired neurological systems. Qualified providers • Psychologists licensed under Texas Occupations Code Chapter 501. • Speech and language pathologists licensed under Title 3 of the Texas Occupations Code, Subtitle G, Chapter 401. • Occupational therapists licensed under Title 3 of the Texas Occupations Code, Subtitle H, Chapter 454.
Dental Services	Dental services which exceed the dental benefit under the State plan are provided under this waiver when no other financial resource for such services is available or when other available resources have been used. Dental services are those services provided by a dentist to preserve teeth and meet the medical need of the member. Allowable services include: • Emergency dental treatment procedures that are necessary to control bleeding, relieve pain, and eliminate acute infection; • Operative procedures that are required to prevent the imminent loss of teeth; • Routine dental procedures necessary to maintain good oral health; • Treatment of injuries to the teeth or supporting structures; and • Dentures and cost of fitting and preparation for dentures, including extractions, molds, etc. The State allows a member to select a relative or legal guardian, other than a spouse, to be his/her provider for this service if the relative or legal guardian meets the requirements to provide this service. Payments for dental services are not made for cosmetic dentistry. The annual cost cap of this service is $5,000 per waiver plan year (which is the 12-month period defined by the individual service plan). The $5,000 cap may be waived by the managed care organization upon request of the member only when the services of an oral surgeon are required. Exceptions to the $5,000 cap may be made up to an additional $5,000 per waiver plan year when the services of an oral surgeon are required.

Attachment C
HCBS Service Definitions

Service	Service Definition
Emergency Response Services	Emergency response services provide members with an electronic device that enables certain members at high risk of institutionalization to secure help in an emergency. The member may also wear a portable "help" button to allow for mobility. The system is connected to the person's phone and programmed to signal a response center once a "help" button is activated. Trained professionals staff the response center. Emergency response services are limited to those members who live alone, who are alone for significant parts of the day, or who have no regular caregiver for extended periods of time, and who would otherwise require extensive routine supervision. The State allows a member to select a relative or legal guardian, other than a spouse, to be his/her provider for this service if the relative or legal guardian meets the requirements to provide this service.
Employment Assistance	Assistance provided to an individual to help the individual locate paid employment in the community. Employment assistance includes: • identifying an individual's employment preferences, job skills, and requirements for a work setting and work conditions; • locating prospective employers offering employment compatible with an individual's identified preferences, skills, and requirements; and • contacting a prospective employer on behalf of an individual and negotiating the individual's employment. In the state of Texas, this service is not available to individuals receiving waiver services under a program funded under section 110 of the Rehabilitation Act of 1973. Documentation is maintained in the individual's record that the service is not available to the individual under a program funded under the Individuals with Disabilities Education Act (20 U.S.C. §1401 et seq.). An employment assistance service provider must satisfy one of these options: Option 1: • a bachelor's degree in rehabilitation, business, marketing, or a related human services field; and • six months of documented experience providing services to people with disabilities in a professional or personal setting. Option 2: • an associate's degree in rehabilitation, business, marketing, or a related human services field; and • one years of documented experience providing services to people with disabilities in a professional or personal setting. Option 3: • a high school diploma or GED, and • two years of documented experience providing services to people with disabilities in a professional or personal setting. •
Financial Management Services	Financial management services provide assistance to members with managing funds associated with the services elected for self-direction. The service includes initial orientation and ongoing training related to responsibilities of being an employer and adhering to legal requirements for employers. The financial management services provider, referred to as the Consumer Directed Services Agency, also: • Serves as the member's employer-agent;

Attachment C
HCBS Service Definitions

Service	Service Definition
	• Provides assistance in the development, monitoring, and revision of the member's budget; • Provides information about recruiting, hiring, and firing staff, including identifying the need for special skills and determining staff duties and schedule; • Provides guidance on supervision and evaluation of staff performance; • Provides assistance in determining staff wages and benefits; • Provides assistance in hiring by verifying employee's citizenship status and qualifications, and conducting required criminal background checks in the Nurse Aide Registry and Employee Misconduct Registry; • Verifies and maintains documentation of employee qualifications, including citizenship status, and documentation of services delivered; • Collects timesheets, processes timesheets of employees, processes payroll and payables, and makes withholdings for, and payment of, applicable Federal, State, and local employment-related taxes; • Tracks disbursement of funds and provides quarterly written reports to the member of all expenditures and the status of the member's Consumer Directed Services budget; and • Maintains a separate account for each member's budget. The State allows a relative or legal guardian, other than a legally responsible member, to be the member's provider for this service if the relative or legal guardian meets the requirements for this type of provider.
Home Delivered Meals	Home delivered meals services provide a nutritionally sound meal to members. The meal provides a minimum of one-third of the current recommended dietary allowance for the member as adopted by the United States Department of Agriculture.
Minor Home Modifications	Minor home modifications are those physical adaptations to a member's home, required by the service plan, that are necessary to ensure the member's health, welfare, and safety, or that enable the member to function with greater independence in the home. Such adaptations may include the installation of ramps and grab-bars, widening of doorways, modification of bathroom facilities, or installation of specialized electric and plumbing systems that are necessary to accommodate the medical equipment and supplies necessary for the member's welfare. Excluded are those adaptations or improvements to the home that are of general utility, and are not of direct medical or remedial benefit to the member, such as carpeting, roof repair, central air conditioning, etc. Adaptations that add to the total square footage of the home are excluded from this benefit. All services are provided in accordance with applicable State or local building codes. Modifications are not made to settings that are leased, owned, or controlled by waiver providers. The State allows a member to select a relative or legal guardian, other than a spouse, to be the member's provider for this service if the relative or legal guardian meets the requirements to provide this service. There is a lifetime limit of $7,500 per member for this service and $300 yearly for repairs. Once the $7,500 cap is reached, only $300 per year per member, excluding the fees, will be allowed for repairs, replacement, or additional modifications. The home and community support services provider is responsible for obtaining cost-effective modifications authorized on the member's ISP by the managed care organization.
Nursing	Nursing services are those services that are within the scope of the Texas Nurse Practice Act and are provided by a registered nurse (or licensed vocational nurse under the supervision of a registered nurse), licensed to practice in the State. In the Texas State Plan, nursing services are provided only for acute conditions or exacerbations of chronic conditions lasting less than 60 days. Nursing services provided in the waiver cover

Attachment C
HCBS Service Definitions

Service	Service Definition
	ongoing chronic conditions such as medication administration and supervising delegated tasks. This broadens the scope of these services beyond extended State plan services.
Occupational Therapy	Occupational therapy consists of interventions and procedures to promote or enhance safety and performance in activities of daily living, instrumental activities of daily living, education, work, play, leisure, and social participation. Occupational therapy services consist of the full range of activities provided by a licensed occupational therapist, or a licensed occupational therapy assistant under the direction of a licensed occupational therapist, acting within the scope of his/her State licensure. Texas assures that occupational therapy is cost-effective and necessary to avoid institutionalization. The State allows a member to select a relative or legal guardian, other than a spouse, to be the member's provider for this service if the relative or legal guardian meets the requirements to provide this service.
Personal Assistance Services	Personal assistance services provide assistance to members in performing the activities of daily living based on their service plan. Personal assistance services include assistance with the performance of the activities of daily living and household chores necessary to maintain the home in a clean, sanitary, and safe environment. Personal assistance services also include the following services: protective supervision provided solely to ensure the health and safety of a member with cognitive/memory impairment and/or physical weakness; tasks delegated by a registered nurse under the rules of the Texas Board of Nursing; escort services consist of accompanying, but not transporting, and assisting a member to access services or activities in the community; and extension of therapy services. The attendant may perform certain tasks if delegated and supervised by a registered nurse in accordance with Board of Nursing rules found in 22 Texas Administrative Code, Part 11, Chapter 224. The home and community support services agency registered nurse is responsible for delegating any task to the attendant, and the home and community support services agency must maintain a copy of the delegation requirements in the member's case record. Health Maintenance Activities are limited to tasks that enable a member to remain in an independent living environment and go beyond activities of daily living because of the higher skill level required. A registered nurse may determine that performance of a health maintenance activity for a particular member does not constitute the practice of professional nursing. An unlicensed person may perform health maintenance activities without delegation. (See Board of Nursing rules at 22 Texas Administrative Code, Part 11, Chapter 225.) Licensed therapists may choose to instruct the attendants in the proper way to assist the member in follow-up on therapy sessions. This assistance and support provides reinforcement of instruction and aids in the rehabilitative process. In addition, a registered nurse may instruct an attendant to perform basic interventions with members that would increase and optimize functional abilities for maximum independence in performing activities of daily living such as range of motion exercises. The following contingencies apply to providers: Texas does not allow service breaks of personal assistance services for health and safety reasons; therefore, providers are required to have back-up attendants if the regular attendant is not available. The provider nurse may provide personal assistance services if the regular and back-up attendants are not available and nurse delegation is authorized. The State allows, but does not require, a member to select a relative or legal guardian, other than a spouse, to be the member's provider for this service if the relative or legal guardian meets the requirements to provide this service. Personal assistance services will

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HCBS Service Definitions

Service	Service Definition
	not be provided to members residing in adult foster care homes, assisted living facilities, or during the same designated hours or time period a member receives respite care.
Physical Therapy	Physical therapy is defined as specialized techniques for evaluation and treatment related to functions of the neuro-musculo-skeletal systems provided by a licensed physical therapist or a licensed physical therapy assistant, directly supervised by a licensed physical therapist. Physical therapy is the evaluation, examination, and utilization of exercises, rehabilitative procedures, massage, manipulations, and physical agents (such as mechanical devices, heat, cold, air, light, water, electricity, and sound) in the aid of diagnosis or treatment. Physical therapy services consist of the full range of activities provided by a licensed physical therapist, or a licensed physical therapy assistant under the direction of a licensed physical therapist, acting within the scope of state licensure. Physical therapy services are available through this waiver program only after benefits available through Medicare, Medicaid, or other third party resources have been exhausted. The State allows a member to select a relative or legal guardian, other than a spouse, to be the member's provider for this service if the relative or legal guardian meets the requirements to provide this service.
Respite	Respite care services are provided to individuals unable to care for themselves, and are furnished on a short-term basis because of the absence of or need for relief for those persons normally providing unpaid services. Respite care may be provided in the following locations: member's home or place of residence; adult foster care home; Medicaid certified NF; and an assisted living facility. Respite care services are authorized by a member's PCP as part of the member's care plan. Respite services may be self-directed. Limited to 30 days per year. There is a process to grant exceptions to the annual limit. The managed care organization reviews all requests for exceptions, and consults with the service coordinator, providers, and other resources as appropriate, to make a professional judgment to approve or deny the request on a case-by-case basis. Members residing in adult foster care homes and assisted living facilities are not eligible to receive respite services. Other waiver services, such as Personal Assistance Services, may be provided on the same day as respite services, but the two services cannot be provided at the exact same time.
Speech, Hearing, and Language Therapy	Speech therapy is defined as evaluation and treatment of impairments, disorders, or deficiencies related to an individual's speech and language. The scope of Speech, Hearing, and Language therapy services offered to HCBS participants exceeds the State plan as the service in this context is available to adults. Speech, hearing, and language therapy services are available through the waiver program only after benefits available through Medicare, Medicaid, or other third party resources have been exhausted. The State allows a member to select a relative or legal guardian, other than a spouse, to be the member's provider for this service if the relative or legal guardian meets the requirements to provide this service.
Support Consultation	Support consultation is an optional service component that offers practical skills training and assistance to enable a member or his legally authorized representative to successfully direct those services the member or the legally authorized representative chooses for consumer-direction. This service is provided by a certified support advisor, and includes skills training related to recruiting, screening, and hiring workers, preparing job descriptions, verifying employment eligibility and qualifications, completion of documents required to employ an individual, managing workers, and development of effective back-up plans for services considered critical to the member's health and welfare in the absence of the regular provider or an emergency situation.

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HCBS Service Definitions

Service	Service Definition
	Skills training involves such activities as training and coaching the employer regarding how to write an advertisement, how to interview potential job candidates, and role-play in preparation for interviewing potential employees. In addition, the support advisor assists the member or his or her legally authorized representative to determine staff duties, to orient and instruct staff in duties and to schedule staff. Support advisors also assist the member or his or her legally authorized representative with activities related to the supervision of staff, the evaluation of the job performance of staff, and the discharge of staff when necessary. This service provides sufficient information and assistance to ensure that members and their representatives understand the responsibilities involved with consumer direction. Support consultation does not address budget, tax, or workforce policy issues. The State defines support consultation activities as the types of support provided beyond that provided by the financial management services provider. The scope and duration of support consultation will vary depending on a member's need for support consultation. Support consultation may be provided by a certified support advisor associated with a consumer directed services agency selected by the member or by an independent certified support advisor hired by the member. Support consultation has a specific reimbursement rate and is a component of the member's service budget. In conjunction with the service planning team, members or legally authorized representatives determine the level of support consultation necessary for inclusion in each member's service plan.
Supported Employment Services	Assistance provided, in order to sustain competitive employment, to an individual who, because of a disability, requires intensive, ongoing support to be self-employed, work from home, or perform in a work setting at which individuals without disabilities are employed. Supported employment includes adaptations, supervision, training related to an individual's assessed needs, and earning at least minimum wage (if not self-employed). In the state of Texas, this service is not available to individuals receiving waiver services under a program funded under section 110 of the Rehabilitation Act of 1973. Documentation is maintained in the individual's record that the service is not available to the individual under a program funded under the Individuals with Disabilities Education Act (20 U.S.C. §1401 et seq.). A supported employment service provider must satisfy one of these options: Option 1: • a bachelor's degree in rehabilitation, business, marketing, or a related human services field; and • six months of documented experience providing services to people with disabilities in a professional or personal setting. Option 2: • an associate's degree in rehabilitation, business, marketing, or a related human services field; and • one year of documented experience providing services to people with disabilities in a professional or personal setting. Option 3: • a high school diploma or GED, and

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HCBS Service Definitions

Service	Service Definition
	• two years of documented experience providing services to people with disabilities in a professional or personal setting
Transition Assistance Services	Transition Assistance Services pay for non-recurring, set-up expenses for members transitioning from nursing homes to the STAR+PLUS HCBS program. Allowable expenses are those necessary to enable members to establish basic households and may include: security deposits for leases on apartments or homes; essential household furnishings and moving expenses required to occupy and use a community domicile, including furniture, window coverings, food preparation items, and bed and bath linens; set-up fees or deposits for utility or service access, including telephone, electricity, gas, and water; services necessary for the member's health and safety, such as pest eradication and one-time cleaning prior to occupancy; and activities to assess need, arrange for, and procure needed resources (limited to up to 180 consecutive days prior to discharge from the nursing facility). Services do not include room and board, monthly rental or mortgage expenses, food, regular utility charges, or household appliances or items that are intended for purely recreational purposes. There is a $2,500 limit per member.

Attachment C
HCBS Service Definitions

Attachment D

Reserved

Attachment E

Reserved

Attachment F
HCBS Fair Hearing Procedures

The material presented in Attachment F corresponds to the contents of Appendix F of the Application for a §1915(c) Home and Community-Based Services Waiver, Version 3.5.

I. Opportunity to Request a Fair Hearing

The State provides an opportunity to request a Fair Hearing under 42 CFR Part 431, Subpart E to individuals: (a) who are not given the choice of home and community-based services as an alternative to the institutional care; (b) are denied the service(s) of their choice or the provider(s) of their choice; or, (c) whose services are denied, suspended, reduced or terminated and have exhausted the managed care organization (MCO) internal appeal process. The State provides notice of action as required in 42 CFR §431.210.

Procedures for Offering Opportunity to Request a Fair Hearing

The MCO must develop, implement and maintain an MCO internal Appeal process that complies with state and federal laws and regulations. When a Member or his or her authorized representative expresses orally or in writing any dissatisfaction or disagreement with an Action, the MCO must regard the expression of dissatisfaction as a request to Appeal an Action. Unless the Member or his or her authorized representative requests an MCO expedited internal appeal, the Member or his or her authorized representative are notified they must file a written MCO internal appeal. If the Member does not follow up on an oral request for appeal in writing, the MCO decision is upheld after 30 days from the notice and the Member may request a state fair hearing.

A Member must file a request for an MCO internal Appeal with the MCO within 60 days from receipt of the notice of reduction, denial or termination of services.

The MCO's internal Appeal process must be provided to Members in writing and through oral interpretive services.

The MCO must send a letter to the Member within five (5) business days acknowledging receipt of the MCO internal Appeal request. Except for the resolution of an Expedited MCO Appeal, the MCO must complete the entire standard MCO internal Appeal process within 30 calendar days after receipt of the initial written or oral request for an MCO internal Appeal. The timeframe for a standard MCO internal Appeal may be extended up to 14 calendar days if the Member or his or her representative requests an extension; or the MCO shows that there is a need for additional information and how the delay is in the Member's interest. If the timeframe is extended and the Member had not requested the delay, the MCO must give the Member written notice of the reason for delay. The MCO must designate an officer who has primary responsibility for ensuring that Appeals are resolved within these timeframes and in accordance with the MCO's written policies.

In accordance with 42 C.F.R. § 438.420, the MCO must continue the Member's benefits currently being received by the Member, including the benefit that is the subject of the MCO internal Appeal, if all of the following criteria are met:

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HCBS Fair Hearing Procedures

1. The Member or his or her representative files the MCO internal Appeal timely as defined in this Contract;
2. The MCO internal Appeal involves the termination, suspension, or reduction of a previously authorized course of treatment;
3. The services were ordered by an authorized provider;
4. The original period covered by the original authorization has not expired; and
5. The Member requests an extension of the benefits.

If the MCO fails to meet the timeliness requirement for notification or at the Member's request, the MCO continues or reinstates the Member's benefits while the MCO internal Appeal is pending, the benefits must be continued until one of the following occurs:
1. The Member withdraws the MCO internal Appeal;
2. Ten (10) days pass after the MCO mails the notice resolving the MCO internal Appeal against the Member, unless the MCO did not provide adequate notice or the Member, within the 10-day timeframe, has requested a state Fair Hearing with continuation of benefits until a state Fair Hearing decision can be reached; or
3. A state Fair Hearing officer issues a hearing decision adverse to the Member.

In accordance with 42 C.F.R.§ 438.420(d), if the final resolution of the MCO internal Appeal is adverse to the Member and upholds the MCO's Action, then to the extent that the services were furnished to comply with the Contract, the MCO may recover such costs from the Member only with written permission from the state.

If the MCO or state fair hearings officer reverses a decision to deny, limit, or delay services that were not furnished while the MCO internal Appeal was pending, the MCO must authorize or provide the disputed services promptly and as expeditiously as the Member's health condition requires but no more than 72 hours from the decision.

If the MCO or hearings officer reverses a decision to deny authorization of services and the Member received the disputed services while the MCO internal Appeal was pending, the MCO is responsible for the payment of services.

The MCO is prohibited from discriminating or taking punitive action against a Member or his or her representative for making an Appeal.

In accordance with 42 C.F.R. §438.410, the MCO must establish and maintain an expedited review process for MCO internal Appeals, when the MCO determines or the provider indicates that taking the time for a standard resolution could seriously jeopardize the Member's life or health. The MCO must follow all MCO internal Appeal requirements for standard Member MCO internal Appeals except where differences are specifically noted. The MCO must accept oral or written requests for MCO Expedited internal Appeals.

Members must exhaust the MCO Expedited internal Appeal process before making a request for an expedited state Fair Hearing. After the MCO receives the request for an Expedited MCO internal Appeal, it must hear an approved request for a Member to have an MCO Expedited internal Appeal and notify the Member of the outcome of the MCO Expedited internal Appeal

within 72 hours, except that the MCO must complete investigation and resolution of an MCO internal Appeal relating to an ongoing emergency or denial of continued hospitalization:

1. In accordance with the medical or dental immediacy of the case; and
2. not later than one business day after receiving the Member's request for MCO Expedited internal Appeal is received.

The MCO is prohibited from discriminating or taking punitive action against a Member or his or her representative for requesting an MCO Expedited internal Appeal. The MCO must ensure that punitive action is neither taken against a provider who requests an expedited resolution or supports a Member's request.

If the MCO denies a request for expedited resolution of an Appeal, it must:

1. Transfer the Appeal to the timeframe for standard resolution, and
2. Make a reasonable effort to give the Member prompt oral notice of the denial, and follow up within two (2) calendar days with a written notice.

The MCO must inform Members that they have the right to access the state Fair Hearing process after exhausting the MCO internal Appeal system provided by the MCO. In the case of an expedited Fair Hearing process, the MCO must inform the Member that the Member must exhaust the MCO's internal Expedited Appeal process prior to requesting an Expedited state Fair Hearing. The MCO must notify Members that they may be represented by an authorized representative in the MCO internal Appeal and state Fair Hearing process.

If a Member requests a Fair Hearing, the MCO will enter the request in the Texas Integrated Eligibility Redesign System (TIERS), within five (5) calendar days.

Within five (5) calendar days of notification that the state Fair Hearing is set, the MCO will prepare an evidence packet for submission to the HHSC state Fair Hearings staff and send a copy of the packet to the Member. The evidence packet must comply with HHSC's state Fair Hearings requirements.

The hearings officer makes an administrative decision on state Fair Hearings. The hearings officers are employees of HHSC that are in a separate division with a separate reporting structure from the State Medicaid Agency. This provides for an independent review and disposition for the member. The MCO sends a letter to the member informing the member that if an appeal is filed timely the member's benefits/services will continue. The member may also contact a member advocate or service coordinator for assistance or clarification. All documentation related to the adverse action and/or requests are maintained by the managed care organization in the member's case file.

II. State Grievance/Complaint System

The State operates a grievance/complaint system that affords participants the opportunity to register grievances, which HHSC refers to as complaints, concerning the provision of services.

A. Operational Responsibility

HHSC, the State Medicaid agency, and the MCO operate the complaint system.

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HCBS Fair Hearing Procedures

The State Medicaid Agency operates and maintains an electronic complaint system that provides information to HHSC staff on any complaints related to members of the MCOs. The MCO is required by contract to develop, implement and maintain a member complaint and appeal system specific to their members.

The member is informed at enrollment that filing a complaint is not a pre-requisite or substitute for a state Fair Hearing. The member is also informed that they can contact a Member Advocate or their service coordinator if they need assistance for issues related to making complaints or filing a grievance.

B. Description of System

The MCO must develop, implement, and maintain a Member Complaint and MCO internal Appeal system that complies with the requirements in applicable federal and state laws and regulations.

The Complaint and MCO internal Appeal system must include a Complaint process, an MCO internal Appeal process, and access to HHSC's state Fair Hearing System. The procedures must be the same for all Members and must be reviewed and approved in writing by HHSC or its designee. Modifications and amendments to the Member Complaint and MCO internal Appeal system must be submitted for HHSC's approval at least 30 days prior to the implementation.

The MCO must have written policies and procedures for receiving, tracking, responding to, reviewing, reporting and resolving Complaints by Members or their authorized representatives. The MCO must resolve Complaints within 30 days from the date the Complaint is received. The Complaint procedure must be the same for all Members under the Contract. The Member or Member's authorized representative may file a Complaint either orally or in writing. The MCO must also inform Members how to file a Complaint directly with HHSC, once the Member has exhausted the MCO's complaint process.

The MCO's Complaint procedures must be provided to Members in writing and through oral interpretive services. The MCO must include a written description of the Complaint process in the Member Handbook. The MCO must maintain and publish in the Member Handbook, at least one local and one toll-free telephone number with Teletypewriter/Telecommunications Device for the Deaf (TTY/TDD) and interpreter capabilities for making Complaints.

The MCO's process must require that every Complaint received in person, by telephone, or in writing must be acknowledged and recorded in a written record and logged with the following details:

1. Date;
2. Identification of the individual filing the Complaint;
3. Identification of the individual recording the Complaint;
4. Nature of the Complaint;
5. Disposition of the Complaint (i.e., how the managed care organization resolved the Complaint);
6. Corrective action required; and
7. Date resolved.

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HCBS Fair Hearing Procedures

The MCO is prohibited from discriminating or taking punitive action against a Member or his or her representative for making a Complaint.

If the Member makes a request for disenrollment, the MCO must give the Member information on the disenrollment process and direct the Member to the HHSC Administrative Services Contractor. If the request for disenrollment includes a Complaint by the Member, the Complaint will be processed separately from the disenrollment request, through the Complaint process.

The MCO will cooperate with the HHSC's Administrative Services Contractor and HHSC or its designee to resolve all Member Complaints. Such cooperation may include, but is not limited to, providing information or assistance to internal Complaint committees. The MCO must provide a designated Member Advocate to assist the Member in understanding and using the MCO's Complaint system until the issue is resolved.

Attachment G
HCBS Member Safeguards

The material presented in Attachment G corresponds to the contents of Appendix G of the Application for a §1915(c) Home and Community-Based Services Waiver, Version 3.5.

Introduction

Managed long-term services and supports (MLTSS) refer to the delivery of long-term services and supports (LTSS) through managed care programs, including community-based and institutional LTSS under the State Plan and home and community-based services (HCBS) under the STAR+PLUS Waiver. Under the authority of the Texas Healthcare Transformation and Quality Improvement Program Demonstration, managed care organizations (MCOs) deliver MLTSS to members in Medicaid managed care programs in Texas.

Texas has well-established safeguards to ensure that member health and welfare are assured within the delivery of MLTSS. The state's critical incident system is comprised of three parts: HHSC, the Department of Family and Protective Services (DFPS), and local law enforcement. Depending upon the type of critical incident, individuals may report to one or both state agencies, who must coordinate with each other and with local law enforcement. Critical incidents are tracked and monitored by the appropriate agency based on the type of incident reported. This document details these protections, such as statements of member rights and the critical incident management system, in order to protect members from abuse, neglect, and exploitation.

In 2015, the Texas Health and Human Services (HHS) system, comprised of five separate state agencies, began a reorganization to produce a more efficient, effective, and responsive system, by consolidating Medicaid functions and activities under HHSC. This streamlined approach will increase efficiencies and improve communication within the HHS system by removing barriers that existed when Medicaid functions were spread across multiple independent agencies. On September 1, 2017, the final phase of this process, referred to as the HHS "Transformation", began when the regulatory and investigatory bodies of two different agencies transitioned to the Health and Human Services Commission (HHSC), creating a new Regulatory Services Division within HHSC. In accordance with 42 Code of Federal Regulations (CFR) §431.10(e), HHSC is the single state Medicaid agency and retains oversight and full administrative authority over the waiver program.

Participant Rights and Responsibilities

In accordance and consistent with federal law under the CFR, HHSC established a statement of member rights that may be found in the Texas Administrative Code (TAC). These rights are reflected in the managed care contracts and the Uniform Managed Care Manual (UMCM) to ensure members are advised of their rights. Members are informed through MCO member handbooks and are provided with additional support, as needed, to understand their rights as well as their responsibilities. This support might come from the MCO service coordinator or through an independent entity such as the Office of the Long-term Care Ombudsman.

Code of Federal Regulations: Enrollee Rights

In accordance with 42 CFR §438.100 (relating to Enrollee rights), Texas assures that each MCO has written policies regarding the enrollee rights specified in this section and each MCO complies with

applicable federal and state laws pertaining to enrollee rights. HHSC ensures its staff and affiliated providers take these rights into account when delivering services to individuals.

HHSC requires that each managed care enrollee is guaranteed the following rights:

- Receive information in accordance with 42 CFR §438.10.
- Be treated with respect and with due consideration for his or her dignity and privacy.
- Receive information on available treatment options and alternatives, presented in a manner appropriate to the enrollee's condition and ability to understand.
- Participate in decisions regarding his or her health care, including the right to refuse treatment.
- Be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience, or retaliation, as specified in other federal regulations on the use of restraints and seclusion.
- Request and receive a copy of his or her medical records, and request that they be amended or corrected, as specified in 45 CFR §164.524 and 164.526 (if the privacy rule, as set forth in 45 CFR parts 160 and 164 subparts A and E, applies).
- Receive health care services in accordance with §§438.206 through 438.210.
- Be free to exercise his or her rights.

Finally, HHSC ensures that each MCO complies with all applicable federal and state laws.

Texas Administrative Code: Member Bill of Rights

Each MCO participating in the Texas Medicaid program must provide to each of its members an easy-to-read, written document describing the member's rights, which must include the rights outlined in 1 TAC §353.202 (relating to Member Bill of Rights).

Managed Care Contracts: Member Rights and Responsibilities

In accordance with 42 CFR §438.100 (relating to Enrollee Rights), the managed care contracts require that MCOs maintain written policies and procedures for informing members of their rights and responsibilities, and must notify members of their right to request a copy of these rights and responsibilities. An MCO's member handbook must include a notice regarding member rights and responsibilities, in compliance with the Uniform Managed Care Manual (UMCM).

Definitions

Texas Human Resources Code, Chapter 48.251(b), directs HHSC to adopt definitions of abuse, neglect, and exploitation through rule. The following definitions of abuse, neglect, and exploitation (ANE) apply to investigations of alleged ANE in 1115 waiver programs:

- Texas Administrative Code, Chapter 711.11 (relating to How is physical abuse defined?);
- Texas Administrative Code, Chapter 711.13 (relating to How is sexual abuse defined?);
- Texas Administrative Code, Chapter 711.17 (relating to How is verbal/emotional abuse defined?);
- Texas Administrative Code, Chapter 711.19 (relating to How is neglect defined?); and
- Texas Administrative Code, Chapter 711.21 (relating to How is exploitation defined?)

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HHSC defines critical events or incidents in the managed care contracts as those that may bring harm, or create the potential for harm, to an individual. Critical events or incidents include but are not limited to:

- abuse, neglect, or exploitation;
- the unauthorized use of restraint, seclusion, or restrictive interventions;
- serious injuries that require medical intervention or result in hospitalization;
- criminal victimization;
- unexplained death;
- medication errors; and
- other incidents or events that involve harm or risk of harm to a member.

Critical Incident System

The state has a system to prevent, identify, report, investigate, and remediate critical incidents that occur within the delivery of MLTSS as well as to track and trend results in order to make system improvements. The obligation to report abuse, neglect, and exploitation is mandated by statute and HHSC clarifies roles, expectations, and responsibilities for providers and MCOs in the managed care contracts.

Prevention

Licensure Requirements

The state licenses the following MLTSS providers:

- Day activity and health services providers (TAC Title 40, Chapter 98);
- Adult foster care, serving four or more individuals (licensing: TAC Title 40, Chapter 92);
- Assisted living facilities (TAC Title 40, Chapter 92);
- Home and community support services agencies (TAC Title 40, Chapter 97); and
- Nursing facilities (TAC Title 40, Chapter 19).
- Prescribed Pediatric Extended Care Facilities (TAC Title 40, Part 1, Chapter 15)

Additional MLTSS providers licensed through other entities:

- Emergency response system providers (TAC Title 25, Part 1, Chapter 140, Subchapter B);
- Licensed durable medical equipment providers (TAC Title 25, Part 1, Chapter 229, Subchapter X);
- Providers of cognitive rehabilitation therapy services (TAC Title 16, Part 4; TAC Title 40, Part 12; TAC Title 22, Part 21)
- Registered Nurses (TAC Title 22, Part 11);
- Occupational therapists (TAC Title 40, Part 12);
- Physical therapists (TAC Title 22, Part 16); and
- Speech therapists (TAC Title 16, Part 4).

Prior to issuing licensure to the above healthcare providers, the state screens those facilities or persons for prior disciplinary or criminal history in Texas and in other states. In accordance with Section 1919(e)(2) of the Social Security Act , the state maintains a registry of all nurse aides who are certified to provide services in nursing facilities and skilled nursing facilities licensed by HHSC. The Nurse Aide

Registry (NAR) lists nurse aides who are unemployable because of confirmed instances of abuse, neglect, exploitation, misappropriation, or misconduct against a nursing facility resident. For those individual providers that do not require licensure, in accordance with state law, HHSC maintains an Employee Misconduct Registry (EMR) that includes the names of unlicensed persons who work at facilities licensed by HHSC, including intermediate care facilities for individuals with an intellectual disability or related conditions, adult foster care providers, home and community support services agencies, or prescribed pediatric extended care centers; or for individual employers, who have committed reportable conduct as defined in the Texas Health and Safety Code, Chapter 253.

HHSC-regulated facilities and agencies contracted with a managed care organization to provide MLTSS are required to check both the NAR and EMR before hiring an unlicensed individual and annually thereafter. In addition, all MCOs are required to check both the NAR and EMR prior to contracting with an unlicensed or uncertified MLTSS provider, and annually thereafter.

Credentialing Unlicensed or Uncertified Providers by MCOs

Through their credentialing process, the MCO ensures that the agencies they contract with have met all licensure requirements. According to the managed care contracts, before contracting with an unlicensed MLTSS provider or MLTSS provider not certified by a health and human services agency, such as minor home modification or home-delivered meals providers, the MCO must take steps to verify that the provider:

- has not been convicted of a crime listed in Texas Health and Safety Code, §250.006;
- is not listed as "unemployable" in the EMR or the NAR maintained by HHSC by searching or ensuring a search of such registries is conducted before hire and annually thereafter;
- is knowledgeable of acts that constitute abuse, neglect, or exploitation of a member;
- is instructed on and understands how to report suspected abuse, neglect, or exploitation;
- adheres to applicable state laws if providing transportation; and
- is not a spouse of, legally responsible person for, or employment supervisor of the member who receives the service, except as allowed in the Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver.

Training

The managed care contracts require MCOs to train and educate their staff, providers, and subcontractors to understand abuse, neglect, and exploitation and all prevention, detection, reporting, investigation, and remediation procedures and requirements. In addition, MCOs must educate members about abuse, neglect, and exploitation and ensure that MCO staff such as member services staff and service coordinators are knowledgeable about how to identify and report a critical event or incident such as abuse, neglect, and exploitation. MCOs must administer training for service coordination staff that includes identification and reporting of critical events or incidents.

In addition to the information provided to all members, a financial management services agency (FMSA), provides members who elect the consumer directed services option with training and written information related to reporting allegations of abuse, neglect, and exploitation.

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HCBS Member Safeguards

Identification and Reporting

Obligation to Report

The failure to report suspected abuse, neglect, or exploitation of a child or of an individual who is elderly or who has a disability is considered a criminal offense. State agencies receiving reports of suspected ANE keep the reporter's identity confidential. Information on how to report suspected ANE can be found on HHS agency websites, member handbooks for various programs, and MCO provider manuals.

Reports to the Department of Family and Protective Services (DFPS)

A person having cause to believe that an individual who is elderly or who has a disability (including a child with a disability), or that an individual receiving services from a:

- facility;
- community center, local mental health authority, and local intellectual and developmental disability authority;
- person who contracts with a health and human services agency or managed care organization to provide home and community-based services;
- person who contracts with a Medicaid managed care organization to provide behavioral health services;
- managed care organization;
- contractor, subcontractor, officer, employee, or agent of a person or entity listed in (1)-(5); or
- fiscal agent, employee, case manager, or service coordinator of an individual employer participating in the consumer-directed service option, as defined by Section 531.051, Government Code

is in a state of abuse, neglect, or exploitation is required to report the information immediately to DFPS.

A person having cause to believe that a child's physical or mental health or welfare has been adversely affected by abuse or neglect by a person must report the information immediately to DFPS.

A professional who has cause to believe that a child has been abused or neglected or may be abused or neglected must make a report to DFPS within 48 hours after the professional first suspects abuse or neglect. All HCSSAs are required to self-report abuse, neglect, or exploitation to HHSC and DFPS within 24 hours of suspecting that an employee, volunteer, or contractor has committed ANE against an individual served by the HCSSA.

Reports to HHSC

If a person has cause to believe that an individual who is elderly or who has a disability, or an individual receiving services from a facility or a provider operated, licensed, certified, or registered by HHSC, has been abused, neglected, or exploited in a facility or by a provider operated, licensed, certified, or registered by HHSC, the person shall report the information to HHSC. This requirement is also addressed in Chapter 260A of the Health and Safety Code. A person, including an owner or employee of a facility, who has cause to believe that the physical or mental health or welfare of a resident has been or may be adversely affected by abuse, neglect, or exploitation caused by another person shall report the abuse, neglect, or exploitation to HHSC and law enforcement as appropriate under Chapter 260A of the Texas Health and Safety Code.

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HCBS Member Safeguards

Reports to Law Enforcement

Reports alleging that an individual's health or safety is in imminent danger; that an individual has died because of the alleged conduct; that an individual has been hospitalized or treated in an emergency room because of the alleged conduct; that the alleged conduct involves a criminal act; or that an individual has suffered bodily injury due to the alleged conduct shall be made to DFPS or HHSC and the appropriate law enforcement agency. All reports that allege abuse or neglect by a person responsible for a child's care, custody, or welfare received by a local or state law enforcement agency are referred immediately to DFPS or the designated agency. Reports of abuse, neglect or exploitation of an individual residing in a facility regulated by HHSC received by a law enforcement agency are referred to HHSC.

Investigation of Abuse, Neglect, or Exploitation (ANE)

HHSC's Regulatory Services Division investigates reports of alleged ANE of individuals who are elderly or who have a disability as well as individuals receiving services from a home and community support services agency (HCSSA) or a facility; community center, a local mental health authority, and local intellectual and developmental disability authority; person who contracts with a health and human services agency or managed care organization to provide home and community-based a services; person who contracts with a Medicaid managed care organization to provide behavioral health services; managed care organization; contractor, subcontractor, officer, employee, or agent of a person or entity listed in in this section; or fiscal agent, employee, case manager, or service coordinator of an individual employer participating in the consumer-directed service option, as defined by Section 531.051, Government Code.

HHSC also investigates reports of ANE of individuals who are elderly or have a disability that occur in a facility, or that are perpetrated by certain providers, which are operated, licensed, or certified by HHSC. These investigations are governed by Title 2 of the Texas Human Resources Code, Subtitle D, Chapter 48 (relating to Investigations and Protective Services for Elderly and Disabled Persons) and Title 4 of the Texas Health and Safety Code, Subtitle B, Chapter 260A (relating to Reports of Abuse, Neglect, and Exploitation of Residents of Certain Facilities).

When DFPS receives ANE reports concerning an individual in a facility licensed by a state agency that is explicitly responsible for investigating ANE in that facility, such as investigations of ANE in nursing facilities licensed by HHSC, DFPS forwards the report to that agency for investigation.

Joint Investigations with Law Enforcement

State law requires HHSC to notify the appropriate law enforcement agency of reports of abuse, neglect, or exploitation during certain investigations. Specifically, HHSC is required to immediately notify the appropriate law enforcement agency when a caseworker or supervisor has cause to believe that an individual who is elderly or who has a disability has been abused, neglected, or exploited by another person in a manner that constitutes a criminal offense under any law. This requirement does not apply when the law enforcement agency is the entity to report the alleged abuse, neglect, or exploitation to HHSC or DFPS.

Within 24 hours after the receipt of a report of abuse, neglect, or exploitation of a resident of an HHSC facility, HHSC must report the incident to the appropriate law enforcement agency when the complaint alleges: a resident's health or safety is in imminent danger; a resident has recently died because of

conduct alleged in the report of abuse, neglect, exploitation, or other complaint; a resident has been hospitalized or treated in an emergency room because of conduct alleged in the report of abuse, neglect, exploitation, or other complaint; a resident has been a victim of any act or attempted act described by Section 21.02, 21.11, 22.011, or 22.021 of the Texas Penal Code; or a resident has suffered bodily injury, as that term is defined by Section 1.07 of the Texas Penal Code, because of conduct alleged in the report of abuse, neglect, exploitation, or other complaint.

HHSC must immediately notify the appropriate law enforcement agency of any report that concerns the suspected abuse, neglect, or exploitation of a child or the death of a child from abuse or neglect. If HHSC finds evidence indicating that a child may have been abused, neglected, or exploited, HHSC must report the evidence to the appropriate law enforcement agency. These requirements do not apply when the law enforcement agency is the entity to report the alleged abuse, neglect, or exploitation to HHSC or DFPS.

If a child has been or may be the victim of conduct that constitutes a criminal offense that poses an immediate risk of physical or sexual abuse of a child that could result in death or serious harm to the child, DFPS conducts a joint investigation with the appropriate law enforcement agency. Additionally, if DFPS initiates an investigation and determines that the abuse or neglect does not involve a person responsible for the child's care, custody, or welfare, DFPS refers the report to the appropriate law enforcement agency for further investigation.

Upon receipt of a report of alleged abuse, neglect, or exploitation of a person residing in a facility licensed, operated, certified or registered by HHSC, law enforcement must acknowledge the report and begin a joint investigation with HHSC within 24 hours after receipt of the report.

Monitoring

HHSC maintains overall responsibility for the operation of the critical incident system and engages in continuous process improvements. Protections against ANE are not limited to HHSC's jurisdiction; other state and local entities have related responsibilities as described elsewhere in this Attachment.

Remediation

If an MCO fails to meet contractual requirements related to protection against or reporting of ANE, such as contracting with MLTSS providers that fail to meet standards outlined in Sections A and B, then HHSC has authority to use a variety of remedies, up to and including contract termination. HHSC has the authority to terminate or replace an MCO or its subcontractor(s), according to managed care contracts, if either are convicted of a criminal offense related to the neglect or abuse of members in connection with the delivery of an item or service.

Member Support

Texas maintains a consumer support system that is independent of the MCOs to assist members in understanding managed care and resolution of problems regarding services, benefits, access, and rights.

Texas' independent consumer supports system (ICSS) consists of HHSC's Medicaid/CHIP Division, Office of the Ombudsman (Ombudsman), the state's managed care Enrollment Broker (EB, "MAXIMUS"), and community support from the Aging and Disability Resource Centers (ADRCs). These entities operate independently of any Medicaid MCO and work with beneficiaries and MCOs to ensure beneficiaries

seeking to enroll with a MCO understand the managed care program, MCO options, and the process for resolving issues.

HHSC's Medicaid and CHIP Services Department provides guidance to the MCOs on Medicaid policy and managed care program requirements, reviews MCO materials, monitors the MCOs' contractual obligations, answers managed care inquiries, and resolves managed care complaints. HHSC's Medicaid and CHIP Services Department also monitors implementation of MCO corrective action plans and assesses damages when necessary.

Restraints, Seclusions, and Medication Management

HHSC licenses adult foster care providers serving four or more individuals, assisted living providers, nursing facilities, home and community support services agencies (HCSSAs), day activity and health services (DAHS) facilities, and prescribed pediatric extended care centers (PPECCs). HHSC is responsible for ensuring compliance with licensing requirements and inspects licensed providers for compliance with licensing requirements, such as medication management and authorized use of restraint and seclusion. HHSC licensing inspections include medication administration review that is based on a sample of individual and resident records. The state may impose penalties, such as administrative penalties and license revocation, when harmful medication management practices are detected. HHSC survey staff follow up to ensure plans of correction are properly implemented. HHSC survey staff may conduct follow-up surveys and inspections to ensure the provider has effectively implemented plans of correction required due to cited state violations. HHSC tracks the number of validated instances of licensure violations.

Restraint

Pursuant to federal and state rules, a waiver recipient has the right to be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience, or retaliation. The state does permit the use of restraints in limited and appropriate circumstances, as detailed in this section. All allegations of improper restraints by providers licensed by HHSC are referred to HHSC for investigation.

Adult Foster Care

All individuals receiving adult foster care (AFC) have the right to be free from physical or chemical restraints not required to treat the resident's medical symptoms or imposed for purposes of discipline or convenience. A provider may use physical or chemical restraints only if the use is authorized in writing by a physician or if the use is necessary in an emergency to protect the resident or others from injury. A physician's written authorization for the use of restraint must specify the circumstances under which the restraint may be used and the duration for which the restraint may be used. Except in a behavioral emergency, restraint may only be administered by qualified medical personnel. The AFC provider must inform the resident verbally and in writing, before or at the time of admission, of his rights and responsibilities, including those related to restraint and seclusion. HHSC applies and enforces these requirements for both licensed and unlicensed AFC facilities pursuant to the provisions in the STAR+PLUS Handbook. AFC providers who provide services to four or more unrelated individuals must be licensed as assisted living facilities (ALFs) and are also subject to the requirements discussed below.

In addition, AFCs licensed as Type A or B ALFs are also subject to ALF restraint rules that are specific to Type A or Type B facilities. These rules are found under TAC Title 40, Chapter 92, §92.41 (relating to

Standards for Type A and Type B Assisted Living Facilities). Pursuant to these rules, all restraints for purposes of behavior management, staff convenience, or resident discipline are prohibited. A facility may use physical or chemical restraints only (1) if the use is authorized in writing by a physician and specifies: (a) the circumstances under which a restraint may be used; and (b) the duration for which the restraint may be used; or (2) if the use is necessary in an emergency to protect the resident or others from injury.

A restraint must not be administered under any circumstance if it obstructs the resident's airway, including a procedure that places anything in, on, or over the resident's mouth or nose; impairs the resident's breathing by putting pressure on the resident's torso; interferes with the resident's ability to communicate; or places the resident in a prone or supine position. After the use of restraint, the facility must, with the resident's consent, make an appointment with the resident's physician no later than the end of the first working day after the use of restraint and document in the resident's record that the appointment was made. If the resident refuses to see the physician, staff must document the refusal in the resident's record. As soon as possible but no later than 24 hours after the use of restraint, the facility must notify the resident's legally authorized representative or an individual actively involved in the resident's care, if there is such a person, that the resident has been restrained, unless the release of this information would violate other law.

Staff at Type A or B ALFs must attend training which includes practices to decrease the frequency of the use of restraint and alternatives to restraints. Before or upon admission of a resident, a facility must notify the resident and, if applicable, the resident's legally authorized representative, of HHSC rules and the facility's policies related to restraint. In order to decrease the frequency of the use of restraint, facility staff must be aware of and adhere to the findings of the required resident assessment. A facility may adopt policies that allow less use of restraint than allowed by these rules.

Assisted Living Facilities

ALFs must comply with restraint rules found in TAC Title 40, Chapter 92, §92.125 (relating to Resident’s Bill of Rights and Provider Bill of Rights). Pursuant to these rules, ALF residents have the right to be free from physical and chemical restraints that are administered for the purpose of discipline or convenience and not required to treat the resident's medical symptoms. A provider may use physical or chemical restraints only if the use is authorized in writing by a physician or if the use is necessary in an emergency to protect the resident or others from injury. A physician's written authorization for the use of restraint must specify the circumstances under which the restraint may be used and the duration for which the restraint may be used. Except in a behavioral emergency, restraint may only be administered by qualified medical personnel.

Furthermore, Type A and Type B ALFs must also comply with restraint rules in TAC Title 40, Chapter 92, §92.41 (relating to Standards for Type A and Type B Assisted Living Facilities). Pursuant to these rules, all restraints for purposes of behavior management, staff convenience, or resident discipline are prohibited. A facility may use physical or chemical restraints only (1) if the use is authorized in writing by a physician and specifies: (a) the circumstances under which a restraint may be used; and (b) the duration for which the restraint may be used; or (2) if the use is necessary in an emergency to protect the resident or others from injury.

A restraint must not be administered under any circumstance if it obstructs the resident's airway, including a procedure that places anything in, on, or over the resident's mouth or nose; impairs the resident's breathing by putting pressure on the resident's torso; interferes with the resident's ability to communicate; or places the resident in a prone or supine position. After the use of restraint, the facility must, with the resident's consent, make an appointment with the resident's physician no later than the end of the first working day after the use of restraint and document in the resident's record that the appointment was made. If the resident refuses to see the physician, the facility must document the refusal in the resident's record. As soon as possible but no later than 24 hours after the use of restraint, the facility must notify the resident's legally authorized representative or an individual actively involved in the resident's care, if there is such a person, that the resident has been restrained, unless the release of this information would violate other law.

Staff at Type A or B ALFs must attend training which includes practices to decrease the frequency of the use of restraint and alternatives to restraints. Before or upon admission of a resident, a facility must notify the resident and, if applicable, the resident's legally authorized representative, of HHSC rules and the facility's policies related to restraint. In order to decrease the frequency of the use of restraint, facility staff must be aware of and adhere to the findings of the required resident assessment. A facility may adopt policies that allow less use of restraint than allowed by these rules.

Nursing Facilities

Nursing facilities must comply with restraint rules found in TAC Title 40, Chapter 19 (relating to Nursing Facility Requirements for Licensure and Medicaid Certification). Nursing facility providers may use restraints, of any kind, only with the orders of the attending physician. Residents must be informed in writing upon admission, and during their stay, of HHSC rules and the facility’s policies related to the use of restraint and involuntary seclusion. As part of orientation, and annually, each employee must receive instruction regarding restraint reduction. If restraints are used to treat a resident’s medical condition, the resident must be monitored hourly, and at a minimum, restraints must be released every two hours for a minimum of ten minutes, and the resident must be repositioned. Restraints that obstruct the resident’s airway, impair the resident’s breathing, interfere with the resident’s ability to communicate, or place the resident in a prone or supine position are prohibited. The use of restraints and their release must be documented in the clinical record.

Home and Community Support Services Agencies

Members receiving services from home health agencies, licensed as HCSSAs, have the right to be free from restraint when it is used for someone else’s convenience or is meant to force the member to do something, or to punish the member (TAC Title 1, Chapter 353, Subchapter C (relating to Member Bill of Rights and Responsibilities)).

Day Activity and Health Services

Providers of DAHS require a license issued by HHSC in accordance with TAC Title 40, Chapter 98 (relating to Day Activity and Health Services Requirements).

DAHS providers must comply with licensure and program rules found in TAC Title 40, Chapter 98, §98.61 (relating to General Requirements) and §98.62 (relating to Program Requirements). Pursuant to this section, DAHS providers must provide an individual with a written list of the individual's rights, as

outlined under the Texas Human Resource Code, Chapter 102, §102.004 (relating to List of Rights). §102.003 (relating to Rights of the Elderly) sets forth the specific rights addressed by §102.004. Under this section, individuals receiving DAHS have the right to be free from physical or chemical restraints that are administered for the purpose of discipline or convenience and are not required to treat the individual's medical symptoms. A person providing services may use physical or chemical restraints only if the use is authorized in writing by a physician or the use is necessary in an emergency to protect the individual or others from injury. A physician's written authorization for the use of restraint must specify the circumstances under which the restraint may be used and the duration for which the restraint may be used. Except in an emergency, restraint may only be administered by qualified medical personnel.

Seclusion

The state does not permit the use of seclusion as it relates to services delivered through managed long term services and supports. All allegations of improper seclusion of individuals receiving managed long term services and supports by providers licensed by HHSC are referred to HHSC for investigation.

Adult Foster Care

The use of seclusion in any licensed or unlicensed AFC is prohibited. The state applies and enforces these requirements for licensed and unlicensed adult foster care facilities under provisions in the STAR+PLUS Handbook.

Assisted Living Facilities

The use of seclusion by Type A and Type B assisted living facility providers is prohibited.

Nursing Facilities

Nursing facilities may not use involuntary seclusion on a resident. “Involuntary seclusion” is defined as the "separation of a resident from others or from the resident's room or confinement to the resident's room, against the resident's will or the will of a person who is legally authorized to act on behalf of the resident. Monitored separation from other residents is not involuntary seclusion if the separation is a therapeutic intervention that uses the least restrictive approach for the minimum amount of time, not to exceed 24 hours, until professional staff can develop a plan of care to meet the resident's needs."

Home and Community Support Services Agencies

embers receiving services from home health agencies, licensed as HCSSAs, have the right to be free from seclusion when it is for someone else’s convenience or is meant to force the member to do something, or to punish the member.

Day Activity and Health Services

Members receiving DAHS have the right to be free from seclusion when it is for someone else’s convenience or is meant to force the member to do something, or to punish the member.

Medication Management

Adult foster care providers, assisted living facilities, nursing facilities, HCSSAs, and DAHS providers must provide medication management in accordance with licensing standards. The State enforces the same requirements for unlicensed adult foster care facilities under provisions in the STAR+PLUS Handbook.

A registered nurse who supervises a medication aide or delegates medication administration must provide ongoing supervision and any necessary training to the unlicensed person. Registered nurses must follow procedures for delegation in accordance with relevant law and rule. An RN that fails to properly supervise or delegate is subject to action by the Texas Board of Nursing.

Adult Foster Care

All AFC providers must ensure that all medications are taken as prescribed and in a timely manner according to the instructions on the medication label or instructions from the resident's physician. The AFC provider may administer medications only as allowed by state law or regulation, and prescription medications must be kept in a locked container. Medications must be disposed of when the resident's medication regimen changes or when the medication is out of date. The AFC provider must ensure that a resident takes over-the-counter medications according to the package directions. Excessive use of these medications must be reported to the AFC caseworker. The AFC provider must inform the resident verbally and in writing, before or at the time of admission, of his rights and responsibilities. The State enforces the same requirements for unlicensed adult foster care facilities under provisions in the STAR+PLUS Handbook.

In addition, AFCs licensed as Type A or B ALFs, which are AFCs serving 5 or more residents and licensed prior to September 1, 2014, and AFCs with a current contract with HHSC, serving 4 or more residents and licensed after September 1, 2014, are also subject to ALF medication management rules that are specific to Type A or Type B facilities. These rules are found in TAC Title 40, Chapter 92, §92.41 (relating to Standards for Type A and Type B Assisted Living Facilities). Pursuant to these rules, medications must be administered according to physician's orders.

Residents who choose not to or who cannot self-administer their medications must have their medications administered by a person who: (i) holds a current license under state law that authorizes the licensee to administer medication; (ii) holds a current medication aide permit and functions under the direct supervision of a licensed nurse on duty or on call by the facility and that nurse authorizes the licensee to administer medication; or (iii) is an employee of the facility to whom the administration of medication has been delegated by a registered nurse, and must have been trained by the nurse to administer medications or have had the nurse verify the training of the employee. The delegation of the administration of medication is governed by TAC Title 22, Chapter 225 (relating to RN Delegation to Unlicensed Personnel and Tasks Not Requiring Delegation in Independent Living Environments for Clients with Stable and Predictable Conditions).

A resident's prescribed medication must be dispensed through a pharmacy or by the resident's treating physician or dentist. Each resident's medications must be listed on an individual resident's medication profile record. Supervision of a resident's medication regimen by facility staff may be provided to residents who are incapable of self-administering without assistance. Residents who self-administer their own medications and keep them locked in their room must be counseled at least once a month by facility staff to ascertain if the residents continue to be capable of self-administering their medications and if security of medications can continue to be maintained. The facility must keep a written record of counseling. Residents who choose to keep their medications locked in a central medication storage area may be permitted entrance or access to the area for the purpose of self-administering their own

medication. A facility staff member must remain in or at the storage area the entire time any resident is present.

Facility staff immediately must report to the resident's physician and responsible party any unusual reactions to medications or treatments. When the facility supervises or administers the medications, a written record must be kept when the resident does not receive or take his/her medications or treatments as prescribed. The facility must provide a locked area for all medications. Medications no longer being used by the resident are to be kept separate from current medications and are to be disposed of according to state law.

Assisted Living Facilities

ALF providers must comply with medication management rules found in TAC Title 40, Chapter 92, Section 92.41 (relating to Standards for Type A and Type B Assisted Living Facilities). Pursuant to these rules, medications must be administered according to a physician's orders.

Residents who choose not to or who cannot self-administer their medications must have their medications administered by a person who: i) holds a current license under state law that authorizes the licensee to administer medication; (ii) holds a current medication aide permit and functions under the direct supervision of a licensed nurse on duty or on call by the facility and that nurse authorizes the licensee to administer medication; or (iii) is an employee of the facility to whom the administration of medication has been delegated by a registered nurse, and must have been trained by the nurse to administer medications or have had the nurse verify the training of the employee. The delegation of the administration of medication is governed by TAC Title 22, Chapter 225 (relating to RN Delegation to Unlicensed Personnel and Tasks Not Requiring Delegation in Independent Living Environments for Clients with Stable and Predictable Conditions).

A resident's prescribed medication must be dispensed through a pharmacy or by the resident's treating physician or dentist. Each resident's medications must be listed on an individual resident's medication profile record. Supervision of a resident's medication regimen by facility staff may be provided to a resident who is incapable of self-administering without assistance. Residents who self-administer their own medications and keep them locked in their room must be counseled at least once a month by facility staff to ascertain if the residents continue to be capable of self-administering their medications and if security of medications can continue to be maintained. The facility must keep a written record of counseling. Residents who choose to keep their medications locked in the central medication storage area may be permitted entrance or access to the area for the purpose of self-administering their own medication. A facility staff member must remain in or at the storage area the entire time any resident is present.

Facility staff immediately report to the resident's physician and responsible party any unusual reactions to medications or treatments. When the facility supervises or administers the medications, a written record must be kept when the resident does not receive or take his/her medications or treatments as prescribed. The facility must provide a locked area for all medications. Medications no longer being used by the resident are to be kept separate from current medications and are to be disposed of according to state law. Providers are required to record any type of medication error, regardless of severity, in the resident’s clinical record.

Attachment G
HCBS Member Safeguards

Nursing Facilities

Nursing facility providers must comply with medication management rules found in TAC Title 40, Chapter 19 (relating to Nursing Facility Requirements for Licensure and Medicaid Certification). A nursing facility provider must ensure that medications are administered pursuant to the ordering physician's directions. Each resident must have an individual medication record. An individual may self-administer medications if the interdisciplinary team has determined that this practice is safe. The facility nursing staff must report medication errors and adverse reactions to the resident's physician in a timely manner, as warranted by an assessment of the resident's condition, and record them in the resident's record. Medication errors include, but are not limited to, administering the wrong medication, administering at the wrong time, administering the wrong dosage, administering by the wrong route, omitting a medication, or administering to the wrong resident.

When not in use, a medication cart must be secured in a designated area. Self-administered medications may be kept in a locked cabinet in the resident's room. When medications are self-administered, the facility remains responsible for medication security, accurate information, and medication compliance. Medications of deceased residents, medications that have passed the expiration date, and medications that have been discontinued must be securely stored and reconciled. These medications must be disposed of according to federal and state laws or rules on a quarterly basis.

Home and Community Support Services Agencies

Home health agencies licensed as HCSSAs must comply with medication management rules found in TAC Title 40, Chapter 97, §97.300 (relating to Medication Administration). A HCSSA must adopt and enforce a written policy for maintaining a current medication list and a current medication administration record. An individual's healthcare provider must order administration of medication. Each individual must have an individual medication record. An individual delivering care must report any adverse reaction to a supervisor and document this in the individual's record on the day of occurrence. If the adverse reaction occurs after regular business hours, the individual delivering care must report the adverse reaction as soon as it is disclosed. Notification must also be made in the medication administration record or clinical notes of medications not given and the reason.

Day Activity and Health Services

Day activity and health services require a license issued by HHSC in accordance with TAC Title 40, Chapter 98 (relating to Day Activity and Health Services Requirements).

DAHS providers must comply with medication management rules found in TAC Title 40, Chapter 98, §98.62 (relating to Program Requirements).

The facility nurse is responsible for obtaining physician's orders for medication and treatments to be administered, and administering medication and treatments. Individuals who choose not to or cannot self-administer their medications must have their medications administered by a person who holds a current license under state law which authorizes the licensee to administer medications. All medication prescribed to individuals must be dispensed through a pharmacy or by the individual's treating physician or dentist. Each individual's medications must be listed on his or her medication profile record.

Assistance with medication self-administration by licensed nursing staff may be provided to individuals who are incapable of self-administering without assistance. Individuals who self-administer their own

medications must be counseled at least once a month by licensed nursing staff to ascertain if the individuals continue to be capable of self-administering their medications and/or treatments. A written record of counseling must be kept by the facility.

The facility director, the activities director, or a facility nurse must immediately report to the individual's physician and responsible party any unusual reactions to medications or treatments. When the facility supervises or administers the medications, a written record must be kept when the individual does not receive or take his medications and/or treatments as prescribed. The documentation must include the date and time the dose should have been taken, and the name and strength of medication missed. The facility must provide a locked area for all medications. Medications no longer in use must be disposed of according to state law.

Attachment H
UC Payment Protocol

OVERVIEW

This Uncompensated-Care (UC) Payment Protocol is submitted pursuant to the Special Terms and Conditions (STCs) of the Texas Healthcare Transformation and Quality Improvement Program, Section 1115 Waiver Demonstration No. 11-W-00278/6. This protocol establishes the rules and guidelines for the State to claim federal matching funds for UC payments.

STC 33 provides that payments from the UC pool will be used to defray the actual uncompensated cost of medical services provided to uninsured individuals as charity care (as defined below) by hospitals, clinics, or other provider types. Expenditures for UC payments must be claimed in accordance with CMS-approved claiming protocols for each provider type as described in this Attachment H.

STC 33 further provides that the UC Payment Protocol must include precise definitions of eligible uncompensated provider charity care costs. For all provider types, the following definition applies:

> *Charity care*: Healthcare services provided without expectation of reimbursement to uninsured individuals who meet the provider's charity-care policy. The charity care policy should adhere to the charity-care principles of the Healthcare Financial Management Association. In this protocol, the term charity care also includes full or partial discounts given to individuals who meet the provider's financial assistance policy. Charity care does not include bad debt, payment shortfall(s), insurance allowances, courtesy allowances, or discounts given to patients who do not meet the provider's charity care policy or financial assistance policy.

The term "payment shortfalls" refers to government program payment shortfalls, e.g. Medicaid payments to providers.

Insurance allowances refer to the negotiated rates between insurers and providers, e.g. BCBS paying 60% of a provider's charge list for a Medicaid patient's care. CMS would not recognize for purposes of the UC pool the remaining 40% of costs not reimbursed by an insurer, as it stems from an insurance allowance. The unmet amount left over after a discounted charge to a patient who meets the provider's financial assistance policy would be acceptable.

Additional provider-specific descriptions of eligible charity-care costs may be included in Parts 1 - 4 of this protocol.

STC 33 further provides that the protocol must:

- Identify the allowable source documents to support costs;
- Include detailed instructions regarding the calculation and documentation of eligible costs; and
- Include a timetable and reconciliation of payments against actual charity-care cost and documentation.

This Payment Protocol is organized to provide the required information by provider type as follows:

Part 1: Hospitals
Part 2: Physician Practice Groups
Part 3: Government Dental Providers
Part 4: Government Ambulance Providers

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Attachment H
UC Payment Protocol

Part 5: Methodology for Ensuring Payments Are Based On Uncompensated Costs

STC 33 also requires that the protocol describe the methodology used by the state to determine UC payments to hospitals, clinics, and other providers are distributed based on uncompensated cost, without any relationship to the source of the non-federal share. This requirement is met in Part 5 of this protocol.

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Attachment H
UC Payment Protocol

Part 1: Hospitals

Hospitals that submit the UC application described below and meet other qualification criteria are eligible to receive payments from the UC Pool to help defray the unreimbursed costs incurred by the hospitals for providing the following services to individuals as charity care:

- Inpatient hospital services;
- Outpatient hospital services;
- Physician and mid-level professional direct-patient-care services; and
- Pharmacy costs related to prescription drugs provided through the Texas Vendor Drug program.

Pursuant to STC 33, providers receiving both DSH and UC payments cannot receive total payments under the UC Pool (related to inpatient and outpatient hospital services provided to charity care individuals) and DSH payments that exceed the hospital's total eligible uncompensated costs. For purposes of this requirement, "total eligible uncompensated costs" means the hospital's DSH hospital-specific limit (HSL) plus the uncompensated costs of inpatient and outpatient services provided to uninsured charity-care patients not included in the HSL for the corresponding program year. Therefore, before calculating interim UC payment amounts for a hospital in this group, HHSC will first calculate the DSH HSL and the amount of DSH payments the hospital is expected to receive for the program year. The hospital's UC payment associated with costs that are included in the DSH HSL calculation cannot exceed the remaining DSH HSL after the DSH payments have been calculated. Costs and payments attributable to physician and mid-level professional services, pharmacy, and clinic services are not included for purposes of calculating total eligible uncompensated costs in this context.

Additionally, for institutions of mental diseases (IMDs), expenditures for services to patients in an institution for mental diseases (IMD) who are under age 65, except inpatient psychiatric hospital services to individuals under age 21, while allowable for purposes of the DSH HSL calculation, are not allowable costs for reimbursement from the UC Pool. Therefore, for IMDs participating in both DSH and UC, the UC payment associated with costs in the DSH HSL cannot exceed the lesser of the IMD's cost for providing services to the age-restricted population and the remaining DSH HSL after the DSH payments have been calculated.

Instructions regarding the calculation and documentation of these eligible costs are included in the description below of the Texas Hospital Uncompensated Care Application (TXHUC).

The costs and other data included in the UC application should be representative of the fiscal period from October 1 through September 30 two years before the demonstration year for which payments are being calculated. The UC application should be submitted to the Texas Health and Human Services Commission (HHSC) by the deadline specified by HHSC. For hospitals, the source for these costs and other data will be the hospital's Medicare cost report that ends in the calendar year two years prior to the demonstration year for which UC payments are being determined, except that non-public hospitals required to make a mandatory payment (i.e., a provider tax or provider fee) to a local governmental entity may report on the UC application the amount of such payments that are proportionate to the hospital's charity care services, whether such payment is included in the cost report or not. The application provides instructions for determining the amount of such cost that may be claimed as charity care. It should be noted that when HHSC completes the reconciliation process described in this protocol, HHSC will utilize the hospital's actual data reported on the reconciliation surveys and best available cost reports to ensure that the hospital's payments did not exceed its eligible costs.

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Attachment H
UC Payment Protocol

All costs and other data reported in the UC Application are subject to the Medicare regulations and Program instructions. The entity submitting the UC Application must maintain adequate supporting documentation for all information included in the UC Application in accordance with the Medicare program's data retention policies. The entity must submit the supporting documentation upon request from HHSC.

Texas Hospital Uncompensated Care Tool (TXHUC)

The TXHUC comprises a certification page, five primary schedules (a Summary Schedule and Schedules 1, 2, 3 & 4) and various other supporting schedules. Schedules 1, 2 and 3 determine the hospital's unreimbursed costs for services provided to patients related to physician and/or mid-level professional direct patient care costs, pharmacy costs, and allowable hospital costs for the UC programs. Schedule 4 identifies allowable hospital costs for DSH payments. The supporting schedules are the schedules hospitals are required to submit to HHSC when applying for the Medicaid DSH program and also to report allowable charity charges for UC payments. Each of these schedules along with instructions for the completion of the schedule is detailed below.

Certification

The certification page must be signed and dated by an officer or administrator of the provider. An officer is defined as a member of the provider's senior management such as the chief executive officer, chief financial officer, chief operating officer, etc. The certification must contain an original signature and not a copy or electronic signature. If the TXHUC is an initial submission, it should be so indicated in the appropriate box on the certification page.

Upon the termination of the 1115 Waiver, providers will be required to submit actual cost data in the prescribed format of the TXHUC for a minimum of two years for purposes of reconciling the UC Pool payments for the last two years of the Waiver with the provider's actual costs incurred for those fiscal periods

Summary Schedule

Column 1 - Summarizes the charity costs determined on Schedules 1, 2 & 3. These amounts will flow automatically from the respective schedules and no input is required.

Column 2 – The distribution of the Uncompensated Care Pool ("UC Pool") will be based on the charity costs incurred two years prior to the demonstration year. For example, distribution for the fiscal period 10/1/2019 - 9/30/2020 will be based on costs that are representative of the period from 10/1/2017 – 9/30/2018 as computed on Schedules 1, 2 & 3. If the provider knows these costs are not representative of their actual costs due to changes in their contractual arrangements or other operational or economic issues, the provider can enter adjustments to these costs in this column. The provider is required to maintain supporting documentation to support their adjustment amount and make this information available upon request from HHSC and/or CMS.

Column 3 – Represents the net charity costs after any adjustments and is determined by summing the amounts in Columns 1 & 2. The net cost amount will be utilized to determine the provider's distribution from the UC Pool.

Schedule 1

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Attachment H
UC Payment Protocol

The schedule computes the costs related to direct patient care services provided by physicians and mid-level professionals to patients qualifying for charity care. To be included in the schedule, these costs must be recorded on the hospital's accounting records and reported on the hospital's Medicare cost report, Worksheet A, Columns 1 and/or 2.

Unless otherwise instructed, the source for these costs and other data will be the hospital's Medicare cost report for the period that ends in the calendar year two years prior to the demonstration year for which UC payments are being determined.

Column 1 - The direct patient care physician and/or mid-level professional costs are identified from the Medicare cost report. These professional costs are:

(1) Limited to allowable and auditable physician and/or mid-level professional compensations that has been incurred by the hospital;
(2) Physician's services to individual patients identified as professional component costs on Worksheet A-8-2, Column 4 of the cost report(s);
(3) Or, for contracted physicians and/or mid-level professionals only, Worksheet A-8, if the physician and/or mid-level professional compensation cost is not reported by the hospital on Worksheet A-8-2 because the physicians are contracted solely for direct patient care activities (i.e., no administrative, teaching, research, or any other provider component or non-patient care activities); and
(4) Removed from hospital costs on Worksheet A-8 / A-8-2

If the professional physicians' costs on Worksheet A-8-2, Column 4 include Medicare Part A costs (e.g. departmental administration, hospital committee activities, etc.) that were reported as professional component due to lack of a physicians' time study(s) to allocate the costs between professional and provider component and/or application of the Reasonable Compensation Equivalents (RCE) , these costs must be excluded from the physicians' costs related to direct patient care professional services and cannot be included for UC reimbursement purposes unless the following conditions are met:

(1) The costs must be allocated between direct patient care (Medicare Part B) and reimbursable Medicare Part A activities. The costs associated with Medicare Part A activities must be subjected to the Medicare RCEs.
(2) For a physician the hospital can elect to apply the RCE limit on an individual physician basis or in the aggregate.
(3) The hospital must allocate the physicians' costs based on the physicians' time study and apply the applicable RCE limits to the Medicare Part A non-teaching physicians' costs. The hospital must maintain auditable documentation of the determination of the allowable Part A non-teaching physician costs.
(4) The hospital is expected to obtain adequate and auditable time studies from each physician and time proxies from each mid-level professional employed by the hospital providing Medicare Part A services to the hospital for the proper application of the RCEs via the Medicare 2552 cost report. The physician and/or mid-level professional time study and time proxy forms to be used are located on the Texas Health and Human Services Commission website. Time studies should be completed for a two (2) week period once per quarter during the fiscal year. Ideally, the time study period will not be the same two weeks in any two given quarters. Medicare Part A physician and/or mid-level professional costs are not allowed to be included in the UC tool for cost reporting periods. In instances where a physician or mid-level

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professional is able to provide a contract that scopes out the specific direct patient care being provided and that contains the same information provided by a time study or time proxy, that contract may be used for payment and reconciliation purposes. The time proxy must be signed by each midlevel professional employed by the hospital and the supervisor for cost reporting periods beginning on or after 10-1-2012.

Physician Part A costs cannot be included in Column 1. The physicians' costs should be reported in the cost center in which the expenses were reported on Worksheet A, Column 3 of the Medicare cost report.

Hospital costs for mid-level professional practitioner services that have been identified and removed from hospital costs on the Medicare cost report are to be included. Typically these costs comprise salaries and direct fringe benefits (payroll taxes, vacation and sick pay, health and life insurance, etc.), contract fees and professional liability insurance. The mid-level professional practitioner types to be included are:

(1) Certified Registered Nurse Anesthetists
(2) Nurse Practitioners
(3) Physician Assistants
(4) Dentists
(5) Certified Nurse Midwives
(6) Clinical Social Workers
(7) Clinical Psychologists
(8) Optometrists

To the extent these mid-level practitioners' professional compensation costs are not included in Worksheet A-8-2, Column 4, but are instead removed from hospital costs through an A-8 adjustment on the Medicare cost report, these costs may be recognized if the mid-level professional practitioners are Medicaid-qualified practitioners for whom the services are billable under Medicare separate from hospital services.

If the physician and/or mid-level practitioner costs are reported in a non-reimbursable cost center on the hospital's Medicare cost report, Worksheet A, these costs can be included in Column 1. The costs to be included would be the costs from Worksheet B Part I, the last column for the applicable line(s).

Hospitals may include physician and/or mid-level professional support staff compensation, data processing, and patient accounting costs as physician and/or mid-level professional-related costs to the extent that:

(1) These costs are removed from hospital inpatient and outpatient costs because they have been specifically identified as costs related to physician and/or mid-level professional services;
(2) They are directly identified on W/S A-8 as adjustments to hospital costs;
(3) They are otherwise allowable and auditable provider costs; and
(4) They are further adjusted for any non-patient-care activities such as research based on the physician and/or mid-level professional time studies.
(5) They are directly identified in a non-reimbursable cost center on the hospital's Medicare cost report, Worksheet A.
(6) For cost reporting periods beginning on or after 10-1-2013, physician and mid-level direct patient care costs incurred by the hospital that have been reported and removed from the hospital-based RHC cost center in the hospital's cost report

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through an adjustment in worksheets A-8 or A-8-2 (column 4) are allowable in Schedule 1 of the application. Hospitals must provide adequate support documentation such as time studies for physicians and time proxies at a minimum for mid-level professionals to ensure only direct patient care is included in schedule 1. A copy of the contract between the hospital and physician(s) that includes a scope of service, remuneration, and term is required as the minimum supporting documentation for contracted physicians and/or mid-level professionals. Providers must also report all related revenues received for these costs. If the hospital does not report revenues on schedule 1 for these costs, adequate documentation from the provider to support how these services are billed for each payor group will be required or these costs will be disallowed.

If these costs are removed as A-8 adjustments to the hospital's general service cost centers, these costs should be reported on the General Services line (line 1) in Column 1.

If the hospital has costs for physicians and one or more types of mid-level professionals for a given cost center, the costs can be combined and the total reported in Column 1 provided the same allocation statistic will be utilized to apportion the costs to charity. If the hospital elects to utilize different allocation statistics to apportion the physician and/or any type of mid-level professional costs for a given cost center the cost center can be subscripted.

Column 1a – The recommended apportionment statistic for physician and/or mid-level professional costs is total billed professional charges by cost center. If a hospital does not maintain professional charges by payer type separately in its patient accounting system, then the professional costs can be apportioned based on total billed hospital departmental charges. Total billed hospital departmental charges by cost center are identified from the hospital's applicable Medicare cost report(s).

If professional charges related to the physician and/or mid-level professional services whose costs are reported in Column 1are utilized as the apportionment statistic, the professional charges must be from the same corresponding time period as the costs. The hospital must maintain adequate and auditable documentation to support the statistics reported in Column 1a.

If the hospital reports costs on the General Services line (Line 1) in Column 1, the recommended allocation statistic reported in Column 1a would be the aggregate total departmental charges (professional or hospital department, based on the apportionment statistic for the specific cost centers) for all cost centers.

Column 1b – The allocation basis the hospital elects to utilize to apportion the costs from Column 1 should be identified for each cost center. The approved allocation bases are total departmental professional charges if available. Otherwise departmental hospital charges may be utilized.

Column 2 - A cost to charge ratio (CCR) for each cost center is calculated by dividing the total costs for each cost center reported in Column 1 by the total allocation statistic for each cost center reported in Column 1a. If additional lines are added to Schedule 1, it will be necessary to copy the formula used to compute the CCR for the additional line(s). The CCR is carried out to six (6) decimal places.

Columns 2a & 2b - The applicable allocation statistics related to the physician and/or mid-level professional services provided to charity care patients are reported in Columns 2a and 2b based on the hospital's elected allocation basis reported in Column 1b. The allocation statistics applicable to charity care inpatient services are reported in Column 2a and allocation statistics applicable to charity care

outpatient services are reported in Column 2b. The charity care inpatient and outpatient statistics should be from the hospital's internal records and for the same fiscal period as the costs reported in Column 1 and total allocation statistics reported in Column 1a.

Columns 2c & 2d – The charity care inpatient and outpatient physician and/or mid-level professional costs are computed based on the CCR reported in Column 2 multiplied by the charity care inpatient and outpatient allocation statistics reported in Columns 2a and 2b, respectively. If additional lines are added to Schedule 1, it will be necessary to copy the formula used to compute the charity care inpatient and outpatient costs for the additional line(s).

All revenue received by the hospital related to physician and/or mid-level professional services provided inpatients and outpatients covered by charity care should be reported on Line 102 of the respective Columns 2c & 2d. The revenue will be subtracted from the respective costs to determine the net costs to be included in the hospital's UC Application.

Schedule 2

The schedule computes the pharmacy costs related to prescription drugs provided by hospitals participating in the Texas Vendor Drug program. These pharmacy costs are not related to services provided by the hospital's retail pharmacy or billed to a third party payer under revenue code 253. If the pharmacy costs were included in the hospital's Texas Medicaid DSH Application, they should not be included in the TXHUC application. If the pharmacy costs were included in the hospital's interim and/or final Hospital Specific Limit (HSL), they should not be included in Schedule 2 of the TXHUC application. Pharmacy costs should be related to drugs provided under either the hospital charity policy or the hospital pharmacy charity policy.

Column 1 - The total costs for the cost center that contains the drug costs related to the prescription drugs provided under the Texas Vendor Drug program are reported in Column 1, Line 1. These costs are from the hospital Medicare cost report(s) Worksheet B, Part I, last column for the applicable cost center.

Column 1a – The total hospital departmental charges for the cost center that contains the drug charges related to the prescription drugs provided under the Texas Vendor Drug program are reported in Column 1a, Line 1. These charges are from the hospital Medicare cost report(s) Worksheet C, Part I, Column 8 for the applicable cost center.

Column 1b – The allocation basis is hospital departmental charges. If the hospital wants to utilize an alternative allocation basis, they must submit a written request to Texas HHSC that identifies the alternative allocation basis and an explanation as to why the alternative allocation basis results in a more equitable apportionment of the pharmacy costs. HHSC will provide a written response to the hospital's request within 60 days of receiving the request and their decision is final.

Column 2 – The Cost-to-Charge ratio is computed by dividing the costs reported in Column 1 by the allocation statistic reported in Column 2. The CCR is carried out to six (6) decimal places.

Column 3a - The charges related to the prescription drugs provided to charity care patients under the Texas Vendor Drug program are reported in Column 3a, Line 1. These charges are obtained from the hospital's internal records. These charges should be for services provided during the period from October 1 through September 30 two years prior to the demonstration year for which UC payments are being

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determined. The hospital must maintain the supporting documentation and submit it to HHSC upon request.

Column 3b – The costs related to the prescription drugs provided to Uninsured patients under the Texas Vendor Drug program are computed by multiplying the charges reported in Column 3a by the CCR computed in Column 2.

Line 2 - All revenue received by the hospital related to prescription drug services provided to charity care patients should be reported on Line 2 of the Columns 3b. This includes any rebates received from the Texas Vendor Drug program. The revenue will be subtracted from the cost to determine the net cost to be included in the hospital's UC Application.

Schedules 3 and 4

Schedule 3 determines the hospital charity care costs for the UC program for the applicable fiscal year (10/1/20XX – 9/30/20YY). HHSC will employ the same methodology used to compute the hospital-specific limit for the determination of the DSH Pool payments except that only charity care charges will be used to determine charity care costs for computing payments under UC. In addition, the Medicaid coverage limitations under Section 1905(a) of the Act, which exclude coverage for patients in an IMD who are under age 65, except for coverage of inpatient psychiatric hospital services for individuals under age 21, are applicable.

Hospitals must complete the Cost Report Collection Form worksheets in the TXHUC application to allow HHSC to compute their HSL. The source of charity charges for the calculation of allowable costs will be CMS 2552 Worksheet S-10 line 20 column 1 as reported on the Hospital Data 2 tab. Hospitals will be asked to report their associated charity care days that will be used to calculate per diem costs for charity care. Offsetting revenue for these costs will be obtained from CMS 2552 Worksheet S-10 line 22 column 1Non-S-10 hospitals will report their charity charges and charity care days on the Hospital Data 2 tab in accordance with the reporting requirements of the CMS 2552-10 S-10 instructions but will need to provide supporting schedules, including charity care days to HHSC.

Schedule 4 determines the hospital's Medicaid DSH costs (Medicaid shortfall and uninsured costs) and the Hospital-Specific Limit (HSL).

<u>Reconciliation of UC Payments to Hospitals</u>

As explained elsewhere in this protocol, UC payments to hospitals are determined utilizing the TXHUC, which is based on data for services furnished during the period two years before the demonstration year. In compliance with STC 33, HHSC reconciles the UC payments made in prior demonstration years to ensure that a hospital's payments did not exceed its actual eligible uncompensated costs incurred during that demonstration year. Payments in excess of actual eligible uncompensated costs are considered an overpayment to the hospital and will be recouped within one (1) year of the identified overpayment.

The reconciliation process utilizes a reconciliation survey that employs the same cost claiming methodology as the TXHUC to calculate uncompensated care costs (but which may have a format that is configured to interface with contractors' information technology systems), and the best available cost report or reports covering the demonstration year. If the hospital's cost report period does not coincide with the demonstration year being reconciled, it will be necessary to pro rate the data from the two cost

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report periods that cover the demonstration year. HHSC will perform reconciliations for payments made during each year of the waiver.

At the beginning of the reconciliation process for each demonstration year, HHSC or its designee will notify each hospital that is subject to the reconciliation and will provide the hospital with a survey of costs and payments that is similar to the TXHUC described elsewhere in this protocol. The hospital is required to complete the reconciliation survey and cooperate with HHSC or its designee to complete the reconciliation. If a hospital fails to provide required information, HHSC will recoup any UC payment that is unsupported by the available data, up to the full amount of the UC payment made to the hospital during the demonstration year for which payments are being reconciled.

As part of the reconciliation process, HHSC or its designee will ensure that providers that received both DSH and UC payments in the period being reconciled did not receive total payments under the UC Pool (related to inpatient and outpatient hospital services provided to uninsured individuals as charity care) and under the DSH program that exceed the hospital's total actual eligible uncompensated costs for the demonstration year. For purposes of this requirement, "total eligible uncompensated costs" means the hospital's DSH hospital-specific limit (HSL) plus the uncompensated costs of non-covered inpatient and outpatient services provided to uninsured charity-care patients. UC payments attributable to physician and mid-level professional costs, pharmacy, and clinic costs are not considered inpatient or outpatient Medicaid payments for purposes of calculating total eligible uncompensated costs.

Before reconciling UC payments for hospitals that also participated in DSH, HHSC or its designee will calculate the final DSH HSL less the amount of DSH payments the hospital received in the same period. The hospital's UC payment associated with costs that are included in the DSH HSL calculation cannot exceed the remaining DSH HSL after the DSH payments have been calculated. In the event the UC payments related to costs in the DSH HSL and the DSH payments exceed the DSH HSL, the excess UC payment amount will be considered an overpayment and recouped. Costs and payments attributable to physician and mid-level professional services, pharmacy, and clinic services are not included for purposes of calculating total eligible uncompensated costs in this context.

Additionally, for IMDs that received payments in both DSH and UC, HHSC or its designee will calculate the total eligible uncompensated costs for services provided to the age-restricted population (under 21 and over 64). If the UC payments to the IMD exceed the lesser of the IMD's cost for providing services to the age-restricted population and the remaining DSH HSL after DSH payments, the excess UC payment amount will be considered an overpayment and recouped.

If, at the end of the reconciliation process, it is determined that a provider received an overpayment for any reason, the amount of the overpayment will be recouped from the provider and may be redistributed to hospitals that have UC room (in proportion to the amount of each hospital's UC room) or, alternatively, the federal share of the overpayment will be properly credited to the federal government through an adjustment shown on the CMS-64.

The reconciliation schedule is described in the section titled "Section 1115 Waiver UC Program Reconciliation Schedule" below.

Part 2: Physician Practice Groups

Texas Physician Uncompensated Care Application (TXPUC)

The purpose of the TXPUC is to determine the physician professional costs related to services provided to charity care patients by physician organizations that may be reimbursable from the Uncompensated Care pool. Only professional organizations that previously participated in the Texas Medicaid Physician UPL ("Physician UPL") program or their successor organizations are eligible to submit a TXPUC and receive a distribution from the UC Pool. Under the Physician UPL, supplemental payments were made only for physician services performed by doctors of medicine and osteopathy licensed in Texas; furthermore, to remain eligible, all professionals, as defined below, must have a developed charity care policy that does not include bad debt, payment shortfall(s), insurance allowances, courtesy allowances, or discounts given to patients who do not meet the provider's charity care policy or financial assistance policy. Failure to have a written charity care policy will result in being ineligible for any UC payment.

All costs (direct and indirect) incurred by the physician organization related to services provided by mid-level professionals may also be reported on the physician organization's UC application.

For purposes of the TXPUC Application, a mid-level professional is defined as:

- Certified Registered Nurse Anesthetist (CRNA)
- Nurse Practitioner
- Physician Assistant
- Dentist
- Certified Nurse Midwife
- Clinical Social Worker
- Clinical Psychologist
- Optometrist

The TXPUC is based on established physician and/or mid-level cost finding methodologies developed by the Medicare program over the past 40 years. The schedules that follow use the same or similar methodology and worksheet identification process used by the Medicare hospital cost report.

For all the worksheets in the TXPUC, the cells requiring input are highlighted in green. All line numbers and descriptions are linked to Worksheet A. If lines are inserted, they must be inserted on all worksheets and in the same location.

The costs to be reported in the TXPUC are limited to identifiable and auditable compensation costs that have been incurred by the physician organization for services furnished by physicians and/or mid-level professionals in all applicable sites of service, including services provided in a hospital setting and non-hospital physician office sites for which the professional organization bills for and collects payment for the direct patient care services.

The basis for the total physicians' and/or mid-level professionals' compensation costs incurred by the professional organization will be the organization's general ledger. The costs should be representative of the services provided during the period from October 1 through September 30 two years prior to the demonstration year for which UC payments are being determined.

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Total costs, reported by cost centers/departments, are then allocated between clinical and non-clinical activities using a CMS-approved time-study. The physician and/or mid-level professional time study forms to be used are located on the Texas Health and Human Service Commission website. Time studies should be completed for a two (2) week period once per quarter during the fiscal year. Ideally, the time study period will not be the same two weeks in any 2 given quarters. The physician organization must utilize the CMS-approved time study to allocate physician and/or mid-level professional compensation costs between clinical and non-clinical activities. The result of the CMS-approved time study is the physicians' and mid-level professionals' compensation costs pertaining only to clinical, patient care activities. The physicians' and mid-level professionals' compensation costs are reduced by National Institute of Health (NIH) grants to the extent the research activities component is not removed via physician time studies.

The physician clinical and/or mid-level professional costs are subject to further adjustments and offsets, including any necessary adjustment to bring the costs in line with Medicare cost principles. There will be an offset of revenues received for services furnished to non-patients and other applicable non-patient care revenues that were not previously offset or accounted for by the application of the CMS-approved time study.

The above physicians' and/or mid-level professionals' compensation costs must not be duplicative of any costs claimed on a hospital's TXHUC.

Additional costs that can be recognized as professional direct costs are costs for non-capitalized medical supplies and equipment (as defined in the instructions for Worksheet A, Column 3 below) used in the furnishing of direct patient care.

Overhead costs will be recognized through the application of a rate for indirect costs to be determined by the actual costs incurred by the physician organization for the applicable reporting period(s) included in the UC application. The determination of the facility-specific indirect rate is defined in the instructions for Worksheet A, Column 8 below. Other than the direct costs defined above and the application of an approved indirect rate, no other costs are allowed.

Total billed professional charges by cost center related to physician and/or mid-level professional services are identified from provider records.

The total professional charges for each cost center related to Medicaid fee-for-service (FFS), Medicaid managed care (HMO), and charity care physician and/or mid-level professional services, billed directly by the professional organization, are identified using auditable financial records. Professional charges related to services provided to out-of-State Medicaid FFS and HMO patients should be included in the Medicaid charges reported on the TXPUC. The professional organization must map the claims to the respective cost centers using information from their billing systems. Each charge must be mapped to only one cost center to prevent duplicate mapping and claiming. These charges must be associated with services furnished during the period covered by the TXPUC (the period from October 1 through September 30 two years prior to the demonstration year for which UC payments are being determined). The professional organization must prepare a worksheet that identifies professional charges related to physician and/or mid-level professional services provided to patients covered by Medicaid FFS, Medicaid HMO, uninsured and all other payers for each cost center to be used to report the total charges on Worksheet B and the Program charges on Worksheet D. The worksheet total charges must be reconciled to the total charges per the professional organization's general ledger and/or financial statements for the applicable fiscal period(s).

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Attachment H
UC Payment Protocol

Professional organizations are expected to obtain a time study from each physician and/or mid-level professional to be used in the allocation of the physicians' and/or mid-level professionals' compensation costs to direct patient care services and other activities. The physician and/or mid-level professional time study forms to be used are located on the Texas Health and Human Services website. Time studies should be completed for a two (2) week period once per quarter during the fiscal year. Ideally, the time study period will not be the same two weeks in any two given quarters.

If a professional organization incurs costs for services provided by another entity under a contractual arrangement, those costs can be included. The professional organization would be required to offset the revenue received on its UC Application to eliminate any duplicate payment for the costs related to these services.

Certification

The certification page must be signed and dated by an officer or administrator of the provider. An officer is defined as a member of the entity's senior management such as the chief executive officer, chief financial officer, chief operating officer, etc. The certification must contain an original signature and not a copy or electronic signature.

Upon the termination of the 1115 Waiver, entities will be required to submit actual cost data in the prescribed format of the TXPUC for a minimum of two years for purposes of reconciling the UC Pool payments for the last two years of the Waiver with the provider's actual charity costs incurred for those fiscal periods

Summary Schedule

Column 1 - Summarizes the charity costs determined on the applicable columns from Worksheet D. These amounts will flow automatically from the respective columns and no input is required.

Column 2 – The distribution of the Uncompensated Care Pool ("UC Pool") for a specific demonstration year will be based on the costs for the period from October 1 through September 30 two years prior to the demonstration year as computed on Worksheet D. If the entity knows these costs are not representative of their actual costs for the demonstration year, due to changes in their contractual arrangements or other operational or economic issues, the entity can make an adjustment to these costs. The entity is required to maintain supporting documentation to support their adjustment amount and make this information available upon request from HHSC and/or CMS.

Column 3 – Represents the net charity costs after any adjustments and is determined by summing the amounts in Columns 1 & 2. The net cost amount will be utilized to determine the entity's distribution from the UC Pool.

Worksheet A

This worksheet is a summary of the allowable direct patient care costs for physicians and mid-level professionals. The worksheet is segregated into 3 sections. Lines 1 – 29 contain the costs for physicians and mid-level professionals for patient care services provided in a hospital-based setting. Lines 31 – 55 contain the costs for physicians and mid-level professionals for patient care services provided in a non-hospital-based setting. Lines 56 – 79 contain costs for physicians and mid-level professionals for patient care services provided in settings other than those identified in Sections 1 and 2.

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Cost center descriptions are input on this worksheet and will flow to the other worksheets. If lines are added to this worksheet to accommodate the professional organization's unique cost centers, similar lines will need to be added to the other worksheets.

The professional organization's name, provider number, reporting period and indirect cost rate should be input on this worksheet and will flow to the other worksheets.

Column 1 – Physicians' costs determined on Worksheet A-1 will flow to this column.

Column 2 – Mid-level professionals' costs identified A-2 should be mapped to the respective cost centers on Worksheet A.

Column 3 – Non-capital equipment and supplies costs related to direct patient care are input in this column. Non-capital equipment would be items such as the purchase of reusable surgical trays, scalpels or other medical equipment whose costs are expensed upon acquisition since they are below the organization's threshold for capitalization. Supplies would be items such as disposable supplies utilized during the treatment of patients (sutures, gauze pads, tape, bandages, needles and syringes, splints, etc.). The source for these costs is the professional organization's accounting records. The source for these costs must be maintained by the professional organization and submitted to HHSC or CMS upon request.

Column 4 – This column is the sum of Columns 1, 2 and 3. If line(s) have been added to the worksheet, it will be necessary to copy the formula in this column from an existing line to the line(s) that were added.

Column 5 – Any reclassification of costs reported on Worksheet A-6 will flow to this column.

Column 6 – This column is the sum of Columns 4 and 5. If line(s) have been added to the worksheet, it will be necessary to copy the formula in this column from an existing line to the line(s) that were added.

Column 7 - Any adjustments of costs reported on Worksheet A-8 will flow to this column. For example, revenue received for National Institute of Health (NIH) grants, to the extent the research activities component is not removed via physician and/or mid-level professional time studies should be reported on this Worksheet.

Column 8 – The indirect costs in this column are computed based on the costs reported in Column 6 multiplied by the indirect cost rate for the professional organization. The indirect cost rate will be determined based on the professional organization's actual indirect costs to its total direct costs (allowable and nonallowable) for the applicable reporting period(s) covered by the UC application. The professional organization's costs per its general ledger for the applicable fiscal period(s) should be used to identify the allowable direct and indirect costs to be used to compute the indirect cost rate. The indirect cost rate should be rounded to two (2) decimal places (e.g. 22.58%). The professional organization must submit its calculation of its indirect cost rate with its UC application.

Allowable indirect costs are defined as costs incurred by the professional organization in support of the physicians' and mid-level professionals' direct patient care services, regardless of the location where these services are performed. Medicare cost finding principles should be used to determine allowable indirect costs. Allowable indirect costs would include, but are not limited to, nurse staff and other support personnel salaries and fringe benefits involved in direct patient care, billing and administrative personnel salaries and fringe benefits related to direct patient care, space costs (building and equipment depreciation or lease, interest, utilities, maintenance, etc.) related to the space utilized to provide care to patients.

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Nonallowable indirect costs would include but are not limited to; advertising for the purpose of increasing patient utilization, bad debts related to accounts receivable, gain or loss on the sale of depreciable assets, fines or penalties imposed by local, state or federal government or their agencies. Any fringe benefits cost related to the physicians' and mid-level professionals' compensation costs should be included in Columns 1 and/or 2 of Worksheet A should not be included in the allowable indirect costs. The non-capital equipment and supply costs reported in Column 3 of Worksheet A above should also be excluded from allowable indirect costs.

Total costs would be determined based on the professional organization's total expenses per its general ledger. The following is an illustrative example of the calculation of an indirect cost rate for a professional organization.

UC application reporting period	**10/1/2009 - 9/30/2010**	
Fiscal year end of professional organization	12/31/2009	12/31/2010
Total expenses per the general ledger	25,000,000	28,600,800
Bad Debts	(800,000)	(923,000)
Loss on sale of depreciable assets	(200,000)	(123,000)
N/A Advertising Expenses	(111,000)	(133,000)
Physician and mid-level professional compensation (from Col. 1)	(11,500,700)	(13,600,200)
Non capital equipment and supplies (from Col. 3)	(765,000)	(842,000)
Allowable Direct Expenses	(12,265,700)	(14,442,200)
Allowable indirect costs	11,623,300	12,979,600
Total direct costs	13,376,700	15,621,200
Indirect cost ratio	86.89%	83.09%
Weighted indirect cost ratio	21.72%	62.32%
Allowable indirect cost ratio		84.04%

Column 9 – This column is the total physicians' and mid-level professionals' costs that flow to Worksheet B, Column 1. It is the sum of Columns 6, 7 and 8. If line(s) have been added to the worksheet, it will be necessary to copy the formula in this column from an existing line to the line(s) that were added.

Worksheet A-6

This reclassification worksheet is similar to the Worksheet A-6 in the Hospital 2552 Medicare cost report. It allows for the reclassification of costs between cost centers reported on Worksheet A. Any reclassifications reported on this worksheet will need to be input on Worksheet A, Column 5 in the applicable line.

Worksheet A-8

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This adjustments worksheet is similar to the Worksheet A-8 in the Hospital 2552 Medicare cost report. It allows for any required adjustment(s) to the costs reported on Worksheet A (e.g. NIH grant revenue if research costs are not identified via the time studies). All payments received for services provided to another entity's patients should be offset against the applicable costs. All payments received from another entity to subsidize the care provided to a patient who was referred by the entity should be offset against the applicable costs. Any adjustments reported on this worksheet will need to be input on Worksheet A, Column 7 in the applicable line.

Worksheet B

The worksheet calculates the cost-to-charge ratio (CCR) to be utilized in apportioning the physicians' and/or mid-level professionals' compensation costs for services provided to Medicaid and Uninsured patients that is the basis for the determination of the professional organization's distribution from the UC Physician Pool. The CCR is carried out to six (6) decimal places.

Column 1 – The net physicians' and mid-level professionals' costs from Worksheet A, Column 8 will flow to this column.

Column 2 – The physicians' and/or mid-level professionals' total billed charges are reported in this column. As an alternative, the professional organization can use the number of visits as the allocation basis to apportion the costs. If the professional organization does elect to utilize patient visits to apportion the costs, the allocation basis reported at the top of this column should be changed from Total Billed Charges to Patient Visits. For either allocation basis, the source for this data will be the professional organization's internal records and will be representative of costs incurred in the period October 1 to September 30 two years prior to the demonstration year for which UC payments are being determined.

For purposes of the UC Application, a visit is defined as a face-to-face encounter between a patient and a physician and/or mid-level professional. Multiple encounters with the same physician and/or mid-level professional that take place on the same day and at a single location for the same diagnosis constitute a single visit. More than one visit may be counted on the same day (which may be at a different location) in either of the following situations:

a) When the patient, after the first visit, suffers illness or injury requiring another diagnosis or treatment, two visits may be counted.
b) When the patient is seen by a dentist and sees a physician and/or mid-level professional, two visits may be counted.

Column 3 – The CCR is computed by dividing the costs reported in Column 1 of this worksheet by the total allocation basis reported in Column 2 of this worksheet. The CCR is carried out to six (6) decimal places.

Worksheet D

This worksheet computes the physicians' and/or mid-level professionals' costs for services provided to Medicaid FFS, Medicaid HMO and Uninsured patients. It utilizes the CCR determined on Worksheet B, Column 3 and the charges for physician and/or mid-level professional services. The source for the Medicaid FFS, Medicaid HMO and Uninsured data are the professional organization's internal records and will be representative of costs incurred in the period October 1 to September 30 two years prior to the demonstration year for which UC payments are being determined. The allocation basis reported on Worksheet B Column 2 must be the same as the apportionment basis reported on Worksheet D, Columns

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2 – 3. If the professional organization elects to utilize patient visits to apportion the costs rather than billed charges, the apportionment basis at the top of Columns 2 – 3 should be changed from Billed Charges to Patient Visits.

Column 1 – The CCR from Worksheet B, Column 3 flows to this column.

Columns 2 – 3 – The physicians' and mid-level professionals' costs for inpatient and outpatient services provided to uninsured charity care patients are computed by multiplying the CCR reported in Column 1 multiplied by the apportionment statistics reported in Columns 2 – 3 for the respective columns.

The total costs for each column are determined at the bottom of the worksheet. All revenues received from any source related to the physician and/or mid-level professional services provided to uninsured charity care patients should be reported on the Less Payments line at the bottom of the worksheet in the respective column.

The Net Unreimbursed Cost for Columns 4 and 5 flows to the Cost Summary worksheet of the TXPUC tool. This cost will be utilized to determine the professional organization's distribution from the UC Physician Pool.

Reconciliation of UC Payments to Professional Organizations

As explained above, the professional organization's UC payments are determined using the TXPUC that captures data for the fiscal period October 1 through September 30 two years before the demonstration year. In compliance with STC 33, HHSC reconciles the UC payments made in prior demonstration years to ensure that the professional organization's payments did not exceed its actual eligible uncompensated costs incurred during that demonstration year. Payments in excess of actual eligible uncompensated costs are considered an overpayment to the hospital and will be recouped.

The UC payments are reconciled using data on the professional organization's TXPUC for the demonstration year two years after the year the payments were made. Once the TXPUC for the expenditure year has been finalized by the State, a reconciliation of the finalized costs to all UC payments made for the same period will be performed.

If, at the end of the reconciliation process, it is determined that a professional organization received an overpayment, the amount of the overpayment will be recouped from the provider and may be redistributed to professional organizations that were determined to be underpaid (in proportion to the amount of each professional organization's underpayment) or the federal portion of the overpayment will be properly credited to the federal government through an adjustment shown on the CMS-64.

The timelines for the submission of reconciliations are detailed in the "Section 1115 Waiver UCC Program Reconciliation Schedule" below.

Section 1115 Waiver UC Program Reconciliation Schedule

HHSC will complete the reconciliation process for hospitals and professional organizations no later than December 31 of the calendar year that is three years after the demonstration year. For example, for DY 9 (October 1, 2019, to September 30, 2020) the reconciliation process should be completed by December 31, 2023. (This is the same timeline required by CMS for completion of the federally-required DSH

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audit.) HHSC will comply with federal requirements for completing the process of recouping and redistributing the overpaid amounts or crediting the federal share through an adjustment on the CMS 64.

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Attachment H
UC Payment Protocol

Part 3: Government Dental Providers

General:

Governmentally owned dental providers are eligible to participate in the supplemental payment program if they are directly funded by a local government, hospital authority, hospital district, city, county or state as specified in 42 CFR § 433.50 (i) which describes a unit of government. This would include providers such as public health clinics and departments, dental schools, mobile dental units or other dental facilities that are owned by the government. Providers wanting to participate in the program should contact the Texas Health and Human Services Commission (HHSC), Rate Analysis Department at 512-730-7401.

The Dental Services Supplemental Payment Cost Report (cost report) must be prepared and completed on an annual basis. Cost reports are due to HHSC 180 days after the close of the applicable reporting period. An eligible provider who has been approved to submit a cost report for supplemental payment will prepare the cost report, attest to and certify the total actual and charity charges and costs/expenditures. The completed cost report will be sent to:

HHSC Rate Analysis/Acute Care Services
Brown Heatly Building
Mail Code H-400
4900 North Lamar
Austin, Texas 78751-2399

When using the Excel spreadsheet, many fields in the exhibits will automatically populate with information from another worksheet to avoid additional data entry and reduce errors. Therefore, only the **SHADED AREAS** of the cost report are to be completed. Please review and verify the accuracy of all information on the exhibits before completing the report.

For questions on completing the cost report, please contact the Health and Human Services Commission, Rate Analysis Department at 512-730-7401.

Definitions:

Charity Care - Charges or costs associated with provision of services to individuals under the provider's charity care policies that do not establish any amounts owed by the patient and do not include bad debt, payment shortfall(s), insurance allowances, courtesy allowances, or discounts given to patients who do not meet the provider's charity care policy or financial assistance policy
Cognizant agency - the agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed in accordance with the Office of Management and Budget Circular A-87.

Commercial Pay Insurance - health insurance that covers medical expenses and disability income for the insured. Commercial health insurance can be categorized according to its renewal provisions and type of medical benefits provided. Commercial policies can be sold individually or as part of a group plan.

Cost Allocation Plans - are the means by which costs are identified in a logical and systematic manner for reimbursement under federal grants and agreements.

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Cost-to-charge-ratio (CCR) - a provider's reported costs are allocated to the Medicaid program based on a cost-to-billed-charge ratio. Cost-to- billed charge ratio is calculated as total allowable cost reported for the service period divided by total billed charges for the service period. This ratio is then applied to total billed charges associated with charity claims to calculate total allowable billed costs for the cost report. The CCR is carried out to six (6) decimal places.

Direct Cost - means any cost which is identified specifically with a particular final cost objective. Direct costs are not limited to items which are incorporated in the end product as material or labor. Costs identified specifically with a contract are direct costs of that contract. All costs identified specifically with other final cost objectives of the contractor are direct costs of those cost objectives.

Federal Medical Assistance Percentage (FMAP) - the share of state Medicaid benefit costs paid for by the federal government.

Indirect Costs - cost incurred and identified with having two or more cost objectives but not specifically identified with any final cost objective.

Indirect Cost Rate - a device for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio, expressed as a percentage, of the indirect costs to the direct costs.

Intergovernmental Transfers (IGT) - State and local funds derived from taxes, assessments, levies, investments, and other public revenues within the sole and unrestricted control of a governmental entity and eligible for federal match under the 1115 Transformation Waiver. This does not include gifts, grants, trusts, or donations, the use of which is conditioned on supplying a benefit solely to the donor or grantor of the funds.

Medicare - a federal system of health insurance for those who are 65 and older, disabled or have permanent kidney failure.

Self-Pay - an individual who either does not have insurance or her/his insurance does not cover a particular procedure or provider and therefore, the individual is responsible for paying the provider.

Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver - the vehicle approved by HHSC and CMS for implementation of the waiver program under section 1115 of the Social Security Act.

Uninsured - an individual who has no health insurance or other source of third-party coverage for medical/health services.

Uninsured cost - the cost to provide dental services to uninsured patients as defined by the Centers for Medicare and Medicaid Services. An individual whose third-party coverage does not include the service provided is considered by HHSC to be uninsured for that service.

Unit of government - a state, city, county, special purpose district or other governmental unit in the State that: has taxing authority, has direct access to tax revenues, is a State university teaching hospital with

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direct appropriations from the State treasury, or is an Indian tribe as defined in Section 4 of the Indian Self-Determination and Education Assistance Act, as amended (25 U.S.C. 450b).

Exhibit 1: Cover Page

Exhibit 1 is the cost report cover page. This form includes a provider's national and state provider identification numbers. Each governmental provider enters its legal name and the appropriate contact information for all parties listed on the form. This information will be used by HHSC to contact the provider during the cost reconciliation and settlement process.

DIRECTIONS TO COMPLETE EXHIBIT 1

Federal Fiscal Year: Enter the federal fiscal year for which the cost report will be completed (e.g., 2012). When this is entered on the cover page, this field will automatically transfer to subsequent exhibits.

Reporting Period: Enter the actual reporting period for which the cost report will be completed (e.g., 10/01/11 to 09/30/12). When this is entered on the cover page, this field will automatically transfer to subsequent exhibits.

Texas Provider Identification Number (TPI): Enter the 9-digit TPI number for the provider that is completing the cost report. When this is entered on the cover page, this field will automatically transfer to subsequent exhibits.
National Provider Identification Number (NPI): Enter the 10-digit NPI number for the provider that is completing the cost report. When this is entered on the cover page, this field will automatically transfer to subsequent exhibits.

Provider Information

Provider Name: Enter the provider's legal name (e.g., Laredo Health Department Dental Clinic)

Provider Contact Name: Enter the provider's contact

Street Address: Enter the street address and also include the city, state, and zip code in this field.

Mailing Address: Enter the mailing address and also include the city, state, and zip code in this field.

Phone Number: Enter the phone number of the provider's contact.

Fax Number: Enter the fax number of the provider's contact.

Email: Enter the email of the provider's contact.

Chief Financial Officer / Business Manager

Name: Enter the name of the chief financial officer or business manager.

Title: Enter the title of the chief financial officer or business manager.

Business Name: Enter the business name (e.g. UT Health Science Center at San Antonio Dental School).

Mailing Address: Enter the mailing address and also include the city, state, and zip code in this field.

Phone Number: Enter the phone number of the chief financial officer or business manager.

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Fax Number: Enter the fax number of the chief financial officer or business manager.

Email: Enter the email of the chief financial officer or business manager.

Report Preparer Identification
Name: Enter the name of the person responsible for preparing the cost report (this is the person HHSC should contact if there are questions).

Title: Enter the title of the report preparer.
Business Name: Enter the business name (e.g. UT Health Science Center at San Antonio Dental School).

Mailing Address: Enter the mailing address and also include the city, state, and zip code in this field.

Phone Number: Enter the phone number of the report preparer.

Fax Number: Enter the fax number of the report preparer.

Email: Enter the email of the report preparer.

Location of Accounting Records that Support this Report. Enter the Physical Address of the location where the provider maintains the accounting records that support the cost report and include the city, state, and zip code in this field. When this is entered on the cover page, this field will automatically transfer to the subsequent exhibits.

Exhibit 2: General and Statistical Information

Directions To Complete Exhibit 2
Exhibit 2 is the General and Statistical Information page of the cost report. This exhibit includes general provider and statistical information used in the cost report.

General Provider Information
1.00-1.03: These fields will automatically transfer from the Exhibit 1.

1.04: Enter either yes or no to indicate if the reporting period is less than a full federal fiscal year. If the cost report is being prepared for a partial fiscal quarter, enter a response that explains the reason why (e.g., no, Supplemental Payment Request Approval was effective beginning 3/1/20XX).

Cost Allocation Information
The purpose of this section is to obtain summary information regarding the cost allocation methodology the governmental entity utilized to allocate costs to various programs, grants, contracts and agreements. Additional information required to support an agency's methodology will be found on Exhibit 7 Worksheet C.

1.05: Enter either yes or no to indicate whether your agency has an approved Cost Allocation Plan (CAP). Additional information must be provided on Exhibit 7 Worksheet C.

1.06: If the answer to 1.05 is yes, enter the name of the Cognizant Agency.

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1.07: Enter yes or no to indicate whether your agency has an approved Indirect Cost Rate (IDCR).

1.08: If the answer to 1.07 is yes, enter the name of the Cognizant Agency.

1.09: Enter either yes or no to indicate whether your agency will be using an IDCR on this report.

1.10: If the answer to 1.09 is yes, enter the IDCR Statistical Information.

1.11: Charity Care Charges Amount: Enter the total charges associated with charity care provided during the cost report period.

1.12: Charity Care Reimbursement: Enter the total payments received associated with the charity care charges reported on line 1.11.

1.13: Total Allowable Costs for Reporting Period: This field will automatically transfer from Exhibit 3 – Dental Cost Settlement, 2.40).

1.14: Total Billed Charges: This field will automatically add the total charges for the cost report year.

Exhibit 3: Dental Cost Settlement

Directions To Complete EXHIBIT 3

Exhibit 3 identifies and summarizes all dental services costs. Much of the information contained within this exhibit is automatically populated from other exhibits; however, there are unique items of cost that must be entered in this exhibit.
Only allocable expenditures related to Uncompensated Charity Care as defined and approved in the Texas Healthcare Transformation and Quality Improvement 1115 Waiver Program will be included for supplemental payment.

Direct cost methods must be used whenever reasonably possible. Direct costing means that allowable costs, direct or indirect, incurred for the benefit of, or directly attributable to, a specific business component must be directly charged to that particular business component. Direct cost accounting may include:

1. Dedicated Cost Centers: Cost may be included for those cost centers that are solely dedicated to Uncompensated Charity Care.
2. Multiple Cost Centers: Cost may be included for those cost centers that are not solely dedicated to Uncompensated Charity Care. However, the provider must submit a detailed approved Cost Allocation Plan (CAP). If cost allocation is necessary for cost-reporting purposes, governmental providers must use reasonable methods of allocation and must be consistent in their use of allocation methods for cost-reporting purposes across all program areas and business entities. The allocation method should be a reasonable reflection of the actual business operations. Allocation methods that do not reasonably reflect the actual business operations and resources expended toward each unique business entity are not acceptable. Allocated costs are adjusted if HHSC considers the allocation method to be unreasonable. The provider must submit a detailed summary of their cost allocation methodology including a description of the components, the formula for calculating the percentage and any additional supporting documentation as required by HHSC. Supplemental schedules must also be attached to the cost report listing each

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employee, job title, total salary and benefits, the applicable allocation percentage and the allocation amount that will be included in the cost report. The amounts from the supplemental schedule allocated to the Medicaid and Uncompensated Care programs should match the amounts entered on Exhibit 6 Worksheet B with additional detail entered on Exhibit 7 Worksheet C.

If Indirect Cost (IDC) is included, that amount should be listed in line 2.30 (Other) with the detail described in either the Explanation Box or as a separate attachment. Indirect cost is calculated by multiplying the **Total Allowable** costs by the provider's approved indirect cost rate. IDCR detail should include the methodology for determining the IDCR, the percentage and amount of the IDCR and if the dental provider is already using the IDCR to claim cost on another report. If IDCR costs are claimed in line 2.30, indirect or administrative costs cannot also be claimed as non-clinical cost in lines 2.26 a., 2.27 a. or in administrative salaries and compensation in Exhibit 6 (Worksheet B). IDCR costs may be disallowed if it is determined that the provider has already claimed those same IDCR costs on this or another report. Additional detail regarding an agency's IDCR must be provided on Exhibit 7 Worksheet C.

This exhibit sums the payroll expenses and adds other costs to calculate the total cost of dental services. Identified reductions, either from Exhibit 6 or entered manually with descriptions in the Explanation Box, are subtracted to calculate the adjusted amount of dental costs allowable as part of the cost report. The cost report identifies the portion of allowable costs that are related to Charity Care and applies the cost-to-charge-ratio applicable for the cost report period. This ratio is applied to billed charges associated with Uncompensated Charity Care billed charges resulting in the total computable amount for dental services. This amount is then reduced by any reimbursement received for Uncompensated Charity Care. The resulting amount is then multiplied by the applicable federal medical assistance percentage (FMAP) to calculate the Federal and non-federal share amounts. The exhibit is separated into the sections identifying:

Personnel/Payroll Expenses
2.00-2.21: If using hours as an allocation method enter the number of hours. Total paid hours include but are not limited to regular wage, sick and vacation hours. If personnel/payroll expenditure data is entered on Exhibit 6 – Worksheet B – Payroll and Benefits, those costs will automatically transfer to this exhibit.

2.22: State Unemployment Payroll Taxes: Enter the total (if applicable).

2.23: Federal Unemployment Payroll Taxes: Enter the total (if applicable).

2.24: Unemployment Compensation (Reimbursing Employer): Enter the total (if applicable).

2.25: Total Staff Costs: Will automatically calculate (sum of applicable items in 2.00-2.24).

Other Costs
2.26: Supplies and Materials: Supplies and materials include but are not limited to dental and medical supplies, office supplies, and maintenance supplies. Supplies and materials must be separated according to whether they are non-clinical or clinical. The total for non-clinical supplies and materials would be entered on 2.26 a. and the total for clinical supplies and materials would be entered on 2.26 b. Detail describing the supplies and materials along with the amount and allocation methodology should be entered in the Explanation Box or attached as a separate sheet. If a cognizant-agency- approved indirect cost rate is used, additional administrative (non-clinical) cost will not be permitted.

2.27: Equipment: Equipment costs include but are not limited to dental and medical equipment, computers and communication equipment. Equipment costs must be separated according to whether they

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are non-clinical or clinical. The total for non-clinical equipment would be entered on 2.27 a. and the total for clinical equipment would be entered on 2.27 b. Details describing the equipment costs along with the amount and allocation methodology should be entered in the Explanation Box or attached as a separate sheet. If a cognizant-agency-approved indirect cost rate is used, additional administrative (non-clinical) cost will not be permitted. If equipment and depreciation costs are already claimed as indirect costs or through the cost allocation plan, such costs cannot be claimed again in this section.

2.28: Support Services: Enter the total and provide detail in the Explanation Box. Support services expenditures may include personnel and non-personnel expenditures such as information technology salaries and benefits and operating expenditures.

2.29: Depreciation: Depreciation information should first be entered on Exhibit 5 – Schedule A – Depreciation and those costs will automatically transfer to this line. If equipment and depreciation costs are already claimed as indirect costs or through the cost allocation plan, such costs cannot be claimed again in this section.

2.30: Other: Enter the total and provide detail in the Explanation Box.

2.31: Total Direct and Indirect Dental Other Costs: Will automatically calculate (sum of 2.26 through 2.30).

2.32: Total Staff, Direct and Indirect Dental Other Costs: Will automatically calculate (sum of 2.25 and 2.31).

Reductions
2.33: Other Federal Funds and Grants: If expenditure data is entered on Exhibit 6 – Worksheet B Payroll and Benefits, those costs will automatically transfer to this line.

2.34: Other: Enter the total and provide detail in the Explanation Box.

2.35: Total Reductions: Will automatically calculate (sum of 2.33 and 2.34).

Cost Settlement Calculation
2.40: Total Allowable Costs: Will automatically calculate (2.32 less 2.35).

2.41: Total Billed Charges: This field will automatically transfer from Exhibit 2 – General & Statistical, 1.19.

2.42: Cost-to-Charge-Ratio (CCR) = Total Allowable Costs/Total Billed Charges: Will automatically calculate (2.40 divided by 2.41) The CCR is carried out to six (6) decimal places.

2.43: Total Billed Charges Associated with Charity Care: This field will automatically transfer from Exhibit 2 – General & Statistical, (sum of 1.06 and1.08).

2.44: Charity Care Cost = CCR * Total Billed Charges Associated with Uncompensated Charity Care: Will automatically calculate (2.42 multiplied by 2.43).

2.45: 2.46: Charity Care Reimbursement: Any reimbursement received for providing services to individuals under Charity Care.

2.47: Settlement Amount = Total Uncompensated Charity Care Charges minus payments associated with Uncompensated Charity Care: Will automatically calculate 2.45 minus 2.46

2.48: FMAP (Federal Medical Assistance Percentage): HHSC will enter the correct FMAP.

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2.49: Federal Funds = Settlement Amount * FMAP: Will automatically calculate (2.47 multiplied by 2.48).

2.50: Non- Federal Share Funds (IGT Amount): Will automatically calculate 2.47 less 2.49). Governmental entities are required to certify on Exhibit 4 Cost Report Certification that they have completed the appropriate documentation required by HHSC and the Texas Comptroller's Office regarding the Intergovernmental Transfer (IGT) process. Once the cost report has been reviewed and accepted by HHSC, the provider will be notified of the amount required for the IGT.

Exhibit 4 – Cost Report Certification

Directions To Complete EXHIBIT 4
Exhibit 4 is the certification of costs included in the cost report. This form attests to and certifies the accuracy of the financial information contained within the cost report and that the report was prepared in accordance with State and Federal audit and cost principle standards. The signer is also certifying that the expenditures included in this cost report have not been claimed on any other cost report.

Most of the information in Exhibit 4 will be updated automatically with information from previous exhibits. This exhibit must be signed and included **UPON COMPLETION OF ALL OTHER EXHIBITS**.

Upon completion of all other exhibits in the cost report, please have the appropriate person read and sign the form. **Scan and include the signed page from Exhibit 4** when sending the electronic version of the cost report to HHSC.

Signature Authority/Certifying Signature
Printed/Typed Name of Signer: Enter the name of the person that will be certifying the costs identified in the cost report.

Title of Signer: Enter the title of the signer.

Name of Provider: Enter the name of the Provider.

Address of Signer: Enter the address of the signer.

Phone Number: Enter the phone number of the signer.

Fax Number: Enter the fax number of the signer.

Email: Enter the email of the signer.

Signature of Signer and Date: The signer should sign and date the form.

Exhibit 5 – Schedule A - Depreciation

Directions To Complete EXHIBIT 5
Exhibit 5 identifies allowable depreciation expenses incurred by the provider. This exhibit will identify all depreciable assets for which there was a depreciation expense during the Cost Report period. Information on this exhibit must come from a depreciation schedule maintained by the provider in accordance with straight line depreciation guidelines.

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Vehicles, Equipment, Building, Etc.
For depreciation expenses, the straight line method should be used.

Asset Description: Enter the name and description of the asset. If there is the need to add additional lines, please do so.

Month/Year Placed in Service: Enter the month/year placed in service as identified on the provider's depreciation schedule.

Years Useful Life: Enter the number of years of useful life of the asset.

Cost: Enter the amount of initial cost.

Prior Period Accumulated Depreciation: Enter the amount of prior period accumulated depreciation.

Depreciation for Reporting Period: Enter the amount of current period depreciation expense.

Years Useful Life: Enter the number of years of useful life of the asset as identified on the provider's depreciation schedule (e.g., 20 for twenty years of useful life).

Cost: Enter the amount of initial cost of the asset as identified on the provider's depreciation schedule.

Prior Period Accumulated Depreciation plus Depreciation for Reporting Period cannot exceed the total cost of an asset. In addition, assets that have been fully expensed should not be reported. For depreciation expense related to buildings where the provider's vehicles or staff is housed with other agencies or entities, **ONLY the portion related to the provider** may be reported. If this is the case, the provider must attach a supplemental page showing how the portion of the building related to the provider was calculated. If equipment and depreciation costs are already claimed as indirect costs or through the cost allocation plan, such costs cannot be claimed again in this section.

Exhibit 6 – Worksheet B – Payroll and Benefits

Directions To Complete EXHIBIT 6
Exhibit 6 includes the salary and benefits, and appropriate reductions for contract and employed staff related to the provision of dental services. Salary and compensation must be reported on a direct charge basis. This exhibit includes several pre-populated staffing classifications for which information will need to be completed. If these costs are already claimed as indirect costs or through the cost allocation plan, such costs cannot be claimed again in this section. These pre-populated classifications include:

Director: salary and benefit expenditures related to developing, administration, and overall operational effectiveness of the organization including strategic planning, leadership and oversight, including but not limited to:

- Director
- Director's Assistant

Dental Director: salary and benefit expenditures related to planning, developing, scheduling, and the implementation of dental program services and activities, including but not limited to:

- Dental Director
- Dental Director's Assistant

Dentists and Dental Assistants: salary and benefit expenditures related to dental care including but not limited to:

- Dentists
- Dental Assistants

Safety Officer:

- Safety Officer
- Safety Officer Assistants

Billing Account Representatives: salary and benefit expenditures related to verification of patients' insurance coverage, including Medicaid, collection of third party insurance submissions and payments, and patient service related tasks, including but not limited to:

- Billing Representatives
- Account Representatives
- Patient Account Representative

Quality Assurance Technicians: salary and benefit expenditures related to analyzing performance and quality improvement program including but not limited to:

- Quality Assurance Technicians

For each employee, the following information must be included:

Employee Information

Employee #: Enter the employee #.

Last Name: Enter the last name.

First Name: Enter the first name.

Job Title/ Credentials: Enter the job title/credentials.

Employee (E) /Contractor (C): Enter the appropriate designation, either an E or a C, for the employee.

Payroll and Benefits

Gross Salary: Enter the gross salary amount.

Contractor Payments: Enter the amount of contractor payments for the employee.

Employee Benefits: Enter the amount. This includes all benefits that are not discretely identified in Columns J-L of this exhibit.

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Employer Retirement: Enter the amount.

FICA: Enter the amount of FICA.

Medicare Payroll Taxes: Enter the amount.

Federal Funding Reductions
This section of the exhibit is designed to identify the federal funding, or other payroll and benefit expenditure reduction necessary for the specific job classifications identified above. This section of the exhibit is also designed to discretely identify the payroll and benefit expenditures for any individual employee/contractor that must have a portion of their salary and/or benefits reduced from allowable expenditures on the Cost Report. For each of the job classifications identified above, the following information must be included:

Allocated Funded Positions Entry: Enter the appropriate designation, either yes or no, for the employee for which a portion of their salary and/or benefits must be reduced from the total allowable costs. A yes in this field designates an employee for which a portion or all of their salary and benefit expenditures are funded by federal funds or grants. A "no" in this field designates an employee whose entire salary or a portion of whose salary and benefit expenditures are not funded by federal funds or grants, but whose costs still need to be removed from allowable expenditures as reported on the Cost Report.

Federal Funding: If the answer to the field previously is yes, then enter the amount of federal funding related to the employee's salary and benefits that must be reduced from the total allowable costs.

Other Funds: Enter the other amount to be removed related to the employee's salary and benefits that must be reduced from the total allowable costs.

Total Reduction: Will automatically calculate (sum of federal funding and other funds).

Exhibit 7 – Worksheet C – Cost Allocation Methodologies

Directions To Complete EXHIBIT 7
Exhibit 7 details the cost allocation methodologies employed by the governmental entity.

a. If you entered "yes" on Exhibit 2, Line 1.05, please provide a copy of your agency's approved Cost Allocation Plan (CAP).
b. If you entered "yes" on Exhibit 2, Line 1.06 and 1.09, please provide a copy of your agency's approved Indirect Cost Rate (IDCR).
c. If you do not have an approved CAP or IDCR but are using another cost allocation methodology, please provide a copy of your methodology and the supporting documentation.
d. Please provide a list of personnel cost worksheets that support your CAP or IDCR.

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Attachment H
UC Payment Protocol

Appendix A - List of Participating Providers

University of Texas at San Antonio Health Science Center (UTHSC-SA) Dental School: performs the patient billing activities for the dental school, the mobile dental unit, the Ricardo Salinas Dental Clinic and the Laredo Health Department Dental Clinic.

Houston Health Department Dental Clinic

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Part 4: Government Ambulance Providers

General

Governmentally owned ambulance providers are eligible to participate in the supplemental payment program if they are directly funded by a local government, hospital authority, hospital district, city, county or state as specified in 42 CFR § 433.50 (i) which describes a unit of government, and must have a developed charity care policy that does not include bad debt, payment shortfall(s), insurance allowances, courtesy allowances, or discounts given to patients who do not meet the provider's charity care policy or financial assistance policy. Failure to have a formal charity care policy will result in being ineligible for any UC payment. This would include providers such as public health clinics and departments.

The cost report will include only allocable expenditures related to charity care as defined and approved in the Texas Healthcare Transformation and Quality Improvement 1115 Waiver Program.

The Ambulance Services Supplemental Payment Cost Report (cost report) must be prepared and completed by a governmental entity on an annual basis. Cost reports are due to HHSC 180 days after the close of the applicable reporting period. A provider who meets the definition of eligible governmental provider and who has been approved to submit a cost report for supplemental payment will prepare the cost report and will attest to, and certify through its cost report the total actual, incurred charity costs/expenditures, including the federal share and the non-federal share applicable to the cost report period. The completed cost report will be sent to the Texas HHSC at

HHSC Rate Analysis/Acute Care Services
Brown Heatly Building
Mail Code H-400
4900 North Lamar
Austin, Texas 78751-2399

When using the Excel spreadsheet, many fields in the pages will automatically populate with information from another worksheet to avoid additional data entry and reduce errors. For the cost report to be accurate, only the **SHADED AREAS** of the cost report are to be completed. Please review and verify the accuracy of all information on the pages before completing the report.
For questions on completing the cost report, please contact the Health and Human Services Commission, Rate Analysis Department at 512-424-6930.

Definitions:

Charity Care - charges or costs associated with provision of services to individuals under the provider's charity care policies that does not include bad debt, payment shortfall(s), insurance allowances, courtesy allowances, or discounts given to patients who do not meet the provider's charity care policy or financial assistance policy.

Cognizant agency - agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed in accordance with the Office of Management and Budget Circular A-87.

Cost Allocation Plans - are the means by which costs are identified in a logical and systematic manner for reimbursement under federal grants and agreements.

Cost-to-charge ratio - a provider's reported costs are allocated to the Medicaid program based on a cost-to-billed-charge ratio. Cost-to-billed charge ratio is calculated as total allowable cost reported for the service period divided by total billed charges for the service period. This ratio is applied to total charity charges to calculate total computable charity costs for the cost report.

Direct Cost - means any cost which is identified specifically with a particular final cost objective. Direct costs are not limited to items which are incorporated in the end product as material or labor. Costs identified specifically with a contract are direct costs of that contract. All costs identified specifically with other final cost objectives of the contractor are direct costs of those cost objectives.

Federal Medical Assistance Participation (FMAP) Rate - is the share of state Medicaid benefit costs paid for by the federal government.

Indirect Costs - costs incurred and identified with having two or more cost objectives but not specifically identified with any final cost objective.

Indirect Cost Rate - is a device for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio, expressed as a percentage, of the indirect costs to the direct costs.

Uninsured - an individual who has no health insurance or other source of third-party coverage for medical/health services.

Uninsured cost - the cost to provide ambulance services to uninsured patients as defined by the Centers for Medicare and Medicaid Services. An individual whose third-party coverage does not include the service provided is considered by HHSC to be uninsured for that service. Ambulance providers treat costs of uninsured patients (less any payments received) as charity costs.

Medicare - A federal system of health insurance for people over 65 years of age and for certain younger people with disabilities.

Other third-party coverage

Commercial Pay Insurance - health insurance that reimburses medical expenses and disability income for the insured. Commercial health insurance can be categorized according to its renewal provisions and type of medical benefits provided. Commercial policies can be sold individually or as part of a group plan.

Self-Pay - patient pays in full at the time of visit for our services. Ambulance providers are not required to file claim or submit any documentation on his/her behalf to a third party.

Unit of Government - a state, city, county, special purpose district or other governmental unit in the State that: has taxing authority, has direct access to tax revenues, is a State university teaching hospital with direct appropriations from the State treasury, or is an Indian tribe as defined in Section 4 of the Indian Self-Determination and Education Assistance Act, as amended (25 U.S.C. 450b).

Exhibit A: Cost Report Cover Page

Exhibit A is the cost report cover page. This form includes a provider's National and State Provider Identification number. Each governmental provider must enter their entities legal name, name of person responsible for submitting the cost report, the cost preparers name and physical location, mailing address, phone number and fax number of all contacts listed. The information will be used by HHSC to contact the provider as necessary through the cost reconciliation and cost settlement process.

Fiscal Year: Enter the Federal Fiscal Year for which the cost report will be completed (e.g., 2010).

Reporting Period: Enter the actual Reporting Period for which the cost report will be completed (e.g., 10/01/10 to 09/30/11).

Texas Provider Identification Number (TPI): Enter the 9-digit TPI number for the provider that is completing the cost report (e.g., 1234567-89).

National Provider Identification Number (NPI): Enter the 10-digit NPI number for the provider that is completing the cost report (e.g., 1234567890).

Provider Information

Provider Legal Name Enter the Provider Legal Name (e.g., (Health and Human Services Commission EMS). This is the name of the provider completing the cost report.

Street Address: Enter provider Street Address (e.g., 11209 Metric Blvd., Bldg. H., Austin, TX 78758). Include the city, state, and zip code in this field.

Mailing Address: Enter provider Mailing Address (e.g., 11209 Metric Blvd., Building H., Austin, Texas 78758 or P.O. Box 85700, Mail Code H-360, Austin, Texas 78708-5200). Include the city, state, and zip code in this field.

Phone Number: Enter the Phone Number of the provider's contact (e.g., (512) 123-4567).

Fax Number: Enter the Fax Number of the provider's contact (e.g., (512) 987-6543).

Email Address: Enter the Email address of the provider's contact (e.g., iampublic@xyzabc.com).

Business Manager / Financial Director

Business Manager/Financial Directors Name: Enter the Name of the business manager or financial director of the provider (e.g., Jane Doe).

Title: Enter the Title of the business manager or financial director of the provider identified in the field above (e.g., Director).

Email Address: Enter the Email address of the provider's contact (e.g., jqpublic@xyzabc.com).

Report Preparer Identification

Report Preparer Name: Enter the Name of the provider's contact or person responsible for preparing the cost report (e.g., Jane Doe). This is the name of the person that HHSC may contact if there are questions.

Title: Enter the Title of the provider's contact identified in the field above (e.g., Director).

Location of Accounting Records that Support this Report

Records Location: Enter the Physical Address of the location where the provider maintains the accounting records in support of the cost report (e.g., 11209 Metric Blvd., Bldg. H., Austin, Texas 78758). Include the city, state, and zip code in this field.

Exhibit 1: General and Statistical Information

Exhibit 1 is the General and Statistical Information page of the cost report. This exhibit includes general provider information and statistical information used in the cost report.

DIRECTIONS TO COMPLETE EXHIBIT 1

General Provider Information

Reporting Period: Begin Date: Enter the Reporting Period – Beginning date or the beginning date of the cost report period (e.g., 10/1/2010).

Reporting Period: End Date: Enter the Reporting Period – Ending date or the ending date of the cost report period (e.g., 9/30/2011).

Part Year Cost Report: Enter an answer to the question "Is Reporting Period less than a full year?" This question identifies if the cost report is being prepared for a period that is not an entire fiscal year. If the cost report is for an entire fiscal year (October 1 – September 30), then enter No in the field. If the cost report is being prepared for a partial fiscal year, enter a response that

explains the reason why (e.g., Supplemental Payment Request Approval was effective beginning on 7/1/20XX).

Cost Allocation Information

The purpose of this section is to obtain summary information regarding the cost allocation methodology the governmental entity utilized to allocate costs to various programs, grants, contracts and agreements.

Cost Allocation Plan: Enter either Yes or No indicating whether your agency has an approved Cost Allocation Plan (CAP). If the answer is yes, enter the name of the Cognizant Agency that approved the agency CAP.

Approved Indirect Cost Rate: Enter either Yes or No indicating whether your agency has an approved Indirect Cost Rate.

Indirect Cost Rate: Enter either Yes or No indicating whether your agency will be utilizing an Indirect Cost Rate. If yes, enter the Agencies Approved Indirect Cost Rate.

Statistical Information

This cost report uses a costs to billed charge ratio methodology that is applied to determine the portion of costs eligible for reimbursement under the Direct Medical settlement exhibit of the cost report (see Exhibit 2).

Summary of Payments and Billed Charge Data (Applicable to Cost Report)

Charity Amounts (UC): Enter the total Charity charges for services provided for the applicable cost report period identified on the form. The ambulance charges for services entered should be for dates of service during the cost report period and must exclude all unfunded Medicaid and Medicare costs and does not include bad debt, payment shortfall(s), insurance allowances, courtesy allowances, or discounts given to patients who do not meet the provider's charity care policy or financial assistance policy.

Charity Reimbursements: Enter the reimbursements received associated with Charity Charges for the applicable cost report period identified on the form. The total reimbursements received associated with charity charges entered must only be for **dates of service** during the cost report period.

Total Allowable Costs For Reporting Period: The Total Allowable Costs calculated are for the applicable cost report period identified on Exhibit 2 - Direct Medical Services tab. The total allowable costs are only for dates of service during the cost report period.

Total Billed Charges for Reporting Period: The Total Billed Charges calculated are for the applicable cost report period identified on the form. The total billed charges entered are only for dates of service during the cost report period.

Additional Cost Data: (For Informational Purposes Only): In addition to the statistical information entered for Cost Reporting period, additional cost data is being requested

Medicare Costs: Enter the total Medicare Costs for services provided for the applicable cost report period identified on the form. The ambulance Medicare costs for services entered should be for dates of service during the cost report period.

Other Third Party Coverage: Enter the total Other third-party coverage (Self-Pay, Commercial Pay) Costs for services provided for the applicable cost report period identified on the form. The ambulance "other" costs for services entered should be for dates of service during the cost report period.

Exhibit 2: Direct Medical (Ambulance Services)

Exhibit 2 identifies and summarizes from other exhibits all ambulance services costs within the cost report. Much of the information contained within this exhibit is from either Exhibit 5 or Exhibit 6; however, there are unique items of cost that are identified in this exhibit. **Only allocable expenditures related to Charity Care as defined and approved in the Texas Healthcare Transformation and Quality Improvement 1115 Waiver Program will be included for supplemental payment.** This exhibit sums the personnel expenses and adds additional costs to calculate the total cost of Medical and Uncompensated Care Services.

Direct cost methods must be used whenever reasonably possible. Direct costing means that allowable costs, direct or indirect, incurred for the benefit of, or directly attributable to, a specific business component must be directly charged to that particular business component.

For example, the payroll costs of a direct service employee who works across cost areas within one contracted program would be directly charged to each cost area of that program based upon that employee's continuous daily time sheets and the costs of a direct care employee who works across more than one service delivery area would also be directly charged to each service delivery area based upon that employee's continuous daily time sheets. Health insurance premiums, life insurance premiums, and other employee benefits are applied as direct costs.

Direct Cost Accounting may include:

a. Dedicated Cost Centers which are comprised of a distinctly identifiable department or unit whose costs are associated with a specific activity; or

b. Multiple Cost Centers which included cost for those cost centers that are not solely dedicated to one activity but may be allocated to multiple activities.

Governmental providers must use reasonable methods of allocation and must be consistent in their use of allocation methods for cost-reporting purposes across all program areas and business entities. The allocation method should be a reasonable reflection of the actual business operations. Allocation methods that do not reasonably reflect the actual business operations and resources expended toward each unique business entity are not acceptable. Allocated costs are adjusted if HHSC considers the allocation method to be unreasonable. The provider must submit a detailed summary of their cost allocation methodology including a description of the components, the formula for calculating the percentage and any additional supporting

documentation as required by HHSC. Supplemental schedules must also be attached to the cost report listing each employee, job title, total salary and benefits, the applicable allocation percentage and the allocation amount that will be included in the cost report. The amounts from the supplemental schedule allocated to the Medicaid and Uncompensated Care programs should match the amounts entered on Exhibit 6 Schedule B with additional detail entered on Exhibit 7, Schedule C. Any change in cost-reporting allocation methods from one year to the next must be fully disclosed by the contracted provider on its cost report

Indirect Costs Rate
If an Indirect Cost Rate (IDCR) is utilized, that rate must be applied to all appropriate cost objectives specifically identified in the cost report. Indirect cost is calculated by multiplying the Total Allowable costs by the provider's approved indirect cost rate. These indirect rates are developed by the state cognizant agency and are updated annually. The methodology used by the respective cognizant agency to develop the Indirect Cost Rate (IDCR) has been approved by the cognizant federal agency. Indirect costs are included in the claim as reallocated costs. The provider is responsible to ensure that costs included in the cost report not included in the indirect cost rate, and no costs will be accounted for more than once.

All indirect cost calculations developed to arrive at the total allowable costs must be included in Exhibit 7 of the cost report. All scenarios utilized to calculate the indirect cost must be fully explained as well. The provider must verify that no duplicative costs are included in line 2.33 "Other Cost" of Exhibit 2. IDCR costs will be disallowed if it is determined that the provider has already claimed those same IDCR costs. All documents that support the indirect cost rate calculation must be maintained by the approved governmental entity and must be made immediately available upon request by HHSC.

Identified reductions, from Exhibit 6, are subtracted to calculate the adjusted amount of Direct Medical Costs allowable as part of the cost report. The cost report identifies the portion of allowable costs that are related to Charity Care and the cost to charge ratio applicable for the cost report period. The ratio is applied to billed charges associated with Charity Care charges resulting in the total computable amount for ambulance services. This amount is then reduced by the amount of any reimbursement received for Charity Care. The resulting amount is then multiplied by the applicable federal medical assistance percentage (FMAP) to calculate the amount of settlement due to, or owed by (if negative) the provider.

Exhibit 2 is separated into the sections identifying:

- Personnel / Payroll Expenses. This section of the Exhibit includes, in part, expenditures from Exhibit 6. If these costs are already claimed as indirect costs or through the cost allocation plan, such costs cannot be claimed again in this section.
- Other Operating Costs. This section of the Exhibit includes, in part, expenditures from Exhibit 5. If these costs are already claimed as indirect costs or through the cost allocation plan, such costs cannot be claimed again in this section.

- Reductions to Allowable Costs. This section of the Exhibit includes reductions to expenditures identified in Exhibit 6.
- Cost Settlement Calculation. This section applies the cost to charge ratio calculation methodology to arrive at the final settlement due to or from the provider.

DIRECTIONS TO COMPLETE EXHIBIT 2

Personnel / Payroll Expenses
This section of the exhibit includes all personnel related expenditures and hours for the job classifications identified.

Hours: Enter the number of Hours for each of the job classifications identified in this Exhibit and for which costs are identified in Exhibit 6. Hours for this exhibit represent total paid hours that are reported by the provider on their payroll report. Total paid hours include, but are not limited to:

- Regular wage hours
- Sick hours
- Vacation hours

Payroll Taxes/Unemployment Compensation: If applicable, enter the amount of the following payroll expenses:

- State Unemployment Payroll Taxes
- Federal Unemployment Payroll Taxes
- Unemployment Compensation (Reimbursing Employer)

Other Costs
This section of the exhibit identifies other operating costs not related to the job classifications identified above. Within this section, Support Services or Other may include personnel-related expenditures not identified in the job classifications in the section above.

All costs identified in the section of the Exhibit are supported by supplemental schedules to the cost report, and will be supplied at the time of cost report submittal.

Supplies and Materials Costs: Enter the amount of Supplies and Materials expenditures incurred by the provider during the cost report period. Supplies and materials include, but are not limited to, the following:

- Medical supplies
- Office supplies
- Maintenance supplies
- Medical materials

- **Equipment Costs:** Enter the amount of Equipment expenditures incurred by the provider during the cost report period. Equipment expenditures include, but are not limited to, the following non-depreciable items. If these costs are already claimed as indirect costs or through the cost allocation plan, such costs cannot be claimed again in this section.

- Medical equipment
- Computers
- Radios
- Communications equipment

Support Services Costs: Enter the amount of Support Services expenditures incurred by the provider during the cost report period. Support Services expenditures may include personnel and non-personnel expenditures depending if the personnel expenditures are represented in the job classification categories identified in this Exhibit and detailed in Exhibit 6. Support Services expenditures include, but are not limited to, the following:

- Information technology salaries, benefits, and operating expenditures
- Telecommunications personnel and operating expenditures

Other Costs: Enter the amount of other expenditures incurred by the provider during the Cost Report period. Other expenditures may include personnel and non-personnel expenditures depending if the personnel expenditures are represented in the job classification categories identified in this Exhibit and detailed in Exhibit 6. Other expenditures include, but are not limited to, the following:

- Depreciation expense (Exhibit 5)
- Parent organization allocated costs (discretely identified from prepared cost allocation plan (CAP))
- Other unit personnel and operating expenditures not otherwise identified (Indirect Cost)

Cost Settlement Calculation

Period of Service: (for Applicable Cost Report Period): Enter the Period of Service for the applicable cost report period. Example 10/01/20XX to 12/31/20XX. For part year cost reports, enter the period of service applicable only to the time frame a cost report is being submitted for.

Total Allowable Costs for Period of Services: The total allowable costs entered into the cost report less any "other federal funding" received (No entry is required).

Total Billed Charges for Period of Service: The Total Billed Charges for the applicable period of service (No entry is required).

Cost to Charge Ratio (CCR): The result of dividing a provider's Total Allowable Costs for the reporting period by the providers Total Billed Charges for the same period. The CCR is carried out to six (6) decimal places.

Total Charges Associated with Charity Care less any associated payments: Enter the Total Billed Charges Associated with Charity services for the period applicable to the cost report less any associated payments received.

Total Computable: The total Charity Allowable Costs for the period of service applicable to the cost report. This calculation is equal to the **Settlement Amount** for the reporting period.

Federal Medical Assistance Participation Rate (FMAP): Enter the FMAP rate for the appropriate federal fiscal year of the cost report.

Amount due to the Provider: The net amount of the settlement due to or from a provider after the FMAP rate is applied.

Exhibit 3 – Cost Report Certification

Certification of Costs included in the cost report. This form attests to, and certifies the accuracy of the financial information contained within the cost report.

DIRECTIONS TO COMPLETE EXHIBIT 3

Most of the information in Exhibit 3 will be updated automatically with information from previous exhibits. This Exhibit must be signed and included **UPON COMPLETION OF ALL OTHER EXHIBITS**.

Upon completion of all other exhibits in the cost report, please **print this exhibit, sign the exhibit, have the form notarized, scan the exhibit, and include the signed exhibit** when sending the electronic version of the cost report to HHSC. Please have the appropriate person within the provider read and sign the form.

Signature Authority/Certifying Signature

Certifier Name: Enter the Name of the person that will be certifying the costs identified in the cost report (e.g., Jane Doe).

Title: Enter the Title of Signer, or the title of the person that will be certifying the costs identified in the cost report (e.g., Director).

Print: Please print this Exhibit and have the appropriate person identified above sign the certification form.

Date: Enter the Date that the appropriate person identified above signs the certification form (e.g., 1/1/2011).

Signature Authority Check Box: Check the appropriate box that corresponds to the tile of the person signing this Exhibit.

Notary:	Upon printing and signing this Exhibit, please have this form Notarized by a Notary Public.

Exhibit 4 – Certification of Funds

Certification of Public Expenditure that allows the state to use the computable Medicaid expenditures as the non-federal match of expenditures to draw the federal portion of Medicaid funding as identified in the settlement. This form attests to, and certifies the accuracy of the provided financial information and that t the report was prepared in accordance with State and Federal audit and cost principle standards and that the costs have not been claimed on any other cost report for federal reimbursement purposes. This exhibit also identifies the amount of local provider expenditure that is allowable for use as the state match

DIRECTIONS TO COMPLETE EXHIBIT 4

Most of the information in Exhibit 4 will be updated automatically with information from previous exhibits. This Exhibit must be signed and included **UPON COMPLETION OF ALL OTHER EXHIBITS**.

Upon completion of all other exhibits in the cost report, please **print this exhibit, sign the exhibit, have the form notarized, scan the exhibit, and include the signed exhibit** when sending the electronic version of the cost report to HHSC. Please have the appropriate person within the provider read and sign the form.

Signature Authority/Certifying Signature

Print	Please print this Exhibit and have the appropriate person sign the certification form.
Date:	Enter the Date that the appropriate person identified above signs the certification form (e.g., 1/1/2011).
Certifier Name:	Enter the Name of Signer, or the person that will be certifying the public expenditures identified in the cost report (e.g., Jane Doe).
Title:	Enter the Title of Signer, or the title of the person that will be certifying the public expenditures identified in the cost report (e.g., Director).
Certifier Check Box	Check the appropriate box that corresponds to the tile of the person signing this Exhibit. If Other Agent/Representative is selected, please include the appropriate title in Column N, Line 40.
Notarized	Upon printing and signing this Exhibit, please have this form notarized by a Notary Public.

Exhibit 5 – Schedule A (Depreciation Schedule)

The depreciation schedule identifies allowable depreciation expenses incurred by the provider related to. This Exhibit will identify depreciable assets for which there was a depreciation expense during the cost report period. Information on this exhibit must come from a depreciation schedule maintained by the provider in accordance with appropriate accounting guidelines established by the provider and/or the parent organization of the provider. For depreciation expenses, the straight line method should be used. Prior Period Accumulated Depreciation plus Depreciation for Reporting Period cannot exceed the total cost of an asset. In addition, assets that have been fully expensed should not be reported. If these costs are already claimed as indirect costs or through the cost allocation plan, such costs cannot be claimed again in this section.

DIRECTIONS TO COMPLETE EXHIBIT 5

Vehicles. For depreciation expense related to vehicles, the provider must follow depreciable asset thresholds already in place at the provider and/or parent organization. The vehicle depreciation expense as reported on the Cost Report must come from the provider's depreciation schedule.

Asset Description: Enter the Description of the Asset that will be included in this depreciation schedule. The name or account code, or both will suffice. If there is the need to add additional lines, please do so.

Month/Year Placed in Service: Enter the Month/Year Placed in Service as identified on the provider's depreciation schedule (e.g., January 2000, or 1/2000). This is the month and the year that the depreciable asset was first put into service.

Years Useful Life: Enter the number of Years of Useful Life of the asset as identified on the provider's depreciation schedule (e.g., 20 for twenty years of useful life).

Cost: Enter the amount of initial Cost of the asset as identified on the provider's depreciation schedule.

Prior Period Accumulated Depreciation: Enter the amount of Prior Period Accumulated Depreciation related to the asset as identified on the provider's depreciation schedule. This is the total amount of depreciable expenses to date related to the depreciable asset.

Depreciation for Reporting Period: Enter the amount of current period depreciation expense in the Depreciation for Reporting Period field related to the asset as identified on the provider's depreciation schedule. This is the total amount of depreciable expense incurred during the Cost Report period.

Equipment. For depreciation expense related to equipment, the provider must follow depreciable asset thresholds already in place at the provider and/or parent organization. The equipment depreciation expense as reported on the Cost Report must come from the provider's depreciation schedule.

Asset Description: Enter the Description of the Asset that will be included in this depreciation schedule. The name or account code, or both will suffice. If there is the need to add additional lines, please do so.

Month/Year Placed in Service: Enter the Month/Year Placed in Service as identified on the provider's depreciation schedule (e.g., January 2000, or 1/2000). This is the month and the year that the depreciable asset was first put into service.

Years Useful Life: Enter the number of Years of Useful Life of the asset as identified on the provider's depreciation schedule (e.g., 20 for twenty years of useful life).

Cost: Enter the amount of initial Cost of the asset as identified on the provider's depreciation schedule.

Prior Period Accumulated Depreciation: Enter the amount of Prior Period Accumulated Depreciation related to the asset as identified on the provider's depreciation schedule. This is the total amount of depreciable expenses to date related to the depreciable asset.

Depreciation for Reporting Period: Enter the amount of current period depreciation expense in the Depreciation for Reporting Period field related to the asset as identified on the provider's depreciation schedule. This is the total amount of depreciable expense incurred during the Cost Report period.

Building. For depreciation expense related to buildings where the provider's vehicles or staff are housed with other agencies or entities, ONLY the portion related to the provider may be reported. If this is the case, the provider must attach a supplemental exhibit showing how the portion of the building related to the provider was calculated.

Asset Description: Enter the Description of the Asset that will be included in this depreciation schedule. The name or account code, or both will suffice. If there is the need to add additional lines, please do so.

Month/Year Placed in Service: Enter the Month/Year Placed in Service as identified on the provider's depreciation schedule (e.g., January 2000, or 1/2000). This is the month and the year that the depreciable asset was first put into service.

Years of Useful Life: Enter the number of Years of Useful Life of the asset as identified on the provider's depreciation schedule (e.g., 20 for twenty years of useful life).

Cost: Enter the amount of initial Cost of the asset as identified on the provider's depreciation schedule.

Prior Period Accumulated Depreciation: Enter the amount of Prior Period Accumulated Depreciation related to the asset as identified on the provider's depreciation schedule. This is the total amount of depreciable expenses to date related to the depreciable asset.

Depreciation for Reporting Period: Enter the amount of current period depreciation expense in the Depreciation for Reporting Period field related to the asset as identified on the provider's depreciation schedule. This is the total amount of depreciable expense incurred during the Cost Report period.

Exhibit 6 – Worksheet B (Payroll and Benefits)

This exhibit includes the salary and benefits, and appropriate reductions related to contracted and employed staff of the provider. For this exhibit, all employed and contracted staff related to the provision of Ambulance EMS services should be identified here. If these costs are already claimed as indirect costs or through the cost allocation plan, such costs cannot be claimed again in this section.

This exhibit includes several pre-populated staffing classifications for which information will need to be completed. The pre-populated staffing classifications include:

- **9-1-1 Call Technicians:** This cost classification includes all personnel salary and benefit expenditures related to operation of emergency communications equipment used in receiving, sending, and relaying medical self-help in response to emergency calls, including, but not limited to:
  - 9-1-1 Call Technicians
  - 9-1-1 Call Technician Assistants
  - …

- **Paramedics:** This cost classification includes all personnel salary and benefit expenditures related to performing basic and advanced medical rescue procedures to access, stabilize, evacuate, and transport a patient to an appropriate medical facility's emergency department, including, but not limited to:
  - Paramedics
  - EMTs
  - …

- **Training Coordinators:** This cost classification includes all personnel salary and benefit expenditures related to providing training, quality, operational, and support of specific ambulance service training and organizational programs, including local pre-paramedic institutions, internal paramedic/communications medic instruction, training activities within Field Operations and Communications, and analysis of performance and quality improvement programs, including, but not limited to:
    - Training Coordinators
    - …

- **Quality Assurance Technicians:** Quality Assurance Technicians have the same job description as training coordinators above. This cost classification includes all personnel salary and benefit expenditures related to providing training, quality, operational, and support of specific ambulance service training and organizational programs, including local pre-paramedic institutions, internal paramedic/communications medic instruction, training activities within Field Operations and Communications, and analysis of performance and quality improvement programs, including, but not limited to:
    - Quality Assurance Techs
    - …

- **Safety Officer:** This cost classification includes all personnel salary and benefit expenditures related to developing, administering, implementing, and evaluating departmental occupational safety program and activities, including, but not limited to:
    - Safety Officer
    - Safety office assistant
    - …

- **Billing / Account Representatives:** This cost classification includes all personnel salary and benefit expenditures related to verification of patients' insurance coverage, including Medicaid, collection of third party insurance submissions and payments, and patient customer service related tasks, including, but not limited to:
    - Billing representative
    - Account representative
    - Patient account representative
    - …

- **CPR Technicians:** This cost classification includes all personnel salary and benefit expenditures related to the coordination of all EMS activities related to community education of CPR and First Aid skills and techniques, including, but not limited to:
    - CPR Techs
    - …

- **Medical Director:** This cost classification includes all personnel salary and benefit expenditures related to the clinical oversight of pre-hospital treatment rendered by EMS personnel. The Medical Director costs shall only include those costs as identified to be related to including, but not limited to:

  - Medical Director
  - Medical Director Assistant
  - …

- **Director:** This cost classification includes all personnel salary and benefit expenditures related to developing, administration, and overall operational effectiveness of the organization including strategic planning, leadership, and oversight of all operational aspects of the EMS Department, including, but not limited to:
  - Director
  - Director's Assistant
  - …

- **Public Information Officer:** This cost classification includes all personnel salary and benefit expenditures related to planning and directing public information, public relations, media relations, or public involvement programs and developing, maintaining, and improving public awareness initiatives, including, but not limited to:
  - Public Information Officer
  - PIO Assistant
  - …

- **Contracted EMT/Paramedics:** This cost classification includes all contracted expenditures related to performing basic and advanced medical rescue procedures to access, stabilize, evacuate, and transport a patient to an appropriate medical facility's emergency department, including, but not limited to:
  - Contracted Paramedics
  - Contracted EMTs
  - …

DIRECTIONS TO COMPLETE EXHIBIT 6

Employee Information
This section of the exhibit is designed to identify employee information for the specific job classifications identified above. This section of the exhibit is also designed to discretely identify the employee information for any individual employee/contractor that must have a portion of their salary and/or benefits reduced from allowable expenditures on the Cost Report.

For each of the job classifications identified above, the following information must be included:

Employee #: Enter the Employee # for the employee for which a portion of their salary and/or benefits must be reduced from the total allowable costs.

Attachment H
UC Payment Protocol

Last Name: Enter the Last Name of the employee for which a portion of their salary and/or benefits must be reduced from the total allowable costs.

First Name: Enter the First Name of the employee for which a portion of their salary and/or benefits must be reduced from the total allowable costs.

Job Title/ Credentials: Enter the Job Title / Credentials of the employee for which a portion of their salary and/or benefits must be reduced from the total allowable costs.

Employee (E) /Contractor (C): Enter the appropriate designation, **either an E or a C,** of the employee for which a portion of their salary and/or benefits must be reduced from the total allowable costs. E designates an employee of EMS. C designates a contractor for EMS.

Payroll and Benefits
This section of the exhibit is designed to identify payroll and benefit expenditures for the specific job classifications identified above. This section of the exhibit is also designed to discretely identify the payroll and benefit expenditures for any individual employee/contractor that must have a portion of their salary and/or benefits reduced from allowable expenditures on the Cost Report.

For each of the job classifications identified above, the following information must be included:

Gross Salary: Enter the Gross Salary amount for the employee for which a portion of their salary and/or benefits must be reduced from the total allowable costs.

Contractor Payments: Enter the amount of Contractor Payments for the employee for which a portion of their salary and/or benefits must be reduced from the total allowable costs.

Employee Benefits: Enter the amount of Employee Benefits for the employee for which a portion of their salary and/or benefits must be reduced from the total allowable costs. This includes all benefits that are not discretely identified in Columns J-L of this exhibit.

Employer Retirement: Enter the amount of Employer Retirement expenditure for the employee for which a portion of their salary and/or benefits must be reduced from the total allowable costs.

FICA: Enter the amount of FICA expenditure for the employee for which a portion of their salary and/or benefits must be reduced from the total allowable costs.

Payroll Taxes: Enter the amount of Payroll Taxes expenditure for the employee for which a portion of their salary and/or benefits must be reduced from the total allowable costs.

Federal Funding Reductions

This section of the exhibit is designed to identify the federal funding, or other payroll and benefit expenditure reduction necessary for the specific job classifications identified above. This section of the exhibit is designed to discretely identify the payroll and benefit expenditures for any individual employee/contractor that must have a portion of their salary and/or benefits reduced from allowable expenditures on the Cost Report.

For each of the job classifications identified above, the following information must be included:

Allocated Funded Positions Entry: Enter the appropriate designation, either a Y or an N, for the employee for which a portion of their salary and/or benefits must be reduced from the total allowable costs. A "Y" in this field designates an employee for which a portion, or all of their salary and benefit expenditures are funded by federal funds or grants. An "N" in this field designates an employee for which a portion, or all of their salary and benefit expenditures are not funded by federal funds or grants, but still need to be removed from allowable expenditures as reported on the Cost Report.

Federal Funding: If the answer to the field previously is "Y", then enter the amount of Federal Funding related to the employee's salary and benefits that must be reduced from the total allowable costs as reported on the Cost Report.

Other Funds: Enter the amount of Other Amount to be Removed related to the employee's salary and benefits that must be reduced from the total allowable costs as reported on the cost report.

Payroll and Benefits Entry: Enter the amount of salary and appropriate benefits for all other personnel and staff related to the job classifications identified above, for which no salary or benefit expenditures must be reduced from the total allowable costs.

Exhibit 7-Schedule C – Cost Allocation Methodologies

This exhibit details the cost allocation methodologies employed by the governmental entity.

a. If you entered "yes" on Exhibit 1, Line 1.06, please provide a copy of your agency's approved Cost Allocation Plan (CAP).
b. If you entered "yes" on Exhibit 1, Lines 1.08 and 1.09, please provide a copy of your agency's approved Indirect Cost Rate (IDCR).
c. Provide a list of personnel cost worksheets that support your CAP or IDCR

Part 5: Methodology for Ensuring Payments Are Based On Uncompensated Charity Costs

STC 33 requires that the methodology used by the state to determine UC payments will ensure that payments are distributed based on uncompensated cost, unrelated to the source of the non-federal share. Eligible uncompensated costs must be for services provided to uninsured individuals who meet the provider's charity-care policy or financial assistance policy where all or a portion of the services are free of charge and where the provider's charity-care policy adheres to the charity-care principles of the Healthcare Financial Management Association. This Part 5 describes the methodology used by the state to fulfill this requirement.

Each provider that qualifies for a payment from the UC Pool will be reimbursed a percentage of its total eligible uncompensated charity-care costs calculated as described in this Attachment H.

Providers may be categorized in four groups: hospitals, physician practice groups, government dental providers, and government ambulance providers. Within the hospital group, providers may be further subdivided based on existing classifications that have been approved by CMS for payments under Texas State Plan or 1115 waiver programs, or by directed payment models.

Attachment I
Regional Healthcare Partnership (RHP) Planning Protocol

I. PREFACE

A. Delivery System Reform Incentive Payment Program

Special Terms and Conditions (STC) 45 of the Demonstration authorizes Texas to establish a Delivery System Reform Incentive Payment (DSRIP) program. Initiatives under the DSRIP program are designed to provide incentive payments to hospitals and other providers for investments in delivery system reforms that increase access to health care, improve the quality of care, and enhance the health of patients and families they serve.

The program of activity funded by the DSRIP shall be based on Regional Healthcare Partnerships (RHPs). Each RHP shall have geographic boundaries and will be coordinated by a public hospital or local governmental entity with the authority to make intergovernmental transfers. The public hospital or local governmental entity shall collaborate with hospitals and other potential providers to develop an RHP Plan that will accelerate meaningful delivery system reforms that improve patient care for low-income populations. The RHP Plans must be consistent with regional shared mission and quality goals of the RHP and CMS's triple aims to improve care for individuals (including access to care, quality of care, and health outcomes); improve health for the population; and lower costs through improvements (without any harm whatsoever to individuals, families, or communities).

B. RHP Planning Protocol and Program Funding and Mechanics Protocol

In accordance with STC 45(a) and 45(d)(ii)(A) & (B), the RHP Planning Protocol (Attachment I) defines the specific initiatives that will align with the following four categories: (1) Infrastructure Development; (2) Program Innovation and Redesign; (3) Quality Improvements; and (4) Population-focused Improvements. The Program Funding and Mechanics Protocol (Attachment J) describes the State and CMS review process for RHP Plans, incentive payment methodologies, RHP and State reporting requirements, and penalties for missed milestones.

Each RHP must submit an RHP Plan that identifies the projects, outcomes, population-focused objectives, and specific milestones and metrics in accordance with these attachments and STCs.

C. Organization of "Attachment I: RHP Planning Protocol"

Attachment I has been organized into the following sections:

I. Preface
II. Key Principles
III. Required RHP Plan Elements
IV. Format of this Document
V. Category 1 Infrastructure Development
VI. Category 2 Program Innovation and Redesign
VII. Category 3 Quality Improvements
VIII. Category 4 Population Focused Improvements
Appendix: CMS-Provided Key Elements for Learning Collaboratives and Continuous Quality Improvement

Attachment I
Regional Healthcare Partnership (RHP) Planning Protocol

This document is supplemented by a ***metric specification guide*** developed by the state in consultation with CMS that provides more detail on the Category 1, 2, 3, and 4 metrics, including the data source for each measure, the measure steward, and the high performance level or other target setting methodology that will be used to determine targets for Category 3 metrics. The metric specification guide will be made available on the state's website.

II. Key Principles

A. Responding to the Needs and Challenges of the Texas Health Care Delivery System

Texas faces many unique health challenges. For example, rates of obesity and chronic diseases are some of the highest in the nation, and many Texans do not have a regular source of care to help manage and prevent these diseases. Many Texans do not receive regular treatment for mental health issues, and as a result, mental health problems account for a large percentage of admissions to hospitals that could have been avoided. These challenges and many more disproportionately affect safety net providers who serve Medicaid beneficiaries and the uninsured.

DSRIP provides an unprecedented opportunity to improve patient care for low-income populations by incentivizing delivery system reforms that increase access to health care, improve the quality of care, and enhance the health of patients and families they serve. These investments not only contribute to the triple aim, but they can also help position safety net providers for the emerging healthcare market, in which data-based quality performance and cost-efficiency drive competition.

This protocol presents a "menu" of evidence-based projects that can be incentivized through DSRIP. These projects were selected by HHSC and CMS to have the maximum impact on the health system challenges facing Texas.

Since health system reform requires regional collaboration, providers must select projects that relate to the community needs identified by the RHP, and RHPs must engage stakeholders in the development of RHP plans. The requirements for the community needs assessment and stakeholder engagement are described in section 10 of the Program Funding and Mechanics Protocol (Attachment J).

B. Interconnection and Shared Orientation of Projects

DSRIP activities are divided into four categories, which are interrelated and complementary:

- Category 1 Infrastructure Development lays the foundation for delivery system transformation through investments in technology, tools, and human resources that will strengthen the ability of providers to serve populations and continuously improve services.
- Category 2 Program Innovation and Redesign includes the piloting, testing, and replicating of innovative care models.

- Category 3 Quality Improvements includes outcome reporting and improvements in care that can be achieved within four years.
- Category 4 Population-focused Improvements is the reporting of measures that demonstrate the impact of delivery system reform investments under the waiver.

Multiple, complementary initiatives will be occurring in the same RHP simultaneously, reinforcing each other in the transformation of care delivery. The selected projects for the RHP plan should possess the following qualities:

- While they are highly related projects, each improvement project is distinct;
- All of the proposed projects are oriented to creating more effective and coordinated care provision; and
- There is a coordinated approach to supporting improved patient experience, population health, quality improvement, and cost control.

In order to achieve meaningful change by the end of the demonstration, every performing provider must link each of its Category 1 and 2 projects to a related Category 3 outcome. The outcomes shall assess the results of care experienced by patients, including patients' clinical events, patients' recovery and health status, patients' experiences in the health system, and efficiency/cost. Additional information about category 3 outcomes and the setting of outcome targets is provided in section 11.d of the Program Funding and Mechanics Protocol (Attachment J).

C. Fostering Continuous Quality Improvement

In order to achieve and sustain success at responding to community needs, providers and communities will need to apply best practices in continuous quality improvement. Most notably, learning collaboratives are essential to the success of high quality health systems that have achieved the highest level of performance. Performing providers are strongly encouraged to form learning collaboratives to promote sharing of challenges and testing of new ideas and solutions by providers implementing similar projects in each RHP. These regionally-focused learning collaboratives also can inform the learning collaborative conducted annually during DYs 3-5 to share learning, experiences, and best practices acquired from the DSRIP program across the State. For the Key Elements for Learning Collaboratives provided by CMS, please see Attachment 1.

RHPs can be a natural hub for this type of shared learning by connecting providers who are working together on common challenges in the community, but providers and RHPs are also encouraged to connect with others across Texas to form a "community of communities" that can connect on an ongoing basis to share best practices, breakthrough ideas, challenges and solutions. This will allow regions to learn from each other's challenges and develop shared solutions that can accelerate the spread of breakthrough ideas across Texas.

III. Required Plan Elements

Based on the projects and measures listed in this Protocol and the requirements for plan development defined in the *Program Funding and Mechanics Protocol* (Attachment J) , RHPs

will submit five-year RHP plans that describe: (1) the reasons for the selection of the projects, based on local data, gaps, community needs, and key challenges; (2) how the projects included in the plan are related to each other and how, taken together, the projects support broad delivery system reform relevant to the patient population; and (3) the progression of each project year-over-year, including the specifics and exact data source needed per project per milestone per metric per year.

Each RHP must submit an RHP Plan using a State-approved template that identifies the projects, objectives, and specific milestones, metrics, measures, and associated DSRIP values. The plan must meet all requirements pursuant to Standard Terms and Conditions (STCs) 45 and 46 and follow the format outlined in the *Program Funding and Mechanics Protocol* (Section III, Key Elements of Proposed RHP Plans).

Attachment I
Regional Healthcare Partnership (RHP) Planning Protocol

Organization of Projects and Measures
The RHP five-year plan will include sections on each of the four categories included in this Protocol.

Categories 1-2 Requirements: For each project selected from Category 1 and 2, RHP Plans must include a narrative that has the following subsections:

- Identifying Information: Identification of the DSRIP Category, name of the project, project element, and RHP Performing Provider name and Texas Provider Identifier (TPI) involved with the project. Each project shall be implemented by one Performing Provider only.
- Project Goal: The goal(s) for the project, which describes the challenges or issues of the Performing Provider and brief description of the major delivery system solution identified to address those challenges by implementing the particular project; the starting point of the Performing Provider related to the project and based on that, the 5-year expected outcome for the Performing Provider and the patients.
- Rationale: As part of this subsection, each Performing Provider will provide the reasons for selecting the project, milestones, and metrics based on relevancy to the RHP's population and circumstances, community need, and RHP priority and starting point with available baseline data, as well as a description of how the project represents a new initiative for the Performing Provider or significantly enhances an existing initiative, including any initiatives that may have related activities that are funded by the U.S. Department of Health and Human Services. These projects should be data-driven and based on community needs and local data that demonstrate the project is addressing an area of poor performance and/or disparity that is important to the population (i.e. a provider selecting a project to implement a chronic care model for diabetes should discuss local data such as prevalence of diabetes in the community and rates of preventable admissions for diabetes and describe why diabetes is an important health challenge for the community).
- Related Category 3 Outcome Measure(s): The Performing Provider will indicate the Category 3 Outcome Measure(s) and reasons/rationale for selecting the outcome measure(s). The rationale should be data-driven, including:
    - Data supporting why these outcomes are a priority for the RHP;
    - Validated, evidence-based rationale describing how the related Category 1 or 2 project will help achieve the Category 3 outcome measure selected; and/or
    - Explanation of how focusing on the outcomes will help improve the health of low-income populations.
- Relationship to Other Projects and Measures: A description of how this project supports, reinforces, enables, and is related to other Category 1 and 2 projects and Category 4 population-focused improvement measures within the RHP Plan
- Milestones and Metrics Table: For each project, RHP Plans shall include milestones and metrics adopted in accordance with this Protocol. In a table format, the RHP Plan will indicate by demonstration year when project milestones will be achieved and indicate the data source that will be used to document and verify achievement.
    - For each project from Category 1 and 2, the Performing Provider must include at least one milestone based on a Process Milestone and at least one milestone based on an Improvement Milestone over the 4-year period.

  - Since Quality Improvement (QI) activities are essential to the provider's success implementing Category 1 and 2 projects and achieving Category 3 outcome measures, Quality Improvement (QI) is a core project component for all project options for most Category 1 and 2 projects (except 1.1 Expand Primary Care Capacity, 1.2 Increase Training of Primary Care Workforce, 1.9 Expand Specialty Care Capacity, 1.12 Enhance Service Availability, and 1.14 Develop Workforce Enhancement). Category 1 and 2 project areas contain recommended process milestones designed to support providers that are engaging in meaningful quality improvement work to improve performance and achieve outcomes. Performing Providers are strongly encouraged to include process milestones reflecting their Quality Improvement activities for all 4 years of the DSRIP.
  - For each milestone, the estimated DSRIP funding must be identified as the maximum amount that can be received for achieving the milestone. For each year, the estimated available non-federal share must be included and the source (Intergovernmental Transfer (IGT) Entity) of non-federal share identified.
- Relationship to Other Providers' Projects in the RHP: If applicable, a list of other providers in the RHP that are proposing similar projects and will be members of a learning collaborative to support this project and share best practices, new ideas, and solutions across the RHP.
- Plan for Learning Collaborative: If applicable, describe plans for participating in a RHP-wide learning collaborative with other providers with similar projects. Describe how the learning collaborative will promote sharing of challenges and testing of new ideas and solutions between providers implementing similar projects.

Category 3 Requirements: Category 3 involves outcomes associated with Category 1 and 2 projects. All Performing Providers (both hospital and non-hospital providers) shall select outcomes and establish improvement targets that tie to their projects in Categories 1 and 2. RHP Plans must include:

- Identifying Information: Identification of the Category 3 outcomes and RHP Performing Provider name and Texas Provider Identifier that is reporting the measure.
- Narrative Description: Each Performing Provider shall provide a narrative describing the Category 3 outcomes.
- Outcomes Table: In a table format, the RHP Plan shall include the outcomes selected by each Performing Provider.
  - For each outcome, the RHP Plan may include process milestones described in 11.d.ii of the *Program Funding and Mechanics Protocol* in DY 2-3 only that support the development of the outcomes.
  - For each outcome, the RHP Plan shall include improvement targets beginning no later than DY 4. In DY 4 and 5, incentive payments will only be received for achieving improvement targets (pay-for-performance) in Category 3.
  - For each milestone or outcome improvement target, the estimated DSRIP funding must be identified as the maximum amount for achieving the milestone or outcome target. For each year, the estimated non-federal share must be included and the source (IGT Entity) of non-federal share identified.

Attachment I
Regional Healthcare Partnership (RHP) Planning Protocol

Category 4 Requirements: Category 4 involves population-focused improvements associated with Category 1 and 2 projects and Category 3 outcomes. Each hospital-based Performing Provider shall report on all Category 4 measures, unless the hospital-based performing provider either is exempt from all measures or from certain measures in accordance with *Program Funding and Mechanics Protocol*, Sections 11.e. and 11.f. For Category 4, RHP Plans must include:

- Identifying information: Identification of the DSRIP Category 4 measures and the name and Texas Provider Identifier of the RHP Performing Provider that is reporting the measure.
- Narrative description: A narrative description of the Category 4 measures.
- Table Presentation: In a table format, the RHP Plan will include, starting in DY 3:
    - List of Category 4 measures the Performing Provider will report on by domain;
    - For each measure, the estimated DSRIP funding must be identified as the maximum amount that can be received for reporting on the measure. For each year, the estimated available non-federal share must be included and the source of non-federal share identified.

IV. Explanation of the Format of this Document

Each RHP will follow the guidelines in this document and provide specificity in its plan. The Categories 1 and 2 projects that follow include the following components, which guide the RHPs in what to include in the plan:

- **Project Area:** The overarching subject matter the project addresses.
- **Project Goal:** This component describes the purpose of performing a project in the project area.
- **Project Option:** This component describes a comprehensive intervention a Performing Provider may undertake to accomplish the project goal.
- **"Other" Project Options:** Each Category 1 and 2 project area includes an "other" project option. Providers that wish to implement an innovative, evidence-based project that is not included on the list of project options for a project area may choose the "other" project option. Providers implementing an innovative, evidence-based project using the "Other" project option may design their project using the process and improvement milestones specified in the project area or may include one or more customizable process milstones P-X and/or improvement milestones I-X, as appropriate for their project. "Other" project options will be subject to additional scrutiny during the plan review and approval process.
- **Project Component:** Activities that may occur in conjunction with one another to carry out a project option. Project components may be required core components or optional components. Required core components are listed with the project options with which they must be completed. Providers either must incorporate all required core components in their plan narrative or they must provide justification for why they are not including a core component (e.g., the provider was at a more advanced stage with the project and had already completed one or more core components).

The metric specification guide, which is a compendium to this protocol, provides the following additional information:

- **Milestone:** An objective for DSRIP performance comprised of one or more metrics.

  - **Process Milestones:** Objectives for completing a process that is intended to assist in achieving an outcome. These include objectives for continuous quality improvement, rapid-cycle testing, and collaborative learning that are intended to help providers share best practices, spread breakthrough ideas, and test new solutions with the goal of performing at a higher level and achieving outcomes within the 5 years.
  - **Improvement Milestones:** Objectives, such as outputs, to assist in achieving an outcome.
- **Metric:** Quantitative or qualitative indicator of progress toward achieving a milestone from a baseline. There are one or more metrics associated with each milestone. The RHP participants may tailor the targets in the metric, as appropriate.
- **Data Source:** The data source often lists multiple options that could be used for the data being measured by the metric. Please note that these options identify appropriate sources of information, but as allowed, Performing Providers may identify alternative sources that are more appropriate to their individual systems and that provide comparable or better information. The RHP plans will specify the exact data source being used for the metric each year.
- **Rationale:** This component describes why the metric is appropriate, including academic citations, descriptions of how widely used the metric is in the industry, and other reasons why the metric is seen as the appropriate data to meaningfully measure progress toward achieving the milestone.

Additional Process Milestones

In an effort to avoid repetition, <u>it is permissable for each project to include any one of the following as process milestones</u>, in addition to or in lieu of the other process milestones listed. Each is in the spirit of continuous improvement and applying and sharing learning. If a Performing Provider elects to use one or more of these process milestones, the RHP plan would describe the related specifics for the milestone, such as the metric and data source, using customizable process milestone P-X, which is included in each project area:

- Participate in a learning collaborative (e.g., in DY 2, join the Hospital Engagement Network, as documented by the appropriate participation document)Conduct a needs/gap analysis, in order to inform the establishment or expansion of services/programs (e.g., in DY2, conduct a gap analysis of high-impact specialty services to identify those in most demand by the local community in order to expand specialty care capacity targeted to those specialties most needed by patients)
- Pilot a new process and/or program
- Assess efficacy of processes in place and recommend process improvements to implement, if any (e.g., in DY 4, evaluate whether the primary care redesign methodology was as effective as it could be, by: (1) performing at least two team-based Plan-Do-Study-Act workshops in the primary care clinics; (2) documenting whether the anticipated metric improvements were met; (3) identifying opportunities, if any, to improve on the redesign methodology, as documented by the assessment document capturing each of these items)
- Redesign the process in order to be more effective, incorporating learnings (e.g., in DY 4, incorporate at least one new element into the process based on the assessment, using the

process modification process to include the specificity needed as new learnings are discovered in DY 3)

- Implement a new, improved practice piloted in one or more Performing Providers within an RHP (e.g., in DY 5, implement improved practices across the Performing Provider's ambulatory care setting)
- Establish a baseline, in order to measure improvement over self
- Complete a planning process/submit a plan, in order to do appropriate planning for the implementation of major infrastructure development or program/process redesign (e.g., in DY 2, complete a planning process for a care navigation program to provide support to patient populations who are most at risk of receiving disconnected and fragmented care)
- Designate/hire personnel or teams to support and/or manage the project/intervention
- Implement, adopt, upgrade, or improve technology to support the project
- Develop a new methodology, or refine an existing one, based on learnings
- Incorporate patient experience surveying

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Category 1 Infrastructure Development

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Category 1

1.1 Expand Primary Care Capacity

Project Goal:
Expand the capacity of primary care to better accommodate the needs of the regional patient population and community, as identified by the RHP needs assessment, so that patients have enhanced access to services, allowing them to receive the right care at the right time in the right setting. Projects plans related to access to primary care services should address current challenges to the primary care system and patients seeking primary care services, including: expanded and/or enhanced system access points, barriers to transportation, and expanded or enhanced primary care services to include urgent care.

Project Options:

a) Establish more primary care clinics
b) Expand existing primary care capacity
   Required core project components:
   a) Expand primary care clinic space
   b) Expand primary care clinic hours
   c) Expand primary care clinic staffing
c) Expand mobile clinics
d) "Other" project option: Implement other evidence-based project to expand primary care capacity in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-15 includes suggestions for improvement metrics to use with this innovative project option.

Rationale:
In our current system, more often than not, patients receive services in urgent and emergent care settings for conditions that could be managed in a more coordinated manner if provided in the primary care setting. This often results in more costly, less coordinated care and a lack of appropriate follow-up care. Patients may experience barriers in accessing primary care services secondary to transportation, cost, lack of assigned provider, physical disability, inability to receive appointments in a timely manner and a lack of knowledge about what types of services can be provided in the primary care setting. By enhancing access points, available appointment times, patient awareness of available services and overall primary care capacity, patients and their families will align themselves with the primary care system resulting in better health outcomes, patient satisfaction, appropriate utilization and reduced cost of services.

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Category 1

1.2 Increase Training of Primary Care Workforce

Project Goal:
Texas has a growing shortage of primary care doctors and nurses due to the needs of an aging population, a decline in the number of medical students choosing primary care, and thousands of aging baby boomers who are doctors and nurses looking towards retirement. The shortage of primary care workforce personnel in Texas is a critical problem that we have the opportunity to begin addressing under this waiver. It is difficult to recruit and hire primary care physicians. The shortage of primary care providers has contributed to increased wait times in hospitals, community clinics, and other care settings. Expanding the primary care workforce will increase access and capacity and help create an organized structure of primary care providers, clinicians, and staff. Moreover, this expansion will strengthen an integrated health care system and play a key role in implementing disease management programs. The extended primary care workforce will also be trained to operate in patient-centered medical homes. A greater focus on primary care will be crucial to the success of an integrated health care system. Furthermore, in order to effectively operate in a medical home model, there is a need for residency and training programs to expand the capabilities of primary care providers and other staff to effectively provide team-based care and manage population health. Therefore, the need to expand the responsibilities of primary care workforce members will be even more important. In summary, the goal for this project is to train more workforce members to serve as primary care providers, clinicians, and staff to help address the substantial primary care workforce shortage and to update training programs to include more organized care delivery models. This project may apply to primary care physicians (including residents in training), nurse practitioners, physician assistants, and other clinicians/staff (e.g., health coaches, community health workers/promotoras) in the following service areas: family medicine, internal medicine, obstetrics and gynecology, geriatrics, and pediatrics.

In 2010, Texas had 176 patient care physicians per 100,000 population and 70 primary care physicians per 100,000 population with a state ranking of 46 and 47, respectively. (Comparable ratios for US Total are 219.5 and 90.5, respectively.) From 2001 to 2011, the Texas physician workforce grew 32.3%, exceeding the population growth of 25.1%. Primary care physician workforce grew only 25% in the same period. From 2002 to 2011, Texas increased medical school enrollment 31% from 1,342 to 1,762 in line with the national call by the Association of American Medical Colleges to increase medical school enrollments by 30%. In 2011, there were 1,445 medical school graduates. Coincidentally, there were 1,445 allopathic entry-level GME positions offered in the annual National Resident Matching program. (There were 31 osteopathic slots.) The Texas Higher Education Coordinating Board recommends a ratio of 1.1 entry-level GME positions for each Texas medical school graduate. The number of Texas medical school graduates is expected to peak at over 1,700 in 2015. This implies a need for 400 additional GME positions by 2015. The shortage of GME positions or residency slots may be

the single most problematic bottleneck in Texas' efforts to alleviate the state's physician shortage.[1]

The rate of Primary Care Physicians per 100,000 Population varies by region from 43 (South Texas) to 78 (Central Texas). Resident physicians provide low-cost care to needy populations and tend to remain in the state in which they complete their residency training.

Project Options:

a) Update primary care training programs to include training on the medical home and chronic care models, disease registry use for population health management, patient panel management, oral health, and other identified training needs and/or quality/performance improvement

b) Increase the number of primary care providers (i.e., physicians, residents, nurse practitioners, physician assistants) and other clinicians/staff (such as health coaches and community health workers/promotoras).

c) Increase the number of residency/training program for faculty/staff to support an expanded, more updated program

d) Establish/expand primary care training programs, with emphasis in communities designated as health care provider shortage areas (HPSAs)

e) "Other" project option: Implement other evidence-based project to increase training of the primary care workforce in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

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[1] 2010 physician supply extracted from "Physician Characteristics and Distribution in the U.S., " 20122012 Edition, published by American Medical Association. U.S. and Texas population estimates, 2010, extracted from U.S. Census Bureau American Fact Finder Website. Prepared by: Medical Education Dept., Texas Medical Association, 2/2012.

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Regional Healthcare Partnership (RHP) Planning Protocol

Category 1

1.3 Implement a Chronic Disease Management Registry

Project Goal:
Implement a disease management registry for one or more patient populations diagnosed with a selected chronic disease(s) or with Multiple Chronic Conditions (MCCs). By tracking key patient information, a disease registry can help physicians and other members of a patient's care team identify and reach out to patients who may have gaps in their care in order to prevent complications, which often lead to more costly care interventions. A disease registry can assist physicians in one or more key processes for managing patients with a chronic disease, including:

- Prompt physicians and their teams to conduct appropriate assessments and deliver condition-specific recommended care;
- Identify patients who have missed appointments, are overdue for care, or are not meeting care management goals;
- Provide reports about how well individual care teams and overall provider organizations are doing in delivering recommended care to specific patient populations;
- Stratify patients into risk categories in order to target interventions toward patients with highest needs.

Project Options:

a) Implement/enhance and use chronic disease management registry functionalities
Required core project components:
   a) Enter patient data into unique chronic disease registry
   b) Use registry data to proactively contact, educate, and track patients by disease status, risk status, self-management status, community and family need.
   c) Use registry reports to develop and implement targeted QI plan
   d) Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

b) "Other" project option: Implement other evidence-based project to implement a chronic disease management registry in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-23 includes suggestions for improvement metrics to use with this innovative project option.

Category 1

Note: All of the project options in project area 1.3 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Rationale:
Utilization of registry functionalities helps care teams to actively manage patients with targeted chronic conditions because the disease management registry will include clinician prompts and reminders, which should improve rates of preventive care.

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Regional Healthcare Partnership (RHP) Planning Protocol

Category 1

1.4 Enhance Interpretation Services and Culturally Competent Care

Project Goal:
Patients have access to timely, qualified health care interpreter services in their primary language, thereby increasing the likelihood of safe and effective care, open communication, adherence to treatment protocols, and better health outcomes. This Project Area applies to both written and oral interpretation services.

Cultural competence in health care describes the ability of systems to provide care to patients' with diverse values, beliefs and behaviors, including tailoring care delivery to meet patients' social, cultural, and linguistic needs. Cultural competence can be described both as a vehicle to increase access to quality care for all patient populations and as a business strategy to attract new patients and market share.

To achieve **organizational cultural competence** within the health care leadership and workforce, it is important to maximize diversity.

To achieve **systemic cultural competence** (e.g., in the structures of the health care system) it is essential to address such initiatives as conducting community assessments, developing mechanisms for community and patient feedback, implementing systems for patient racial/ethnic and language preference data collection, developing quality measures for diverse patient populations, and ensuring culturally and linguistically appropriate health education materials and health promotion and disease prevention interventions.

To attain **clinical cultural competence**, health care providers must: (1) be made aware of the impact of social and cultural factors on health beliefs and behaviors; (2) be equipped with the tools and skills to manage these factors appropriately through training and education; and (3) empower their patients to be more of an active partner in the medical management.

Project Options:

a) Expand access to written and oral interpretation services
   Required core project components:
   a) Identify and address language access needs and/or gaps in language access
   b) Implement language access policies and procedures (in coordination with statewide and federal policies to ensure consistency across the state)
   c) Increase training to patients and providers at all levels of the organization (and organization-wide) related to language access and/or cultural competency/sensitivity
   d) Increase interpretation staff

b) Enhance Organizational Cultural Competence
   Required core project components:
   a) Hire, promote, and retain minorities at all levels of the organization to increase diversity in the health care workforce.

b) Develop a program that actively involves community representatives in the health care organization's planning and quality improvement meetings, whether as part of the board or as part of focus groups.

c) Enhance Systemic Cultural Competence
Required core project components:
   a) Develop policies and procedures to measure systemic culture competence, or use existing evidence-based culturally competency assessment tool (e.g., CAHPS Cultural Competency Supplement).
   b) Adopt and implement all 14 CLAS standards, including those that are not federal mandates.2Conduct CLAS Standards trainings at facilities
   c) Identify federal and state reimbursement strategies for interpreter services and identify community resources and partnerships to develop the needed workforce.
   d) Provide staff training around Title VI requirements mandating the provision of interpreter services in health care settings.
   e) Identify and use tools to detect medical errors that result from lack of systemic cultural competence, including those stemming from language barriers (e.g., taking a prescribed medication incorrectly); misunderstanding health education materials, instructions, or signage (e.g., inappropriately preparing for a diagnostic or therapeutic procedure, resulting in postponement or delay); and misunderstanding the benefits and risks of procedures requiring informed consent.
   f) Implement projects to address medical errors resulting from systemic cultural competency.

d) Clinical Cultural Competence: Develop cross-cultural training program that is a required, integrated component of the training and professional development of health care providers at all levels. The curricula should:
   - increase awareness of racial and ethnic disparities in health and the importance of socio-cultural factors on health beliefs and behaviors;
   - address the impact of race, ethnicity, culture, and class on clinical decision making;
   - develop tools to assess the community members' health beliefs and behaviors
   - Develop human resource skills for cross-cultural assessment, communication, and negotiation.

e) Implement Quality improvement efforts that include culturally and linguistically appropriate patient survey methods as well as process and outcome measures that reflect the needs of multicultural and minority populations.

f) Clinical Cultural Competence: Develop programs to help patients navigate the health care system and become a more active partner in the clinical encounter.

g) "Other" project option: Implement other evidence-based project to enhance interpretation services and culturally competent care in an innovative manner not

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[2] http://minorityhealth.hhs.gov/assets/pdf/checked/finalreport.pdf

described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-18 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 1.4 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Rationale:
The 2010 United States Census confirmed that our nation's population has become more diverse than ever before, and this trend is expected to continue over this century. As we become a more ethnically and racially diverse nation, health care systems and providers need to reflect on and respond to patients' varied perspectives, values, beliefs, and behaviors about health and well-being. Failure to understand and manage socio-cultural differences may have significant health consequences for minority groups in particular.

Various systemic issues have been identified in the literature and by the health care experts. While this was more obvious in poorly constructed and complicated systems that are not responsive to the needs of diverse patient populations, the issue of language discordance between provider and patient was of foremost importance. Systems lacking interpreter services or culturally and linguistically appropriate health education materials lead to patient dissatisfaction, poor comprehension and adherence, and lower-quality care. According to various studies, care experts in government, managed care, academia, and community health care make a clear connection between cultural competence, quality improvement, and the elimination of racial/ethnic disparities.

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1.5 Collect Valid and Reliable Race, Ethnicity, and Language (REAL) Data to Reduce Disparities

In 2002, the Institute of Medicine report *Unequal Treatment: Confronting Racial and Ethnic Disparities in Health Care*[3]*, signified a new era of national attention to racial and ethnic disparities in the American health care system. Corroborating that report, many research studies have established that Americans* do not all have equal access to health care, or experience similar health care quality and outcomes. Low-income, racial and ethnic minority, limited-English proficient, and other underserved populations often have higher rates of disease, fewer treatment options, reduced access to care, and lower satisfaction with care. A key prerequisite for measuring equity of care and addressing disparities is to collect valid and reliable patient demographic data on race, ethnicity, and preferred language (REAL data). These data elements must be effectively linked to data systems used in health care service delivery (to tailor care to patient needs), as well as data systems used in quality improvement (to identify disparities). Creating organizational systems for capturing REAL data is a long and resource-intensive process. Currently, the processes for analyzing equity of care are mostly piecemeal and limited in scope, taxing organizational resources. However, in the state of Texas there are significant barriers to effective collection and utilization of these patient demographic data for public hospitals. To address these barriers, key next steps for public hospitals systems include developing tools, HIT protocols and training curricula to improve the collection and utilization of REAL data elements, which is the foundation for achieving significantly greater efficiency and cost-effectiveness in measuring equity of care, thus enabling the designs of more successful efforts to eliminate health care disparities.

Project Goal:
To improve the collection of valid and reliable self-reported data on the demographics of patients receiving care, the quality of care delivered, and implementing stratification capabilities to stratify clinical/quality data, and analyzing data by relevant demographic categories: race, ethnicity, sex, primary language and disability status.[4] Recently finalized data collection standards for surveys of demographic categories were released by HHS and will be used in the process of developing standards for administrative data collection for the same 5 categories. RHPs will work to implement initiatives, promote training, and accelerate capacity building, community engagement and empowerment. The project focuses on efforts to reduce health and mental health disparities, disparities among racial/ethnic groups, women, seniors, children, rural populations, and those with disabilities and their families.

Project Options:

a) Train patients and staff on the importance of collecting REAL data (For project option 1.5.1, the provider must do both subpart (i) and subpart (ii), If the provider is not using existing curriculum. If the provider is using existing curriculum, only subpart (ii) is required.):

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3 http://www.iom.edu/Reports/2002/Unequal-Treatment-Confronting-Racial-and-Ethnic-Disparities-in-Health-Care.aspx
4 http://minorityhealth.hhs.gov/templates/browse.aspx?lvl=2&lvlid=208

i. Develop curriculum that includes effective strategies to explain relevance of collecting REAL data to patients and staff. Education about the value of the information for patient care, with clear examples of the benefits of data collection is central to an effective training.
ii. Train patients and staff on the importance of collecting REAL data using developed or existing curricula.

b) Implement intervention that involves collaborating/partnering/ instituting data sharing agreements with Medicaid agencies, public health departments, academic research centers, other agencies, etc. to better assess patient populations and aid in the evaluation of health disparities

c) Implement project to enhance collection, interpretation, and / or use of REAL data.

Required core project components:

a) Redesign care pathways to collect valid and reliable data on race, ethnicity, and language at the point of care

b) Implement system to stratify patient outcomes and quality measures by patient REAL demographic information in order to identify, analyze, and report on potential health disparities and develop strategies to address goals for equitable health outcomes. NOTE: Providers are encouraged to stratify outcomes and measures using both two-way and three-way interactions (race and quality; gender, race, and quality)

c) Develop improvement plans, which include a continuous quality improvement plan, to address key root causes of disparities within the selected population.

d) Use data to undertake interventions aimed at reducing health and health care disparities (tackling "the gap") for target patient populations through improvements in areas such as f preventive care, patient experience, and/or health outcomes.

d) "Other" project option: Implement other evidence-based project to implement and use REAL data in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-12 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 1.5 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Rationale:
Several RHPs within Texas focus on health disparities in communities through research, education, and community relations. To build upon the existing infrastructure to address health

disparities in Texas, RHPs will select projects appropriate to specific populations based on relevancy to the RHP needs assessment. Some populations experience disparities in health, quality of care, health outcomes, and incidence as related to conditions such as: tuberculosis, congestive heart failure, stroke, COPD, Chlamydia, cervical cancer, liver cancer, stomach cancer, gallbladder cancer, child and adolescent leukemia, neural tube defects, other birth defects, obesity, diabetes, and pesticide poisoning. Disparities can been seen among groups based on race and ethnicity, language, economic factors, education, insurance status, geographic location (rural vs. urban, zip code) , gender, sexual orientation and many other social determinants of health. The collection of REAL data helps providers to delineate potential categories of differences in observed health status.

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1.6 Enhance Urgent Medical Advice

Project Goal:
Provide urgent medical advice so that patients who need it can access it telephonically, and an appropriate appointment can be scheduled so that access to urgent medical care is increased and avoidable utilization of urgent care and the ED can be reduced. The advice line provides callers with direct access to a registered nurse who can address their specific health needs with an on-demand service.

Project Options:

a) Expand urgent care services

b) Establish/expand access to medical advice and direction to the appropriate level of care to reduce Emergency Department use for non-emergent conditions and increase patient access to health care.
Required core project components:
   a) Develop a process (including a call center) that in a timely manner triages patients seeking primary care services in an ED to an alternate primary care site. Survey patients who use the nurse advice line to ensure patient satisfaction with the services received.
   b) Enhance linkages between primary care, urgent care, and Emergency Departments in order to increase communication and improve care transitions for patients.
   c) Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

c) "Other" project option: Implement other evidence-based project to implement and use urgent medical advice in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-17 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 1.6 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

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Rationale:
Several RHPs within Texas implemented an urgent medical advice line to serve patients within selected populations. To facilitate the diffusion of practices among RHPs, RHPs will have the opportunity to implement an urgent medical advice line to underserved and under privileged areas.
Implementation across Texas for an urgent medical advice line is not consistent between RHPs. As such, Texas will promote the implementation of an **urgent medical advice line** for underserved and underprivileged populations (i.e. rural areas with limited access to healthcare, or areas where cultural differences may disincentivize the use of automated telephone services).

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1.7 Introduce, Expand, or Enhance Telemedicine/Telehealth

Project Goal:
Provide electronic health care services to increase patient access to health care. Telemedicine is the use of medical information exchanged from one site to another via electronic communications to improve patients' health status. Closely associated with telemedicine is the term "telehealth," which is often used to encompass a broader definition of remote healthcare that does not always involve clinical services. Videoconferencing, transmission of still images, remote monitoring of vital signs with a focus on the specialty care access challenges in rural communities, and continuing medical education are all considered part of telemedicine and telehealth.[5]

Telehealth is the use of electronic information and telecommunications technologies to support long-distance clinical health care, patient and professional health-related education, public health and health administration. Technologies include videoconferencing, the internet, store-and-forward imaging, streaming media, and terrestrial and wireless communications.[6]

Telemedicine is viewed as a cost-effective alternative to the more traditional face-to-face way of providing medical care (e.g., face-to-face consultations or examinations between provider and patient) that states can choose to cover under Medicaid. This definition is modeled on Medicare's definition of telehealth services (42 CFR 410.78). Note that the federal Medicaid statute does not recognize telemedicine as a distinct service.[7]

Telemedicine is not a separate medical specialty. Products and services related to telemedicine are often part of a larger investment by health care institutions in either information technology or the delivery of clinical care. Even in the reimbursement fee structure, there is usually no distinction made between services provided on site and those provided through telemedicine and often no separate coding required for billing of remote services. Telemedicine encompasses different types of programs and services provided for the patient. Each component involves different providers and consumers.[8]

Telemedicine Services:

Specialist referral services typically involves of a specialist assisting a general practitioner in rendering a diagnosis. This may involve a patient "seeing" a specialist over a live, remote consult or the transmission of diagnostic images and/or video along with patient data to a specialist for viewing later. Recent surveys have shown a rapid increase in the number of specialty and subspecialty areas that have successfully used telemedicine. Radiology continues to make the greatest use of telemedicine with thousands of images "read" by remote providers each year. Other major specialty areas include: dermatology, ophthalmology, mental health, cardiology and

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[5] http://www.americantelemed.org/i4a/pages/index.cfm?pageid=3333
[6] http://www.hrsa.gov/ruralhealth/about/telehealth/
[7] http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Delivery-Systems/Telemedicine.html
[8] http://www.americantelemed.org/i4a/pages/index.cfm?pageid=3333

pathology. According to reports and studies, almost 50 different medical subspecialties have successfully used telemedicine.

Patient consultations using telecommunications to provide medical data, which may include audio, still or live images, between a patient and a health professional for use in rendering a diagnosis and treatment plan. This might originate from a remote clinic to a physician's office using a direct transmission link or may include communicating over the Web.

Remote patient monitoring uses devices to remotely collect and send data to a monitoring station for interpretation. Such "home telehealth" applications might include a specific vital sign, such as blood glucose or heart ECG or a variety of indicators for homebound patients. Such services can be used to supplement the use of visiting nurses.

Medical education provides continuing medical education credits for health professionals and special medical education seminars for targeted groups in remote locations.

Consumer medical and health information includes the use of the Internet for consumers to obtain specialized health information and on-line discussion groups to provide peer-to-peer support.

Delivery Mechanisms:

Networked programs link tertiary care hospitals and clinics with outlying clinics and community health centers in rural or suburban areas. The links may use dedicated high-speed lines or the Internet for telecommunication links between sites. Studies by the several agencies within the U.S. Department of Health and Human Services, private vendors and assessments by ATA of its membership place the number of existing telemedicine networks in the United States at roughly 200. These programs involve close to 2,000 medical institutions throughout the country. Of these programs, it is estimated that about half (100) are actively providing patient care services on a daily basis. The others are only occasionally used for patient care and are primarily for administrative or educational use.

Point-to-point connections using private networks are used by hospitals and clinics that deliver services directly or contract out specialty services to independent medical service providers at ambulatory care sites. Radiology, mental health and even intensive care services are being provided under contract using telemedicine to deliver the services.

Primary or specialty care to the home connections involves connecting primary care providers, specialists and home health nurses with patients over single line phone-video systems for interactive clinical consultations.

Home to monitoring center links are used for cardiac, pulmonary or fetal monitoring, home care and related services that provide care to patients in the home. Often normal phone lines are used

to communicate directly between the patient and the center although some systems use the Internet.

Web-based e-health patient service sites provide direct consumer outreach and services over the Internet. Under telemedicine, these include those sites that provide direct patient care.

Project Options:

a) Implement telemedicine program to provide or expand specialist referral services in an area identified as needed to the region.
   Required core project components:
   a) Provide patient consultations by medical and surgical specialists as well as other types of health professional using telecommunications
   b) Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

b) Implement remote patient monitoring programs for diagnosis and/or management of care. Providers should demonstrate that they are exceeding the requirements of the EHR incentive program.

c) Use telehealth to deliver specialty, psychosocial, and community-based nursing services

d) Develop a teledentistry infrastructure and use telehealth to provide dental and oral health services.

e) Use telehealth services to provide medical education and specialized training for targeted professionals in remote locations.

f) Implement an electronic consult or electronic referral processing system to increase efficiency of specialty referral process by enabling specialists to provide advice and guidance to primary care physicians that will address their questions without the need for face-to-face visits when medically appropriate.

g) "Other" project option: Implement other evidence-based project to expand/establish telemedicine/telehealth program to help fill significant gaps in services in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-18 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 1.7 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts,

"lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Rationale[9]:

One of the greatest challenges facing the U.S. healthcare system is to provide quality care to the large segment of the population, which does not have access to specialty physicians because of factors such as geographic limitations or socioeconomic conditions. The use of technology to deliver health care from a distance, or telemedicine, has been demonstrated as an effective way of overcoming certain barriers to care, particularly for communities located in rural and remote areas. In addition, telemedicine can ease the gaps in providing crucial care for those who are underserved, principally because of a shortage of sub-specialty providers.

The use of telecommunications technologies and connectivity has impacted real-world patients, particularly for those in remote communities. This work has translated into observable outcomes such as:

- improved access to specialists
- increased patient satisfaction with care
- improved clinical outcomes
- reduction in emergency room utilization
- cost savings

Nowhere are these benefits more evident than in Texas. With a land mass area of 268,820 square miles and a growing population of 25.1 million, Texas is the second largest US state by area and population.1 Its population growth rose more than 18.8 percent between 2000 to 2009, reflecting an increase that is more than double the national growth in this period.2 This rapid growth is attributed to a diversity of sources such as natural increases from the total of all births minus all deaths and to a high rate of net in-migration from other states and countries. Along with the increase in population, an ever-growing aging population (the state's older population, 65+, is expected to double that of the previous 8 years) has significantly affected the demand on the healthcare workforce as demands for quality care increased.

In its Statewide Health Plan 2011-2016 report[10], the Texas Statewide Health Council concluded: "Texas faces particular challenges with respect to physician and other healthcare workforces not primarily because of an overall shortage, but because of sharp disparities in the allocation of healthcare resources to different parts of the state. In the metropolitan areas outside the border, there is one physician in direct patient care for each 573 county residents. In the 32-county border region and in non-metropolitan Texas, the ratios are 2 to 3 times as high."

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[9] http://telehealth.utmb.edu/presentations/Benefits_Of_Telemedicine.pdf

[10] Texas Statewide Health Coordinating Council. 2011-2016 Texas State Health Plan Update. Texas Department of State Health Services. http://www.dshs.state.tx.us/chs/shcc/. Retrieved February 28, 2011

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Although the overall supply of physicians has increased in Texas since 2000 from in-migration, the vast majority of these healthcare professionals resides and practices within four primary areas of Texas: Dallas, Houston, Austin, and San Antonio. Moreover, Texas has consistently lagged behind the US average in the ratio of physician supply per 100,000 of population, and the gap between the two appears to be increasing. In 2009, there were 25 counties with no physicians, and the counties with lowest ratios of providers to populations were by and large in West Texas, South Texas and the Panhandle.

Theoretically, resources such as healthcare would be distributed across the state in accordance with population density and needs. Realistically, however, geographical and economic barriers create significant disparities across the state, with rural and underserved communities enduring significantly greater barriers to accessing the care continuum. The supply ratios for a number of health professionals, including primary care physicians and mental health professionals, are lowest in rural, border and other health professional shortage areas. Data for 2009 indicated that out of the 254 counties in Texas, 118 counties are designated as whole county primary care Health Professional Shortage Areas (HPSAs) due to primary care doctor to patient ratios of 1:3500 or less, and 173 counties (68 percent of the state) are designated as whole county mental health HPSAs[2]

In Texas, communities are struggling to care for an increasing number of underserved, disadvantaged, and at-risk populations. In most communities, especially in rural areas, care is not organized to promote prevention and early intervention, coordinate services, or monitor access to and quality of care. Moreover, public and private funding to subsidize care remains inadequate, despite growing community needs associated with increases in the uninsured and aging populations. Consequently, many people are left to seek care in emergency rooms, often as a last resort, in an unmanaged and episodic manner. The costs of such care are borne by care-giving institutions, local governments, and, ultimately, taxpayers, many of whom are already burdened with the costs of meeting health-related costs of their own.

Given the various benefits observed through the provision of health care via telemedicine, there is a tremendous amount of momentum toward increasing access to care through the use of health information technologies, thereby creating an exciting and central role for innovation and implementation of new and advanced platforms for service delivery. Two such platforms include the use of wireless and telemonitoring technologies. It is our belief that healthcare delivery is about to make a significant leap forward. The development and installation of high-speed wireless telecommunications networks coupled with large-scale search engines and mobile devices will change healthcare delivery as well as the scope of healthcare services. It will allow for real-time monitoring and interactions with patients without bringing them into a hospital or a specialty care center. This real/near-time monitoring and interacting could enable a healthcare team to address patient problems before they require major interventions, creating a potentially patient-centered approach that could undoubtedly change our expectations of our healthcare system.

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In conclusion, the overall goal of the proposed telehealth projects is to reduce disparities in access, outcome, cost and satisfaction that are created by geographic barriers. Specifically, we hope to achieve the following goals for the state's Medicaid population:

1.) increase the knowledge and capacity of rural primary care physicians to manage complex chronic conditions
2.) increase patients' timely access to specialty care and reduce geographic barriers;
3.) create the ability for specialists to provide direct patient consults to patients based at rural clinics
4.) improve efficiency in the referral process by letting specialists divert unnecessary referrals and decreasing the wait time for urgent referrals
5.) provide services in HPSAs
6.) enhance access to other health care services (case management, education, etc.)

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1.8 Increase, Expand, and Enhance Oral Health Services

Project Goal:
Dental health is a key component of overall health. Oral disease can lead to poor nutrition; serious systemic illnesses and conditions such as poor birth outcomes, diabetes, and cardiovascular disease; and a diminished quality of life and life expectancy.[11] Inadequate access to oral health services compounds other health issues. It can result in untreated dental disease that not only affects the mouth, but can also have physical, mental, economic, and social consequences.[12] Fortunately, many of the adverse effects associated with poor oral health can be prevented with quality regular dental care, both at home and professionally. Increasing, expanding, and enhancing oral health services will improve health outcomes.

Barriers to Oral Health Care:

- Distribution of dental providers/lack of dental providers in underserved areas
- Inconvenient hours and location of dental clinic/services
- Transportation issues
- Low oral health literacy within the community
- Cultural and language competency of dental providers
- Cost of services/health insurance coverage
- Providers' limited experience treating special groups (medically compromised, elderly, special needs, pregnant women, young children)

Specific Project Goals:

- Close gaps/disparities in access to dental care services
- Enhance the quality of dental care
- Increase and enhance the dental workforce
- Redistribute and retain the dental workforce to/in underserved areas

Project Options:
Increase dental provider training, education, recruitment and/or retention, as well as expand workforce capacity through one of the following project options:

a) The development of academic linkages with the three Texas dental schools, to establish a multi-week externship program for fourth year dental students to provide exposure and experience in providing dental services within a rural setting during their professional academic preparation.

b) The establishment of a clinical rotation, continuing education within various community settings for dental residents to increase their exposure and experience providing dental services to special populations such as the elderly, pregnant women, young children, medically compromised, and/or special needs patients.

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[11] http://www.perio.org/consumer/media/releases.htm#pregnancy
[12] Building Better Oral Health: A Dental Home for All Texans. A Report Commissioned by the Texas Dental Association. Fall 2008

c) The establishment of a loan repayment program or scholarships for advanced training/education in a dental specialty with written commitments to practice in underserved markets after graduation for fourth year dental students, new dental and dental hygiene graduates, and dental residents.

Increase interdisciplinary training and education opportunities for dentists and other health care providers to promote an interdisciplinary team approach to addressing oral health through one of the following project options:

d) Grand rounds, in-service trainings, and other continuing education events that integrate information on oral health issues and implications as related to chronic diseases, such as diabetes and cardiovascular disease, and the importance of good oral health during pregnancy and perinatal period.

e) Establishing a referral system/network that provides medically complex patients with coordinated care between dental and medical providers such as cardiologists, pediatricians, OB/GYNs, endocrinologists, oncologists, etc.

Increase and expand services by increasing clinics, clinic hours, using satellite mobile clinics with an affiliated fixed-site dental clinic location, school-based/school-linked health centers or other approaches to increase oral health services to underserved populations through one of the following project options:

f) The expansion of existing dental clinics, the establishment of additional dental clinics, or the expansion of dental clinic hours.

g) The expansion or establishment of satellite mobile dental clinics with an affiliated fixed-site dental clinic location.

h) The development of a tele-dentistry infrastructure including Medicaid reimbursement to expand access to dental specialty consultation services in rural and other limited access areas.

i) The implementation or expansion of school-based sealant and/or fluoride varnish programs that provide sealant placement and/or fluoride varnish applications to otherwise unserved school-aged children by enhancing dental workforce capacity through collaborations and partnerships with dental and dental hygiene schools, local health departments (LHDs), federally qualified health centers (FQHCs), and/or local dental providers.

j) The addition or establishment of school-based health centers that provide dental services for otherwise unserved children by enhancing dental workforce capacity through collaborations and partnerships with dental and dental hygiene schools, LDHs, FQHCs, and/or local dental providers.

k) The implementation of dental services for individuals in long-term care facilities, intermediate care facilities, and nursing homes, and for the elderly, and/or those with special needs by enhancing dental workforce capacity through collaborations and partnerships with dental and dental hygiene schools, LHDs, FQHCs, and/or local dental providers.

l) "Other" project option: Implement other evidence-based project to enhance oral health services in an innovative manner not described in the project options

above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

Note 1: All of the project options in project area 1.8 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Note 2: The following project components to implement or enhance efforts to improve quality of care and quality assurance in the delivery of dental care may be included as a part of the above project options:

- Integrating oral health information with electronic medical record.
- Establishing dental care coordination collaboratives where dental case studies are reviewed by dental and medical healthcare providers in an effort to identify best practices and to evaluate health outcomes as a result of the dental interventions and services provided.

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1.9 Expand Specialty Care Capacity

Project Goal:
To increase the capacity to provide specialty care services and the availability of targeted specialty providers to better accommodate the high demand for specialty care services so that patients have increased access to specialty services. With regard to specialty areas of greatest need, the recent report of the Committee on Physician Distribution and Health Care Access cites psychiatry, general/preventive medicine, and child/adolescent psychiatry where the ratios per 100,000 population are 56.7%, 60.2%, and 67% of the US ratios, respectively. Federal funding (Medicare Direct Graduate Medical Education or DGME) for residency training is capped at 1996 levels for the direct support of graduate medical education. The cap only supports a third of the costs of 4,056 of the 4,598 actual positions in Texas, leaving the residency programs to cover the cost of two-thirds of the 4,056 positions and the full cost of 542 positions. Texas is currently over its Medicare cap by 13%.

Residency programs require 3 to 8 years of training, depending on the specialty. Medicare funding only covers years 1 through 3. In 2011, Texas had more than 550 residency programs, offering a total of 6,788 positions. Only 22% (1,494) of theses were first-year residency positions. According to the Coordinating Board, conservative estimates indicate that the cost to educate a resident physician for one year is $150,000.

Hence, a great need for extended residency programs in Texas and increase in the number of specialists.

Project Options:

a) Expand high impact specialty care capacity in most impacted medical specialties
   Required core project components:
   a) Identify high impact/most impacted specialty services and gaps in care and coordination
   b) Increase the number of residents/trainees choosing targeted shortage specialties
   c) Design workforce enhancement initiatives to support access to specialty providers in underserved markets and areas (recruitment and retention)
   d) Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

b) Improve access to specialty care
   Required core project components:
   a) Increase service availability with extended hours
   b) Increase number of specialty clinic locations
   c) Implement transparent, standardized referrals across the system.

d) Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

c) "Other" project option: Implement other evidence-based project to expand specialty care capacity in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-33 includes suggestions for improvement metrics to use with this innovative project option.

Rationale:
Inadequate access to specialty care has contributed to the limited scope and size of safety net health systems. To achieve success as an integrated network, gaps must be thoroughly assessed and addressed.

Category 1

1.10 Enhance Performance Improvement and Reporting Capacity

Project Goal: To expand quality improvement capacity through people, processes and technology so that the resources are in place to conduct, report, drive and measure quality improvement.

The goal of this project is to implement process improvement methodologies to improve safety, quality, and efficiency. Providers may design customized initiatives based on various process improvement methodologies such as Lean, Six Sigma, Care Logistics, and Nurses Improving Care for Health system Elders (NICHE) among others.

The Lean methodology as applied to medicine evaluates the use of resources, measures the value to the patient, considers the use of resources in terms of their value to the patient, and eliminates those that are wasteful. Focus on Lean is especially valuable to safety net providers because of its emphasis on waste reduction. Denver Health a safety net hospital in Denver, Colorado has identified more than $124 million in cost savings that the health system has achieved due to Lean Rapid Improvement Events since implementing Lean in 2005[13]. Using methodologies such as Lean that are proven to eliminate waste and redundancies and optimize patient flow, providers may customize a project that will develop and implement a program of continuous improvement that will increase communication, integrate system workflows, provide actionable data to providers and patients, and identify and improve models of patient-centered care that address issues of safety, quality, and efficiency. Implementation frequently requires a new "operational mindset" using tools such as Lean to identify and progressively eliminate inefficiencies while at the same time linking human performance, process performance and system performance into transformational performance in the delivery system.[14] The process improvement, as a further example, may include elements such as identifying the value to the patient, managing the patient's journey, facilitating the smooth flow of patients and information, introducing "pull" in the patient's journey (e.g. advanced access), and/or continuously reducing waste by developing and amending processes awhile at the same time smoothing flow and enhancing quality and driving down cost.[15]

Rationale:
Performance improvement and reporting is a very large component of success of all of the project areas across the categories. The necessity for quality and safety improvement initiatives permeates health care.[2,3] Quality health care is defined as "the degree to which health services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge"[3] (p. 1161). According to the Institute of Medicine (IOM)

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[13] http://denverhealth.org/LEANAcademy.aspx
[14] Oujiri J, Ferrara C. "The Phoenix Project – Integrating Effective Disease Management Into Primary Care Using Lean Six-Sigma Tools." *Duluth Clinic Presentation*. 2010.
[15] Bibby J. "Lean in Primary Care: The Basics – Sustaining Transformation." *Asian Hospital and Healthcare Management* (2011) 18.

report, To Err Is Human,[16] the majority of medical errors result from faulty systems and processes, not individuals.

Processes that are inefficient and variable, changing case mix of patients, health insurance, differences in provider education and experience, and numerous other factors contribute to the complexity of health care. With this in mind, the IOM also asserted that today's health care industry functions at a lower level than it can and should, and it put forth the following six aims of health care: effective, safe, patient-centered, timely, efficient, and equitable.[3] The aims of effectiveness and safety are targeted through process-of-care measures, assessing whether providers of health care perform processes that have been demonstrated to achieve the desired aims and avoid those processes that are predisposed toward harm. The goals of measuring health care quality are to determine the effects of health care on desired outcomes and to assess the degree to which health care adheres to processes based on scientific evidence or agreed to by professional consensus and is consistent with patient preferences.

Because errors are caused by system or process failures, it is important to adopt various process-improvement techniques to identify inefficiencies, ineffective care, and preventable errors to then influence changes associated with systems. Each of these techniques involves assessing performance and using findings to inform change. This chapter will discuss strategies and tools for quality improvement—including failure modes and effects analysis, Plan-Do-Study-Act, Six Sigma, Lean, and root-cause analysis—that have been used to improve the quality and safety of health care.[17]

Whatever the acronym of the method (e.g., TQM, CQI) or tool used (e.g., FMEA or Six Sigma), the important component of quality improvement is a dynamic process that often employs more than one quality improvement tool. Quality improvement requires five essential elements for success: fostering and sustaining a culture of change and safety, developing and clarifying an understanding of the problem, involving key stakeholders, testing change strategies, and continuous monitoring of performance and reporting of findings to sustain the change.

Project Options:

a) Enhance improvement capacity within people
   Required core project components
   a) Provide training and education to clinical and administrative staff on process improvement strategies, methodologies, and culture.
   b) Develop an employee suggestion system that allows for the identification of issues that impact the work environment, patient care

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[16] Hughes RG. Tools and Strategies for Quality Improvement and Patient Safety. In: Hughes RG, editor. Patient Safety and Quality: An Evidence-Based Handbook for Nurses. Rockville (MD): Agency for Healthcare Research and Quality (US); 2008 Apr. Chapter 44. Available from: http://www.ncbi.nlm.nih.gov/books/NBK2682/

[17] Hughes RG. Tools and Strategies for Quality Improvement and Patient Safety. In: Hughes RG, editor. Patient Safety and Quality: An Evidence-Based Handbook for Nurses. Rockville (MD): Agency for Healthcare Research and Quality (US); 2008 Apr. Chapter 44. Available from: http://www.ncbi.nlm.nih.gov/books/NBK2682/

and satisfaction, efficiency and other issues aligned with continuous process improvement.

b) Enhance improvement capacity through technology
Required core project components
   a) Provide training and education to clinical and administrative staff on process improvement strategies, methodologies, and culture.
   b) Develop an employee suggestion system that allows for the identification of issues that impact the work environment, patient care and satisfaction, efficiency and other issues aligned with continuous process improvement.
   c) Design data collection systems to collect real-time data that is used to drive continuous quality improvement (possible examples include weekly run charts or monthly dashboards)

c) Enhance improvement capacity within systems
Required core project components
   d) Provide training and education to clinical and administrative staff on process improvement strategies, methodologies, and culture.
   e) Develop an employee suggestion system that allows for the identification of issues that impact the work environment, patient care and satisfaction, efficiency and other issues aligned with continuous process improvement.

f) "Other" project option: Implement other evidence-based project to enhance performance improvement and reporting capacity in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

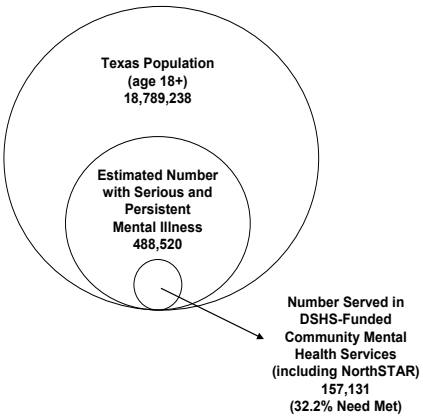
Note: All of the project options in project area1.10 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

CATEGORY 1: BEHAVIORAL HEALTH INFRASTRUCTURE PROJECTS

GOAL: Improve the infrastructure for delivery of mental health and substance use disorder (AKA behavioral health) services.

The goals of infrastructure-related mental health and substance use disorder (behavioral health) projects are to improve the access to appropriate behavioral health interventions and specialists throughout Texas. This is an especially critical need in Texas for several reasons:

- State funding for behavioral health indigent care is limited. Texas ranks 50th in per capita funding for state mental health authority (DSHS) services and supports for people with serious and persistent mental illness and substance use disorders. Medically indigent individuals who are not eligible for Medicaid have no guarantee of access to needed services and may face extended waiting periods.
- Texas ranks highest among states in the number of uninsured individuals per capita. One in four Texans lack health insurance. People with behavioral health disorders are disproportionately affected. For example, 60 percent of seriously mentally ill adults served in the public mental health system are uninsured.[18]
- The supply of behavioral health care providers is inadequate in most of the State. In April of 2011, 195 (77%) of Texas' 254 counties held federal designations as whole county Health Provider Shortage Areas (HPSAs). This is an increase from the 183 counties designated in 2002.[19]



Projects / project elements under this heading are designed to increase the supply of behavioral health professionals practicing in the State, extend the capacity of behavioral health providers to offer expertise to other health care providers, such as primary care physicians and enhance the capacity of behavioral health and other providers to effectively serve patients with behavioral health conditions. Examples of such projects could include training and residency programs for behavioral health providers, programs which expand access to certified peer support services, telehealth consultation programs in which behavioral health providers offer timely expertise to primary care providers and extended clinic hours / mobile clinics.

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[18] DSHS Decision Support, 2012

[19] **"Highlights: The Supply of Mental Health Professionals in Texas -2010", Texas Department of State Health Services Center for Health Statistics, E-Publication No. E25-12347. Accessed at: http://www.dshs.state.tx.us/chs/hprc/publicat.shtm**

Attachment I
Regional Healthcare Partnership (RHP) Planning Protocol

Category 1

1.11 Implement technology-assisted services (telehealth, telemonitoring, telementoring, or telemedicine) to support, coordinate, or deliver behavioral health services

Project Goal:
Texas faces several access barriers that make the deployment of workable integrated health care models a challenge. Specifically, Texas is composed of 254 counties, the majority of which can be classified as either "rural" or "frontier". The availability of health care providers is severely limited in many of these sparsely populated areas. While these shortages make access to physical healthcare difficult for those who reside in these rural areas, the impact on individuals with behavioral health needs is even more severe. For example, in 2009, 171 Texas counties did not have a psychiatrist, 102 counties did not have a psychologist, 40 counties did not have a social worker and 48 counties did not have a licensed professional counselor.

There are 195 Texas counties (77% of all Texas counties) that have been designated by the Health Resources and Services Administration (HRSA) as Health Professional Shortage Areas (HPSAs) in relation to behavioral health. Furthermore, certain specialties (such as Child Psychiatrists) are virtually non-existent in the vast majority of the rural and frontier areas of the state.

Additionally, the size of the state makes travel from these underserved areas to larger urban settings difficult. For individuals who lack reliable transportation or have disabilities that restrict driving, the challenge of accessing health care may be virtually insurmountable.

Furthermore, there are many non-rural areas of the state where the availability of health care professionals is greatly limited. For example, in Bexar country, which has one of the largest urban populations in Texas, there are 123 areas within the county that have been designated as HPSAs by HRSA. Similar shortages can be found in most Texas urban counties.

Modern communications technology holds the greatest promise of bridging the gap between medical need in underserved areas and the provision of needed services. The developments in internet-based communications that began with voice messaging have been extended to video in the form of widely available video compression technologies that allow for high quality, real time, face-to-face communications and consultations over relatively inexpensive telecommunications equipment. With this new technology, in any area of the state where high speed broadband internet access is available, access to many forms of health care can become a reality. To leverage the promise of this new technology, Texas would like to expand the use of telemedicine, telehealth, and telemonitoring to thereby increase access to, and coordination of, physical and behavioral healthcare.

Televideo technology can be used to provide a variety of what have been referred to as "Telemental Health" services. These services may include mental health assessments, treatment, education, monitoring, mentoring and collaboration. These services may be used in a variety of locations (schools, nursing facilities, and even in homes) in any geographical location where traditional service providers are in short supply. Providers can include psychiatrists, nurse

practitioners, physician assistants, social workers, pharmacists, psychologists, counselors, PCPs, and nurses. For example, telemental health could be used to provide follow-up outpatient consults with a psychiatrist or other mental health professional within 7 or 30 days of discharge from the inpatient hospital. These virtual follow-up visits could focus on monitoring for remission of symptoms, adjusting psychotropic medications, and developing a treatment plan to prevent readmissions in partnership with the primary care provider. Telemental services could also be used to provide medication management services to community mental health patients with severe mental illness to ensure appropriate medication treatment and compliance, preventing psychiatric crises which would require psychiatric hospitalization.

The use of telemedicine could provide direct video access to a psychiatrist while the use of telementoring would provide a General Practitioner with access to consultation with psychiatrists with expertise in managing complex medication regimens. Additionally, telehealth could provide direct access to Cognitive Behavioral Therapy and other evidence-based counseling protocols that have proven to be effective in addressing major depression, trauma, and even schizophrenia in some populations.

Telecommunications technology can also be used to foster peer support and mentoring efforts among providers and among consumers (e.g., support groups, peer mentors).

For example, The University of New Mexico has successfully utilized a telementoring program (Project ECHO) to successfully train and provide ongoing support to Primary Care Physicians (PCPs) who provide care to persons with addiction. This initiative provides weekly didactic sessions as well as case presentations to address challenging clinical cases and get feedback from specialists based at the University and from colleagues around the state.[20]

Project Options:

a) Procure and build the infrastructure needed to pilot or bring to scale a successful pilot of the selected forms of service in underserved areas of the state (this must be combined with one of the two interventions below). Required core project components:
    a) Identify existing infrastructure for high speed broadband communications technology (such as T-3 lines, T-1 lines) in rural, frontier, and other underserved areas of the state;
    b) Assess the local availability of and need for video communications equipment in areas of the state that already have (or will have) access to high speed broadband technology.
    c) Assess applicable models for deployment of telemedicine, telehealth, and telemonitoring equipment.

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[20] **Project ECHO: a model for expanding access to addiction treatment in a rural state**
Miriam Komaromy, MD, 2010.

b) Implement technology-assisted behavioral health services from psychologists, psychiatrists, substance abuse counselors, peers and other qualified providers). Required core project components:

a) Develop or adapt administrative and clinical protocols that will serve as a manual of technology-assisted operations.

b) Determine if a pilot of the telehealth, telemonitoring, telementoring, or telemedicine operations is needed. Engage in rapid cycle improvement to evaluate the processes and procedures and make any necessary modifications.

c) Identify and train qualified behavioral health providers and peers that will connect to provide telemedicine, telehealth, telementoring or telemonitoring to primary care providers, specialty health providers (e.g., cardiologists, endocrinologists, etc.), peers or behavioral health providers. Connections could be provider to provider, provider to patient, or peer to peer.

d) Identify modifiers needed to track encounters performed via telehealth technology

e) Develop and implement data collection and reporting standards for electronically delivered services

f) Review the intervention(s) impact on access to specialty care and identify "lessons learned," opportunities to scale all or part of the intervention(s) to a broader patient population, and identify key challenges associated with expansion of the intervention(s), including special considerations for safety-net populations.

g) Scale up the program, if needed, to serve a larger patient population, consolidating the lessons learned from the pilot into a fully-functional telehealth, telemonitoring, telementoring, or telemedicine program. Continue to engage in rapid cycle improvement to guide continuous quality improvement of the administrative and clinical processes and procedures as well as actual operations.

h) Assess impact on patient experience outcomes (e.g. preventable inpatient readmissions)

c) "Other" project option: Implement other evidence-based project to implement technology-assisted services to support, coordinate, or deliver behavioral health services in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

Note: All of the project options in project area 1.11 should include a component to conduct quality improvement for the project using methods such as rapid cycle

improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

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Category 1

1.12 Enhance service availability (i.e., hours, locations, transportation, mobile clinics) of appropriate levels of behavioral health care

Project Goal
Positive healthcare outcomes are contingent on the ability of the patient to obtain both routine examinations and healthcare services as soon as possible after a specific need for care has been identified. However, many Texans are unable to access either routine services or needed care in a timely manner either because they lack transportation or because they are unable to schedule an appointment due to work scheduling conflicts (or school scheduling conflicts in the case of children) or because they have obligations to provide care for children or elderly relatives during normal work hours. While such barriers to access can compromise anyone's ability to make or keep scheduled appointments, individuals with behavioral health needs may be especially negatively affected. Many individual with behavioral health needs are reticent to seek treatment in the first place and such barriers may be sufficient to prevent access entirely. Others may be easily discouraged by such barriers and may drop out of treatment. Any such delay in accessing services or any break or disruption in services may result in functional loss and the worsening of symptoms. These negative health outcomes come at great personal cost to the individual and also result in increased costs to payers when care is finally obtained.

In order to mitigate the effects of these barriers to accessing care, Texas proposes to take specific steps to broaden access to care that will include an expansion of operating hours in a select number of clinics, an expansion of community-based service options (including the development of mobile clinics), and an expanded transportation program that will support appointments that are scheduled outside of normal business hours.

Project Options:

a) Establish extended operating hours at a select number of Local Mental Health Center clinics or other community-based settings in areas of the State where access to care is likely to be limited.
   Required core project component:
   a) Evaluate existing transportation programs and ensure that transportation to and from medical appointments is made available outside of normal operating hours. If transportation is a significant issue in care access, develop and implement improvements as part of larger project.
   b) Review the intervention(s) impact on access to behavioral health services and identify "lessons learned," opportunities to scale all or part of the intervention(s) to a broader patient population, and identify key challenges associated with expansion of the intervention(s), including special considerations for safety-net populations.

b) Expand the number of community based settings where behavioral health services may be delivered in underserved areas

c) Develop and staff a number of mobile clinics that can provide access to care in very remote, inaccessible, or impoverished areas of Texas.

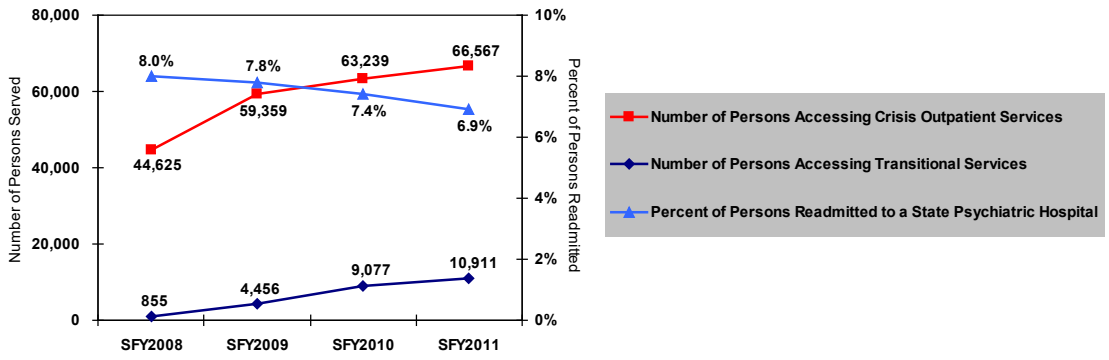
d) "Other" project option: Implement other evidence-based project to enhance service availability of appropriate levels of behavioral health care in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

1.13 Development of behavioral health crisis stabilization services as alternatives to hospitalization.

Project Goal

When a consumer lacks appropriate behavioral health crisis resolution mechanisms, first responders are often limited in their options to resolve the situation. Sometimes the choice comes down to the ER, jail or an inpatient hospital bed. Crisis stabilization services can be developed that create alternatives to these less desirable settings. Building on existing systems, communities can develop crisis alternatives such as sobering units, crisis residential settings and crisis respite programs with varying degrees of clinical services based on the needs of clients. While hospitalization provides a high degree of safety for the person in crisis, it is very expensive and is often more than what is needed to address the crisis. Community-base crisis alternatives can effectively reduce expensive and undesirable outcomes, such as preventable inpatient stays. For example, state psychiatric hospital recidivism trended downward coincident with implementation of crisis outpatient services in some Texas communities. The percent of persons readmitted to a Texas state psychiatric hospital within 30 days decreased from 8.0% in SFY2008 (before implementation of alternatives) to 6.9% in SFY2011.[21]

Figure 2. **Number of persons accessing crisis outpatient services and transitional services at DSHS-funded community mental health centers compared to percent of persons readmitted to a state psychiatric hospital within 30 days, SFY2008-2011.**



Project Options

a) Develop and implement crisis stabilization services to address the identified gaps in the current community crisis system

Required core project components:

a) Convene community stakeholders who can support the development of crisis stabilization services to conduct a gap analysis of the current community crisis system and develop a specific action plan that identifies specific crisis stabilization services to address identified

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[21] **Behavioral Health NEWS BRIEF Vol. 7 Issue 3 -** May 25, 2012 , http://www.dshs.state.tx.us/sa/_BHNB/

gaps (e.g. for example, one community with high rates of incarceration and/or ED visits for intoxicated patients may need a sobering unit while another community with high rates of hospitalizations for mild exacerbations mental illness that could be treated in community setting may need crisis residential programs).

b) Analyze the current system of crisis stabilization services available in the community including capacity of each service, current utilization patterns, eligibility criteria and discharge criteria for each service.

c) Assess the behavioral health needs of patients currently receiving crisis services in the jails, EDs, or psychiatric hospitals. Determine the types and volume of services needed to resolve crises in community-based settings. Then conduct a gap analysis that will result in a data-driven plan to develop specific community-based crisis stabilization alternatives that will meet the behavioral health needs of the patients (e.g. a minor emergency stabilization site for first responders to utilize as an alternative to costly and time consuming Emergency Department settings)

d) Explore potential crisis alternative service models and determine acceptable and feasible models for implementation.

e) Review the intervention(s) impact on access to and quality of behavioral health crisis stabilization services and identify "lessons learned," opportunities to scale all or part of the intervention(s) to a broader patient population, and identify key challenges associated with expansion of the intervention(s), including special considerations for safety-net populations

b) "Other" project option: Implement other evidence-based project to develop behavioral health crisis stabilization services in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

Note: All of the project options in project area 1.13 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Category 1

1.14 Develop Workforce enhancement initiatives to support access to behavioral health providers in underserved markets and areas (e.g., psychiatrists, psychologists, LMSWs, LPCs and LMFTs.)

Project Goal:
The goal of this project is to enhance access and reduce shortages in specialty behavioral health care to improve local integration of behavioral health care into the overall health delivery system; improve consumer choice and increase availability of effective, lower-cost alternatives to inpatient care, prevent inpatient admissions when possible and promote recovery from behavioral health disorders. The supply of behavioral health care providers is inadequate in most of the State. In 2011, 195 (77%) of Texas' 254 counties held federal designations as whole county Health Provider Shortage Areas (HPSAs) in relation to behavioral health.[22] Indeed, Texas ranks far below the national average in the number of mental health professionals per 100,000 residents. These shortages are even greater in rural, poor and Texas – Mexico border communities.

Project Options:

a) Implement strategies defined in the plan to encourage behavioral health practitioners to serve medically indigent public health consumers in HPSA areas or in localities within non-HPSA counties which do not have access equal to the rest of the county. Examples of strategies could include marketing campaigns to attract providers, enhanced residency programs or structured financial and non-financial incentive programs to attract and retain providers, identifying and engaging individual health care workers early in their studies/careers and providing training in identification and management of behavioral health conditions to other non-behavioral health disciplines (e.g., ANPs, PAs).

Required core project components:

a) Conduct a qualitative and quantitative gap analysis to identify needed behavioral health specialty vocations lacking in the health care region and the issues contributing to the gaps.

b) Develop plan to remediate gaps identified and data reporting mechanism to assess progress toward goal. This plan will specifically identify:

- The severity of shortages of behavioral health specialists in a region by type (psychiatrists, licensed psychologists, nurse practitioners, physicians assistants, nurses, social workers, licensed professional counselors, licensed marriage and family therapists, licensed chemical dependency counselors, peer support specialists, community health workers etc.)
- Recruitment targets by specialty over a specified time period.

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[22] **"Highlights: The Supply of Mental Health Professionals in Texas -2010", Texas Department of State Health Services Center for Health Statistics, E-Publication No. E25-12347. Accessed at: http://www.dshs.state.tx.us/chs/hprc/publicat.shtm**

- Strategies for recruiting healthcare specialists
- Strategies for developing training for primary care providers to enhance their understanding of and competency in the delivery of behavioral health services and thereby expand their scope of practice.

c) Assess and refine strategies implemented using quantitative and qualitative data. Review the intervention(s) impact on behavioral health workforce in HPSA areas and identify "lessons learned," opportunities to scale all or part of the intervention(s) to a broader patient population, and identify key challenges associated with expansion of the intervention(s), including special considerations for safety-net populations

b) "Other" project option: Implement other evidence-based project to develop workforce enhancement initiatives to support access to behavioral health providers in underserved markets in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

Category 2 Innovation and Redesign

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Category 2

2.1 Enhance/Expand Medical Homes

Project Goal:
The goal of projects under this heading is to expand or enhance the delivery of care provided through the Patient-Centered Medical Home (PCMH) model[23]. The PCMH provides a primary care "home base" for patients. Under this model, patients are assigned a health care team who tailors services to a patient's unique health care needs, effectively coordinates the patient's care across inpatient and outpatient settings, and proactively provides preventive, primary, routine and chronic care.

Project Options:

a) Develop, implement, and evaluate action plans to enhance/eliminate gaps in the development of various aspects of PCMH standards.
Required core project components:
- **a)** Utilize a gap analysis to assess and/or measure hospital-affiliated and/or PCPs' NCQA PCMH readiness.
- **b)** Conduct feasibility studies to determine necessary steps to achieve NCQA PCMH status
- **c)** Conduct educational sessions for primary care physician practice offices, hospital boards of directors, medical staff and senior leadership on the elements of PCMH, its rationale and vision.
- **d)** Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

b) Collaborate with an affiliated Patient-Centered Medical Home to integrate care management and coordination for shared, high-risk patients.
Required core project components:
- **a)** Improve data exchange between hospitals and affiliated medical home sites.
- **b)** Develop best practices plan to eliminate gaps in the readiness assessment.
- **c)** Hire and train team members to create multidisciplinary teams including social workers, health coaches, care managers, and nurses with a diverse skill set that can meet the needs of the shared, high-risk patients
- **d)** Implement a comprehensive, multidisciplinary intervention to address the needs of the shared, high-risk patients

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23 http://www.aafp.org/online/etc/medialib/aafp_org/documents/about/pcmh.Par.0001.File.dat/PCMH.pdf

e) Evaluate the success of the intervention at decreasing ED and inpatient hospitalization by shared, high-risk patients and use this data in rapid-cycle improvement to improve the intervention.

f) Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

c) Implement medical homes in HPSA and other rural and impoverished areas using evidence-approached change concepts for practice transformation developed by the Commonwealth Fund's Safety Net Medical Home Initiative: Required core project components:

a) Empanelment: Assign all patients to a primary care provider within the medical home. Understand practice supply and demand, and balance patient load accordingly.

b) Restructure staffing into multidisciplinary care teams that manage a panel of patients where providers and staff operate at the top of their license. Define roles and distribute tasks among care team members to reflect the skills, abilities, and credentials of team members.

c) Link patients to a provider and care team so both patients and provider/care team recognizes each other as partners in care.

d) Assure that patients are able to see their provider or care team whenever possible.

e) Promote and expand access to the medical home by ensuring that established patients have 24/7 continuous access to their care teams via phone, e-mail, or in-person visits.

f) Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

d) "Other" project option: Implement other evidence-based project to enhance/expand medical home in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-19 includes suggestions for improvement metrics to use with this innovative project option.

Category 2

Note: All of the project options in project area 2.1 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Note: PCMH models include investments in projects that are the foundation of delivery system change and a complete package of change. Therefore, it is preferable to pursue a full continuum of projects (PCMH readiness preparations, the establishment or expansion of medical homes which may include gap analyses and eventual application for PCMH recognition[24] to a nationally recognized organization such as NCQA, as well as educating various constituent groups within hospitals and primary care practices about the essential elements of the NCQA medical home standards). [25,26,27,28,29,30,31]

Rationale:
Federal, state, and health care providers share goals to promote more patient-centered care focused on wellness and coordinated care. In addition, the PCMH model is viewed as a foundation for the ability to accept alternative payment models under payment reform. PCMH development is a multi-year transformational effort and is viewed as a foundational way to deliver care aligned with payment reform models and the Triple Aim goals of better health, better patient experience of care, and ultimately better cost-effectiveness. By providing the right care at the right time and in the right setting, over time, patients may see their health improve, rely less on costly ED visits, incur fewer avoidable hospital stays, and report greater patient satisfaction. These projects all are focused on the concepts of the PCMH model; yet, they take different shapes for different providers.[32]

This initiative aims to eliminate fragmented and uncoordinated care, which can lead to emergency department and hospital over-utilization. The projects associated with Medical Homes establish a foundation for transforming the primary care landscape in Texas by emphasizing enhanced chronic disease management through team-based care.

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24 http://www.medicalhomeinfo.org/national/recognition_programs.aspx
25 http://www.commonwealthfund.org/Topics/Patient-Centered-Care.aspx
26 http://www.qhmedicalhome.org/pcmh-qualis-health/change-concepts
27 http://www.pcmh.ahrq.gov/portal/server.pt/community/pcmh__home/1483
28 http://www.medicalhomeforall.com/
29 http://www.acponline.org/running_practice/pcmh/
30 http://www.pediatricmedhome.org/
31 Transformed: http://www.transformed.com/index.cfm
32 http://www.pcpcc.net/content/pcmh-vision-reality

Attachment I
Regional Healthcare Partnership (RHP) Planning Protocol

Category 2

2.2 Expand Chronic Care Management Models[33]

Project Goal:
The goal of this project is to develop and implement chronic disease management interventions that are geared toward improving effective management of chronic conditions and ultimately improving patient clinical indicators, health outcomes and quality, and reducing unnecessary acute and emergency care utilization. Chronic disease management initiatives use population-based approaches to create practical, supportive, evidence-based interactions between patients and providers to improve the management of chronic conditions and identify symptoms earlier, with the goal of preventing complications and managing utilization of acute and emergency care. Program elements may include the ability to identify one or more chronic health conditions or co-occurring chronic health conditions that merit intervention across a patient population, based on a an assessment of patients' risk of developing complications, co-morbidities or utilizing acute or emergency services. These chronic health conditions may include diabetes, congestive heart failure, chronic obstructive pulmonary disease, among others, all of which are prone to co-occurring health conditions and risks.

Project Options:

a) Redesign the outpatient delivery system to coordinate care for patients with chronic diseases

Required core project components:

a) Design and implement care teams that are tailored to the patient's health care needs, including non-physician health professionals, such as pharmacists doing medication management; case managers providing care outside of the clinic setting via phone, email, and home visits; nutritionists offering culturally and linguistically appropriate education; and health coaches helping patients to navigate the health care system
b) Ensure that patients can access their care teams in person or by phone or email
c) Increase patient engagement, such as through patient education, group visits, self-management support, improved patient-provider communication techniques, and coordination with community resources
d) Implement projects to empower patients to make lifestyle changes to stay healthy and self-manage their chronic conditions
e) Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion

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33 Some chronic diseases addressed by chronic care management models in RHP plans may include diabetes, hypertension, heart failure, asthma, post-secondary stroke, community-acquired pneumonia (CAP), HIV/AIDS, and chronic pain.

of the project, including special considerations for safety-net populations.

b) Apply evidence-based care management model to patients identified as having high-risk health care needs

c) Redesign rehabilitation delivery models for persons with disabilities

d) Develop a continuum of care in the community for persons with serious and persistent mental illness and co-occurring disorders

e) Develop care management functions that integrate the primary and behavioral health needs of individuals

f) "Other" project option: Implement other evidence-based project to expand chronic care management models in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-21 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 2.2 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Rationale:
Promoting effective change in provider groups to support evidence-based clinical and quality improvement across a wide variety of health care settings. There are many definitions of "chronic condition", some more expansive than others. We characterize it as any condition that requires ongoing adjustments by the affected person and interactions with the health care system. The most recent data show that more than 145 million people, or almost half of all Americans, live with a chronic condition. That number is projected to increase by more than one percent per year by 2030, resulting in an estimated chronically ill population of 171 million. Almost half of all people with chronic illness have multiple conditions. As a result, many managed care and integrated delivery systems have taken a great interest in correcting the many deficiencies in current management of diseases such as diabetes, heart disease, depression, asthma and others. Those deficiencies include:

- Rushed practitioners not following established practice guidelines
- Lack of care coordination
- Lack of active follow-up to ensure the best outcomes
- Patients inadequately trained to manage their illnesses

Overcoming these deficiencies will require nothing less than a transformation of health care, from a system that is essentially reactive - responding mainly when a person is sick - to one that is proactive and focused on keeping a person as healthy as possible. To speed the transition,

Improving Chronic Illness Care created the Chronic Care Model, which summarizes the basic elements for improving care in health systems at the community, organization, practice and patient levels. Evidence on the effectiveness of the Chronic Care Model has recently been summarized. [34]

34 http://content.healthaffairs.org/content/28/1/75.full

2.3 Redesign Primary Care

Project Goal:
Increase efficiency and redesign primary care clinics programs to be oriented around the patient so that primary care access and the patient experience can be improved.

Project Options:

a) Redesign primary care in order to achieve improvements in efficiency, access, continuity of care, and patient experience
Required core project components:
   - **a)** Implement the patient-centered scheduling model in primary care clinics
   - **b)** Implement patient visit redesign
   - **c)** Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

b) "Other" project option: Implement other evidence-based project to redesign primary care in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-18 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 2.3 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Rationale:
Primary care in the United States faces serious challenges. Many physician practices struggle to ensure that their patients have prompt access to care, consistently high-quality chronic and preventative services, and adequate coordination of care. This struggle impacts patients who may experience barriers in accessing primary care services secondary to transportation, the lack of an assigned provider, inability to receive appointments in a timely manner and a lack of knowledge about what types of services can be provided in the primary care setting. By enhancing access points, available appointment times, patient awareness of available services

and overall primary care capacity, patients and their families will align themselves with the primary care system resulting in improved health access, improved health outcome and reduced costs of services.

2.4 Redesign to Improve Patient Experience

Project Goal:
Improve how the patient experiences the care and the patient's satisfaction with the care provided. The state healthcare transformation is counting on a robust primary care sector to improve quality, reduce costs, and improve patient experience. This will require a redesign of primary care to meet the needs of patients for timely, patient-centered, continuous, and coordinated care to enhance access to care regardless of type of insurance. The overall approach to redesigning patient experience will be centered on cultural change at the organizational level. This will involve the practitioners in a clinic as well as the patients and their families or caregivers. An organizational strategy will be developed so that entities will manage patient experience and create avenues to implement the strategic plan/vision. Providers' performance will be measured, among other factors, by the extent to which patient experience improves systematically.

Patient experience with care will be assessed through focused surveys. The architecture for patient focused surveys should be modeled after the Consumer Assessment of Healthcare Providers and Systems (CAHPS) tool, which includes the following domains: patients are getting timely care, appointments, and information; how well providers communicate with patients; patients' rating of provider; and assessment office staff. [35] The Clinician and Group Consumer Assessment of Health Care Providers and Systems (CG CAHPS) survey[36] can be used to assess patient and caregiver experience of care in outpatient settings while HCAHPS can be employed to measure patient experience in the hospital setting. Certain supplemental modules for the adult survey CG-CAHPS may be used to establish additional outcomes: Health Literacy, Cultural Competence, Health Information Technology, and Patient Centered Medical Home.

These surveys will be mandatory, and will be administered at the end of the medical episode, six weeks after the visit (to avoid recall bias) and six months if no other episode of care intervened.

Project Options:

a) Implement processes to measure and improve patient experience
Required core project components:
- **a)** Organizational integration and prioritization of patient experience
- **b)** Data and performance measurement will be collected by utilizing patient experience of care measures from the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) in addition to CAHPS and/or other systems and methodologies to measure patient experience;
- **c)** Implementing processes to improve patient's experience in getting through to the clinical practice;
- **d)** Develop a process to certify independent survey vendors that will be capable of administering the patient experience of care survey in

35 https://cahps.ahrq.gov/clinician_group/cgsurvey/patientexperiencemeasurescgsurveys.pdf
36 https://cahps.ahrq.gov/clinician_group/

accordance with the standardized sampling and survey administration procedures.

b) Implement other evidence based project to improve patient experience in an innovative manner not described above. Note, providers opting to implement an innovative project under this option must propose relevant process metrics and report on the improvement metrics listed under milestone I-X.

c) Project Option: Increased patient satisfaction
Implement an innovative and evidence based intervention that will lead to improvements in patient satisfaction for providers that have demonstrated need or unsatisfactory performance in this area. This project requires reporting of specific metric(s) as associated with corresponding outcome(s) listed in **Category ,3 Outcome Domain – 6 Patient Satisfaction**. Providers selecting this project option should use process milestone(s) X, improvement milestone(s) Y and the milestone development template at the conclusion of this project area to describe how the proposed milestones relate to the specific intervention goals.

d) "Other" project option: Implement other evidence-based project to redesign to improve patient experience in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-20 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 2.4 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Rationale:
Over time, implemented projects have the potential to yield improvements in the level of care integration and coordination for patients and ultimately lead to better health and better patient experience of care.

2.5 Redesign for Cost Containment

Project Goal:
Improve cost-effectiveness of care through improved care delivery for individuals, families, employers, and the government. Measures that provide insights both into improved opportunities for health care delivery and health care cost-effectiveness are an area of particular focus in the TX-DSRIP. Many of the projects include a specific focus on improving population health inside and outside of the walls of the hospital therefore, it will be important to examine measures that develop the capability to test methodologies for measuring cost containment. These methodologies may be subsequently applied to other projects or efforts so that the ability to measure the efficacy of these initiatives is in place, so integrated care models that use data-based cost and quality measures can be developed.

Project Options:

a) Develop an integrated care model with outcome-based payments
Required core project components:
- **a)** Implement cost-accounting systems to measure intervention impacts
- **b)** Establish a method to measure cost containment
- **c)** Establish a baseline for cost
- **d)** Measure cost containment

b) Implement other evidence based project to redesign for cost containment in an innovative manner not described above. Note, providers opting to implement an innovative project under this option must propose relevant process metrics and report on the improvement metrics listed under milestone I-11.

c) Project Option: Cost Savings
Implement an innovative and evidence based intervention that will lead to **cost savings** for providers that have demonstrated need or unsatisfactory performance in this area. This project requires reporting of specific metric(s) as associated with corresponding outcome(s) listed in **Category 3, Outcome Domain – 5 Cost of Care** [37]. Providers selecting this project option should use process milestone(s) X, improvement milestone(s) Y and the milestone development template at the conclusion of this project area to describe how the proposed milestones relate to the specific intervention goals.

d) "Other" project option: Implement other evidence-based project to will impact cost efficiency in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their

37 Category 3 Outcome Measures document

project. Milestone I-11 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 2.5 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Rationale:
Health care spending for a given population might be roughly defined as a function of five basic factors[38]:

- Population needs or morbidity,
- Access to services,
- Propensity to seek services,
- Volume, nature, or intensity of services supplied or ordered, and
- Unit cost or price of services.

For the purpose of this project area, "cost containment" will be defined as any set of policies or measures intended to affect any one or more of these factors.

38 http://www.policyarchive.org/handle/10207/bitstreams/21904.pdf

Category 2

2.6 Implement Evidence-based Health Promotion Programs

Project Goal:
Implement innovative evidence based health promotion strategies such as use of community health workers, innovations in social media and messaging for targeted populations.

Project Options:

a) Engage in population-based campaigns or programs to promote healthy lifestyles using evidence-based methodologies including social media and text messaging in an identified population.

b) Establish self-management programs and wellness using evidence-based designs.

c) Engage community health workers in an evidence-based program to increase health literacy of a targeted population.

d) "Other" project option: Implement other evidence-based project to implement evidence-based health promotion programs in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-8 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 2.6 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Note: All of the project options in 2.6 should include a component to conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

Rationale:
The current prevention and treatment system is an unconnected, silo-based approach, which reduces the effectiveness and increases the cost of health care. [1] As the US health care system strives to deliver better health, improved care and lower costs, the potential exists for innovative evidenced based health promotion strategies to further these goals.

Delivery Mechanisms: Community health workers can increase access to care and facilitate appropriate use of health resources by providing outreach and cultural linkages between communities and delivery systems; reduce costs by providing health education, screening, detection, and basic emergency care; and improve quality by contributing to patient-provider communication, continuity of care, and consumer protection. Information sharing, program support, program evaluation, and continuing education are needed to expand the use of community health workers and better integrate them into the health care delivery system.

Self-Management education complements traditional patient education in supporting patients to live the best possible quality of life with their chronic condition. Whereas traditional patient education offers information and technical skills, self-management education teaches problem-solving skills. A central concept in self-management is self-efficacy—confidence to carry out a behavior necessary to reach a desired goal. Self-efficacy is enhanced when patients succeed in solving patient-identified problems. Evidence from controlled clinical trials suggests that[39] (1) programs teaching self-management skills are more effective than information-only patient education in improving clinical outcomes; (2) in some circumstances, self-management education improves outcomes and can reduce costs for arthritis and probably for adult asthma patients[40]; and (3) in initial studies, a self-management education program bringing together patients with a variety of chronic conditions may improve outcomes and reduce costs.[41]

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39 1Thorpe, K, The Affordable Care Act lays the groundwork for a national diabetes prevention and treatment strategy. Health Aff January 2012 vol. 31 no. 1 61-66

40 2A Witmer, S D Seifer, L Finocchio, J Leslie, and E H O'Neil. Community health workers: integral members of the health care work force. American Journal of Public Health August 1995: Vol. 85, No. 8_Pt_1, pp. 1055-1058. doi: 10.2105/AJPH.85.8_Pt_1.1055

41 Bodenheimer T, Lorig K, Holman H, Grumbach K. Patient Self-management of Chronic Disease in Primary Care. JAMA. 2002; 288(19):2469-2475.

2.7 Implement Evidence-based Disease Prevention Programs

Project Goal:
Implement innovative evidence-based strategies in disease prevention areas including the following: diabetes, obesity, tobacco use, prenatal care, birth spacing, and health screenings.

Project Options:

a) Implement innovative evidence-based strategies to increase appropriate use of technology and testing for targeted populations (e.g., mammography screens, colonoscopies, prenatal alcohol use, etc.)
b) Implement innovative evidence-based strategies to reduce tobacco use.
c) Implement innovative evidence-based strategies to increase early enrollment in prenatal care.
d) Implement innovative evidence-based strategies to reduce low birth weight and preterm birth.
e) Implement innovative evidence-based strategies to reduce and prevent obesity in children and adolescents.
f) "Other" project option: Implement other evidence-based project to implement evidence-based disease prevention programs in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-7 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 2.7 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Rationale:
Disease management emphasizes prevention of disease-related exacerbations and complications using evidence-based guidelines and patient empowerment tools. It can help manage and improve the health status of a defined patient population over the entire course of a disease.[1]

By concentrating on the causes of chronic disease, the community moves from a focus on sickness and disease to one based on wellness and prevention. The National Prevention Council strategy for Disease Prevention focuses on four areas: building healthy and safe community environments, expanding quality preventive services in clinical and community settings, helping people make healthy choices, and eliminating health disparities. To achieve these aims, the

strategy identifies seven evidence-based recommendations that are likely to reduce the leading causes of preventable death and major illness, including tobacco-free living, drug- and excessive alcohol-use prevention, healthy eating, active living, injury and violence-free living, reproductive and sexual health, and mental and emotional well-being.[2]

Delivery Mechanisms: (note this list is not inclusive of all delivery mechanisms)

- Establish and use patient registry systems to enhance the provision of patient follow-up, screenings for related risk factors and to track patient improvement.
- Establish and implement clinical practice guidelines.
- Adopt the Chronic Care Model
- Develop a mapping process linking patients treated in the emergency rooms with RFPs to improve the continuum of care and standardized procedures and outcome measures.
- Promote RHP health system supports such as reminders of care, development of clinical performance measures, and the use of case management services to increase patient's adherence to health care guidelines.
- Establish evidence-based disease and disability prevention programs for targeted populations to reduce their risk of disease, injury, and disability.

2.8 Apply Process Improvement Methodology to Improve Quality/Efficiency

Project Goal:
The goal of this project is to implement process improvement methodologies to improve safety, quality, patient experience and efficiency. Providers may design customized initiatives based on various process improvement methodologies such as Lean, Six Sigma, Continuous Improvement, Rapid Cycle, Care Logistics, Nurses Improving Care for Healthsystem Elders (NICHE) among others.

For example, the Lean methodology as applied to medicine evaluates the use of resources, measures the value to the patient, considers the use of resources in terms of their value to the patient, and eliminates those that are wasteful. Using methodologies such as Lean that are proven to eliminate waste and redundancies and optimize patient flow, hospitals may customize a project that will develop and implement a program of continuous improvement that will increase communication, integrate system workflows, provide actionable data to providers and patients, and identify and improve models of patient-centered care that address issues of safety, quality, and efficiency.

Implementation frequently requires a new "operational mindset" using tools such as Lean to identify and progressively eliminate inefficiencies while at the same time linking human performance, process performance and system performance into transformational performance in the delivery system.[42]

The process improvement, as a further example, may include elements such as identifying the value to the patient, managing the patient's journey, facilitating the smooth flow of patients and information, introducing "pull" in the patient's journey (e.g. advanced access), and/or continuously reducing waste by developing and amending processes awhile at the same time smoothing flow and enhancing quality and driving down cost.[43]

Furthermore, projects designed and implemented using the Care Logistics™ patient-centered, care coordination model involves managing the simultaneous logistics of a patient moving through the hospital. It may be used to help hospitals transform their operations to improve patient flow into cross departmental hubs and provide actionable data in real-time on key performance indicators, such as, but not limited to, length of stay, patient flow times, discharge process times, re-admission rates, and patient, provider and staff satisfaction.[44]

In addition, hospitals may design a process improvement initiative utilizing the NICHE program framework, which aims to facilitate the infusion of evidence-based geriatric best practices throughout institutions to improve nursing care for older adult patients. NICHE is based on the

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42 Oujiri J, Ferrara C. "The Phoenix Project – Integrating Effective Disease Management Into Primary Care Using Lean Six-Sigma Tools." Duluth Clinic Presentation. 2010.
43 Bibby J. "Lean in Primary Care: The Basics – Sustaining Transformation." Asian Hospital and Healthcare Management (2011) 18.
44 http://www.carelogistics.com/

use of principles and tools to support a systemic change in nursing practice and in the culture of healthcare facilities to achieve patient-centered care.[45]

Project Options:

a) Design, develop, and implement a program of continuous, rapid process improvement that will address issues of safety, quality, and efficiency. Required core project components:
   - **a)** Provide training and education to clinical and administrative staff on process improvement strategies, methodologies, and culture.
   - **b)** Develop an employee suggestion system that allows for the identification of issues that impact the work environment, patient care and satisfaction, efficiency and other issues aligned with continuous process improvement.
   - **c)** Define key safety, quality, and efficiency performance measures and develop a system for continuous data collection, analysis, and dissemination of performance on these measures ((i.e. weekly or monthly dashboard).
   - **d)** Develop standard workflow process maps, staffing and care coordination models, protocols, and documentation to support continuous process improvement.
   - **e)** Implement software to integrate workflows and provide real-time performance feedback.
   - **f)** Evaluate the impact of the process improvement program and assess opportunities to expand, refine, or change processes based on the results of key performance indicators.

b) "Other" project option: Implement other evidence-based project to apply process improvement methodology to improve quality/efficiency in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-16 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 2.8 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

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45 http://www.nicheprogram.org/

Project Options tied to a customized outcome in a specified Category 3 domain

c) Project Option: Reduction in Potentially Preventable Admission Rates (PPAs)
Implement an innovative and evidence based intervention that will lead to **reductions** in Potentially Preventable Admissions (PPAs) for providers that have demonstrated need or unsatisfactory performance in this area. This project requires reporting of specific metric(s) as associated with corresponding outcome(s) listed in **Category 3, Outcome Domain -2, Potentially Preventable Admissions**[46]. Providers selecting this project option should use process milestone(s) X, improvement milestone(s) Y, and the milestone development template listed at the conclusion of this project area to describe how the proposed milestones relate to the specific intervention goals.

d) Project Option: Reduction in 30-Day Hospital Readmission Rates (Potentially Preventable Readmissions)[47]
Implement an innovative and evidence based intervention that will lead to reductions in 30 Day Readmissions for providers that have demonstrated need or unsatisfactory performance in this area. This project requires reporting of specific metric(s) as associated with corresponding outcome(s) listed in **Category 3, Outcome Domain- 3, Potentially Preventable Readmissions**[1]. Providers selecting this project option should use process milestone(s) X, improvement milestone(s) Y, and the milestone development template listed at the conclusion of this project area to describe how the proposed milestones relate to the specific intervention goals.

e) Project Option: Reduction in Potentially Preventable Complications (PPC)
Implement an innovative and evidence based intervention that will lead to **reductions** in Potentially Preventable Complications (PPCs) for providers that have demonstrated need or unsatisfactory performance in this area. This project requires reporting of specific metric(s) as associated with corresponding outcome(s) listed in **Category 3, Outcome Domain-4, Potentially Preventable Complications**[1]. Providers selecting this project option should use process milestone(s) X, improvement milestone(s) Y and the milestone development template listed at the conclusion of this project area to describe how the proposed milestones relate to the specific intervention goals.

f) Project Option: Reduce Inappropriate ED Use
Implement an innovative and evidence based intervention that will lead to **reductions** in inappropriate Emergency Department use for providers that have demonstrated need or unsatisfactory performance in this area. This project requires reporting of specific metric(s) as associated with corresponding outcome(s) listed in **Category 3, Outcome Domain -9, Right Care, Right Setting**[1]. Providers selecting this project option should use process milestone(s) X, improvement milestone(s) Y and the milestone

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46 Category 3 Outcome Measures document
47 http://www.hhsc.state.tx.us/reports/2012/potentially-preventable-readmissions.pdf

development template listed at the conclusion of this project area to describe how the proposed milestones relate to the specific intervention goals.

g) Project Option: Improved Clinical Outcome for Identified Disparity Group
Implement an innovative and evidence based intervention that will lead to **improvements** in clinical outcomes for an identified disparity group for providers that have demonstrated need or unsatisfactory performance in this area. This project requires reporting of specific metric(s) as associated with corresponding outcome(s) listed in **Category 3, Outcome Domain -11, Addressing Health Disparities in Minority Population**[48]. Providers selecting this project option should use process milestones X, improvement milestones Y and the milestone development template listed at the conclusion of this project area to describe how the proposed milestones relate to the specific intervention goals.

h) Project Option: Improved Access to Care
Implement an innovative and evidence based intervention that will lead to **increase** in access to care for providers that have demonstrated need or unsatisfactory performance in this area. This project requires reporting of specific metric(s) as associated with corresponding outcome(s) listed in **Category 3, Outcome Domain -1, Primary Care and Chronic Disease Management**[3]. Providers selecting this project option should use process milestone(s) X, improvement milestone(s) Y and the milestone development template listed at the conclusion of this project area to describe how the proposed milestones relate to the specific intervention goals.

i) Project Option: Improvement in Perinatal Health Indicator(s)
Implement an innovative and evidence based intervention that will lead to **improvements** in perinatal health outcomes for providers that have demonstrated need or unsatisfactory performance in this area. This project requires reporting of specific metric(s) as associated with corresponding outcome(s) listed in **Category 3, Outcome Domain - 8, Perinatal Care Outcomes**[3]. Providers selecting this project option should use process milestones X, improvement milestones Y and the milestone development template listed at the conclusion of this project area to describe how the proposed milestones relate to the specific intervention goals.

j) Project Option: Improve Clinical Indicator/Functional Status for Target Population
Implement an innovative and evidence based intervention that will lead to **improvements** in a selected clinical indicator for a targeted population for providers that have demonstrated need or unsatisfactory performance in this area. This project requires reporting of specific metric(s) as associated with corresponding outcome(s) listed in **Category 3, Outcome Domain - 10, Quality of Life/Functional Status**[3]. Providers selecting this project option should use process milestone(s) X, improvement milestone(s) Y and the

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48 Category 3 Outcome Measures document

milestone development template listed at the conclusion of this project area to describe how the proposed milestones relate to the specific intervention goals.

k) Project Option: Sepsis
Implement an innovative and evidence based intervention that will lead to **reductions** in Sepsis Complications (mortality, prevalence and incidence) for providers that have demonstrated need or unsatisfactory performance in this area. This project requires reporting of specific metric(s) as associated with corresponding outcome(s) listed in **Category 3, Outcome Domain -3, Potentially Preventable Complications**[49]. Providers selecting this project option should use process milestone(s) X, improvement milestone(s) Y and the milestone development template listed at the conclusion of this project area to describe how the proposed milestones relate to the specific intervention goals.

l) Project Option: Other
Implement an innovative and evidence based intervention that will lead to improvements in a health outcome not include elsewhere for providers that have demonstrated need or unsatisfactory performance in this area. This project requires reporting of specific metric(s) as associated with corresponding outcome(s) titled Other Outcome Improvement Target listed in each **Outcome Domain** in **Category 3**. Providers selecting this project option should use process milestones X, improvement milestones Y and the milestone development template listed at the conclusion of this project area to describe how the proposed milestones relate to the specific intervention goals.

Rationale:
Every day, millions of Americans receive high-quality health care that helps to maintain or restore their health and ability to function. However, far too many do not. Quality problems are reflected in a wide variation in the use of health care services, underuse of some services, overuse of other services, and misuse of services, including an unacceptable level of errors.
A central goal of health care quality improvement is to maintain what is good about the existing health care system while focusing on the areas that need improvement.
Several types of quality problems in health care have been documented through peer-reviewed research. [50]

Variation in services. There continues to be a pattern of wide variation in health care practice, including regional variations and small-area variations. This is a clear indicator that health care practice has not kept pace with the evolving science of health care to ensure evidence-based practice in the United States.

Underuse of services. Millions of people do not receive necessary care and suffer needless complications that add to costs and reduce productivity. Each year, an estimated 18,000 people die because they do not receive effective interventions.

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49 Category 3 Outcome Measures document
50 http://www.ahrq.gov/news/qualfact.htm

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Overuse of services. Each year, millions of Americans receive health care services that are unnecessary, increase costs, and may even endanger their health. Research has shown that this occurs across all populations.

Misuse of services. Too many Americans are injured during the course of their treatment, and some die prematurely as a result.

Disparities in quality. Although quality problems affect all populations, there may be specific groups identified that have marked differences in quality of care and health outcome. These group may be defined by racial/ethnic differences, income states, geographic area or other social determinants of health.

Category 2

2.9 Establish/Expand a Patient Care Navigation Program

Project Goal:
The goal of this project is to utilize community health workers, case managers, or other types of health care professionals as patient navigators to provide enhanced social support and culturally competent care to vulnerable and/or high-risk patients. Patient navigators will help and support these patients to navigate through the continuum of health care services. Patient Navigators will ensure that patients receive coordinated, timely, and site-appropriate health care services. Navigators may assist in connecting patients to primary care physicians and/or medical home sites, as well as diverting non-urgent care from the Emergency Department to site-appropriate locations. RHPs implementing this project will identify health care workers, case managers/workers or other types of health professionals needed to engage with patients in a culturally and linguistically appropriate manner that will be essential to guiding the patients through integrated health care delivery systems.
A study on Patient Navigation funded by the National Cancer Institute was done in TX and a manual for patient navigation programs directed towards Latino audiences was released following its completion.[51]

Project Options:

a) Provide navigation services to targeted patients who are at high risk of disconnect from institutionalized health care (for example, patients with multiple chronic conditions, cognitive impairments and disabilities, Limited English Proficient patients, recent immigrants, the uninsured, those with low health literacy, frequent visitors to the ED, and others)
   Required core project components:
   a) Identify frequent ED users and use navigators as part of a preventable ED reduction program. Train health care navigators in cultural competency.
   b) Deploy innovative health care personnel, such as case managers/workers, community health workers and other types of health professionals as patient navigators.
   c) Connect patients to primary and preventive care.
   d) Increase access to care management and/or chronic care management, including education in chronic disease self-management.
   e) Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

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51 http://www.redesenaccion.org/sites/www.redesenaccion.org/files/PNmanualfinal.pdf

b) "Other" project option: Implement other evidence-based project to establish/expand a patient care navigation program in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-10 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 2.9 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Rationale:
Patient navigators help patients and their families navigate the fragmented maze of doctors' offices, clinics, hospitals, out-patient centers, payment systems, support organizations and other components of the healthcare system. Services provided by patient navigators vary by program and the needs of the patient, but often include:[52]

- Facilitating communication among patients, family members, survivors and healthcare providers.
- Coordinating care among providers.
- Arranging financial support and assisting with paperwork.
- Arranging transportation and child care.
- Ensuring that appropriate medical records are available at medical appointments.
- Facilitating follow-up appointments.
- Community outreach and building partnership with local agencies and groups.
- Ensuring access to clinical trials.

There is no one common definition of patient navigators and the profile of a patient navigator vary widely by program. Many use trained community health workers who may be full-time employees or volunteers. Community health workers have close ties to the local community and serve as important links between underserved communities and the healthcare system. They also posses the linguistic and cultural skills needed to connect with patients from underserved communities. Community health workers are also known as community health advisors, lay health advocates and promotoras de salud. Healthcare navigators include trained social workers, nurses and nurse practitioners as well as trained lay persons/volunteers. Some navigation programs also use a team based approach that combines community health workers with one or more professionals with experience in healthcare or social work. While there is no set education required for a patient navigator to be successful, a successful navigator should be:

52 http://www.altfutures.com/draproject/pdfs/Report_07_02_Patient_Navigator_Program_Overview.pdf

- Compassionate, sensitive, culturally attuned to the people and community being served and able to communicate effectively.
- Knowledgeable about the environment and healthcare system.
- Connected with critical decision makers inside the system, especially financial decision makers.

2.10 Use of Palliative Care Programs

Project Goal:[53]
Provide palliative care services to improve patient outcomes and quality of life. Palliative medicine represents a different model of care, focusing not on cure at any cost but on relief and prevention of suffering. Here the priority is supporting the best possible quality of life for the patient and family, regardless of prognosis. Ideally, the principles of palliative care can be applied as far upstream as diagnosis, in tandem with cure-directed treatment, although it's still associated in most people's minds with end-of-life care. There is an economic incentive for hospitals to support palliative care -- research shows significant reductions in pharmacy, laboratory, and intensive care costs -- though there's understandable reluctance to tout such benefits. After all, accusations of "death panels" effectively shut out government funding for palliative care as national debates about health care reform took shape.

Palliative care has emerged in the past decade. It takes an interdisciplinary approach – doctors, nurses, social workers and often chaplains – and blends it with curative care for seriously ill people. While palliative care is for people who are very sick, they don't have to have a six-month life expectancy. Some palliative care programs operate in hospitals; others treat people living at home. Growing numbers of community-based hospices also have palliative care services now. Pediatric palliative care is not available everywhere, although it's becoming more common at the major children's hospitals, In addition, hospices nationwide, which traditionally were often unwilling to treat dying children, have also become more open to pediatric care. The new health reform law allows dying children on Medicaid or the state Children's Health Insurance Program to get hospice or palliative care without halting other treatment[54].

Health care reform has the potential to improve palliative care by implementing care coordination (in hospitals and community) evidence-based programs that are already proven to be working. Within palliative care, patients receive dignified and culturally appropriate end-of-life care, which is provided for patients with terminal illnesses in a manner that prioritizes pain control, social and spiritual care, and patient/family preferences

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53 The Center to Advance Palliative Care (CAPC)www.capc.org/reportcard
54 http://www.kaiserhealthnews.org/
55 Cost savings associated with US hospital palliative care consultation programs.
Morrison RS, Penrod JD, Cassel JB, Caust-Ellenbogen M, Litke A, Spragens L, Meier DE; Palliative Care Leadership Centers' Outcomes Group. Arch Intern Med. 2008 Sep 8; 168(16):1783-90.

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Project Options:

a) Implement a Palliative Care Program to address patients with end-of-life decisions and care needs
Required core project components:
- **a)** Develop a business case for palliative care and conduct planning activities necessary as a precursor to implementing a palliative care program
- **b)** Transition palliative care patients from acute hospital care into home care, hospice or a skilled nursing facility
- **c)** Implement a patient/family experience survey regarding the quality of care, pain and symptom management, and degree of patient/family centeredness in care and improve scores over time
- **d)** Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

b) "Other" project option: Implement other evidence-based project to implement use of palliative care programs in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-14 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 2.10 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Rationale:

While end-of-life care was once associated almost exclusively with terminal cancer, today people receive end-of-life care for a number of other conditions, such as congestive heart failure, other circulatory conditions, COPD, and dementia[56]. Further, some experts have suggested that palliative and hospice care could be more widely embraced for many dying patients. However, these experts say that overly rigid quality standards and poorly aligned reimbursement incentives discourage appropriate end-of-life care and foster incentives to provide inappropriate restorative

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56 MedPAC, 2008

care and technologically intensive treatments. These experts note that hospitals, nursing homes, and home health agencies need stronger incentives to provide better access to palliative care and care coordination either directly, themselves, or by contract with outside suppliers of hospice services[57]. It seems clear that improving care coordination near the end of life can improve care for patients with chronic conditions, however, in addition to the elderly with multiple chronic conditions and terminal illnesses, palliative care should also allow children who are enrolled in either Medicaid or CHIP to receive hospice services without foregoing curative treatment related to a terminal illness.

57 Zerzan, Stearns, & Hanson, 2000; Hanley, 2004

2.11 Conduct Medication Management

Project Goal:
The goal of **c**onducting Medication Management is to provide information that facilitates the appropriate use of medications in order to control illness and promote health[58]. Medication management is the monitoring of medications a patient takes to confirm that the patient is complying with a medication regimen, while also ensuring the patient is avoiding potentially dangerous drug interactions and other complications. This is especially important for patients taking large numbers of medications to address chronic illnesses and multiple diseases. Taking numerous medications is known as polypharmacy and it is particularly common among older adults, as they are more likely to need medications to manage an array of chronic conditions.

There are a number of aspects to medication management, all of which are focused on making sure that medications are used appropriately. Keeping track of all of the medications currently in use by a patient is an important part of medication management. This can include creating printed lists describing medications, their dosages, and how they are being used. These lists can be kept in patient charts and provided to patients to help them track the drugs they use and understand why various medications are being prescribed.

Monitoring medication administration is also key. Medications usually need to be taken in specific doses at set intervals. Missing doses or timing doses incorrectly can cause complications. Medication management can include everything from using devices that issue reminders to patients to take their medications to filling pill cases for patients and marking the lid of each compartment to indicate when the contents need to be taken[59].

The specific purpose of this project area is to provide the platform to conduct Medication Management so that patients receive the right medications at the right time across the Performing Provider in order to reduce medication errors and adverse effects from medication use.

Project Options:

a) Implement interventions that put in place the teams, technology, and processes to avoid medication errors
   Required core project components:
   - **a)** Develop criteria and identify targeted patient populations; e.g. chronic disease patient populations that are at high risk for developing complications, co-morbidities, and/or utilizing acute and emergency care services.
   - **b)** Develop tools to provide education and support to those patients at highest risk of an adverse drug event or medication error.
   - **c)** Conduct root cause analysis of potential medication errors or adverse drug events and develop/implement processes to address those causes

58 The Patient-Centered Medical Home: Integrating Comprehensive Medication Management to Optimize Patient Outcomes. 2nd ed, 2012.
59 http://www.wisegeek.com/

d) Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

b) Evidence-based interventions that put in place the teams, technology and processes to avoid medication errors. This project option could include one or more of the following components:

a) Implement a medication management program that serves the patient across the continuum of care targeting one or more chronic disease patient populations

b) Implement Computerized Physician Order Entry (CPOE)

c) Implement pharmacist-led chronic disease medication management services in collaboration with primary care and other health care providers.

c) "Other" project option: Implement other evidence-based project to conduct medication management in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-20 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 2.11 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Rationale:

More than 3.5 billion prescriptions are written annually in the United States[60], and four out of five patients who visit a physician leave with at least one prescription[61]. Medications are involved in 80 percent of all treatments and impact every aspect of a patient's life. The two most commonly identified drug therapy problems in patients receiving comprehensive medication management services are: (1) the patient requires additional drug therapy for prevention, synergistic, or palliative care; and (2)the drug dosages need to be titrated to achieve therapeutic

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60 Sommers JP. Prescription drug expenditures in the10 largest states for persons under age 65, 2005.2008. Agency for Healthcare Research and Quality. Available at: http://meps.ahrq.gov/mepsweb/data_files/publications/st196/stat196.pdf.
61 The chain pharmacy industry profile. National Association of Chain Drug Stores. 2001.

levels that reach the intended therapy goals[62].According to the World Health Organization, adherence to therapy for chronic diseases in developed countries averages 50 percent, and the major consequences of poor adherence to therapies are poor health outcomes and increased health care costs[63].Drug therapy problems occur every day and add substantial costs to the health care system. Drug-related morbidity and mortality costs exceed $200 billion annually in the U.S., exceeding the amount spent on the medications themselves[64]. The Institute of Medicine noted that while only 10 percent of total health care costs are spent on medications, their ability to control disease and impact overall cost, morbidity, and productivity—when appropriately used—is enormous[65].

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62 Cipolle R, Strand L, Morley P. Pharmaceutical care practice: The clinician's guide. McGraw-Hill; 2004.
63 World Health Organization. Adherence to long-term therapies: Evidence for action. 2003. Available at: http://whqlibdoc.who.int/publications/2003/9241545992.pdf.
64 Johnson J, Bootman JL. Drug-related morbidity and mortality. Arch Intern Med. 1995; 155(18):1949-1956; Johnson JA, Bootman JL. Drug-related morbidity and mortality. Am J Health Syst Pharm. 1997; 54(5):554-558; Ernst, FR, Grizzle AJ. Drug-related morbidity and mortality: Updating the cost-of-illness model. J Am Pharm Assoc. 2001; 41(2):192-199.
65 Centers for Medicare & Medicaid Services. National Health Expenditures. January 2008.

Category 2

2.12 Implement/Expand Care Transitions Programs

Project Goal:
The goal of this project is to implement improvements in care transitions and coordination of care from inpatient to outpatient, post-acute care, and home care settings in order to prevent increased health care costs and hospital readmissions. Care transitions refer to the movement of patients from one health care provider or setting to another. For people with serious and complex illnesses, transitions in setting of care—for example from hospital to home or nursing home, or from facility to home- and community-based services—have been shown to be prone to errors.[66] Safe, effective, and efficient care transitions and reduced risk of potentially preventable readmissions require cooperation among providers of medical services, social services, and support services in the community and in long-term care facilities. High-risk patients often have multiple chronic diseases. The implementation of effective care transitions requires practitioners to learn and develop effective ways to successfully manage one disease in order to effectively manage the complexity of multiple diseases.[67]The discontinuity of care during transitions typically results in patients with serious conditions, such as heart failure, chronic obstructive pulmonary disease, and pneumonia, falling through the cracks, which may lead to otherwise preventable hospital readmission. [68]The goal is to ensure that the hospital discharges are accomplished appropriately and that care transitions occur effectively and safely.

Project Options:

a) Develop, implement, and evaluate standardized clinical protocols and evidence-based care delivery model to improve care transitions
Required core project components:
- **a)** Review best practices from a range of models (e.g. RED, BOOST, STAAR, INTERACT, Coleman, Naylor, GRACE, BRIDGE, etc.).
- **b)** Conduct an analysis of the key drivers of 30-day hospital readmissions using a chart review tool (e.g. the Institute for Healthcare Improvement's (IHI) State Action on Avoidable Re-hospitalizations (STAAR) tool) and patient interviews.
- **c)** Integrate information systems so that continuity of care for patients is enabled
- **d)** Develop a system to identify patients being discharged potentially at risk of needing acute care services within 30-60 days
- **e)** Implement discharge planning program and post discharge support program

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66Coleman EA. "Falling Through the Cracks: Challenges and Opportunities for Improving Transitional Care for Persons with Continuous Complex Care Needs." Journal of the American Geriatrics Society (2003) 51:549-555
67 Rittenhouse D, Shortell S, et al. "Improving Chronic Illness Care: Findings from a National Study of Care Management Processes in Large Physician Practices." Medical Care Research and Review Journal (2010) 67(3): 301-320
68 Coleman, E., Parry, C., et. al. "The Care Transitions Intervention: a patient centered approach to ensuring effective transfers between sites of geriatric care." Home Health Care Serv Q (2003) 22 (3): 1-17

f) Develop a cross-continuum team comprised of clinical and administrative representatives from acute care, skilled nursing, ambulatory care, health centers, and home care providers.

g) Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

b) Implement one or more pilot intervention(s) in care transitions targeting one or more patient care units or a defined patient population. Examples of interventions include, but are not limited to, implementation of:

- Discharge checklists
- "Hand off" communication plans with receiving providers
- Wellness initiatives targeting high-risk patients
- Patient and family education initiatives including patient self-management skills and "teach-back"
- Post-discharge medication planning
- Early follow-up such as homecare visits, primary care outreach, and/or patient call-backs.

c) "Other" project option: Implement other evidence-based project to implement/expand care transitions program in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project. Milestone I-15 includes suggestions for improvement metrics to use with this innovative project option.

Note: All of the project options in project area 2.12 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Note: Providers selecting one of these project options should ensure that overlaps do not exist with the EHR Incentive Program or other available demonstration funding.

Rationale[69]:

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69 http://www.ihi.org/offerings/Training/ReduceReadmissions/July2011ReducingReadmissions/Pages/default.aspx

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When a patient's transition is less than optimal, the repercussions can be far-reaching — hospital readmission, an adverse medical event, and even mortality. Without sufficient information and an understanding of their diagnoses, medication, and self-care needs, patients cannot fully participate in their care during and after hospital stays. Additionally, poorly designed discharge processes create unnecessary stress for medical staff causing failed communications, rework, and frustrations. A comprehensive and reliable discharge plan, along with post-discharge support, can reduce readmission rates, improve health outcomes, and ensure quality transitions. Patient transition is a multidimensional concept and may include transfer from the hospital to home, or nursing home, or from facility to home- and community-based services, etc.

CATEGORY 2 BEHAVIORAL HEALTH INFRASTRUCTURE PROJECTS

GOAL: Integrate behavioral health with physical health and other evidence-based services and supports.

The goals of the projects under this heading are to create service delivery models, which engage / integrate behavioral, physical and other community-based services and supports to provide services to individuals with a broad range of behavioral health conditions in the most appropriate community-based settings and to empower the individual to better manage their health / wellness.

According to a recent study released by the Robert Wood Johnson Foundation, only 33% of patients with BH conditions (24% of the adult population) receive adequate treatment.[70] Patients with BH issues experience higher risk of mortality and poor health outcomes, largely due to a lack of preventive health services and poorly controlled co-morbid medical disease. Risk increases with the severity of the behavioral health diagnoses. In Texas for example, persons with severe mental illness live over 29 years less, on average, than the general population.[71] Behavioral health conditions, also account for increased health care expenditures such as higher rates of potentially preventable inpatient admissions. Texas Medicaid data on potentially preventable inpatient readmissions demonstrates that behavioral health conditions are a significant driver of inpatient costs. Mental health and substance abuse conditions comprise 8 percent of initial inpatient readmissions to general acute and specialty inpatient hospitals but represent 24 percent of potentially preventable admissions.[72]

Complex medical and social issues including multiple chronic health conditions, low income, housing insecurity, social isolation, and lack of natural supports systems severely impact health and social functioning for persons with more severe behavioral health diagnoses such as schizophrenia, bipolar disorder and major depressive disorder. Substance use disorders, alone or in combination with mental health conditions, have significant physical consequences, leading to disability and increased acute and long term service expenditures.

Gaps in the service delivery system have far reaching costs and consequences. For example, the Texas state psychiatric hospital system is in crisis -- nearing or already over capacity, in large part due to gaps in the continuum of services and supports for individuals with more complex chronic mental health conditions. These individuals require a stable, supportive housing,

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70 Druss BG, Reisinger Walker E., "Mental Disorders and Medical Co-Morbidity." Robert Wood Johnson Foundation, The Synthesis Project: Issue 21 (2011).

71 Parks, J, Svendsen, D, et. al. "Morbidity and Mortality in People with Serious Mental Illness", National Association of State Mental Health Program Directors, 2006.

72 Potentially Preventable Readmissions in the Texas Medicaid Population, Fiscal Year 2010, Texas Health and Human Services Commission (2012)

integrated with community-based clinical and psychosocial services to prevent continual cycling through the street, to emergency room, jail and inpatient hospital.[73]

Providing adequate health care to people with behavioral health conditions requires a comprehensive, person-centered approach within an integrated, "no wrong door" access, and delivery system. The system should include early and accurate assessment. It should facilitate access to acute and long term services as well as short term, community-based alternatives for stabilizing individuals in a behavioral health crisis; discharge planning to transition the individual back to the community from the inpatient setting; and post-discharge support services.

Evidence-based and evidence-informed strategies exist which can facilitate person-centered care for people with behavioral health conditions.

These approaches include:

- organizational realignment and process improvements to better integrate behavioral and physical health care and ensure that there is "no wrong door" to accessing needed treatment;
- self-management and wellness programs which empower individuals to better manage their chronic physical and behavioral health conditions; and
- specialized services and supports directed at high need / high cost populations which integrate clinical and other interventions to address the complex needs of persons with more severe illnesses and social challenges.

Integration: Organizational Realignment and Process Improvement

Health care systems which successfully integrate behavioral health and primary care services demonstrate improved care, cost savings, increased provider and consumer satisfaction.[74] This is especially important for medically indigent populations, which have co-occurring chronic health and mental health conditions. Treatments for individuals who present with mental health and/or substance abuse concerns are integrated with physical health via person-centered approaches.

The Four Quadrant Clinical Integration Model provides a promising, person-centered conceptual framework for organizational realignment.
Each quadrant considers the behavioral health and physical health risk and complexity of the population and suggests the major system elements that would be utilized to meet the needs of the individuals within that subset of the population. The Four Quadrant model is not intended to be prescriptive about what happens in each quadrant, but to serve as a conceptual framework for collaborative planning in each local system. Ideally it would be used as a part of collaborative planning for each new HRSA BH site, with the CHC and the local provider(s) of public BH

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73 Continuity of Care Task Force Final Report, DSHS, (2010)

74 Integrating Publicly Funded Physical and Behavioral Health Services: A Description of Selected Initiatives, Health Management Associates (2007).

services using the framework to decide who will do what and how coordination for each person served will be assured.

The use of the Four Quadrant Model to consider subsets of the population, the major system elements and clinical roles would result in the following broad approaches:

- Quadrant I: Low BH-low physical health complexity/risk, served in primary care with BH staff on site; very low/low individuals served by the PCP, with the BH staff serving those with slightly elevated health or BH risk.
- Quadrant II: High BH-low physical health complexity/risk, served in a specialty BH system that coordinates with the PCP.
- Quadrant III: Low BH-high physical health complexity/risk, served in the primary care/medical specialty system with BH staff on site in primary or medical specialty care, coordinating with all medical care providers including disease managers.
- Quadrant IV: High BH-high physical health complexity/risk, served in both the specialty BH and primary care/medical specialty systems; in addition to the BH case manager, there may be a disease manager, in which case the two managers work at a high level of coordination with one another and other members of the team.

Other integration models include the IMPACT Model[75] and Wagner's Chronic Care Model.

Process improvements, such as adoption of evidence-based clinical practice guidelines for detection and treatment of depression and other conditions and for assessment of suicide risk can improve outcomes in both primary and specialty behavioral clinical settings. For example, one effective evidence-based strategy that has been shown to improve outcomes for depression, the most prevalent BH disorder, is the DIAMOND/IMPACT model of care. Key elements of such care models are screening for high prevalence mental health conditions, co-location of BH clinicians into primary care settings, collaborative meetings held by primary care and BH team members to discuss cases, training of primary care and BH staff on effective screening and collaborative care, the presence of tracking systems and registries to support effective monitoring of patients, the "Stepped Care" approach for appropriate level of treatment, care management for the highest risk patients with mental health and substance abuse disorders, and relapse prevention, among others.[76] Other examples of evidence-base practices include Screening, Brief Intervention and Referral to Treatment (SBIRT) for substance use disorders. SBIRT employs a brief assessment, performed by physical health providers in settings such as hospital emergency rooms and clinics to determine the presence of substance use issues, intervene and refer the individual to appropriate treatment. Independent evaluation of Texas SBIRT study

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75 Excerpted from the IMPACT website at the University of Washington at http://impact-uw.org/about/key.html.
76 Katon W., MD. "The Diamond Model." (based on Katon's Collaborative Care Model for depression) and Unutzer J.,MD. "IMPACT Study." (as well as numerous other controlled trials). Institute for Clinical Systems Improvement and Minnesota Family Health Services. Presentation to the Institute for HealthCare Improvement Annual Forum, Dec. 2010.

determined that it resulted in significant inpatient / emergency department savings and increased appropriate use of services in the state's largest public hospital district.[77]

Self-Management and Wellness Programs
Successfully engaging the individual consumer in disease self-management and wellness activities related to chronic physical and behavioral health conditions empowers person-centered recovery and improved health outcomes. The Chronic Disease Self-Management Program developed at Stanford University to help people manage physical conditions such as diabetes and chronic pain, and Wellness Recovery Action Planning (WRAP) which is directed toward managing severe mental illness[78], are two prominent examples of evidenced-based, self-management models. Giving the individual consumer control over health resources is another complementary promising practice.

Health navigation and individual health planning are related practices. The Texas and Minnesota Demonstrations to Maintain Independence and Employment (DMIE) studies which focused on medically indigent adults with behavioral health disorders, used health care navigation to achieve positive results in health care utilization and wellness measures.[79] In Texas DMIE, health navigation and support from case managers trained in Motivational Interviewing resulted in increased access to and use of appropriate health services, including: more use of preventative care; more outpatient, more mental health and dental visits; greater adherence and persistence in taking prescribed medications for chronic conditions such as hypertension, respiratory conditions, diabetes, high cholesterol; more medical stability for chronic conditions and greater satisfaction with healthcare.[80]

Self-directed resource use models empower the individual to purchase goods and services to promote wellness and recovery. There is an evidence base for these models. For example, adults with severe mental illness and co-occurring physical disabilities in the Arkansas Cash and Counseling program were less likely to fall, have respiratory infections, develop bed sores, or spend a night in hospital or a nursing home if they had access to individual budgets than if they did not [81]. Similarly, an evaluation of the New Jersey Cash and Counseling program found that it was equally successful for participants with SMI as those with other types of disabilities[82].

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77 Insight Project Research Group (2009). SBIRT outcomes in Houston: Final report on InSight, a hospital district-based program for patients at risk for alcohol or drug use problems. Alcoholism: Clinical and Experimental Research, 33(8): 1-8.

78 Copeland, M.E. "Wellness recovery action plan: a system for monitoring, reducing and eliminating uncomfortable or dangerous physical symptoms and emotional feelings." Occupational Therapy in Mental Health. 17, 127–150 (2002).

79 Ozaki, R., Schneider, J., Hall, J., Moore, J., Linkins, K., Brya, J., Oelschlaeger, A., Bohman, T., Christensen, K., Wallisch, L., Stoner, D., Reed, B.,Ostermeyer, B. (2011). Personal navigation, life coaching, and case management: Approaches for enhancing health and employment support services. Journal of Vocational Rehabilitation, (34)2, 83-95.

80 Bohman, T., Wallisch, L., Christensen, K., Stoner, D., Pittman, A., Reed, B.,Ostermeyer, B. (2011). Working Well – The Texas Demonstration to Maintain Independence and Employment: 18-month outcomes. Journal of Vocational Rehabilitation, (34)2, 97-106.

81 Shen, C., Smyer, M.A., Mahoney, K.J., Loughlin, D.M. et al., (2008). Does Mental Illness Affect Consumer Direction of Community-Based Care? Lessons From the Arkansas Cash and Counseling Program. The Gerontologist, 48(1), 93-104.

82 Shen, C., Smyer, M., Mahoney, K.J., Simon-Rusinowitz, L. et al., (2008). Consumer-Directed Care for Beneficiaries With Mental Illness: Lessons From New Jersey's Cash and Counseling Program. Psychiatric Services, 59, 1299-1306.

In the Texas Self-Directed Care study (SDC), individuals with severe mental illness are empowered to manage a flexible fund to purchase goods and services with assistance from an advisor. Consumers have broad latitude for making substitutions of traditional services and supports within a typical maximum budget of $4,000 / year. Experience during the first year of the SDC indicates that individuals in the intervention group are making significant gains in recovery, wellness and employment relative to the control group.

Specialized Services and Supports for High Need Sub-Populations
The Texas Continuity of Care Task Force[83] analyzed needs and recommendations for improving services to severely mentally ill individuals who move repeatedly through multiple systems, such as criminal justice, general acute inpatient and mental health. Among the recommendations was the development of:

- supported housing,
- assisted living,
- smaller, community-based living options, and
- services, such as cognitive rehabilitative modalities, to address the individual's limitations in organizing, planning and completing activities.

Services could be provided in a variety of settings, including individual homes, apartments, adult foster homes, assisted living facilities, and small group (three- to four-bed) community-supported residential settings. Examples of services could include cognitive and psychosocial rehabilitation; supported employment; transition assistance to establish a residence; peer support; specialized therapies; medical services, transportation medications and personal assistance.

83See Continuity of Care Task Force Report at: http://www.dshs.state.tx.us/mhsa/continuityofcare/)

2.13 Provide an intervention for a targeted behavioral health population to prevent unnecessary use of services in a specified setting (i.e., the criminal justice system, ER, urgent care etc.).

Project Goal:
Provide specialized services to complex behavioral health populations such as people with severe mental illnesses and/or a combination of behavioral health and physical health issues. These populations often have multiple concomitant issues such as substance use, traumatic injuries, homelessness, cognitive challenges, and lack of daily living skills and lack of natural supports. The State's mental health system provides rehabilitative services and pharmacotherapy to people with certain severe psychiatric diagnoses and functional limitations, but can serve only a fraction of the medically indigent population. It does not serve other high risk behavioral health populations and does not provide the range of services needed to deal with complex psychiatric and physical needs. These complex populations become frequent users of local public health systems.

The goal of this project is to avert outcomes such as potentially avoidable inpatient admission and readmissions in settings including general acute and specialty (psychiatric) hospitals; to avert disruptive and deleterious events such as criminal justice system involvement; to promote wellness and adherence to medication and other treatments; and to promote recovery in the community. This can be done by providing community based interventions for individuals to prevent them from cycling through multiple systems, such as the criminal justice system; the general acute and specialty psychiatric inpatient system; and the mental health system. Examples of interventions could include integrated medical and non-medical supports such as transition services to help individuals establish a stable living environment, peer support, specialized therapies, medical services, personal assistance, and short or long term residential options.

Residential options linked to a range of support services can effectively improve health outcomes for vulnerable individuals, such as the long-term homeless with severe mental illness. One such model in Colorado demonstrated a drastic 80 percent decrease in overnight hospital stays and a 76 percent decrease in nights in jail (Wortzel, 2007). Research indicates that among residents of permanent supportive housing:

- Rates of arrest and days incarcerated are reduced by 50%;
- Emergency room visits decrease by 57%;
- Emergency detoxification services decrease by 85%; and
- Nursing home utilization decreased by 50%.[84]

Project Options:

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84 Lewis, D., Corporation for Supportive Housing, Permanent Supportive Housing Program & Financial Model for Austin/Travis County, TX, 2010. Retrieved from http://www.caction.org/homeless/documents/AustinModelPresentation.pdf

a) Design, implement, and evaluate research-supported and evidence-based interventions tailored towards individuals in the target population.
Required core components:

a) Assess size, characteristics and needs of target population(s) (e.g., people with severe mental illness and other factors leading to extended or repeated psychiatric inpatient stays. Factors could include chronic physical health conditions; chronic or intermittent homelessness, cognitive issues resulting from severe mental illness and/or forensic involvement.

b) Review literature / experience with populations similar to target population to determine community-based interventions that are effective in averting negative outcomes such as repeated or extended inpatient psychiatric hospitalization, decreased mental and physical functional status, nursing facility admission, forensic encounters and in promoting correspondingly positive health and social outcomes / quality of life.

c) Develop project evaluation plan using qualitative and quantitative metrics to determine outcomes.

d) Design models which include an appropriate range of community-based services and residential supports.

e) Assess the impact of interventions based on standardized quantitative measures and qualitative analysis relevant to the target population. Examples of data sources include: standardized assessments of functional, mental and health status (such as the ANSA and SF 36); medical, prescription drug and claims/encounter records; participant surveys; provider surveys. Identify "lessons learned," opportunities to scale all or part of the intervention(s) to a broader patient populations, and identify key challenges associated with expansion of the intervention(s), including special considerations for safety-net populations.

b) "Other" project option: Implement other evidence-based project to provide an intervention for a targeted behavioral health population to prevent unnecessary use of services in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

Note: All of the project options in project area 2.13 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient

population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Note: Community-based interventions should be comprehensive and multispecialty. They should incorporate two or more components, such as those listed below depending on the needs of the target populations being served. These interventions should have significant flexibility to add more components if they are appropriate to meet the needs of the target population. Community-based components may include (but are not limited to):

- Residential Assistance (Foster/Companion Care, Supervised Living, Residential Support Services)
- Assisted living;
- Cognitive Adaptation Training (CAT) – an evidence-based service that uses tools and motivational techniques to establish and refine daily living skills;
- Psychosocial Rehabilitation;
- Supported employment;
- Minor home modifications;
- Home delivered meals;
- Transition assistance – assistance to establish a basic household, including security deposits, essential furnishings, moving expenses, bed and bath linens;
- Adaptive aids (e.g., medication-adherence equipment, communication equipment, etc.);
- Transportation to appointments and community-based activities;
- Specialized behavioral therapies:
  - Cognitive Behavioral Therapy – An empirically supported treatment that focuses on maladaptive patterns of thinking and the beliefs that underlie such thinking; and
  - Dialectical Behavior Therapy – A manualized treatment program (derived from cognitive behavioral therapy) that provides support in managing chronic crisis and stress to keep individuals in outpatient treatment settings;
- Prescription medications;
- Peer support – A service that models successful health and mental health behaviors. It is provided by certified peer specialists who are in recovery from mental illness and/or substance use disorders and are supervised by mental health professionals;
- Respite care (short term);
- Substance abuse services (specialized for individuals who have experienced prolonged or repeated institutionalization);
- Visiting Nursing and / or community health worker services;
- Employment supports

- Nutritional counseling
- Occupational therapy; Speech and language therapy; and Physical therapy.

Components must be articulated into a system which uses a CQI design such as the CMS Quality Framework for HCBS services. (Anita Yuskauskas, 2010) and/or be informed by guidance such as the SAMHSA evidence-based toolkit for permanent supported housing (http://store.samhsa.gov/product/Permanent-Supportive-Housing-Evidence-Based-Practices-EBP-KIT/SMA10-4510) or other evidence-based system

Category 2

2.14 Implement person-centered wellness self-management strategies and self directed financing models that empower consumers to take charge of their own health care.

Project Goal:
Create wellness, self-management programs that employ research supported interventions singly or in combination to help individuals manage their chronic physical and behavioral health conditions. Examples of research-supported individual wellness self management strategies include Wellness Recovery Action Planning (WRAP), the Chronic Disease Self Management Program; Motivational Interviewing; client-managed wellness accounts; and health navigation / individual health planning models to empower the individual to achieve their health goals. These interventions should be closely coordinated with the patient's medical home.

Successfully engaging the individual consumer in disease self management and wellness activities related to chronic physical and behavioral health conditions empowers person-centered recovery and improved health outcomes. The Chronic Disease Self Management Program, developed at Stanford University to help people manage physical conditions such as diabetes and chronic pain, and Wellness Recovery Action Planning (WRAP) which is directed toward managing severe mental illness[85], are two prominent examples of evidenced-based, self-management models. Giving the individual consumer control over health resources is another complementary promising practice.

Health navigation and individual health planning are related practices. The Texas and Minnesota Demonstrations to Maintain Independence and Employment (DMIE), which focused on medically indigent adults with behavioral health disorders, used health care navigation to achieve positive results in health care utilization and wellness measures.[86] In Texas DMIE, health navigation and support from case managers trained in Motivational Interviewing resulted in increased access to and use of appropriate health services, including: more use of preventative care; more outpatient, more mental health and dental visits; greater adherence and persistence in taking prescribed medications for chronic conditions such as hypertension, respiratory conditions, diabetes, high cholesterol; more medical stability for chronic conditions and greater satisfaction with healthcare.[87]

Self directed resource use models empower the individual to purchase goods and services to promote wellness and recovery. There is an evidence base for these models. For example, adults with severe mental illness and co-occurring physical disabilities in the Arkansas Cash and Counseling program were less likely to fall, have respiratory infections, develop bed sores, or spend a night in hospital or a nursing home if they had access to individual budgets than if they

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85 Copeland, M.E. "Wellness recovery action plan: a system for monitoring, reducing and eliminating uncomfortable or dangerous physical symptoms and emotional feelings." Occupational Therapy in Mental Health. 17, 127–150 (2002).
86 Ozaki, R., Schneider, J., Hall, J., Moore, J., Linkins, K., Brya, J., Oelschlaeger, A., Bohman, T., Christensen, K., Wallisch, L., Stoner, D., Reed, B.,Ostermeyer, B. (2011). Personal navigation, life coaching, and case management: Approaches for enhancing health and employment support services. Journal of Vocational Rehabilitation, (34)2, 83-95.
87 Bohman, T., Wallisch, L., Christensen, K., Stoner, D., Pittman, A., Reed, B.,Ostermeyer, B. (2011). Working Well – The Texas Demonstration to Maintain Independence and Employment: 18-month outcomes. Journal of Vocational Rehabilitation, (34)2, 97-106.

did not[88]. Similarly, an evaluation of the New Jersey Cash and Counseling program found that it was equally successful for participants with SMI as those with other types of disabilities[89].

In the Texas Self-Directed Care study (SDC), individuals with severe mental illness are empowered to manage a flexible fund to purchase goods and services with assistance from an advisor. Consumers have broad latitude for making substitutions of traditional services and supports within a typical maximum budget of $4,000 / year. Experience during the first year of the SDC indicates that individuals in the intervention group are making significant gains in recovery, wellness and employment relative to the control group.

Project Options:

a) Establish interventions to promote person-centered wellness self-management strategies and train staff / contractors to empower consumers to take charge of their own health care.

Required core project components:

a) Develop screening process for project inclusion

b) Identify population for intervention using claims and encounter data, clinical records, or referrals from providers.

c) Recruit eligible individuals based on administrative and diagnostic data

d) Establish interventions and train staff / contractors

e) Hire staff (including the following minimum qualifications):

- Wellness and Health Navigation: Bachelors level professional with experience in mental health and/or wellness initiatives or a peer specialist who has successfully completed the DSHS certification program for peer specialists
- WRAP Facilitator: an individual trained and credentialed as a WRAP facilitator using the WARP model developed by Mary Ellen Copeland (See: http://www.mentalhealthrecovery.com/wrap/).

f) Train staff in motivational interviewing and person-centered planning

g) Assess project outcomes. Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

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88 Shen, C., Smyer, M.A., Mahoney, K.J., Loughlin, D.M. et al., (2008). Does Mental Illness Affect Consumer Direction of Community-Based Care? Lessons From the Arkansas Cash and Counseling Program. The Gerontologist, 48(1), 93-104.

89 Shen, C., Smyer, M., Mahoney, K.J., Simon-Rusinowitz, L. et al., (2008). Consumer-Directed Care for Beneficiaries With Mental Illness: Lessons From New Jersey's Cash and Counseling Program. Psychiatric Services, 59, 1299-1306.

b) Implement self-directing financing models including wellness accounts. Note: If selected, this must be implemented as part of a person-centered wellness project as described in 2.14.1.
Required core project components:
- **a)** Establish wellness account funding mechanisms.
- **b)** Establish policies and procedures for program operations.
- **c)** Establish accountability systems to track outcomes and expenditures.
- **d)** Implement interventions.
- **e)** Assess project outcomes.

c) "Other" project option: Implement other evidence-based project to implement person-centered wellness self-management strategies and self-directed financing models that empower consumers to take charge of their own health care in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

Note: All of the project options in project area 2.14 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

2.15 Integrate Primary and Behavioral Health Care Services

Project Goal

Integrate primary care and behavioral health care services in order to improve care and access to needed services.

The concept of a medical home that can address the needs of the whole person is increasingly recognized as a key in improving both access to care, continuity of care, improved outcomes. The importance of simultaneously addressing the physical health needs and the behavioral health needs of individuals has become recognized over the past three decades.

A recent study of adults discharged from psychiatric hospitals found 20% with chronic and serious conditions such as HIV infection, brain trauma, cerebral palsy and heart disease. As many as 75% of individuals with schizophrenia have been found to have high rates of serious physical illnesses, such as diabetes, respiratory, heart and/or bowel problems and high blood pressure. High rates were also seen for vision (93%), hearing (78%), and dental (60%) problems … the effects of atypical antipsychotic medications, which exacerbate this predisposition, individuals with schizophrenia have especially high rates of diabetes. Cardiovascular diseases are also very prevalent among people with mental illnesses. Again, psychiatric medications exacerbate the problem because they are associated with obesity and high triglyceride levels, known risk factors for cardiovascular disease. Adults with serious mental illnesses are known to have poor nutrition, high rates of smoking and a sedentary lifestyle—all factors that place them at greater risk for serious physical disorders, including diabetes, cardiovascular disease, stroke, arthritis and certain types of cancers. Despite such extensive medical needs, adults with serious mental illnesses often do not receive treatment… Among people with schizophrenia, fewer than 70% of those with co-occurring physical problems were currently receiving treatment for 10 of 12 physical health conditions studied.[90]

Medical Homes and similar collaborative care approaches have been determined to be beneficial in the treatment of mental illness in a variety of controlled studies.[91]

Behavioral health problems are often cyclical in nature meaning that over a course of months or years a person may experience periods of time when symptoms are well controlled (or in remission) while at other times symptoms can range from moderate to severe. The concept of a Medical home where physical and behavioral health care is integrated and provides supports for individuals who are in any quadrant of the National Council for Community Behavioral Health (NCCBH) Four Quadrant Clinical Integration Model at a given time.

The use of the Four Quadrant Model to consider subsets of the population, the major system elements and clinical roles would result in the following broad approaches:

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90 Bazelon Center for Mental Health Law (2004), GET IT TOGETHER How to Integrate Physical and Mental Health Care for People with Serious Mental Disorders

91 Thielke, S., Vannoy, S. & Unützer, J. (2007). Integrating mental health and primary care. Primary Care: Clinics in Office Practice, 34

- Quadrant I: Low BH-low physical health complexity/risk, served in primary care with BH staff on site; very low/low individuals served by the PCP, with the BH staff serving those with slightly elevated health or BH risk.
- Quadrant II: High BH-low physical health complexity/risk, served in a specialty BH system that coordinates with the PCP.
- Quadrant III: Low BH-high physical health complexity/risk, served in the primary care/medical specialty system with BH staff on site in primary or medical specialty care, coordinating with all medical care providers including disease managers.
- Quadrant IV: High BH-high physical health complexity/risk, served in both the specialty BH and primary care/medical specialty systems; in addition to the BH case manager, there may be a disease manager, in which case the two managers work at a high level of coordination with one another and other members of the team.

Other integration models include the IMPACT Model[92] and Wagner's Chronic Care Model.

Through the integration of behavioral health and physical health care services, opportunities to address both conditions during a single visit are vastly increased. Co-location, when coupled with protocols, training, technology and team building has the potential to improve communications between providers and enhance coordination of care. Additionally, access to care is enhanced because individuals do not have to incur the cost or inconvenience of arranging transportation or making multiple trips to different locations to address physical and behavioral health needs.

Finally, given the ever-increasing cost of transportation, a "one stop shopping" approach for health care improves the chances that individuals with multiple health needs will be able to access the needed care in a single visit and thereby overcome the negative synergy that exists between physical and behavioral health conditions.

Co-location alone is not synonymous with integration. Levels of interaction between physical and behavioral health providers may range from traditional minimally collaborative models to fully integrated collaborative models.

1. **Minimal Collaboration:** mental health providers and primary care providers work in separate facilities, have separate systems, and communicate sporadically.
2. **Basic Collaboration at a Distance:** separate systems at separate sites; periodic communication about shared patients, typically by telephone or letter.
3. **Basic Collaboration On-site:** separate systems, but shared facility; more communication, but each provider remains in his/her own professional culture.

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92 Excerpted from the IMPACT website at the University of Washington at http://impact-uw.org/about/key.html.

4. **Close Collaboration in a Partly Integrated System:** providers share the same facility and have some systems in common (scheduling appointments, medical records); regular face-to-face communication; sense of being part of a team.
5. **Close Collaboration in a Fully Integrated System:** providers are part of the same team and system; the patient experiences mental health treatment as part of their regular primary care or vice versa.

Delivery system reform projects proposed under this category should be structured to achieve level 4 or, preferably level 5 levels of interaction.

Project Options:

a) Design, implement, and evaluate projects that provide integrated primary and behavioral health care services.
Required core components:

a) Identify sites for integrated care projects, which would have the potential to benefit a significant number of patients in the community. Examples of selection criteria could include proximity/accessibility to target population, physical plant conducive to provider interaction; ability / willingness to integrate and share data electronically; receptivity to integrated team approach.

b) Develop provider agreements whereby co-scheduling and information sharing between physical health and behavioral health providers could be facilitated.

c) Establish protocols and processes for communication, data-sharing, and referral between behavioral and physical health providers

d) Recruit a number of specialty providers (physical health, mental health, substance abuse, etc. to provide services in the specified locations.

e) Train physical and behavioral health providers in protocols, effective communication and team approach. Build a shared culture of treatment to include specific protocols and methods of information sharing that include:

- Regular consultative meetings between physical health and behavioral health practitioners;
- Case conferences on an individualized as-needed basis to discuss individuals served by both types of practitioners; and/or
- Shared treatment plans co-developed by both physical health and behavioral health practitioners.

f) Acquire data reporting, communication and collection tools (equipment) to be used in the integrated setting, which may include an integrated Electronic health record system or participation in a health information exchange – depending on the size and scope of the local project.

g) Explore the need for and develop any necessary legal agreements that may be needed in a collaborative practice.

h) Arrange for utilities and building services for these settings

i) Develop and implement data collection and reporting mechanisms and standards to track the utilization of integrated services as well as the health care outcomes of individual treated in these integrated service settings.

j) Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

b) "Other" project option: Implement other evidence-based project to integrate primary and behavioral health care services in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

Note: All of the project options in project area 2.15 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Attachment I
Regional Healthcare Partnership (RHP) Planning Protocol

Category 2

2.16 Provide virtual psychiatric and clinical guidance to all participating primary care providers delivering services to behavioral patients regionally.

Project Goal
Provide ready access to psychiatric consultation in primary care to enhance and improve treatment for individuals with behavioral health conditions. Virtual psychiatric consultation may include (but is not limited to) the following modalities of communication: telephone, instant message, video conference, facsimile, and e-mail. Primary Care Providers (PCPs) tend to be the first (and often last) stop for services for individuals with mental illness and substance use disorders. Indeed, more than 1/3 of all patients rely solely on PCPs to treat psychiatric disorders. These individuals may have medical conditions that are created or exacerbated by untreated or under-treated mental illness and substance abuse. This trend means PCPs should have adequate resources and expertise to treat behavioral health conditions. Treating behavioral health conditions during a PCP visit reduces the chances of losing the patient during the referral process.

The goal of this project is to provide PCPs delivering services regionally with the necessary resources and guidance to adequately treat patients who present with behavioral health conditions. Clinical guidance will be provided remotely via the following communication methods: telephone, instant message, video conference, facsimile, and e-mail. Access to these services will allow the medical treatment team to utilize behavioral health expertise in areas including, but not limited to: diagnostic impressions, psychiatric medication administration, trajectory and outcomes of mental health diagnoses, cultural considerations relevant to behavioral health treatment, and referral recommendations for ongoing treatment, and behavioral health self-management resources. PCPs will increase their knowledge base about behavioral health conditions while also having quick access to cutting edge and research based behavioral health interventions over several communication methods. This effort will bridge the often disparate disciplines of behavioral and physical health, providing better outcomes for patients who increasingly rely on primary care settings for treatment of their behavioral health conditions.

Project Options:

a) Design, implement, and evaluate a program to provide remote psychiatric consultative services to all participating primary care providers delivering services to patients with mental illness or substance abuse disorders
Required core project components:
   - **a)** Establish the infrastructure and clinical expertise to provide remote psychiatric consultative services.
   - **b)** Determine the location of primary care settings with a high number of individuals with behavioral health disorders (mental health and substance abuse) presenting for services, and where ready access to behavioral health expertise is lacking. Identify what expertise primary care providers lack and what they identify as their greatest needs for psychiatric and/or substance abuse treatment consultation via survey or other means.

c) Assess applicable models for deployment of virtual psychiatric consultative and clinical guidance models

d) Build the infrastructure needed to connect providers to virtual behavioral health consultation. This may include:

- Procuring behavioral health professional expertise (e.g., Psychiatrists, Psychologists, Psychiatric Nurses, Licensed Professional Counselors, Masters level Social Workers, Licensed Chemical Dependency Counselors, Licensed Marriage and Family Therapists, Certified Peer specialists, and Psychiatric Pharmacists,). This will include expertise in children and adolescents (e.g. Child and Adolescent Psychiatrists, Psychologists, Nurses, and Pharmacists); expertise in psychotropic medication management in severe mental illness.

e) Ensuring staff administering virtual psychiatric consultative services are available to field communication from medical staff on a 24-hour basis.

f) Identify which medical disciplines within primary care settings (nursing, nursing assistants, pharmacists, primary care physicians, etc.) could benefit from remote psychiatric consultation.

g) Provide outreach to medical disciplines in primary care settings that are in need of telephonic behavioral health expertise and communicate a clear protocol on how to access these services.

h) Identify clinical code modifiers and/or modify electronic health record data systems to allow for documenting the use of telephonic behavioral health consultation.

i) Develop and implement data collection and reporting standards for remotely delivered behavioral health consultative services.

j) Review the intervention(s) impact on access to telephonic psychiatric consults and identify "lessons learned," opportunities to scale all or part of the intervention(s) to a broader patient population, and identify key challenges associated with expansion of the intervention(s), including special considerations for safety-net populations

Optional Project Components:

k) Develop a database or information resource center for behavioral health professionals to ensure appropriate research based interventions are being communicated to providers.

l) Develop or adapt best practice resources and research based literature to medical professions on a range of behavioral health topics that frequently occur in primary care settings (including guidelines for best practices for administration of psychotropic medications for specific mental health conditions and monitoring of these medications).

b) "Other" project option: Implement other evidence-based project to provide virtual psychiatric and clinical guidance to all participating primary care providers delivering services to behavioral health patients regionally in an innovative

manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

Note: All of the project options in project area 2.16 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Category 2

2.17 Establish improvements in care transition from the inpatient setting for individuals with mental health and / or substance abuse disorders.

Project Goals:
The goal of this project is to implement improvements in care transitions and coordination of care from inpatient to outpatient, post-acute care, and home care settings in order to prevent increased health care costs and hospital readmissions of individuals with mental health and substance use (behavioral health) disorders. For people with mental health and substance use disorders, these transitions are especially critical in reducing the risk of readmission. Texas Medicaid data on potentially preventable inpatient readmissions demonstrates that behavioral health conditions are a significant driver of inpatient costs. Mental health and substance abuse conditions comprise 8 percent of initial inpatient readmissions to general acute and specialty inpatient hospitals but represent 24 percent of potentially preventable admissions.[93] The implementation of effective care transitions requires that providers learn and develop effective ways to successfully manage one disease in order to effectively manage the complexity of multiple diseases.[94] Preventable admissions in Texas are commonly indicative of "the absence of excellent care, especially during the transition from inpatient care to care at home or in a post-acute facility."[95]

Relatively simple steps can make a real difference. These include scheduling the follow-up appointment before discharge, voice-to-voice transfer of care between the attending physician and the primary care physician / provider community-based services, reconciling medication instructions, and follow-up phone calls or visits after discharge. More complex populations with severe behavioral health disorders and other issues, such as homelessness may require more intensive follow-through post discharge. Strategies, such as Critical Time Intervention (CTI), are designed to prevent recurrent adverse outcomes, such as readmissions among persons with severe mental illness. Such interventions may include pre-transition planning, intensive transition support, assessment and adjustment of support and transfer to community sources of care. Peer support can be an important strategy for individuals transitioning from inpatient to community settings. In Texas, the Department of State Health Services, has developed a peer certification program which could be leveraged by partnerships to develop peer support capacity.

Project Options:

a) Design, implement, and evaluate interventions to improve care transitions from the inpatient setting for individuals with mental health and/or substance abuse disorders.
Required core project components:

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93 Potentially Preventable Readmissions in the Texas Medicaid Population, Fiscal Year 2010, Texas Health and Human Services Commission (2012)
94 Rittenhouse D, Shortell S, et al. "Improving Chronic Illness Care: Findings from a National Study of Care Management Processes in Large Physician Practices." Medical Care Research and Review Journal (2010) 67(3): 301-320
95 Ibid.

a) Develop a cross-continuum team comprised of clinical and administrative representatives from acute care, ambulatory care, behavioral health and community-based non-medical supports

b) Conduct an analysis of the key drivers of 30-day hospital readmissions for behavioral health conditions using a chart review tool (e.g. the Institute for Healthcare Improvement's (IHI) State Action on Avoidable Re-hospitalizations (STAAR) tool) and patient and provider interviews.

c) Identify baseline mental health and substance abuse conditions at high risk for readmissions, (example include schizophrenia, bipolar disorder, major depressive disorder, chemical dependency).

d) Review best practices for improving care transitions from a range of evidence-based or evidence-informed models

e) Identify and prioritize evidence-based strategies and clinical protocols that support seamless care transitions and reduce preventable 30-day readmissions.

f) Implement two or more pilot intervention(s) in care transitions targeting one or more patient care units or a defined patient population. Examples of interventions include, but are not limited to, implementation of:

g) Conduct quality improvement for project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, identifying "lessons learned," opportunities to scale all or part of the project to a broader patient population, and identifying key challenges associated with expansion of the project, including special considerations for safety-net populations.

b) "Other" project option: Implement other evidence-based project to establish improvement in care transition from the inpatient setting for individuals with mental health and / or substance abuse disorders in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

Note: All of the project options in project area 2.17 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Examples of interventions include, but are not limited to, implementation of:

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- Discharge checklists
- "Hand off" communication plans with receiving medical and behavioral health providers
- Wellness initiatives targeting high-risk behavioral health patients, such as WRAP, health planning and motivation strategies, Screening, Brief Intervention and Referral to Treatment (SBIRT) for substance use disorders,
- Individual and family education initiatives including self-management skills.
- Post-discharge medication planning
- Early follow-up such as homecare visits, primary care outreach, and/or patient call-backs.
- Transition and wellness support from certified peer specialists for mental health and /or substance use disorders.
- More intensive follow-through programs, such as CTI or other evidence-informed practices, for individuals with more severe behavioral health disorders and other challenges, such as homelessness.
- Electronic data exchange for critical clinical information to support excellent continuity of care.

2.18 Recruit, train, and support consumers of mental health services to provide peer support services

Project Goal:
The goal of this project is to use consumers of mental health services who have made substantial progress in managing their own illness and recovering a successful life in the community to provide peer support services. These services are supportive and not necessarily clinical in nature. Building on a project originally established under the State's Mental Health Transformation grant, consumers are being trained to serve as peer support specialists. In addition to the basic peer specialist training and certification, an additional training is provided to certified peers specialists in "whole health". With the whole health training peer specialists learn to work with other consumers to set achievable goals to prevent or self-manage chronic diseases such as diabetes and COPD. While such training currently exists, very limited numbers of peers are trained due to resource limitations. Evidence exists that such an approach can work with particularly vulnerable populations with serious mental illness[96]. The need for strategies to improve the health outcomes for people with behavioral health disorders is evidenced by their disparate life expectancy (dying 29 years younger than the general population[97]), increased risk of mortality and poor health outcomes as severity of behavioral health disorders increase[98]

Project Options

a) Design, implement, and evaluate whole health peer support for individuals with mental health and /or substance use disorders.
Required core project components:
- **a)** Train administrators and key clinical staff in the use of peer specialists as an essential component of a comprehensive health system.
- **b)** Conduct readiness assessments of organization that will integrate peer specialists into their network.
- **c)** Identify peer specialists interested in this type of work.
- **d)** Train identified peer specialists in whole health interventions, including conducting health risk assessments, setting SMART goals, providing educational and supportive services to targeted individuals with specific disorders (e.g. hypertension, diabetes, or health risks (e.g. obesity, tobacco use, physical inactivity.
- **e)** Implement health risk assessments to identify existing and potential health risks for behavioral health consumers.

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96 Benjamin G. Druss, MD, MPH, Liping Zhao, MSPH, Silke A. von Esenwein, PhD, Joseph R. Bona, MD, MBA, Larry Fricks, Sherry Jenkins-Tucker, Evelina Sterling, MPH, CHES, Ralph DiClemente, PhD, and Kate Lorig, RN, DrPH, The Health and Recovery Peer (HARP) Program: A peer-led intervention to improve medical self-management for persons with serious mental illness, Schizophrenia Research, Volume 118, Issue 1 , Pages 264-270, May 2010

97 Parks, J, Svendsen, D, et. al. "Morbidity and Mortality in People with Serious Mental Illness", National Association of State Mental Health Program Directors, 2006.

98 Druss BG, Reisinger Walker E., "Mental Disorders and Medical Co-Morbidity." Robert Wood Johnson Foundation, The Synthesis Project: Issue 21 (2011).

f) Identify patients with serious mental illness who have health risk factors that can be modified.
g) Implement whole health peer support.
h) Connect patients to primary care and preventive services.
i) Track patient outcomes. Review the intervention(s) impact on participants and identify "lessons learned," opportunities to scale all or part of the intervention(s) to a broader patient population, and identify key challenges associated with expansion of the intervention(s), including special considerations for safety-net populations.

b) "Other" project option: Implement other evidence-based project to recruit, train, and support consumers of mental health services to provide peer support services in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

Note: All of the project options in project area 2.18 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

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2.19 Develop Care Management Function that integrates primary and behavioral health needs of individuals

Project Goal:
Provide a targeted care management intervention program for the population of people with co-occurring mental health, substance use and chronic physical disorders to increase use of primary and specialty care and reducing the use of ER, crisis and jail diversion services. The prevalence of co-occurring mental health, substance use and chronic physical disorders is high in the indigent population. This is due to the lack of access to and the complexity of navigating primary care and specialty care services. These individuals end up consuming a great deal of community resources due to ER visits, involvement of crisis response systems and often unnecessary incarcerations when routine treatment would be a better alternative. Early engagement in appropriate services to address the multiple conditions for these individuals, as well as their needs for housing and social support, requires both behavioral health case managers and chronic disease care managers working closely to make service settings accessible and to track progress.

Project Options:

a) Design, implement, and evaluate care management programs and that integrate primary and behavioral health needs of individual patients
Required core project components:

a) Conduct data matching to identify individuals with co-occurring disorders who are:
- not receiving routine primary care,
- not receiving specialty care according to professionally accepted practice guidelines,
- over-utilizing ER services based on analysis of comparative data on other populations,
- over-utilizing crisis response services.
- Becoming involved with the criminal justice system due to uncontrolled/unmanaged symptoms.

b) Review chronic care management best practices such as Wagner's Chronic Care Model and select practices compatible with organizational readiness for adoption and implementation.

c) Identification of BH case managers and disease care managers to receive assignment of these individuals.

d) Develop protocols for coordinating care; identify community resources and services available for supporting people with co-occurring disorders.

e) Identify and implement specific disease management guidelines for high prevalence disorders, e.g. cardiovascular disease, diabetes, depression, asthma.

f) Train staff in protocols and guidelines.

g) Develop registries to track client outcomes.

h) Review the intervention(s) impact on quality of care and integration of care and identify "lessons learned," opportunities to scale all or part of the intervention(s) to a broader patient population, and identify key challenges associated with expansion of the intervention(s), including special considerations for safety-net populations.

b) "Other" project option: Implement other evidence-based project to develop care management function that integrates primary and behavioral health needs in an innovative manner not described in the project options above. Providers implementing an innovative, evidence-based project using the "Other" project option may select among the process and improvement milestones specified in this project area or may include one or more customizable process milestone(s) P-X and/or improvement milestone(s) I-X, as appropriate for their project.

Note: All of the project options in project area 2.19 should include a component to conduct quality improvement for the project using methods such as rapid cycle improvement. Activities may include, but are not limited to, identifying project impacts, "lessons learned," opportunities to scale all or part of the project to a broader patient population, and key challenges associated with expansion of the project, including special considerations for safety-net populations.

Category 3 Quality Improvements

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Category 3 Overview

a. Introduction

The overall objective of Category 3 is to assess the effectiveness of Category 1 and 2 interventions in improving outcomes in the Texas healthcare delivery system. As described in the Program Funding and Mechanics (PFM) Protocol, each project selected in Categories 1 and 2 will have one or more associated outcome measures from Category 3.

For the purposes of the RHP Planning and PFM Protocols, outcome measures are defined as "*measures that assess the results of care experienced by patients, including patients' clinical events, patients' recovery and health status, patients' experiences in the health system, and efficiency/cost.*"

All Category 3 outcome measures must be reported to specifications, except that a Performing Provider may customize the population measured by an outcome as allowed by CMS and HHSC to more closely reflect the patient population targeted in the related Category 1 or 2 project.

b. Pay for Performance Measures

The Category 3 menu of measures contains a large proportion of Pay for Performance (P4P) measures that providers may select from to receive incentive payments for demonstrating incremental improvements in the selected outcome. These measures are considered the stronger, more validated measures. If there is a P4P measure appropriate to the Category 1 or 2 project that the provider can report to the specifications in the attached Compendium (Appendix C), then the provider must select a P4P measure.

There will be standard achievement levels for P4P measures to earn Category 3 funds in demonstration year (DY) 4 and DY 5. In October 2014, providers may request to deviate from the standard achievement levels based on extenuating circumstances to be determined by the Texas Health and Human Services Commission (HHSC) and Centers for Medicare and Medicaid Services (CMS), such as if the intervention population is much smaller, significantly different than the denominator required in the measure specifications or if the benchmarks provided are not an appropriate fit for the denominator population (e.g., with the use of denominator subsets for age). Providers may request a deviation from the standard achievement levels established during the October 2014 baseline reporting period within parameters as agreed to by HHSC and CMS.

c. Pay for Reporting Measures

The Category 3 menu also contains some measures that are designated as Pay for Reporting (P4R). To accommodate the wide variety of Texas DSRIP providers and projects, these P4R measures were approved for inclusion in the menu as "exploratory" measures even though they do not have the strongest rigor of validation or evidence.
All P4R measures require prior authorization by HHSC and CMS. The prior authorization process will determine a) if the measure was a previously selected by the provider and was approved for use for a Category 1 or 2 project (if so, this serves as the authorization) and b) if not

previously approved, whether there is a P4P measure that would be an appropriate fit for the project that the provider can report to specifications.

Providers that need to use a P4R measure will not receive payment for improving its rate, but instead will receive payment for reporting the measure to the associated specifications. Providers may still demonstrate improvement in these measures; however, that improvement will not be the basis for incentive payment. For these reporting only or "exploratory" measures providers must engage in an alternate improvement activity - either a Population-Focused Priority Measure or a Stretch Activity. These alternate improvement activities are detailed in Appendix (A).

For Hospital, Community Mental Health Center, and Physician Group provider types, providers with a P4R measure should select an outcome from the Population-Focused Priority Measure list. These outcomes do not have to be tied to the associated Category 1 or 2 project and instead represent a larger health priority for the health system.

For Local Health Department providers and for those providers above who cannot identify a measure to report from the Population-Focused Priority Measure list, providers may select a Stretch Activity. These activities are intended to improve data infrastructure and capacity.

d. Minimum Category 3 Requirements for Each Category 1 or 2 Project

Each outcome measure (IT-X.X) is labeled as a standalone measure or non-standalone measure. Providers can select among the following methods to meet Category 3 requirements for each Category 1 or 2 project:

- **At least one standalone measure:** Providers can select a standalone measure from any outcome domain listed in the table below for Category 1 and 2 projects. Cost-related outcomes may be used as the standalone outcome only for project area 2.5 (Cost Containment). Cost outcomes can be selected as non-standalone measures for other project areas.
- **At least one standalone measure and additional non-standalone measure(s):** One or more non-standalone measures from any outcome domain can be combined with at least one standalone measure.
- **A combination of at least 3 non-standalone measures:** A provider can select a combination of 3 non-standalone measures for a Category 1 or 2 project and these measures may be from different outcome domains if needed.

The measures selected for each Category 1 or 2 project may be a combination of P4P and P4R measures. Each measure is treated separately for reporting and payment purposes.

e. Types of Category 3 Milestones

The terms “process milestone” and “achievement milestone” are used to classify Category 3 milestones in each demonstration year. Process milestones will be those milestones in which a provider is not earning DSRIP funds based on reaching a goal achievement level over baseline, i.e., it will be used for DY2 and DY3 planning activities to prepare for Category 3 reporting, in DY4 and DY5 for reporting to specifications (for P4R measures), and in DY5 for stretch activities. Achievement milestones will be used for milestones in which the provider will earn

funds based on progress towards a goal achievement level for the measure, i.e., for P4P measures in DY4 and DY5 and Population-Focused Priority Measures in DY5.

The table below describes the milestones each year for both P4P and P4R outcomes.

	Pay for Performance (P4P) outcome measures	**Pay for Reporting (P4R) outcome measures**
DY2	Each provider selected process milestones from the original menu (P-1 through P-7) and designated the valuation per milestone; a status update was allowed in lieu of specific milestone documentation for DY2	
DY3	2 process milestones (P-8 & P-9) - DY3 Category 3 status update (50% of DY3 allocation) and establishing baseline (50% of DY3 allocation)	
DY4	Process Milestone 10 - 50% of DY4 allocation for reporting P4P measure to specifications Achievement Milestone 1 - 50% of DY4 allocation for demonstrating improvement in P4P measure over baseline	Process Milestone 10 - 100% of DY4 allocation for reporting P4R measure to specifications
DY5	Achievement Milestone 1 - 100% of DY5 allocation for demonstrating improvement in P4P measure over baseline	Process Milestone 10 - 50% of DY5 allocation for reporting P4R measure to specifications <u>Alternate Improvement Activity</u> EITHER Achievement Milestone 2 – 50% of DY5 allocation for demonstrating improvement in a Population Focused Priority Measure OR Process Milestone 11 – 50% of DY5 allocation for reporting as required on a stretch activity

*Per the PFM Protocol, all Category 3 milestones are eligible for carry forward into the subsequent year and achievement milestones only are eligible for payment for partial achievement.

Category 3 Outcome Measures

All of the measures included in the Category 3 menu have been approved by CMS. Often the source of these measures is an authoritative agency around outcome measurement (e.g., AHRQ, NCQA, CDC, NQF). Most of these measures have been validated and tested to ensure that the outcomes are measuring what they purport to measure. In some instances, these evidence based measures are modified in order to be used by DSRIP providers to change the specifications to describe a provider focus as opposed to a health plan focus. These modifications are described

in detail within the compendium document (Appendix C). In some cases, where validated measures did not previously exist, measures were created based on evidence based guidelines and practices. These measures were included in the menu to reflect outcomes pertinent to approved Category 1 and 2 projects. The outcomes are salient to aspects of patient care that reflect better health and satisfaction with services, improved efficiencies in health care delivery and cost savings.

Outcome Domains

All of the Category 3 outcome measures are organized into 15 Outcome Domains (ODs) to facilitate measure selection.

- OD-1: Primary Care and Chronic Disease Management
- OD-2: Potentially Preventable Admissions
- OD-3: Potentially Preventable Readmissions (PPRs) – 30-day Readmission Rates
- OD-4: Potentially Preventable Complications, Healthcare Acquired Conditions, and Patient Safety
- OD-5: Cost of Care
- OD-6: Patient Satisfaction
- OD-7: Oral Health
- OD-8: Perinatal Outcomes and Maternal Child Health
- OD-9: Right Care, Right Setting
- OD-10: Quality of Life/Functional Status
- OD-11: Behavioral Health/Substance Abuse Care
- OD-12: Primary Prevention
- OD-13: Palliative Care
- OD-14: Healthcare Workforce
- OD-15: Infectious Disease Management

List of Category 3 Outcome Measures

The table below lists the outcome measures from which providers may choose. The Compendium (Appendix C) contains further details on how each measure is to be reported and the Category 3 Companion (Appendix D) contains guidance for providers selection of their Category 3 outcome measures in March 2014 based on the revised Category 3 framework agreed to by CMS and HHSC in February 2014 and reflected in this protocol and the PFM Protocol.

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OD	IT reference number	Measure type	Performance Type	Prior Authorization Required	Title of measure
1	IT-1.1	Non-Standalone (NSA)	P4P	No	Third next available appointment
1	IT-1.2	Non-Standalone (NSA)	P4P	No	Annual monitoring for patients on persistent medications - Angiotensin Converting Enzyme (ACE) inhibitors or Angiotensin Receptor Blockers (ARBs)
1	IT-1.3	Non-Standalone (NSA)	P4P	No	Annual monitoring for patients on persistent medications - Digoxin
1	IT-1.4	Non-Standalone (NSA)	P4P	No	Annual monitoring for patients on persistent medications- Diuretic
1	IT-1.5	Non-Standalone (NSA)	P4P	No	Annual monitoring for patients on persistent medications - Anticonvulsant
1	IT-1.6	Standalone (SA)	P4P	No	Cholesterol management for patients with cardiovascular conditions
1	IT-1.7	Standalone (SA)	P4P	No	Controlling high blood pressure
1	IT-1.8	Non-Standalone (NSA)	P4P	No	Depression management: Screening and Treatment Plan for Clinical Depression
1	IT-1.9	Standalone (SA)	P4P	No	Depression management: Depression Remission at Twelve Months
1	IT-1.10	Standalone (SA)	P4P	No	Diabetes care: HbA1c poor control (>9.0%)
1	IT-1.11	Standalone (SA)	P4P	No	Diabetes care: BP control (<140/90mm Hg)
1	IT-1.12	Non-Standalone (NSA)	P4P	No	Diabetes care: Retinal eye exam
1	IT-1.13	Non-Standalone (NSA)	P4P	No	Diabetes care: Foot exam
1	IT-1.14	Non-Standalone (NSA)	P4P	No	Diabetes care: Nephropathy
1	IT-1.15	Standalone (SA)	P4P	No	Peritoneal Dialysis Adequacy Clinical Performance Measure III
1	IT-1.16	Standalone (SA)	P4P	No	Hemodialysis Adequacy Clinical Performance Measure III
1	IT-1.17	Standalone (SA)	P4P	No	Hemodialysis Adequacy for Pediatric Hemodialysis Patients
1	IT-1.18	Standalone (SA)	P4P	No	Follow-Up After Hospitalization for Mental Illness
1	IT-1.19	Standalone (SA)	P4P	No	Antidepressant Medication Management
1	IT-1.20	Non-Standalone (NSA)	P4P	No	Comprehensive Diabetes Care LDL Screening
1	IT-1.21	Non-Standalone (NSA)	P4P	No	Adult Body Mass Index (BMI) Assessment

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OD	IT reference number	Measure type	Performance Type	Prior Authorization Required	Title of measure
1	IT-1.22	Standalone (SA)	P4P	No	Asthma Percent of Opportunity Achieved
1	IT-1.23	Non-Standalone (NSA)	P4P	No	Tobacco Use: Screening & Cessation
1	IT-1.24	Standalone (SA)	P4R	Yes	Adolescent tobacco use
1	IT-1.25	Standalone (SA)	P4R	Yes	Adult tobacco use
1	IT-1.26	Non-Standalone (NSA)	P4P	No	Seizure type(s) and current seizure frequency(ies)
1	IT-1.27	Non-Standalone (NSA)	P4P	No	Pain Assessment and Follow-up
1	IT-1.28	Non-Standalone (NSA)	P4P	No	Preventive Care and Screening: Screening for High Blood Pressure and Follow-Up Documented
1	IT-1.29	Non-Standalone (NSA)	P4P	No	Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents
1	IT-1.30	Non-Standalone (NSA)	P4P	No	Hemoglobin A1c (HbA1c) Testing for Pediatric Patients
1	IT-1.31	Standalone (SA)	P4P	No	Medication Management for People with Asthma (MMA)
1	IT-1.32	Standalone (SA)	P4P	No	Asthma Medication Ratio (AMR)
1	IT-1.33	Non-Standalone (NSA)	P4P	No	Medical Assistance With Smoking and Tobacco Use Cessation
1	IT-1.34	Standalone (SA)	P4P	No	Appropriate Testing for Children With Pharyngitis
2	IT-2.1	Standalone (SA)	P4R	Yes	Congestive Heart Failure (CHF) Admission rate
2	IT-2.2	Standalone (SA)	P4P	No	Risk Adjusted Congestive Heart Failure (CHF) Admission rate
2	IT-2.3	Standalone (SA)	P4R	Yes	End-Stage Renal Disease (ESRD) Admission Rate
2	IT-2.4	Standalone (SA)	P4P	No	Risk Adjusted End-Stage Renal Disease (ESRD) Admission Rate
2	IT-2.5	Standalone (SA)	P4R	Yes	Hypertension (HTN) Admission Rate
2	IT-2.6	Standalone (SA)	P4P	No	Risk Adjusted Hypertension (HTN) Admission Rate
2	IT-2.7	Standalone (SA)	P4R	Yes	Behavioral Health/Substance Abuse (BH/SA) Admission Rate
2	IT-2.8	Standalone (SA)	P4P	No	Risk Adjusted Behavioral Health/Substance Abuse (BH/SA)
2	IT-2.9	Standalone (SA)	P4R	Yes	Chronic Obstructive Pulmonary Disease (COPD) Admission Rate
2	IT-2.10	Standalone (SA)	P4P	No	Risk Adjusted Chronic Obstructive Pulmonary Disease (COPD) Admission Rate

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OD	IT reference number	Measure type	Performance Type	Prior Authorization Required	Title of measure
2	IT-2.11	Standalone (SA)	P4R	Yes	Adult Asthma Admission Rate
2	IT-2.12	Standalone (SA)	P4P	No	Risk Adjusted Adult Asthma Admission Rate
2	IT-2.13	Standalone (SA)	P4R	Yes	Diabetes Short Term Complication Admission Rate
2	IT-2.14	Standalone (SA)	P4P	No	Risk Adjusted Diabetes Short Term Complication Admission Rate
2	IT-2.15	Standalone (SA)	P4R	Yes	Diabetes Long Term Complications Admission Rate
2	IT-2.16	Standalone (SA)	P4P	No	Risk Adjusted Diabetes Long Term Complications Admission Rate
2	IT-2.17	Standalone (SA)	P4R	Yes	Uncontrolled Diabetes Admissions Rate
2	IT-2.18	Standalone (SA)	P4P	No	Risk Adjusted Uncontrolled Diabetes Admissions Rate
2	IT-2.19	Standalone (SA)	P4R	Yes	Flu and pneumonia Admission Rate
2	IT-2.20	Standalone (SA)	P4P	No	Risk Adjusted Flu and pneumonia Admission Rate
2	IT-2.21	Standalone (SA)	P4P	No	Ambulatory Care Sensitive Conditions Admissions Rate
2	IT-2.22	Standalone (SA)	P4P	No	Prevention Quality Indicators (PQI) Composite Measure Potentially Preventable Hospitalizations for Ambulatory Care Sensitive Conditions
2	IT-2.23	Standalone (SA)	P4R	Yes	Pediatric Asthma Admission Rate
2	IT-2.24	Standalone (SA)	P4P	No	Risk Adjusted Pediatric Asthma Admission Rate
2	IT-2.25	Standalone (SA)	P4R	Yes	Pain Admission Rate
2	IT-2.26	Standalone (SA)	P4P	No	Risk Adjusted Pain Admission Rate
2	IT-2.27	Standalone (SA)	P4R	Yes	Cancer Admission Rate
2	IT-2.28	Standalone (SA)	P4P	No	Risk Adjusted Cancer Admission Rate
2	IT-2.29	Standalone (SA)	P4R	Yes	Cellulitis Admission Rate
2	IT-2.30	Standalone (SA)	P4P	No	Risk Adjusted Cellulitis Admission Rate
3	IT-3.1	Standalone (SA)	P4P	No	Hospital-Wide All-Cause Unplanned Readmission Rate
3	IT-3.2	Standalone (SA)	P4R	Yes	Congestive Heart Failure (CHF) 30-day Readmission Rate
3	IT-3.3	Standalone (SA)	P4P	No	Risk Adjusted Congestive Heart Failure (CHF) 30-day Readmission Rate
3	IT-3.4	Standalone (SA)	P4R	Yes	Diabetes 30-day Readmission Rate
3	IT-3.5	Standalone (SA)	P4P	No	Risk Adjusted Diabetes 30-day Readmission Rate

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OD	IT reference number	Measure type	Performance Type	Prior Authorization Required	Title of measure
3	IT-3.6	Standalone (SA)	P4R	Yes	Renal Disease 30-day Readmission Rate
3	IT-3.7	Standalone (SA)	P4P	No	Risk Adjusted Renal Disease 30-day Readmission Rate
3	IT-3.8	Standalone (SA)	P4R	Yes	Acute Myocardial Infarction (AMI) 30-day Readmission Rate
3	IT-3.9	Standalone (SA)	P4P	No	Risk Adjusted Acute Myocardial Infarction (AMI) 30-day Readmission Rate
3	IT-3.10	Standalone (SA)	P4R	Yes	Coronary Artery Disease (CAD) 30-day Readmission Rate
3	IT-3.11	Standalone (SA)	P4P	No	Risk Adjusted Coronary Artery Disease (CAD) 30-day Readmission Rate
3	IT-3.12	Standalone (SA)	P4R	Yes	Stroke (CVA) 30-day Readmission Rate
3	IT-3.13	Standalone (SA)	P4P	No	Risk Adjusted Stroke (CVA) 30-day Readmission Rate
3	IT-3.14	Standalone (SA)	P4R	Yes	Behavioral Health /Substance Abuse 30-day Readmission Rate
3	IT-3.15	Standalone (SA)	P4P	No	Risk Adjusted Behavioral Health /Substance Abuse 30-day Readmission Rate
3	IT-3.16	Standalone (SA)	P4R	Yes	Chronic Obstructive Pulmonary Disease (COPD) 30-day Readmission Rate
3	IT-3.17	Standalone (SA)	P4P	No	Risk Adjusted Chronic Obstructive Pulmonary Disease (COPD) 30-day Readmission Rate
3	IT-3.18	Standalone (SA)	P4R	Yes	Adult Asthma 30-day Readmission Rate
3	IT-3.19	Standalone (SA)	P4P	No	Risk Adjusted Adult Asthma 30-day Readmission Rate
3	IT-3.20	Standalone (SA)	P4R	Yes	Pediatric Asthma 30-day Readmission Rate
3	IT-3.21	Standalone (SA)	P4P	No	Risk Adjusted Pediatric Asthma 30-day Readmission Rate
3	IT-3.22	Standalone (SA)	P4P	No	Risk Adjusted All-Cause Readmission
3	IT-3.23	Standalone (SA)	P4R	Yes	Ventricular Assist Device 30-day Readmission Rate
3	IT-3.24	Standalone (SA)	P4P	No	Risk Adjusted Ventricular Assist Device 30-day Readmission Rate
3	IT-3.25	Standalone (SA)	P4R	Yes	Post-Surgical 30-day Readmission Rate
3	IT-3.26	Standalone (SA)	P4P	No	Risk Adjusted Post-Surgical 30-day Readmission Rate
3	IT-3.27	Standalone (SA)	P4R	Yes	Cancer Related 30-day Readmission Rate
3	IT-3.28	Standalone (SA)	P4R	Yes	Medication Complication 30-day Readmission Rate

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3	IT-3.29	Standalone (SA)	P4P	No	Risk Adjusted Medication Complication 30-day Readmission Rate
4	IT-4.1	Standalone (SA)	P4P	No	Improvement in risk adjusted Potentially Preventable Complications rate(s)
4	IT-4.2	Standalone (SA)	P4P	No	Central line-associated bloodstream infections (CLABSI) rates
4	IT-4.3	Standalone (SA)	P4P	No	Catheter-associated Urinary Tract Infections (CAUTI) rates
4	IT-4.4	Standalone (SA)	P4P	No	Surgical site infections (SSI) rates
4	IT-4.5	Standalone (SA)	P4P	No	Patient Fall Rate
4	IT-4.6	Standalone (SA)	P4P	No	Incidence of Hospital-acquired Venous Thromboembolism (VTE)
4	IT-4.7	Standalone (SA)	P4P	No	Pressure Ulcer Rate
4	IT-4.8	Standalone (SA)	P4R	Yes	Sepsis mortality
4	IT-4.9	Non-Standalone (NSA)	P4R	Yes	Average length of stay: Sepsis
4	IT-4.10	Standalone (SA)	P4P	No	Sepsis bundle (NQF 0500)
4	IT-4.11	Non-Standalone (NSA)	P4P	No	Risk-Adjusted Average Length of Inpatient Hospital Stay
4	IT-4.12.1	Non-Standalone (NSA)	P4P	No	Average Length of Stay for patients of Medication Errors
4	IT-4.13	Non-Standalone (NSA)	P4R	Yes	Patients receiving language services supported by qualified language services providers
4	IT-4.14	Standalone (SA)	P4P	No	Intensive Care: In-hospital mortality rate
4	IT-4.15	Standalone (SA)	P4P	No	Venous Thromboembolism Prophylaxis Bundle
4	IT-4.16	Standalone (SA)	P4R	Yes	Reduce Unplanned Re-operations
4	IT-4.12.2	Non-Standalone (NSA)	P4P	No	Adverse drug events
4	IT-4.17	Non-Standalone (NSA)	P4P	No	Stroke - Thrombolytic Therapy
4	IT-4.18	Non-Standalone (NSA)	P4P	No	Warfarin management: percentage of patients on warfarin with an international normalized ratio (INR) result of 4 or above whose dosage has been adjusted or reviewed prior to the next warfarin dose, during the 6 month time period

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4	IT-4.19	Non-Standalone (NSA)	P4P	Yes	Falls: Screening, Risk-Assessment, and Plan of Care to Prevent Future Falls
5	IT-5.1 a	SA for project area 2.5, NSA for all other project areas	P4P	Yes	Improved Cost Savings: Demonstrate cost savings in care delivery - Cost of Illness Analysis
5	IT-5.1 b	SA for project area 2.5, NSA for all other project areas	P4P	Yes	Improved Cost Savings: Demonstrate cost savings in care delivery - Cost Minimization Analysis
5	IT-5.1 c	SA for project area 2.5, NSA for all other project areas	P4P	Yes	Improved Cost Savings: Demonstrate cost savings in care delivery - Cost Effectiveness Analysis
5	IT-5.1 d	SA for project area 2.5, NSA for all other project areas	P4P	Yes	Improved Cost Savings: Demonstrate cost savings in care delivery - Cost Utility Analysis
5	IT-5.1 e	SA for project area 2.5, NSA for all other project areas	P4P	Yes	Improved Cost Savings: Demonstrate cost savings in care delivery - Cost Benefit Analysis
5	IT-5.2	SA for project area 2.5, NSA for all other project areas	P4P	Yes	Per Episode Cost of Care
5	IT-5.3	SA for project area 2.5, NSA for all other project areas	P4P	Yes	Total Cost of Care
6	IT-6.1.a.i	Standalone (SA)	P4P	No	HCAHPS Communication with Doctors
6	IT-6.1.a.ii	Standalone (SA)	P4P	No	HCAHPS Communication with Nurses
6	IT-6.1.a.iii	Standalone (SA)	P4P	No	HCAHPS Responsiveness of Hospital Staff
6	IT-6.1.a.iv	Standalone (SA)	P4P	No	HCAHPS Pain Control
6	IT-6.1.a.v	Standalone (SA)	P4P	No	HCAHPS Communication about Medicine
6	IT-6.1.a.vi	Standalone (SA)	P4P	No	HCAHPS Cleanliness of Hospital Environment
6	IT-6.1.a.vii	Standalone (SA)	P4P	No	HCAHPS Quietness of Hospital Environment

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6	IT-6.1.a.viii	Standalone (SA)	P4P	No	HCAHPS Discharging Information
6	IT-6.1.a.ix	Standalone (SA)	P4P	No	HCAHPS Overall Hospital Rating
6	IT-6.1.a.x	Standalone (SA)	P4P	No	HCAHPS Likelihood to Recommend
6	IT-6.1.b.i	Standalone (SA)	P4P	No	CG-CAHPS 12-month: Timeliness of Appointments, Care, & Information
6	IT-6.1.b.ii	Standalone (SA)	P4P	No	CG-CAHPS 12-month: Provider Communication
6	IT-6.1.b.iii	Standalone (SA)	P4P	No	CG-CAHPS 12-month: Office Staff
6	IT-6.1.b.iv	Standalone (SA)	P4P	No	CG-CAHPS 12-month: Overall Provider Rating
6	IT-6.1.b.v	Standalone (SA)	P4P	No	CG-CAHPS 12-month: Provider's Attention to Child's Growth and Development(Pediatric)
6	IT-6.1.b.vi	Standalone (SA)	P4P	No	CG-CAHPS 12-month: Provider's Advice on Keeping Child Safe and Healthy(Pediatric)
6	IT-6.1.c.i	Standalone (SA)	P4P	No	CG-CAHPS 12-month: Cultural Competence Survey Supplement
6	IT-6.1.c.ii	Standalone (SA)	P4P	No	CG-CAHPS 12-month: Health Information Technology Supplement
6	IT-6.1.c.iii	Standalone (SA)	P4P	No	CG-CAHPS 12-month: Health Literacy Supplement
6	IT-6.1.c.iv	Standalone (SA)	P4P	No	CG-CAHPS 12-month: PCMH Supplement (includes Shared Decision Making)
6	IT-6.1.d.i	Standalone (SA)	P4P	No	CG-CAHPS Visit Survey 2.0: Timeliness of Appointments, Care, & Information
6	IT-6.1.d.ii	Standalone (SA)	P4P	No	CG-CAHPS Visit Survey 2.0: Provider Communication
6	IT-6.1.d.iii	Standalone (SA)	P4P	No	CG-CAHPS Visit Survey 2.0: Office Staff
6	IT-6.1.d.iv	Standalone (SA)	P4P	No	CG-CAHPS Visit Survey 2.0: Overall Provider Rating
6	IT-6.1.d.v	Standalone (SA)	P4P	No	CG-CAHPS Visit Survey 2.0: Provider's Attention to Child's Growth and Development (Pediatric)
6	IT-6.1.d.vi	Standalone (SA)	P4P	No	CG-CAHPS Visit Survey 2.0: Providers Advice on Keeping Child Safe and healthy (Pediatric)
6	IT-6.2.a	Standalone (SA)	P4P	No	Client Satisfaction Questionnaire 8 (CSQ-8)
6	IT-6.2.b	Standalone (SA)	P4P	No	Visit-Specific Satisfaction Instrument (VSQ-9)

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6	IT-6.2.c	Standalone (SA)	P4R	Yes	Health Center Patient Satisfaction Survey
6	IT-6.2.d.i	Standalone (SA)	P4P	No	PSQ-III General Satisfaction
6	IT-6.2.d.ii	Standalone (SA)	P4P	No	PSQ-III Technical Quality
6	IT-6.2.d.iii	Standalone (SA)	P4P	No	PSQ-III Interpersonal Aspects
6	IT-6.2.d.iv	Standalone (SA)	P4P	No	PSQ-III Communication
6	IT-6.2.d.v	Standalone (SA)	P4P	No	PSQ-III Financial Aspects
6	IT-6.2.d.vi	Standalone (SA)	P4P	No	PSQ-III Time Spent w/ Doctors
6	IT-6.2.d.vii	Standalone (SA)	P4P	No	PSQ-III Access, Availability, & Convenience
6	IT-6.2.d.viii	Standalone (SA)	P4P	No	PSQ-18 General Satisfaction
6	IT-6.2.d.ix	Standalone (SA)	P4P	No	PSQ-18 Technical Quality
6	IT-6.2.d.x	Standalone (SA)	P4P	No	PSQ-18 Interpersonal Aspects
6	IT-6.2.d.xi	Standalone (SA)	P4P	No	PSQ-18 Communication
6	IT-6.2.d.xii	Standalone (SA)	P4P	No	PSQ-18 Financial Aspects
6	IT-6.2.d.xiii	Standalone (SA)	P4P	No	PSQ-18 Time Spent w/ Doctors
6	IT-6.2.d.xiv	Standalone (SA)	P4P	No	PSQ-18 Access, Availability, & Convenience
6	IT-6.2.e	Standalone (SA)	P4R	Yes	Experience of Care and Health Outcomes (ECHO) 3.0
7	IT-7.1	Non-Standalone (NSA)	P4P	Yes	Dental Sealant: Children
7	IT-7.2	Standalone (SA)	P4P	Yes	Cavities: Children
7	IT-7.3	Non-Standalone (NSA)	P4P	Yes	Early Childhood Caries – Fluoride Applications
7	IT-7.4	Non-Standalone (NSA)	P4P	Yes	Topical Fluoride application
7	IT-7.5	Standalone (SA)	P4P	Yes	Proportion of older adults aged 65 to 74 years who have lost all their natural teeth
7	IT-7.6	Standalone (SA)	P4P	Yes	Urgent Dental Care Needs in Children: Percentage of children with urgent dental care needs
7	IT-7.7	Standalone (SA)	P4P	Yes	Urgent Dental Care Need in Older Adults
7	IT-7.8	Standalone (SA)	P4P	Yes	Chronic Disease Patients Accessing Dental Services
7	IT-7.9	Standalone (SA)	P4P	Yes	Dental Treatment Needs Among Chronic Disease Patients
7	IT-7.10	Standalone (SA)	P4P	No	Cavities: Adults
7	IT-7.11	Non-Standalone (NSA)	P4P	No	Utilization of Services: Children
7	IT-7.12	Non-Standalone (NSA)	P4P	No	Oral Evaluation: Children

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7	IT-7.13	Non-Standalone (NSA)	P4P	No	Prevention: Sealants for 6 – 9 year-old Children at Elevated Risk
7	IT-7.14	Non-Standalone (NSA)	P4P	No	Prevention: Sealants for 10 – 14 year-old Children at Elevated Risk
7	IT-7.15	Non-Standalone (NSA)	P4P	No	Prevention: Topical Fluoride Intensity for Children at Elevated Caries Risk
7	IT-7.16	Non-Standalone (NSA)	P4P	No	Preventive Services for Children at Elevated Caries Risk
7	IT-7.17	Non-Standalone (NSA)	P4P	No	Treatment Services: Children
7	IT-7.18	Non-Standalone (NSA)	P4P	No	Usual Source of Services
7	IT-7.19	Non-Standalone (NSA)	P4P	No	Care Continuity: Children
7	IT-7.20	Non-Standalone (NSA)	P4P	No	Per Member Per Month Cost of Clinical Services (PMPM Cost): Children
7	IT-7.21	Non-Standalone (NSA)	P4P	No	Annual Dental Visit
7	IT-7.22	Non-Standalone (NSA)	P4R	Yes	Diabetes mellitus: percent of patients who obtained a dental exam in the last 12 months (NQMC:1600)
8	IT-8.1	Non-Standalone (NSA)	P4P	No	Timeliness of Prenatal/Postnatal Care
8	IT-8.2	Standalone (SA)	P4P	No	Percentage of Low Birth- weight births
8	IT-8.3	Standalone (SA)	P4P	No	Early Elective Delivery
8	IT-8.4	Non-Standalone (NSA)	P4P	No	Antenatal Steroids
8	IT-8.5	Non-Standalone (NSA)	P4P	No	Frequency of ongoing prenatal care
8	IT-8.6	Non-Standalone (NSA)	P4P	No	Cesarean Rate for Nulliparous Singleton Vertex
8	IT-8.7	Non-Standalone (NSA)	P4P	No	Birth Trauma Rates
8	IT-8.8	Standalone (SA)	P4P	Yes	Neonatal Mortality
8	IT-8.9	Standalone (SA)	P4R	Yes	Youth Pregnancy Rate

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8	IT-8.10	Standalone (SA)	P4R	Yes	Pregnancy Rate
8	IT-8.11	Standalone (SA)	P4R	Yes	Healthy term newborn
8	IT-8.12	Standalone (SA)	P4P	No	Pre-term birth rate
8	IT-8.13	Standalone (SA)	P4R	Yes	NICU days/delivery
8	IT-8.14	Non-Standalone (NSA)	P4R	Yes	Exclusive Breastfeeding at 3 Months
8	IT-8.15	Non-Standalone (NSA)	P4R	Yes	Exclusive Breastfeeding at 6 Months
8	IT-8.16	Non-Standalone (NSA)	P4R	Yes	Any Breastfeeding at 6 Months
8	IT-8.17	Non-Standalone (NSA)	P4R	Yes	Any Breastfeeding at 12 Months
8	IT-8.18	Non-Standalone (NSA)	P4P	No	Rate of Exclusive Breastfeeding
8	IT-8.19	Standalone (SA)	P4P	No	Post-Partum Follow-Up and Care Coordination
8	IT-8.20	Non-Standalone (NSA)	P4P	No	Developmental Screening in the First Three Years of Life
8	IT-8.21	Non-Standalone (NSA)	P4P	No	Well-Child Visits in the First 15 Months of Life (6 or more visits)
8	IT-8.22	Non-Standalone (NSA)	P4P	No	Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life
8	IT-8.23	Non-Standalone (NSA)	P4P	No	Children and Adolescents' Access to Primary Care Practitioners (CAP)
8	IT-8.24	Non-Standalone (NSA)	P4P	No	Adolescent Well-Care Visits (AWC)
8	IT-8.25	Non-Standalone (NSA)	P4R	Yes	Sudden Infant Death Syndrome Counseling
8	IT-8.26	Non-Standalone (NSA)	P4R	Yes	Routine prenatal care: percentage of pregnant patients who receive counseling about aneuploidy screening in the first trimester (NQMC:8031)
8	IT-8.27	Non-Standalone (NSA)	P4R	Yes	Behavioral health risk assessment (for pregnant women)
9	IT-9.1	Standalone (SA)	P4P	Yes	Decrease in mental health admissions and readmissions to criminal justice settings such as jails or prisons
9	IT-9.2	Standalone (SA)	P4P	No	Reduce Emergency Department (ED) visits for Ambulatory Care Sensitive Conditions (ACSC) per 100,000
9	IT-9.3	Standalone (SA)	P4P	No	Reduce Pediatric Emergency Department (ED) visits for Ambulatory Care Sensitive Conditions (ACSC) per 100,000

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9	IT-9.2.a	Standalone (SA)	P4P	No	Emergency Department (ED) visits per 100,000
9	IT-9.3.a	Standalone (SA)	P4P	No	Pediatric Emergency Department (ED) visits per 100,000
9	IT-9.4.a	Standalone (SA)	P4P	No	Reduce Emergency Department visits for Congestive Heart Failure
9	IT-9.4.b	Standalone (SA)	P4P	No	Reduce Emergency Department visits for Diabetes
9	IT-9.4.c	Standalone (SA)	P4P	No	Reduce Emergency Department visits for End Stage Renal Disease
9	IT-9.4.d	Standalone (SA)	P4P	No	Reduce Emergency Department visits for Angina and Hypertension
9	IT-9.4.e	Standalone (SA)	P4P	No	Reduce Emergency Department visits for Behavioral Health/Substance Abuse
9	IT-9.4.f	Standalone (SA)	P4P	No	Reduce Emergency Department visits for Chronic Obstructive Pulmonary Disease
9	IT-9.4.g	Standalone (SA)	P4P	No	Reduce Emergency Department visits for Asthma
9	IT-9.4.i	Standalone (SA)	P4P	No	Reduce Emergency Department visits for Dental Conditions
9	IT-9.4.h	Standalone (SA)	P4P	No	Pediatric/Young Adult Asthma Emergency Department Visits
9	IT-9.5	Non-Standalone (NSA)	P4R	Yes	Reduce low acuity ED visits
9	IT-9.6	Non-Standalone (NSA)	P4P	No	Emergency department (ED) visits where patients left without being seen
9	IT-9.7	Non-Standalone (NSA)	P4P	No	Emergency department (ED) visits where patients with a mental health complaint without being seen
9	IT-9.8	Non-Standalone (NSA)	P4P	No	Care Transition: Transition Record with Specified Elements Received by Discharged Patients (Emergency Department Discharges to Ambulatory Care [Home/Self Care] or Home Health Care)
9	IT-9.9	Non-Standalone (NSA)	P4P	No	Transition Record with Specified Elements Received by Discharged Patients (Inpatient Discharges to Home/Self Care or Any Other Site of Care)
9	IT-9.10	Standalone (SA)	P4P	No	ED throughput Measure bundle

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9	IT-9.10.a	Non-Standalone (NSA)	P4P	No	Median Time from ED Arrival to ED Departure for Discharged ED Patients
9	IT-9.10.b	Non-Standalone (NSA)	P4P	No	Median time from admit decision time to time of departure from the ED for ED patients admitted to inpatient status
9	IT-9.10.c	Non-Standalone (NSA)	P4P	No	Median time from ED arrival to time of departure from the emergency room for patients admitted to the facility from the ED
10	IT-10.1.a.i	Standalone (SA)	P4P	No	Assessment of Quality of Life (AQoL-4D)
10	IT-10.1.a.ii	Standalone (SA)	P4P	No	Assessment of Quality of Life (AQoL-6D)
10	IT-10.1.a.iii	Standalone (SA)	P4P	No	Assessment of Quality of Life (AQoL-7D)
10	IT-10.1.a.iv	Standalone (SA)	P4P	No	Assessment of Quality of Life (AQoL-8D)
10	IT-10.1.a.v	Standalone (SA)	P4P	No	Pediatric Quality of Life Inventory (PedsQL)
10	IT-10.1.b.i	Standalone (SA)	P4P	No	RAND Medical Outcomes Study: Measures of Quality of Life Survey Core Survey (MOS)
10	IT-10.1.b.ii	Standalone (SA)	P4P	No	RAND Short Form 12 (SF-12v2) Health Survey
10	IT-10.1.b.iii	Standalone (SA)	P4P	No	RAND Short Form 36[1] (SF-36) Health Survey
10	IT-10.1.c	Standalone (SA)	P4R	Yes	Quality of Life Enjoyment and Satisfaction Questionnaire (Q-LES-Q)
10	IT-10.1.d	Standalone (SA)	P4P	No	McGill Quality of Life (MQOL) Index
10	IT-10.1.e.i	Standalone (SA)	P4P	No	Palliative Care Outcome Scale (POSv1)
10	IT-10.1.e.ii	Standalone (SA)	P4P	No	Palliative Care Outcome Scale (POSv2)
10	IT-10.1.f	Standalone (SA)	P4P	No	Functional Assessment of Cancer Therapy (FACT-G)
10	IT-10.1.g	Standalone (SA)	P4P	No	Missoula-VITAS Quality of Life Index (MVQOLI)
10	IT-10.1.h	Standalone (SA)	P4P	No	CDC Health-Related Quality of Life (HRQoL) Measures
10	IT-10.1.i.i	Standalone (SA)	P4R	Yes	Child Health Questionnaire Parent CHQ-PF50
10	IT-10.1.i.ii	Standalone (SA)	P4R	Yes	Child Health Questionnaire Parent CHQ-PF28
10	IT-10.1.i.iii	Standalone (SA)	P4R	Yes	Child Health Questionnaire Child Form (CHQ-CF87)
10	IT-10.1.j	Standalone (SA)	P4R	Yes	Family Experiences Interview Schedule (FEIS)
10	IT-10.2.a	Standalone (SA)	P4R	Yes	Supports Intensity Scale (SIS)

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10	IT-10.2.b	Standalone (SA)	P4P	No	Lawton Instrumental Activities of Daily Living (IADLs) Scale
10	IT-10.3.a	Standalone (SA)	P4P	No	Activity Measure for Post-Acute Care (AMPAC)
10	IT-10.3.b	Standalone (SA)	P4R	Yes	The Duke Health Profile (Duke)
10	IT-10.3.d	Standalone (SA)	P4P	No	Battelle Development Inventory-2 (BDI-2)
10	IT-10.3.e	Standalone (SA)	P4P	No	Problem Areas in Diabetes (PAID) Scale
10	IT-10.4.a	Standalone (SA)	P4R	Yes	Developmental Profile 3 (DP-3)
10	IT-10.4.b	Standalone (SA)	P4R	Yes	Vineland Adaptive Behavior Scales, 2nd Edition (VABS II)
10	IT-10.5	Standalone (SA)	P4R	Yes	Bayley Scales of Infant and Toddler Development-Third Edition (Bayley-III)
11	IT-11.1	Non-Standalone (NSA)	P4R	Yes	Adult Mental Health Facility Admission Rate
11	IT-11.2	Non-Standalone (NSA)	P4R	Yes	Youth Mental Health Facility Admission Rate
11	IT-11.3	Non-Standalone (NSA)	P4R	Yes	IDD/ICF Admissions to a Care Facility
11	IT-11.4	Non-Standalone (NSA)	P4R	Yes	IDD/SPMI Admissions and Readmissions to State Institutions
11	IT-11.5	Standalone (SA)	P4P	No	Adherence to Antipsychotic Medications for Individuals with Schizophrenia
11	IT-11.6	Standalone (SA)	P4P	No	Follow-up Care for Children Prescribed ADHD Medication (ADD)
11	IT-11.7	Non-Standalone (NSA)	P4P	No	Initiation of Depression Treatment
11	IT-11.8	Standalone (SA)	P4P	No	Initiation and Engagement of Alcohol and Other Drug Dependence Treatment
11	IT-11.9	Non-Standalone (NSA)	P4P	No	Care Planning for Dual Diagnosis
11	IT-11.10	Non-Standalone (NSA)	P4R	Yes	Diabetes Screening for People with Schizophrenia or Bipolar Disorder Prescribed Antipsychotic Medications (SSD)
11	IT-11.11	Non-Standalone (NSA)	P4R	Yes	Diabetes Monitoring for People With Diabetes and Schizophrenia
11	IT-11.12	Non-Standalone (NSA)	P4P	No	Cardiovascular monitoring for people with cardiovascular disease and schizophrenia (SMC)
11	IT-11.13	Non-Standalone (NSA)	P4R	Yes	Assignment of Primary Care Physician to Individuals with Schizophrenia

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11	IT-11.14	Non-Standalone (NSA)	P4R	Yes	Annual Physical Exam for Persons with Mental Illness
11	IT-11.15	Non-Standalone (NSA)	P4R	Yes	Depression Screening by 18 years of age
11	IT-11.16	Non-Standalone (NSA)	P4P	Yes	Assessment for Substance Abuse Problems of Psychiatric Patients
11	IT-11.17	Non-Standalone (NSA)	P4P	Yes	Assessment of Risk to Self/Others
11	IT-11.18	Non-Standalone (NSA)	P4R	Yes	Bipolar Disorder (BD) and Major Depression (MD): Appraisal for alcohol or substance use
11	IT-11.19	Non-Standalone (NSA)	P4P	Yes	Assessment for Psychosocial Issues of Psychiatric Patients
11	IT-11.20	Non-Standalone (NSA)	P4R	Yes	Bipolar Disorder and Major Depression: Assessment for Manic or hypomanic behaviors
11	IT-11.21	Non-Standalone (NSA)	P4R	Yes	Assessment of Major Depressive Symptoms
11	IT-11.22	Non-Standalone (NSA)	P4R	Yes	Child and Adolescent Major Depressive Disorder: Suicide Risk Assessment
11	IT-11.27	Non-Standalone (NSA)	P4P	No	Vocational Rehabilitation for Schizophrenia
11	IT-11.28	Non-Standalone (NSA)	P4R	Yes	Housing Assessment for Individuals with Schizophrenia
11	IT-11.29	Non-Standalone (NSA)	P4R	Yes	Independent Living Skills Assessment for Individuals with Schizophrenia
11	IT-11.23.a	Standalone (SA)	P4R	Yes	Texas Adult Mental Health (AMH) Consumer Survey
11	IT-11.23.b	Standalone (SA)	P4R	Yes	Quick Inventory of Depressive Symptomatology (QIDS)
11	IT-11.24	Standalone (SA)	P4R	Yes	Generalized Anxiety Disorder (GAD-7)
11	IT-11.25	Standalone (SA)	P4R	Yes	Daily Living Activities (DLA-20)
11	IT-11.26.a	Standalone (SA)	P4R	Yes	Positive Symptom Rating Scale (PSRS)
11	IT-11.26.b	Standalone (SA)	P4R	Yes	Aberrant Behavior Checklist (ABC)
11	IT-11.26.c	Standalone (SA)	P4R	Yes	Adult Needs and Strength Assessment (ANSA)
11	IT-11.26.d	Standalone (SA)	P4R	Yes	Children and Adolescent Needs and Strengths Assessment (CANS-MH)
11	IT-11.26.e.i	Standalone (SA)	P4P	No	Patient Health Questionnaire 9 (PHQ-9)
11	IT-11.26.e.ii	Standalone (SA)	P4P	No	Patient Health Questionnaire 15 (PHQ-15)

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OD	IT reference number	Measure type	Performance Type	Prior Authorization Required	Title of measure
11	IT-11.26.e.iii	Standalone (SA)	P4P	No	Patient Health Questionnaire: Somatic, Anxiety, and Depressive Symptoms (PHQ-SADS)
11	IT-11.26.e.iv	Standalone (SA)	P4P	No	Patient Health Questionnaire 4 (PHQ-4)
11	IT-11.26.e.v	Standalone (SA)	P4R	Yes	Edinburg Postpartum Depression Scale
12	IT-12.1	Non-Standalone (NSA)	P4P	No	Breast Cancer Screening
12	IT-12.2	Non-Standalone (NSA)	P4P	No	Cervical Cancer Screening
12	IT-12.3	Non-Standalone (NSA)	P4P	No	Colorectal Cancer Screening
12	IT-12.4	Non-Standalone (NSA)	P4P	No	Pneumonia vaccination status for older adults
12	IT-12.5	Non-Standalone (NSA)	P4P	No	Pneumococcal Immunization- Inpatient
12	IT-12.6	Non-Standalone (NSA)	P4P	No	Influenza Immunization -- Ambulatory
12	IT-12.7	Non-Standalone (NSA)	P4P	No	Influenza Immunization- Inpatient
12	IT-12.8	Non-Standalone (NSA)	P4P	No	Immunization for Adolescents- Tdap/TD and MCV
12	IT-12.9	Non-Standalone (NSA)	P4P	No	Childhood immunization status
12	IT-12.10	Non-Standalone (NSA)	P4P	No	Adults (18+ years) Immunization status
12	IT-12.11	Non-Standalone (NSA)	P4P	No	HPV vaccine for adolescents
12	IT-12.12	Non-Standalone (NSA)	P4R	Yes	Immunization and Recommended Immunization Schedule Education
12	IT-12.13	Standalone (SA)	P4P	No	Mammography follow-up rate
12	IT-12.14	Non-Standalone (NSA)	P4R	Yes	Prostate Cancer: Avoidance of Overuse Measure – Bone Scan for Staging Low-Risk Patients
12	IT-12.15	Standalone (SA)	P4P	No	Abnormal Pap test follow-up rate
12	IT-12.16	Standalone (SA)	P4P	No	High-risk Colorectal Cancer Follow-up rate within one year
12	IT-12.17	Non-Standalone (NSA)	P4R	Yes	Intensive behavioral dietary counseling for adult patients with hyperlipidemia and other known risk factors for cardiovascular and diet-related chronic disease
12	IT-12.18	Non-Standalone (NSA)	P4R	Yes	ABI Screening for Peripheral Arterial Disease
12	IT-12.19	Non-Standalone (NSA)	P4P	No	Osteoporosis: Screening or Therapy for Women Aged 65 Years and Older
13	IT-13.1	Non-Standalone (NSA)	P4P	Yes	Hospice and Palliative Care – Pain assessment
13	IT-13.2	Non-Standalone (NSA)	P4P	No	Hospice and Palliative Care – Treatment Preferences

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OD	IT reference number	Measure type	Performance Type	Prior Authorization Required	Title of measure
13	IT-13.3	Standalone (SA)	P4P	Yes	Hospice and Palliative Care – Proportion with more than one emergency room visit in the last days of life
13	IT-13.4	Standalone (SA)	P4P	Yes	Hospice and Palliative Care – Proportion admitted to the ICU in the last 30 days of life
13	IT-13.5	Non-Standalone (NSA)	P4P	No	Hospice and Palliative Care – Percentage of patients receiving hospice or palliative care services with documentation in the clinical record of a discussion of spiritual/religions concerns or documentation that the patient/caregiver did not want to discuss
13	IT-13.6	Non-Standalone (NSA)	P4P	No	Palliative Care: Percent of patients who have documentation in the medical record that an interdisciplinary family meeting was conducted on or before day five of ICU admission
13	IT-13.7	Standalone (SA)	P4R	Yes	Oncology: Pain Intensity Quantified – Medical Oncology and Radiation Oncology
13	IT-13.8	Non-Standalone (NSA)	P4R	Yes	Oncology: Plan of Care for Pain – Medical Oncology and Radiation Oncology
14	IT-14.1	Standalone (SA)	P4R	Yes	Number of practicing primary care practitioners per 1000 individual in HPSAs or MUAs
14	IT-14.2	Standalone (SA)	P4R	Yes	Number of practicing nurse practitioners and physician assistants per 1000 individuals in HPSAs or MUAs
14	IT-14.3	Standalone (SA)	P4R	Yes	Number of practicing psychiatrists per 1000 individuals in HPSAs or MUAs
14	IT-14.4	Non-Standalone (NSA)	P4R	Yes	Percent of graduates who practice in a HPSA or MUA
14	IT-14.5	Non-Standalone (NSA)	P4R	Yes	Percent of graduates who work in a practice that has a high Medicaid share that reflects the distribution of Medicaid in the population
14	IT-14.6	Non-Standalone (NSA)	P4R	Yes	Percent of trainees who have spent at least 5 years living in a health- professional shortage area (HPSA) or medically underserved area

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OD	IT reference number	Measure type	Performance Type	Prior Authorization Required	Title of measure
14	IT-14.7	Non-Standalone (NSA)	P4R	Yes	Percent of trainees who report that they plan to practice in HPSAs or MUAs based on a systematic survey
14	IT-14.8	Non-Standalone (NSA)	P4R	Yes	Percent of trainees who report that they plan to serve Medicaid populations based on a systematic survey
14	IT-14.9	Standalone (SA)	P4R	Yes	Number of practicing specialty care practitioners per 1000 individuals in HPSA or MUA
15	IT-15.1	Non-Standalone (NSA)	P4P	No	HIV medical visit frequency
15	IT-15.2	Standalone (SA)	P4P	No	Prescription of Antiretroviral Medications
15	IT-15.3	Non-Standalone (NSA)	P4P	No	HIV Screening: Patients at High Risk of HIV
15	IT-15.4	Non-Standalone (NSA)	P4P	No	HIV/AIDS: Tuberculosis (TB) Screening
15	IT-15.5	Non-Standalone (NSA)	P4P	No	HIV/AIDS: Sexually Transmitted Diseases - Screening for Chlamydia, Gonorrhea, and Syphilis
15	IT-15.6	Non-Standalone (NSA)	P4P	No	Chlamydia screening in women
15	IT-15.7	Non-Standalone (NSA)	P4P	No	Chlamydia Screening and Follow up in adolescents
15	IT-15.8	Standalone (SA)	P4R	Yes	Follow-up testing for C. trachomatis among recently infected men and women
15	IT-15.9	Non-Standalone (NSA)	P4R	Yes	Syphilis screening
15	IT-15.10	Non-Standalone (NSA)	P4P	No	Syphilis positive screening rates
15	IT-15.11	Standalone (SA)	P4P	No	Follow-up after Treatment for Primary or Secondary Syphilis
15	IT-15.12	Non-Standalone (NSA)	P4R	Yes	Gonorrhea screening rates
15	IT-15.13	Non-Standalone (NSA)	P4P	No	Gonorrhea Positive Screening Rates
15	IT-15.14	Standalone (SA)	P4P	No	Follow-up testing for N. gonorrhoeae among recently infected men and women
15	IT-15.15	Non-Standalone (NSA)	P4R	Yes	High Intensity Behavioral Counseling to prevent STIs for all sexually active adolescents and for adults at increased risk for STIs
15	IT-15.16	Standalone (SA)	P4P	No	Curative Tuberculosis (TB) treatment rate
15	IT-15.17	Standalone (SA)	P4P	No	Latent Tuberculosis Infection (LTBI) treatment rate
15	IT-15.18	Standalone (SA)	P4P	No	Hepatitis C Cure Rate

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Grouping Patients for Outcomes

For the purpose of Category 3 outcomes, there are three main groups of patients to consider.

Intervention population - This is the group of individuals that receives the intervention outlined in the Category 1 or 2 project. In almost all cases (and based on measure specifications), a provider will not report on the intervention-level population for the purposes of Category 3 reporting.

Target population - This is the group of individuals that is eligible to receive the intervention (the broader group of individuals the intervention is designed to serve). While Category 3 must be reported to measure specifications, providers may narrow the measure denominator based on certain criteria to more closely represent the Category 1 or 2 project's target population.

Outcome population - This is the group of patients that meet the criteria for outcome measurement based on the specifications for each measure. This often is a broader population than the project target population.

Allowable Denominator Subsets

All Category 3 outcome measures are required to be reported to the specifications required for the measure as outlined in the menu and the compendium. However, as appropriate to the Category 1 or 2 project, the provider can propose a more narrow denominator (a subset of the outcome population) based on one or more of the following criteria:

- Payer source (Medicaid or Indigent or both),
- Target condition (including co-morbid condition/diagnosis)
- Demographic factors - age, race/ethnicity, and/or gender, or
- Clinic or other location where the Category 1 or 2 project is taking place.

Using allowable denominator subsets is a way to more closely reflect the target population for each project (which will still be broader than the intervention population in almost all cases).

Establishing a Baseline for Each Category 3 Measure

Each DSRIP provider will need to establish a baseline for all Category 3 outcome measures, both P4P and P4R. Baselines also must be established for any selected Population-Focused Priority measures used as an alternative performance activity. The baseline will be specific to the patients served by that provider. Baselines will be formally reported in October 2014 or later if needed.

The provider's baseline for each measure will determine both the achievement goals for the measure in DY4 and DY5. The baseline period should be as recent as possible, DY3 is preferred, and will generally be a 12-month or 6-month period. The DY4 measurement period will be set as the 12 months immediately following the end of baseline period and the DY5 measurement period will be the 12 months immediately following the end of DY4 measurement

period. Providers should review the measure specifications to help determine the appropriate baseline period.
If providers need to request an earlier baseline measurement period than DY2, provider will need to submit justification as to why DY2 or DY3 baseline is not appropriate or available. HHSC will review these on a case by case basis and make a determination on appropriate DY4 and DY5 measurement periods.

Standard Achievement Target Methodology for Achievement Milestones

For achievement milestones for P4P measures in DY4-5 and Population-Focused Priority Measures in DY5, providers will receive incentive payments for demonstrating improvements in rate performance towards an achievement target. Achievement targets are determined based on a provider's baseline performance in the measure and are calculated by one of the two methodologies described below. Achievement milestones are eligible for partial achievement in increments of 25% as outlined in the PFM Protocol.

Quality Improvement System for Managed Care (QISMC): For those P4P measures where the improvement methodology is designated as QISMC, providers will receive incentive payments for closing the gap between their baseline performance and the benchmark rates listed. For DSRIP, Texas is using a hybrid of this system used for managed care, and the benchmarks are a proxy for performance based on national or state data and may not be an exact match to the population or delivery system for a DSRIP project. If a provider, at baseline, is performing above the high performance benchmark it is required to select another measure unless the provider can make a compelling justification for how improvement can be demonstrated beyond the high performance benchmark.

The achievement level goal for DY4 will be determined as follows:

- IF a provider's reported baseline rate falls below the low performance benchmark (also called minimum performance level or MPL) the DY4 Achievement Target is equal to the rate listed for the MPL.
- IF a provider's reported baseline rate falls above the MPL but below the high performance level (HPL) benchmark, the provider must close the gap between baseline performance and the HPL rate by 10%.

The achievement level goal for DY5 will be determined as follows.

- IF a provider's reported baseline rate falls below the low performance benchmark (also called minimum performance level or MPL) the DY5 Achievement Target is equal to a 10% gap reduction between the MPL and HPL.
- IF a provider's reported baseline rate falls above the MPL but below the high performance level (HPL) benchmark providers must close the gap between baseline performance and the HPL rate by 20%.

Example:

IT-1.10 A1C poor control (>9%)			MPL = 50.7%	HPL = 28.95%
Baseline performance	**DY4** Achievement Target **(goal)**	**DY5** Achievement target **(goal)**	**DY4 performance**/ payment	**DY5 performance**/ payment

Scenario 1: **63.4%**	50.7% (= MPL)	48.53% = MPL – ([HPL-MPL] * 10%)	53.4%: 78% achievement towards goal- earns 75% of allocation	47.50%: 100% achievement towards goal- earns 100% of allocation
Scenario 2: **36.7%**	35.93% (= (baseline - HPL)* 10% improvement over baseline)	35.15% (= (baseline - HPL)* 20% improvement over baseline	35.50%: 100% achievement towards goal- earns 100% of allocation	35.40%: 84% achievement towards goal- earns 75% of allocation

Improvement over Self (IOS): There are some P4P measures where QSMIC appropriate benchmarks (HPL and MPL) are not available. For these P4P measures, the improvement methodology is designated as "IOS", or Improvement over self, providers earn incentive payments for demonstrating improvement over baseline performance.

The achievement level goals will be determined as follows:

- DY4 achievement level goal is equal to a 5% improvement over the provider's baseline and is calculated as a 5% gap reduction between baseline performance and highest possible performance in the measure (e.g., 0% or 100% depending on the directionality of a rate based measure).
- DY5 achievement level goal is equal to 10% improvement over the provider's baseline and is calculated as a 10% gap reduction between baseline performance and highest possible performance in the measure.

The IOS methodology is further described and specified in Appendix B for measures that are categorized as rates, frequencies or counts and survey scores

Example of IOS achievement methodology for a rate based measure:

IT-1.9	Depression Management: Depression Remission at 12 months			No high and low performing benchmark information available, therefore assume highest possible performance (100%) as performance gap upper limit.
Baseline	DY4 Achievement target (goal)	DY4 performance/payment	DY5 Achievement target (goal)	DY5 performance/payment
40.25%	5%* (100-40.25) + baseline= **43.24%**	**42.5%**: ((performance – baseline)/(goal – baseline)) = 2.25/2.99 * 100 = 75.25% achievement towards	10%* (100-40.25) + baseline = **46.23%**	**47.5%**: ((performance – baseline)/(goal – baseline)) = 7.25/5.98 * 100 = 121%

		goal - earns 75% of allocation		achievement towards goal - earns 100% of allocation.

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Category 3 Reporting

i. DY2 Reporting

For DY2, providers were able to select their Category 3 process milestones from the below options and also designate the valuation for each milestone as long as their total Category 3 valuation met the minimum percentage level required in the PFM Protocol. Metrics, data sources, goals and rationale were specified by the performing provider for each of the selected process milestones listed below.

- P- 1 Project planning - engage stakeholders, identify current capacity and needed resources,
- determine timelines and document implementation plans
- P- 2 Establish baseline rates
- P- 3 Develop and test data systems
- P- 4 Conduct Plan Do Study Act (PDSA) cycles to improve data collection and intervention activities
- P- 5 Disseminate findings, including lessons learned and best practices, to stakeholders
- P- 7 Other activities not described above

HHSC and CMS also allowed performing providers in DY2 to provider a Category 3 status update in lieu of documentation specific to the milestones above since the revised Category 3 menu and framework was not final by the end of DY2.

ii. DY3 Reporting

For all Category 3 measures, there will be two process milestones in DY3 - providers will be eligible to earn 50% of the funding for each Category 3 measure based on a status report and the other 50% during the based on establishing or validating the baseline for each measure.

iii. DY4 Reporting

Reporting in DY4 will vary depending on the type of outcome selected (P4P or P4R).

Measure and performance type	Milestone type and % fund allocation	Successful Achievement
P4P – QISMC	Process Milestone (PM) - 50% allocation Achievement Milestone (AM) - 50% allocation	PM - accurate reporting of DY4 rate per approved measure specifications. AM - achievement of DY4 goal (MPL achieved or 10% gap reduction between baseline rate and HPL benchmark)
P4P- IOS	Process Milestone (PM) - 50% allocation Achievement Milestone (AM) - 50% allocation	PM - accurate reporting of DY4 rate per approved measure specifications. AM - achievement of DY4 goal (5% improvement over baseline rate)

P4R	Process Milestone (PM) - 100% allocation	PM - accurate reporting of DY4 rate per approved measure specifications.

iv. DY5 Reporting

DY5 reporting will vary depending on the type of outcome selected (P4P or P4R) as well as the type of Alternate Improvement Activity selected.

Measure and performance type	Milestone type and % fund allocation	Successful Achievement
P4P - QISMC	Achievement Milestone - 100% allocation	AM- achievement of DY5 goal (improvement over MPL goal by a 10% gap reduction between MPL and HPL or 20% gap reduction between baseline rate and HPL benchmark)
P4P – IOS	Achievement Milestone - 100% allocation	AM- achievement of DY5 goal (10% improvement over baseline rate)
P4R	Process Milestone - 50% allocation Alternate Improvement Activity – 50% allocation for Achievement Milestone for Population-Focused Priority Measure improvement OR Process Milestone for Stretch Activity	PM - accurate reporting of DY5 rate per approved measure specifications. AM - for Population-Focused Priority measures- achievement of DY5 goal OR PM- successful reporting of Stretch Activity

Category 4 Population-focused Improvements

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The Category 4 measures are:

- Aligned with the low-income, Medicaid, and uninsured population;
- Identified as high priority given the health care needs and issues of the patient population served; and
- Viewed as valid health care indicators to inform and identify areas for improvement in population health within the health care system.

Category 4 Structure:

- Required Reporting Domains: Category 4 contains five domains on which hospital performing providers must report, as specified in the *Program Funding and Mechanics Protocol*. The required reporting domains include:
  - Potentially Preventable Admissions (PPAs)
  - Potentially Preventable Readmissions (PPRs) - 30-day
  - Potentially preventable Complications (PPCs)
  - Patient-centered healthcare, including patient satisfaction and medication management
  - Emergency department
- Optional Reporting Domain: At their option, hospital performing providers may report on Reporting Domain (RD) 6, which is the CMS Initial Core Set of Measures for Adults and Children in Medicaid/CHIP. While reporting on this domain is optional, participation in Domain 6 reporting is required to value Category 4 at the 15 percent maximum (see *Category 4 Valuation* below.)
- Hospital performing providers, with the exception of those that are exempt from Category 4 reporting in accordance with paragraph 11.f of the *Program Funding and Mechanics Protocol*, must report on Category 4 measures in the required reporting domains. Each hospital performing provider subject to required Category 4 reporting must report on all measures in the required reporting domains, unless for certain measures the provider does not have statistically valid data, as defined in paragraph 11.e of the *Program Funding and Mechanics Protocol*. Hospitals designated as Institutes of Mental Disease (IMDs) report on an alternate set of measures listed at the end of this section.
- HHSC will collect all Category 4 data for each hospital, but based on Texas statutory requirements pertaining to the confidentiality of individual hospital data for some of the Category 4 measures, HHSC will summarize certain data related to Category 4 for CMS at the RHP level rather than at the individual provider level.
- Each performing provider subject to Category 4 required reporting will include Category 4 measures for PPCs (RD-3) during DY 4-5 and for all other required reporting domains during DY 3-5.
- The Category 4 emphasis is on the reporting of population health measures to gain information on and understanding of the health status of key populations and to build the capacity for reporting on a comprehensive set of population health metrics; therefore, hospital performing providers will not be required to achieve improvement in Category 4.

Category 4 Valuation:

- Maximum valuation: In order to value Category 4 up to the 15 percent maximum for DY 3-5, hospital performing providers must report on the optional reporting domain (RD-6) in addition to the five required reporting domains.
- 10 percent valuation: Hospital performing providers that do not report on the optional reporting domain (RD-6) only may value Category 4 at the minimum 10 percent for DY 3-5. Performing providers that only report on the required reporting domains may designate to Categories 1, 2, or 3 the 5 percent valuation they are unable to obtain in Category 4 by foregoing reporting on the optional domain.

Category 4 Reporting Measures by Domain:

RD-1: Potentially Preventable Admissions
Texas Medicaid's External Quality Review Organization (EQRO) supplies Potentially Preventable Admissions (PPA) reports for DSRIP participating hospital providers for the duration of the Waiver. These PPA reports are produced with the 3M methodology and describe admissions for the providers Medicaid and CHIP populations. For reporting in this domain, providers submit the PPA data on the following categories:

Category
Congestive Heart Failure
Diabetes
Behavioral Health or Substance Abuse
Chronic Obstructive Pulmonary Disease
Adult Asthma (Age>18yrs)
Pediatric Asthma (Age<=18yrs)
Angina and Coronary Artery Disease
Hypertension
Cellulitis
Bacterial PNA (Respiratory Infection)
Pulmonary Edema and Respiratory Failure
Others

Additional technical specifications are available in the DSRIP Provider Reporting Potentially Preventable Events Technical Notes (Appendix E), including APR-DRGs associated with these categories.

RD-2: Potentially Preventable Readmission - 30-day

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Texas Medicaid's External Quality Review Organization (EQRO) supplies Potentially Preventable 30-day Readmissions (PPR) reports for the duration of the waiver. These PPR reports are produced with the 3M methodology and describe readmissions for the providers Medicaid and CHIP populations. For reporting in this domain, providers submit PPR data on the following categories:

Category
Congestive Heart Failure
Diabetes
Behavioral Health or Substance Abuse
Chronic Obstructive Pulmonary Disease
Cerebrovascular Accident
Adult Asthma (Age>18yrs)
Pediatric Asthma (Age<=18yrs)
Acute Myocardial Infarction
Angina and Coronary Artery Disease
Hypertension
Cellulitis
Renal Failure
Cesarean delivery
Sepsis
Others

Additional technical specifications are available in the DSRIP Provider Reporting Potentially Preventable Events Technical Notes (Appendix E), including APR-DRGs associated with these categories.

RD-3: Potentially Preventable Complications (PPCs)

Hospital performing providers subject to required Category 4 reporting must report on the 64 PPC measures listed below in DY 4-5. Texas Medicaid's External Quality Review Organization (EQRO) supplies PPC reports for the duration of the waiver.

- **Metric:** Risk-adjusted PPC rates for the 64 PPCs below. (As calculated by the 3M software.[99])

PPC	PPC Description
1	Stroke & Intracranial Hemorrhage
2	Extreme CNS Complications

[99]For measure specifications see 3M's Users Manual.

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3	Acute Pulmonary Edema and Respiratory Failure without Ventilation
4	Acute Pulmonary Edema and Respiratory Failure with Ventilation
5	Pneumonia & Other Lung Infections
6	Aspiration Pneumonia
7	Pulmonary Embolism
8	Other Pulmonary Complications
9	Shock
10	Congestive Heart Failure
11	Acute Myocardial Infarction
12	Cardiac Arrhythmias & Conduction Disturbances
13	Other Cardiac Complications
14	Ventricular Fibrillation/Cardiac Arrest
15	Peripheral Vascular Complications except Venous Thrombosis
16	Venous Thrombosis
17	Major Gastrointestinal Complications without Transfusion or Significant Bleeding
18	Major Gastrointestinal Complications with Transfusion or Significant Bleeding
19	Major Liver Complications
20	Other Gastrointestinal Complications without Transfusion or Significant Bleeding
21	Clostridium Difficile Colitis
23	GU Complications except UTI
24	Renal Failure without Dialysis
25	Renal Failure with Dialysis
26	Diabetic Ketoacidosis & Coma
27	Post-Hemorrhagic & Other Acute Anemia with Transfusion
28	In-Hospital Trauma and Fractures
29	Poisonings except from Anesthesia
30	Poisonings due to Anesthesia
31	Decubitus Ulcer
32	Transfusion Incompatibility Reaction
33	Cellulitis
34	Moderate Infections
35	Septicemia & Severe Infections
36	Acute Mental Health Changes
37	Post-Operative Infection & Deep Wound Disruption without Procedure
38	Post-Operative Wound Infection & Deep Wound Disruption with Procedure
39	Reopening Surgical Site
40	Post-Operative Hemorrhage & Hematoma without Hemorrhage Control Procedure or I&D Procedure
41	Post-Operative Hemorrhage & Hematoma with Hemorrhage Control Procedure or I&D Procedure

42	Accidental Puncture/Laceration during Invasive Procedure
43	Accidental Cut or Hemorrhage during Other Medical Care
44	Other Surgical Complication - Moderate
45	Post-procedure Foreign Bodies
46	Post-Operative Substance Reaction & Non-O.R. Procedure for Foreign Body
47	Encephalopathy
48	Other Complications of Medical Care
49	Iatrogenic Pneumothorax
50	Mechanical Complication of Device, Implant & Graft
51	Gastrointestinal Ostomy Complications
52	Inflammation & Other Complications of Devices, Implants or Grafts except Vascular Infection
53	Infection, Inflammation and Clotting Complications of Peripheral Vascular Catheters and Infusions
54	Infections due to Central Venous Catheters
55	Obstetrical Hemorrhage without Transfusion
56	Obstetrical Hemorrhage with Transfusion
57	Obstetric Lacerations & Other Trauma Without Instrumentation
58	Obstetric Lacerations & Other Trauma With Instrumentation
59	Medical & Anesthesia Obstetric Complications
60	Major Puerperal Infection and Other Major Obstetric Complications
61	Other Complications of Obstetrical Surgical & Perineal Wounds
62	Delivery with Placental Complications
63	Post-Operative Respiratory Failure with Tracheostomy
64	Other In-Hospital Adverse Events
65	Urinary Tract Infection
66	Catheter-Related Urinary Tract Infection

- Additional technical specifications will be available in the DSRIP Provider Reporting Potentially Preventable Events Technical Notes (Appendix E).

RD-4: Patient-centered Healthcare

1. **Patient Satisfaction**

The reporting of the measures is limited to the inpatient setting only utilizing Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey. IMDs and children's facilities not eligible to use HCAHPs report any other relevant survey results in the qualitative reporting section.

Additional guidance is available in the Category 4 compendium. (Appendix F)

2. **Medication management**

1.

Reconciled Medication List Received by Discharged Patients (Discharges from an Inpatient Facility to Home/Self Care or Any Other Site of Care) (NQF 0646)

STEWARD: American Medical Association - Physician Consortium for Performance Improvement (AMA-PCPI), http://www.qualitymeasures.ahrq.gov/content.aspx?id=28139

Detailed measure specifications are described in Category 4 compendium (Appendix F).

i.

RD-5: Emergency Department

Emergency department throughput time—admitted patients: admit decision time to ED departure time for admitted patients (NQF 0497)

Measure Steward Information: Center for Medicare and Medicaid Services; http://www.qualitymeasures.ahrq.gov/hhs/content.aspx?id=44602#.U1-9VvldWCU

Additional guidance is available in the Category 4 compendium (Appendix F).

RD-6. (Optional Domain) Initial Core Set of Measures for Adults and Children in Medicaid/CHIP

Initial Core Set for Children in Medicaid/CHIP: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Downloads/ChildCoreMeasures.pdf

Child Core Set Technical Specifications: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Downloads/Medicaid-and-CHIP-Child-Core-Set-Manual.pdf

Initial Core Set for Adults in Medicaid: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Downloads/AdultCoreMeasures.pdf

Adult Core Set Technical Specifications: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Downloads/Medicaid-Adult-Core-Set-Manual.pdf

Measures designed for health plans and will require minor modifications of specifications for reporting by hospital providers.

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Hospital providers will report measures appropriate to settings of care. Hospitals that provide inpatient services only are not required to report measures that are specific to ambulatory settings. Hospitals that have outpatient clinics are required to report measures appropriate to ambulatory care settings. HHSC and CMS will jointly agree on a minimum data set for inpatient and outpatient providers (Appendix G)

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Alternate Measures for Institutes of Mental Disease (IMDs) :

Public and private Institutes for Mental Disease (IMDs) report an alternative set of Category 4 measures:

RD-1
1. – Potentially Preventable Admissions for behavioral health/ substance abuse conditions (with a preference for distinguishing behavioral health and substance abuse)
2. All-cause Potentially Preventable Admissions

RD-2
1. Behavioral health/ substance abuse readmission rates (with a preference for distinguishing behavioral health and substance abuse)
2. All-cause Potentially Preventable Readmissions

RD-4
1. - Patient satisfaction
    - Psychiatric facilities for which using HCAHPS is not appropriate should report "0" in the HCAHPS reporting section. Facilities should include all relevant data from their satisfaction surveys in the qualitative reporting section.
2. - Medication reconciliation (NQF 0646 specifications)

Additional Measures:

Bacterial pneumonia immunization
- Pneumococcal Immunization (PPV23) – Overall Rate (CMS IQR/Joint Commission measure IMM-1a)
  Specifications Found Here:
  http://www.jointcommission.org/specifications_manual_for_national_hospital_inpatient_quality_measures.aspx

Influenza Immunization
- Influenza Immunization (CMS IQR/Joint Commission measure IMM-2)
  Specifications Found Here:
  http://www.jointcommission.org/specifications_manual_for_national_hospital_inpatient_quality_measures.aspx

The Texas state IMDs will be able to report on the Category 4 measures suggested by CMS above with the following caveats:

- State mental health hospitals will have admission rates for BH and not substance abuse as a separate reportable item.
- The "all cause PPAs" will only report on mental health PPA since that is the only diagnosis the state admits a patient to a state mental health facility.

- State mental health hospitals can report on mental health readmission rates but not substance abuse, since patients would have not been admitted for only substance abuse disorders.
- The "all cause PPRs" will only report on mental health PPR since that is the only diagnosis DSHS admits a patients into a state mental health facility.

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Regional Healthcare Partnership (RHP) Planning Protocol

Attachment I -Regional Healthcare Partnership (RHP) planning protocol is amended for Demonstration Year (DY) 6A as follows:

Category 1 and 2

- All Process and Improvement Milestones in all Category 1 and 2 project areas are replaced with the following milestones under each project area:

DY6A Milestones:

1. Milestone: Total Quantifiable Patient Impact (QPI)
   Q.1.1 Number of individuals served or encounters provided over pre-DSRIP baseline

2. Milestone: Medicaid and Low-Income Uninsured (MLIU) QPI
   MQ. 1.1 Number of MLIU individuals served or MLIU encounters provided over MLIU pre-DSRIP baseline

3. Milestone: Project Summary and Core Components
   3.1. Project Overview: Accomplishments
   3.2. Project Overview: Challenges
   3.3. Project Overview: Lessons Learned
   3.4. Progress on Core Components, including quality improvement activities
   3.5. Description of other federal funding sources available for the project
   3.6. Participation in learning collaboratives, stakeholder forum, or other stakeholder meeting during DY6A
   3.7. The progress and completion of the next step taken (if required for a particular project)

4. Milestone: Sustainability Planning

   Responses to questions related to sustainability planning efforts:
   4.1 Collaboration with Medicaid Managed Care
   4.2 Value Based Purchasing and/or Alternative Payment Models
   4.3 Availability of other funding sources
   4.4 Project Evaluation
   4.5 Health Information Exchange (HIE)

- Project areas and project options remain unchanged.

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- Reporting for the DY6A milestones should be done in the manner specified in the Program Funding and Mechanics (PFM) Protocol.
- This amendment does not apply to any of the DY5 carryforward milestones, which should be reported based on the milestones in the RHP Planning Protocol (initially approved or updated for 3-year projects).

Category 3

- Category 3 updates include a DY6 milestone structure for Category 3 measures, DY6 goal calculation, measurement period, partial payment calculation, stretch activities, and the listing of Population Focused Priority Measure (PFPM) Menu.

DSRIP Category 3 Milestones for DY6 (based on DYs 3 - 5 milestone structure)

Standard P4P Milestone Structure (baseline ending by 09/30/2014)			
Year	Milestone	Milestone Description	Payment
DY3	*PM-8*	*Submission of Category 3 DY3 Status Report*	*50% of Cat 3 DY3 Value*
	PM-9	*Validation and submission of baseline performance*	*50% of Cat 3 DY3 Value*
DY4	*PM-10*	*Successful reporting to approved measure specifications*	*50% of Cat 3 DY4 Value*
	*AM-1.x**	*Achievement of PY1 performance goal*	*50% of Cat 3 DY4 Value*
DY5	*AM-2.x**	*Achievement of PY2 performance goal*	*100% of Cat 3 DY5 Value*
DY6	AM-3.x*	Achievement of PY3 performance goal	100% of Cat 3 DY6 Value

Standard P4R w/ PFPM Milestone Structure (baseline ending by 09/30/2014)			
Year	Milestone	Milestone Description	Payment
DY3	*PM-8*	*Submission of Category 3 DY3 Status Report*	*50% of Cat 3 DY3 Value*
	PM-9	*Validation and submission of baseline performance*	*50% of Cat 3 DY3 Value*
DY4	*PM-10*	*Successful reporting to approved measure specifications*	*100% of Cat 3 DY4 Value*
DY5	*PM-10*	*Successful reporting to approved measure specifications*	*50% of Cat 3 DY5 Value*
	*AM-3.x**	*Achievement of DY5 PFPM Goal*	*50% of Cat 3 DY5 Value*
DY6	AM-3.x*	Achievement of DY6 PFPM Goal	100% of Cat 3 DY6 Value

Standard P4R w/ Stretch Activity Milestone Structure (baseline ending by 09/30/2014)

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Year	Milestone	Milestone Description	Payment
DY3	*PM-8*	*Submission of Category 3 DY3 Status Report*	*50% of Cat 3 DY3 Value*
	PM-9	*Validation and submission of baseline performance*	*50% of Cat 3 DY3 Value*
DY4	*PM-10*	*Successful reporting to approved measure specifications*	*100% of Cat 3 DY4 Value*
DY5	*PM-10*	*Successful reporting to approved measure specifications*	*50% of Cat 3 DY5 Value*
	PM-11	*Successful Achievement of Stretch Activity*	*50% of Cat 3 DY5 Value*
DY6	PM-10	Successful reporting to approved measure specifications	50% of Cat 3 DY6 Value
	PM-11	Successful Achievement of Stretch Activity	50% of Cat 3 DY6 Value
	or		
	AM-3.x*	Achievement of DY6 PFPM PY3 Goal	100% of Cat 3 DY6 Value

Standard Maintenance w/ PFPM Milestone Structure (baseline ending by 09/30/2014)			
Year	Milestone	Milestone Description	Payment
DY3	*PM-8*	*Submission of Category 3 DY3 Status Report*	*50% of Cat 3 DY3 Value*
	PM-9	*Validation and submission of baseline performance*	*50% of Cat 3 DY3 Value*
DY4	*PM-10*	*Successful reporting to approved measure specifications*	*50% of Cat 3 DY4 Value*
	PM-12	*Maintain Baseline High Performance Level*	*50% of Cat 3 DY4 Value*
DY5	*PM-12*	*Maintain Baseline High Performance Level*	*50% of Cat 3 DY5 Value*
	*AM-3.x**	*Achievement of DY5 PFPM Goal*	*50% of Cat 3 DY5 Value*
DY6	AM-3.x*	Achievement of DY6 PFPM Goal	100% of Cat 3 DY6 Value

Standard Maintenance w/ Stretch Activity Milestone Structure (baseline ending by 09/30/2014)			
Year	Milestone	Milestone Description	Payment
DY3	*PM-8*	*Submission of Category 3 DY3 Status Report*	*50% of Cat 3 DY3 Value*
	PM-9	*Validation and submission of baseline performance*	*50% of Cat 3 DY3 Value*
DY4	*PM-10*	*Successful reporting to approved measure specifications*	*50% of Cat 3 DY4 Value*
	PM-12	*Maintain Baseline High Performance Level*	*50% of Cat 3 DY4 Value*
DY5	*PM-12*	*Maintain Baseline High Performance Level*	*50% of Cat 3 DY5 Value*
	PM-11	*Successful Achievement of Stretch Activity*	*50% of Cat 3 DY5 Value*
DY6	PM-12	Maintain Baseline High Performance Level	100% of Cat 3 DY6 Value
DY4 Baseline P4P Milestone Structure (baseline established with DY4 data)			
Year	Milestone	Milestone Description	Payment

DY3	*PM-8*	*Submission of Category 3 DY3 Status Report*	*50% of Cat 3 DY3 Value*
	PM-9	*Validation and submission of baseline performance (functions as a status update)*	*50% of Cat 3 DY3 Value*
DY4	*PM-10*	*Successful reporting to approved measure specifications (functions as a final baseline)*	*100% of Cat 3 DY4 Value*
DY5	*AM-2.x**	*Achievement of PY2 performance goal*	*100% of Cat 3 DY5 Value*
DY6	AM-3.x*	Achievement of PY3 performance goal	100% of Cat 3 DY6 Value

DY4 Baseline P4R w/ Stretch Activity Milestone Structure (baseline established with DY4 data)			
Year	Milestone	Milestone Description	Payment
DY3	*PM-8*	*Submission of Category 3 DY3 Status Report*	*50% of Cat 3 DY3 Value*
	PM-9	*Validation and submission of baseline performance (functions as a status update)*	*50% of Cat 3 DY3 Value*
DY4	*PM-10*	*Successful reporting to approved measure specifications (functions as a final baseline)*	*100% of Cat 3 DY4 Value*
DY5	*PM-10*	*Successful reporting to approved measure specifications*	*50% of Cat 3 DY5 Value*
	PM-11	*Successful Achievement of Stretch Activity*	*50% of Cat 3 DY5 Value*
DY6	PM-10	Successful reporting to approved measure specifications	50% of Cat 3 DY6 Value
	PM-11	Successful Achievement of Stretch Activity	50% of Cat 3 DY6 Value
	or		
	AM-3.x*	Achievement of DY6 PFPM Goal	100% of Cat 3 DY6 Value

DY4 Baseline P4R w/ PFPM Milestone Structure (baseline established with DY4 data)			
Year	Milestone	Milestone Description	Payment
DY3	*PM-8*	*Submission of Category 3 DY3 Status Report*	*50% of Cat 3 DY3 Value*
	PM-9	*Validation and submission of baseline performance (functions as a status update)*	*50% of Cat 3 DY3 Value*
DY4	*PM-10*	*Successful reporting to approved measure specifications (functions as a final baseline)*	*100% of Cat 3 DY4 Value*
DY5	*PM-10*	*Successful reporting to approved measure specifications*	*50% of Cat 3 DY5 Value*
	AM-3.x	*Achievement of DY5 PFPM Goal*	*50% of Cat 3 DY5 Value*
DY6	AM-3.x	Achievement of DY6 PFPM Goal	100% of Cat 3 DY6 Value

DY4 Baseline Maintenance w/ Stretch Activity Milestone Structure (baseline established with DY4 data)			
Year	Milestone	Milestone Description	Payment

DY3	*PM-8*	*Submission of Category 3 DY3 Status Report*	*50% of Cat 3 DY3 Value*
	PM-9	*Validation and submission of baseline performance (functions as status update)*	*50% of Cat 3 DY3 Value*
DY4	*PM-10*	*Successful reporting to approved measure specifications (functions as final baseline)*	*100% of Cat 3 DY4 Value*
DY5	*PM-12*	*Maintain Baseline High Performance Level*	*50% of Cat 3 DY5 Value*
	PM-11	*Successful Achievement of Stretch Activity*	*50% of Cat 3 DY5 Value*
DY6	PM-12	Maintain Baseline High Performance Level	100% of Cat 3 DY6 Value

DY6 goal calculations

The following goal calculations apply to Category 3 outcomes and PFPM outcomes in DY6. P4P outcomes approved to use a standard baseline, outcomes approved to use a DY4 baseline, and PFPM outcomes will all use the same goal calculations to determine goals for DY6 milestone AM-3.x.

PY3 QISMC Goal Setting for Category 3 P4P Outcomes		
Direction	Baseline	PY3 Goal
Positive	Below the MPL	MPL + .15*(HPL - MPL)
	Between the MPL & HPL	the greater of: baseline + .25*(HPL - baseline); or baseline + .10*(HPL - MPL) †
	Above the HPL	the lesser of: baseline + .125*(1-baseline); or baseline + .10*(HPL - MPL) †
Negative	Above the MPL	MPL -.15*(MPL - HPL)
	Between the MPL & HPL	the lesser of: baseline - .25*(baseline - HPL); or baseline - .10*(MPL - HPL) †
	Below the HPL	the greater of: baseline - .125*(baseline); or baseline - .10*(MPL - HPL) †
† *Goal set using the improvement floor*		

PY3 IOS Goal Setting for Category 3 P4P Outcomes	
Direction	PY3 Goal
Positive	baseline + .125*(perfect - baseline)

Negative	baseline -.125*(baseline)

PY3 IOS - Survey Goal Setting for Category 3 P4P Outcomes		
Direction	Reporting Scenario	PY3 Goal
Positive	Scenario 1	Posttest baseline + .125*(posttest baseline - pretest baseline)
	Scenario 2 & Scenario 3	Baseline + .125*(max score - baseline)
Negative	Scenario 1	Posttest baseline - .125*(pretest baseline - posttest baseline)
	Scenario 2 & Scenario 3	Baseline - .125*(baseline - min score)

Alternate Achievement Requests

If an outcome has an HHSC approved alternate achievement request in DY5, the performer must submit to HHSC, by a date determined by HHSC in a form determined by HHSC, a request to use a PY3 goal that is a continuation of the goals approved in DYs 4-5. Such requests will be approved by HHSC on a case-by-case basis.

If an outcome, including a PFPM outcome, is designated as QISMC in DY5, with a baseline that is below the MPL, and the performer is measuring a population substantially dissimilar from the population used to establish the MPL benchmark, the performer may submit, by a date determined by HHSC in a form determined by HHSC, an alternate achievement request to set the PY3 goal as a 12.5 percent gap closure towards perfect over the baseline.

Measurement Periods
If a Category 3 outcome is designated as P4P or maintenance in DY5, performance year (PY) 3 is the 12-month period immediately following the PY2 approved for use in DYs 3-5, or a performer may request, by a date to be determined by HHSC, to use DY6A as PY3. PY4 is the 12-month period immediately following PY3. The selected PY3 is used to report achievement of DY6 milestones AM-3.x and PM-12, and PY4 is used to report any partial achievement carried forward from DY6 milestone AM-3.x.

If a Category 3 outcome is designated as P4R in DY5, PY3 is the 12-month period immediately following the PY2 approved for use in DYs 3-5, and is used for reporting achievement of DY6 milestone PM-10.

Partial Payment Calculations
Partial payment for a Category 3 P4P outcome is available in quartiles as defined in the RHP Planning Protocol, measured between the outcome's PY1 goal and PY3 goal.

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Each Category 3 P4P outcome has an associated achievement milestone that is assigned an achievement value based on the performer's achievement of the outcome's goal as follows:

- if 100 percent of the goal is achieved, the achievement milestone is assigned an achievement value of 1.0;
- if at least 75 percent of the goal is achieved, the achievement milestone is assigned an achievement value of 0.75;
- if at least 50 percent of the goal is achieved, the achievement milestone is assigned an achievement value of 0.5;
- if at least 25 percent of the goal is achieved, the achievement milestone is assigned an achievement value of 0.25; or
- if less than 25 percent of the goal is achieved, the achievement milestone is assigned an achievement value of 0.

The percent of the goal achieved for DY6 milestones AM-3.x is determined as follows:

Percent of Goal Achieved for Category 3 P4P Outcomes			
PY	Milestone	Positive Direction (higher rates indicate improvement)	Negative Direction (lower rates indicate improvement)
PY3	DY6A AM-3.x	(PY3 achieved - PY1 goal or equivalent)/(PY3 goal - PY1 goal or equivalent)	(PY1 goal or equivalent - PY3 achieved)/(PY1 goal or equivalent - PY3 goal)
PY4	Carry forward of DY6A AM-3.x	(PY4 achieved - PY1 goal or equivalent)/(PY3 goal - PY1 goal or equivalent)	(PY1 goal or equivalent - PY4 achieved)/(PY1 goal or equivalent - PY3 goal)

PY1 Equivalent Goals

For P4P outcomes where there is no PY1 goal or where the PY3 goal is set using a different methodology than used to determine the PY1 goal, partial payment will be measured as the percent of goal achieved between PY3 goal and a PY1 equivalent goal, as defined below.

If a category 3 outcome is approved to use a baseline established in DY4 and does not have a DY4 achievement milestone, partial payment will be measured over a PY1 equivalent goal. For PFPM outcomes, partial payment will be measured over a PY1 equivalent goal. The PY1 equivalent goal

for category 3 outcomes without and DY4 achievement milestone and for PFPM outcomes will follow the QISMC or IOS goal calculations for PY1 as approved in the RHP Planning Protocol.

If a QISMC outcome has a PY3 goal that was determined using the improvement floor, partial payment will be measured over the PY1 equivalent goal. If a higher rate indicates improvement for the outcome, the PY1 equivalent goal is the baseline plus 40 percent of the improvement floor. If a lower rate indicates improvement for the outcome, the PY1 equivalent goal is the baseline minus 40 percent of the improvement floor.

If an IOS - Survey outcome is using reporting scenario 2 or reporting scenario 3, partial payment will be over the PY1 equivalent goal. If a higher rate indicates improvement for the outcome, the PY1 equivalent goal is the baseline plus a five percent gap closure towards the maximum score. If a lower rate indicates improvement for the outcome, the PY1 equivalent goal is the baseline minus a five percent gap closure towards the minimum score.

DY6 Stretch Activities
If a Category 3 outcome is designated as P4R with an associated stretch activity in DY5, the Performing Provider must choose one of the following options by a date determined by HHSC in a form determined by HHSC:

A. The Performing Provider may maintain the Category 3 outcome designated as P4R from DY5 and select a new stretch activity that does not duplicate the DY5 stretch activity; or
B. The Performing Provider may select a PFPM to replace the Category 3 outcome designated as P4R. If a Performing Provider chooses this option, 100 percent of the Category 3 outcome's value is P4P of the newly selected PFPM.

If the Performing Provider chooses option A, the Performing Provider must select a stretch activity from the following:

a) Program evaluation (SA-3: Alternate approaches to program and outcome linkages).
b) New participation in Health Information Exchange (HIE), or improvement of existing HIE structure.
c) Cost analysis and value-based purchasing planning

DY6 Category 3 Stretch Activities	
Activity	**Description**
SA-3 Program Evaluation	Submission of a report evaluating one or more aspects of the project intervention and its outcomes. The program evaluation may include a quantitative and/or qualitative analysis of the project. Providers have discretion in determining the components and framework of the program evaluation. The end product/output should be beneficial and useful to the provider. Providers will submit the final program evaluation along with a one-page HHSC coversheet that includes fields for providers to input

	provider/project information and respond to qualitative questions related to the program evaluation.
SA-7 New Participation or Improvement in Health Information Exchange	Demonstration of new participation in a community-based HIE program (such as the Local HIE Program or the Texas White Space Program), or demonstration of improvements or enhancements in the use of health information exchanges (HIE). Providers will submit a report detailing one or more of the following: Participation activities Partnerships developed (i.e. treating physicians, hospitals, healthcare payers, and other health care providers involved in the care of the patient and exchange of health-related information) The impact to the provider's data infrastructure and the usefulness of data System improvements (specifically how involvement improved data infrastructure and reporting capabilities) The number of times a portion (such as medication history) or all of a patient's health record was either received or transmitted by a practice for the purpose of care (this could include pre and post HIE-participation or improvement) Detailed plans for further enhancement For additional details on HIE, please visit the following websites: http://www.hietexas.org http://linktexas.healthcare/
SA-9 Cost-Benefit analysis of Project to move towards Value-based purchasing plan	Submission of cost-benefit analysis (CBA) or return-on-investment analysis of the project. Costs could include, but would not be limited to, costs associated with ongoing overhead needs, staff/labor, supplies and equipment costs. Savings/benefits could include, but would not be limited to, reduced utilization of healthcare services and improved health outcomes. The CBA or ROI would function as a way to demonstrate that a project is a worthwhile investment to payors (MCOs, community, health systems etc…) to include as a value-based service.

Population Focused Priority Measure Menu

Final Selection PFP ID	PFP Measure Description	Related Cat 3 Outcome	Related Cat 3 Outcome Title	Methodology
PPR.1	Risk Adjusted CHF PPR	IT-3.3	Risk Adjusted Congestive Heart Failure (CHF) 30-day Readmission Rate	IOS
PPR.2	Risk Adjusted DM PPR	IT-3.5	Risk Adjusted Diabetes 30-day Readmission Rate	IOS
PPR.3	Risk Adjusted BH/SA PPR	IT-3.15	Risk Adjusted Behavioral Health /Substance Abuse 30-day Readmission Rate	IOS

PPR.4	Risk Adjusted Pediatric Asthma PPR	IT-3.21	Risk Adjusted Pediatric Asthma 30-day Readmission Rate	IOS
PPR.5	Risk Adjusted Chronic Obstructive Pulmonary Disease Related PPR	IT-3.17	Risk Adjusted Chronic Obstructive Pulmonary Disease (COPD) 30-day Readmission Rate	IOS
PPR.6	Risk Adjusted Cerebrovascular Accident (Stroke) Related PPR	IT-3.13	Risk Adjusted Stroke (CVA) 30-day Readmission Rate	IOS
PPR.7	Risk Adjusted Acute Myocardial Infarction (AMI) Related PPRs	IT-3.9	Risk Adjusted Acute Myocardial Infarction (AMI) 30-day Readmission Rate	IOS
PPR.8	Risk Adjusted Angina and Coronary Artery Disease related PPR	IT-3.11	Risk Adjusted Coronary Artery Disease (CAD) 30-day Readmission Rate	IOS
PPR.10	Risk Adjusted Renal Failure Related PPR	IT-3.7	Risk Adjusted Renal Disease 30-day Readmission Rate	IOS
PPR.12	Risk Adjusted All Cause PPR	IT-3.22	Risk Adjusted All-Cause Readmission	IOS
CMHC.1	Follow-up after hospitalization for mental illness	IT-1.18	Follow-Up After Hospitalization for Mental Illness	QISMC
CMHC.2	Follow-up care for children prescribed ADHD medication	IT-11.6	Follow-up Care for Children Prescribed ADHD Medication (ADD)	QISMC
CMHC.3	Antidepressant Medication Management - Effective Acute Phase Treatment	IT-1.19	Antidepressant Medication Management	QISMC
CMHC.4	Depression Remission at 12-months	IT-1.9	Depression management: Depression Remission at Twelve Months	IOS
CMHC.5	Adherence to Antipsychotic Medications	IT-11.5	Adherence to Antipsychotic Medications for Individuals with Schizophrenia	IOS
CMHC.6	Depression Management: Screening and Treatment Plan for Clinical Depression	IT-1.8	Depression management: Screening and Treatment Plan for Clinical Depression	IOS
PP.1	Medication Management for People with Asthma	IT-1.31	Medication Management for People with Asthma (MMA)	IOS
PP.2	Follow-up Care for Children Prescribed ADHD Medication	IT-11.6	Follow-up Care for Children Prescribed ADHD Medication (ADD)	QISMC
PP.4	Heart Failure Admission Rate	IT-2.2	Risk Adjusted Congestive Heart Failure (CHF) Admission rate	IOS
PP.6	Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents	IT-1.29	Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents	QISMC
PP.7	Adult Body Mass Index (BMI) Assessment	IT-1.21	Adult Body Mass Index (BMI) Assessment	QISMC
PP.8	Immunization Status for Adolescents	IT-12.8	Immunization for Adolescents-Tdap/TD and MCV	QISMC
PP.9	Prenatal and Postnatal Care	IT-8.1	Timeliness of Prenatal/Postnatal Care	QISMC
PP.10	Live Births Weighing Less than 2,500 grams	IT-8.2	Percentage of Low Birth- weight births	IOS
PP.11	Cesarean Rate for Nulliparous Singleton Vertex	IT-8.6	Cesarean Rate for Nulliparous Singleton Vertex	IOS

PP.12	Annual Percentage of Asthma Patients 2 Through 20 Years Old with One or More Asthma-related Emergency Room Visits	IT-9.4.h	Pediatric/Young Adult Asthma Emergency Department Visits	IOS

Note: Providers can select to report on a Potentially Preventable Admission rate for all-causes or for a specific diagnosis with prior approval from HHSC.

Selecting a new PFPM to replace a P4R outcome and Stretch Activity and Establishing a Baseline

Providers who are newly selecting a PFPM in DY6 must select one of the above PFPM outcomes and report a baseline by a date determined by HHSC in a form determined by HHSC.

PFPM Measurement Periods

For providers with a newly selected PFPM in DY6, the baseline should be a 12-month measurement period aligned with either DY4 (ending by 9/30/2014) or DY5 (ending by 9/30/2016), with some exceptions to be confirmed with HHSC prior to reporting a PFPM baseline. For these providers, the first opportunity to report performance of the PFPM will be called performance year (PY) 3, to align with other Category 3 outcomes. PY3 will be DY6 (10/1/2016 to 9/30/2017), and PY4 will be the 12 months following PY3. PY3 is used to report achievement of DY6 milestone AM-3.x., and PY4 is used to report any partial achievement carried forward from DY6 milestone AM-3.x

Example: if a provider with a newly selected PFPM in DY6 reports a baseline with a measurement period of 10/1/2014 to 9/30/2015, their PY3 measurement period would be from 10/1/2016 to 9/30/2017.

Example of PFPM Measurement Periods for newly selected PFPM	
Baseline (DY4)	10/1/2014 to 9/30/2015
PY2/DY5 milestones	Not applicable
PY3/ DY6 milestones	10/1/2016 to 9/30/2017
PY4/DY7 milestones	10/1/2017 to 9/30/2018

The protocols related to goal calculations, partial payment calculations and alternate achievement requests that apply to Category 3 outcomes will also apply to PPFM outcomes in DY6.

Category 4 Population-focused Improvements

- Reporting on Optional Domain RD-6 is eliminated for DY6A. The following language is removed from the RHP Planning Protocol.

  ~~**RD-6. (Optional Domain) Initial Core Set of Measures for Adults and Children in Medicaid/CHIP**~~

  ~~**Initial Core Set for Children in Medicaid/CHIP: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Downloads/ChildCoreMeasures.pdf**~~

  ~~**Child Core Set Technical Specifications**: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Downloads/Medicaid-and-CHIP-Child-Core-Set-Manual.pdf~~
  ~~**Initial Core Set for Adults in Medicaid: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Downloads/AdultCoreMeasures.pdf**~~
  ~~**Adult Core Set Technical Specifications: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Downloads/Medicaid-Adult-Core-Set-Manual.pdf**~~
  ~~**Measures designed for health plans and will require minor modifications of specifications for reporting by hospital providers.**~~
  ~~Hospital providers will report measures appropriate to settings of care. Hospitals that provide inpatient services only are not required to report measures that are specific to ambulatory settings. Hospitals that have outpatient clinics are required to report measures appropriate to ambulatory care settings. HHSC and CMS will jointly agree on a minimum data set for inpatient and outpatient providers (Appendix G)~~

Appendix

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CMS-Provided Key Elements for Learning Collaboratives and Continuous Quality Improvement

Learning Collaboratives – The key elements in the design of any learning collaborative include:

1. *It should review data and respond to it - with tests of new solutions and ideas - every week.*

2. *It should bring all participating sites together by phone or webinar on a weekly or bi-weekly basis to learn from one another.* All sites should share results of their testing, a breakthrough idea, and a challenge each week at the start of each call and they should leave with a public commitment to test a new idea the following week.

3. *It should set one or two quantifiable, project-level goals, with a deadline, preferably defined in terms of outcomes, related to the project's area of work.* Participants should actively manage toward this goal over the course of the work.

4. *It should invest more in learning than in teaching.* Huge proportional investments in web sites and conferences do not typically result in performance improvement or transformation of care delivery. It is more effective to get out into the field and support learning and exchange at the front lines where care is delivered.

5. *It should support a small, lightweight web site to help site share ideas and simple data over time.* The website should not be developed from scratch for the program. Rather, it should be possible to "rent" space on a portal already designed to support this kind of improvement work.

6. *It should set up simple, interim measurement systems, based on self-reported data and sampling, that can be shared at the local level and are sufficient for the purposes of improvement.*

7. *It should employ individuals (regional "innovator agents") to travel from site to site in the network to (a) rapidly answer practical questions about implementation and (b) harvest good ideas and practices that they systematically spread to others. The regional "innovator agents" should all attend the same initial training in improvement tools and skills organized by the State or RHP and should receive periodic continuing education on improvement.*

8. *It should set up face-to-face learning (meetings or seminars) at least a couple of times a year.*

9. *It should celebrate success every week.*

10. *It should mandate some improvements (simple things that everyone can do to "raise the floor" on performance) and it should unleash vanguard sites to pursue previously unseen levels ("raise the bar" on performance).*

11. *It should use metrics to measure its success such as:*
    - Rate of testing
    - Rate of spread
    - Time from idea to full implementation
    - Commitment rate (rate at which 50% of organizations take action for any specific request)
    - Number of questions asked per day
    - Network affinity/reported affection for the network

Continuous Quality Improvement:
In order to incentivize engagement in meaningful quality improvement (QI) activities that can lead to successful projects, this protocol includes optional process milestones and metrics for quality improvement activities. The process milestones and metrics for quality improvement activities listed below (which are also included as process milestone in the relevant project areas) further reflect CMS thinking on the type of QI activities that should be part of the QI core component for projects and provide direct insight into how CMS will review projects for this core element.

Attachment J
Program Funding and Mechanics Protocol

TEXAS
Health and Human Services

I. PREFACE

On December 12, 2011, the Centers for Medicare and Medicaid Services (CMS) approved Texas' request for a new Medicaid demonstration waiver ("Demonstration") entitled "Texas Healthcare Transformation and Quality Improvement Program" (Project # 11-W-00278/6) in accordance with section 1115 of the Social Security Act. This waiver authorized the establishment of the Delivery System Reform Incentive Payment (DSRIP) program. The initial waiver was approved through September 30, 2016, and an initial extension was granted through December 31, 2017. An additional 5 year extension was granted on December 21, 2017. This section of the DSRIP Program Funding and Mechanics Protocol applies to demonstration years (DY) 7 through 10. Policies for DY 1 through 6 are provided in the Addendum.

1. Delivery System Reform Incentive Payment (DSRIP) Program

Special Terms and Conditions (STC) 34 of the Demonstration authorizes Texas to establish a Delivery System Reform Incentive Payment (DSRIP) program. The DSRIP program is designed to provide incentive payments to hospitals and other Performing Providers for investments in delivery system reforms that increase access to health care, improve the quality of care, and enhance the health of patients and families they serve.

Activities funded by DSRIP shall be based on Regional Healthcare Partnerships (RHPs). Each RHP shall have geographic boundaries and will be coordinated by a public hospital or local governmental entity (the Anchoring Entity). The Anchoring Entity shall collaborate with Performing Providers and other stakeholders in the RHP on the RHP Plan Updates (updates of the RHP Plan that was originally developed in 2012 to accelerate meaningful delivery system reforms that improve patient care for low-income populations in the RHP). The RHP Plan Updates must be consistent with the RHP's mission and quality goals, as well as CMS's triple aims to: improve care for individuals (including access to care, quality of care, and health outcomes); improve health for the population; and lower costs through improvements (without any harm whatsoever to individuals, families, or communities).

RHP Plan Updates for DY7-8 will reflect the evolution of the DSRIP program from project-level reporting to provider Core Activities supporting Performing Provider-level outcomes that measure continued transformation of the Texas healthcare system. RHP Plan Updates for DY9-10 will give Performing Providers an opportunity to update their selections of outcomes and Core Activities.

DY7-10 will serve as an opportunity for Performing Providers to move further towards sustainability of their transformed systems, including development of Alternative Payment Models (APMs) to continue services for Medicaid and low-income or uninsured (MLIU) individuals after the waiver ends.

To that end, Performing Providers will define and update the system they will utilize in DY7-10 for Category B and Category C measurements in the RHP Plan Updates. As DSRIP shifts from project-level reporting to system-level reporting, HHSC wants to ensure that Performing Providers maintain a focus on serving the target population: MLIU patients. Because DSRIP reporting will no longer be project-specific, HHSC requires that Performing Providers demonstrate that they are maintaining a certain level of service to the MLIU target population. In addition, HHSC does not want Performing Providers to stop serving the MLIU population in an effort to enhance achievement of Category C measures. The Category B system definition and Patient Population by Provider (PPP) is meant to define the universe of patients that will be served by a Performing Provider; Category C measure denominators will naturally be limited by settings of services or measure specifications.

A Performing Provider's system definition should capture all aspects of the Performing Provider's patient services. There are required and optional components of a Performing Provider's system definition for each Performing Provider type. The required components must be included in a Performing Provider's system definition if the Performing Provider's organization has that business component. Optional components are less common among a provider type, but with the exception of contracted providers, should be included if they are a prominent component of a Performing Provider's system of care. Performing Providers may also add contracted partners to their system definition. Please refer to the Measure Bundle Protocol for the optional and required components of the system definition. Performing Providers will define and update their system in the RHP Plan Updates.

Categories 1-4 in DY2-6 are transitioned to the following Categories in DY7-10:

- Category A - Required reporting that includes progress on Core Activities, Alternative Payment Model (APM) arrangements, costs and savings, and collaborative activities as described in paragraph 17.
- Category B - Medicaid and Low-income or Uninsured (MLIU) Patient Population by Provider (PPP)
- Category C - Measure Bundles and Measures
- Category D - Statewide Reporting Measure Bundle, similar to hospital Category 4 reporting during the initial demonstration period and DY6, expanded to include all Performing Providers.

2. Measure Bundle Protocol and Program Funding and Mechanics Protocol

In accordance with STC 34, the Measure Bundle Protocol (Attachment R) defines the Performing Provider system-level measures that are bundled to align closely with transformative DSRIP project areas from the Initial Demonstration Period and includes an appendix for measure specifications. The Program Funding and Mechanics Protocol (Attachment J) describes the State review process for RHP Plans and RHP Plan Updates, incentive payment methodologies, RHP and State reporting requirements, and penalties for missed milestones.

Following CMS approval of Attachment R and Attachment J, each RHP must submit an RHP Plan Update that identifies the selected Measure Bundles and measures for each Performing Provider for DY7-8 and later for DY9-10 in accordance with these attachments and the STCs.

This version of the Program Funding and Mechanics Protocol is approved as of TBD 2019.

3. Organization of "Attachment J: Program Funding and Mechanics Protocol"

Attachment J has been organized into the following sections:

I. Preface
II. DSRIP Eligibility Criteria
III. Key Elements of RHP Plan Updates
IV. Review and Approval Process of RHP Plan Updates
V. RHP Plan Update Modifications for DY7-10
VI. Performing Provider Requirements for DY7-10
VII. Disbursement of DSRIP Funds for DY7-10
VIII. RHP and State Reporting Requirements
IX. Data Quality Assurance

4. Definitions

a. Core Activity - An activity implemented by a Performing Provider to achieve the Performing Provider's Category C measure goals. A Core Activity may include an activity implemented by a Performing Provider as part of a DY2-6 DSRIP project that the Performing Provider continues in DY7-10, or a new activity implemented by a Performing Provider in DY7-10.

b. Demonstration Year (DY) 6 - The initial 15-month period of time, as approved by the Centers for Medicare & Medicaid Services (CMS), for which the waiver is extended beyond the Initial Demonstration Period, or October 1, 2016 - December 31, 2017.

   i. Demonstration Year (DY) 6A - Federal fiscal year (FFY) 2017, or the first 12 months of DY6 (October 1, 2016 - September 30, 2017).

   ii. Demonstration Year (DY) 6B - The last three months of DY6 (October 1, 2017 - December 31, 2017).

c. Demonstration Year (DY) 7 - Federal fiscal year (FFY) 2018, which includes DY6B (October 1, 2017 - September 30, 2018). This is also reporting year (RY) 1.

d. Demonstration Year (DY) 8 - Federal fiscal year (FFY) 2019 (October 1, 2018 - September 30, 2019). This is also reporting year (RY) 2.

e. Demonstration Year (DY) 9 - Federal fiscal year (FFY) 2020 (October 1, 2019 - September 30, 2020). This is also reporting year (RY) 3.

f. Demonstration Year (DY) 10 - Federal fiscal year (FFY) 2021 (October 1, 2020 - September 30, 2021). This is also reporting year (RY) 4.

g. Demonstration Year (DY) 11 - Federal fiscal year (FFY) 2022 (October 1, 2021 - September 30, 2022).

h. Initial Demonstration Period - The first five demonstration years (DY) of the waiver, or December 12, 2011, through September 30, 2016.

i. Measure Bundle - A grouping of measures that share a unified theme, apply to a similar population, and are impacted by similar activities. Measure Bundles are selected by hospitals and physician practices. Each Measure Bundle may include required measures and optional measures that may be selected by hospitals and physician practices in addition to the required measures.

j. Medicaid and Low-income or Uninsured (MLIU)

    i. To qualify as a Medicaid individual for purposes of MLIU Patient Population by Provider (PPP), the individual must be enrolled in Medicaid or Children's Health Insurance Program (CHIP) at the time of at least one encounter during the applicable DY.

    ii. To qualify as a low-income or uninsured individual for purposes of MLIU PPP, the individual must either be below 200 percent of the federal poverty level (FPL) or must not have health insurance at the time of at least one encounter during the applicable DY.

    iii. If an individual was enrolled in Medicaid at the time of one encounter during the applicable DY, and was low-income or uninsured at the time of a separate encounter during the applicable DY, that individual is classified as a Medicaid individual for purposes of MLIU PPP.

k. Medicaid and Low-income or Uninsured (MLIU) Patient Population by Provider (PPP) - The number of MLIU individuals served by the Performing Provider during an applicable DY.

l. Medicaid and Low-income or Uninsured (MLIU) Patient Population by Provider (PPP) Goal - The number of MLIU individuals that a Performing Provider must serve in accordance with paragraph 16, during an applicable DY. The goal is based on the average of the number of MLIU individuals served in DY5 and the number of MLIU individuals served in DY6.

m. Performance Year (PY) - The measurement period used for achievement of a Category C measure. Each performance year corresponds to a calendar year. PY1 is CY 2018, PY2 is CY 2019, PY3 is CY 2020, and PY4 is CY 2021.

n. System - A Performing Provider's patient care landscape, as defined by the Performing Provider. The system should include all required components, if the Performing Provider has that business component. The system definition may also include optional components, including contracted providers. Optional components should be included if they are a prominent component of a Performing Provider's system of care. The system may not be limited by patient type, payer or diagnosis.

o. Total Patient Population by Provider (PPP) - The total number of individuals served by the Performing Provider during an applicable DY. The Total PPP shall include all individuals provided a service during the applicable DY within the Performing Provider's defined system.

p. Uncompensated Care (UC) Only Hospital - A hospital eligible to be a Performing Provider that is not a Performing Provider but receives UC payments.

II. DSRIP ELIGIBILITY CRITERIA

5. RHP Regions

a. <u>RHP Composition</u>

Texas has approved 20 Regional Healthcare Partnerships (RHPs) whose members may participate in the DSRIP program. The approved RHPs share the following characteristics:

- The RHPs are based on distinct geographic boundaries that generally reflect patient flow patterns for the region;
- The RHPs have identified local funding sources to help finance the non-federal share of DSRIP payments for Performing Providers; and
- The RHPs have identified an Anchoring Entity to help coordinate RHP activities.

The approved RHPs include the following counties:

- RHP 1: Anderson, Bowie, Camp, Cass, Cherokee, Delta, Fannin, Franklin, Freestone, Gregg, Harrison, Henderson, Hopkins, Houston, Hunt, Lamar, Marion, Morris, Panola, Rains, Red River, Rusk, Smith, Titus, Trinity, Upshur, Van Zandt, Wood
- RHP 2: Angelina, Brazoria, Galveston, Hardin, Jasper, Jefferson, Liberty, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Tyler

- RHP 3: Austin, Calhoun, Chambers, Colorado, Fort Bend, Harris, Matagorda, Waller, Wharton
- RHP 4: Aransas, Bee, Brooks, DeWitt, Duval, Goliad, Gonzales, Jackson, Jim Wells, Karnes, Kenedy, Kleberg, Lavaca, Live Oak, Nueces, Refugio, San Patricio, Victoria
- RHP 5: Cameron, Hidalgo, Starr, Willacy
- RHP 6: Atascosa, Bandera, Bexar, Comal, Dimmit, Edwards, Frio, Gillespie, Guadalupe, Kendall, Kerr, Kinney, La Salle, McMullen, Medina, Real, Uvalde, Val Verde, Wilson, Zavala
- RHP 7: Bastrop, Caldwell, Fayette, Hays, Lee, Travis
- RHP 8: Bell, Blanco, Burnet, Lampasas, Llano, Milam, Mills, San Saba, Williamson
- RHP 9: Dallas, Denton, Kaufman
- RHP 10: Ellis, Erath, Hood, Johnson, Navarro, Parker, Somervell, Tarrant, Wise
- RHP 11: Brown, Callahan, Comanche, Eastland, Fisher, Haskell, Jones, Knox, Mitchell, Nolan, Palo Pinto, Shackelford, Stephens, Stonewall, Taylor
- RHP 12: Armstrong, Bailey, Borden, Briscoe, Carson, Castro, Childress, Cochran, Collingsworth, Cottle, Crosby, Dallam, Dawson, Deaf Smith, Dickens, Donley, Floyd, Gaines, Garza, Gray, Hale, Hall, Hansford, Hartley, Hemphill, Hockley, Hutchinson, Kent, King, Lamb, Lipscomb, Lubbock, Lynn, Moore, Motley 0, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Scurry, Sherman, Swisher, Terry, Wheeler, Yoakum
- RHP 13: Coke, Coleman, Concho, Crockett, Irion, Kimble, Mason, McCulloch, Menard, Pecos, Reagan, Runnels, Schleicher, Sterling, Sutton, Terrell, Tom Green
- RHP 14: Andrews, Brewster, Crane, Culberson, Ector, Glasscock, Howard, Jeff Davis, Loving, Martin, Midland, Presidio, Reeves, Upton, Ward, Winkler
- RHP 15: El Paso, Hudspeth
- RHP 16: Bosque, Coryell, Falls, Hamilton, Hill, Limestone, McLennan
- RHP 17: Brazos, Burleson, Grimes, Leon, Madison, Montgomery, Robertson, Walker, Washington
- RHP 18: Collin, Grayson, Rockwall
- RHP 19: Archer, Baylor, Clay, Cooke, Foard, Hardeman, Jack, Montague, Throckmorton, Wichita, Wilbarger, Young
- RHP 20: Jim Hogg, Maverick, Webb, Zapata

b. <u>RHP Tier Definition</u>

i. <u>Tier 1 RHP</u>
An RHP that contains more than 15 percent share of the statewide population under 200 percent of the federal poverty level (FPL) as defined by the U.S. Census Bureau: 2006-2010 American Community Survey for Texas (ACS).

ii. <u>Tier 2 RHP</u>

An RHP that contains at least 7 percent and less than 15 percent share of the statewide population under 200 percent FPL as defined by the U.S. Census Bureau: 2006-2010 American Community Survey for Texas (ACS).

iii. Tier 3 RHP
An RHP that contains at least 3 percent and less than 7 percent share of the statewide population under 200 percent FPL as defined by the U.S. Census Bureau: 2006-2010 American Community Survey for Texas (ACS).

iv. Tier 4 RHP
An RHP is classified in Tier 4 if one of the following three criteria are met: (1) the RHP contains less than 3 percent share of the statewide population under 200 percent FPL as defined by the U.S. Census Bureau: 2006-2010 American Community Survey for Texas (ACS); (2) the RHP does not have a public hospital; or (3) the RHP has public hospitals that provide less than 1 percent of the region's uncompensated care.

6. RHP Anchoring Entity

The Texas Health and Human Services Commission (HHSC) delegates to the Anchoring Entity the responsibility of coordination with the RHP participants on the RHP Plan Updates for that RHP. Each RHP shall have one Anchoring Entity that coordinates the RHP Plan Updates for that RHP. In RHPs that have a public hospital, a public hospital shall serve as the Anchoring Entity. In RHPs without a public hospital, the following entities may serve as Anchoring Entities: (1) a hospital district; (2) a hospital authority; (3) a county; or (4) a State university with a health science center or medical school. RHP Anchoring Entities shall be responsible for coordinating RHP activities and assisting HHSC in performing key oversight and reporting responsibilities.

Anchoring Entities' activities shall include:

- Coordinating the community needs assessment update for the RHP as needed;
- Engaging stakeholders in the RHP, including the public and through the learning collaborative plan (as required in paragraph 38);
- Coordinating the RHP Plan Updates that best meet community needs in collaboration with RHP participants;
- Ensuring that the RHP Plan Updates are consistent with Attachment R, Attachment J, and all other State/waiver requirements;
- Transmitting the RHP Plan Updates to HHSC on behalf of the RHP;
- Ongoing monitoring and annual reporting (as required in paragraphs 37 and 41) on status of activities and performance of Performing Providers in the RHP; and
- Ongoing communication with HHSC on behalf of the RHP.

7. IGT Entities

Intergovernmental transfer (IGT) Entities are entities that fund the non-federal share of DSRIP payments for an RHP. They include Anchoring Entities, government-owned Performing Providers, community mental health centers (CMHCs), local health departments (LHDs), academic health science centers, and other government entities such as counties.

An IGT Entity may fund DSRIP, Uncompensated Care (UC), or both DSRIP and UC as long as requirements described herein are met and the IGT funding source comports with federal requirements outlined in STC 46.

IGT Entities may fund Performing Providers outside of their RHP. Such funding must be documented in the RHP Plan Updates for the RHP in which the Performing Provider is participating.

8. Performing Providers

"Performing Providers" are providers that are responsible for: 1) implementing Core Activities to achieve the Category C measure goals in the RHP Plan Updates; and 2) measuring, reporting, and improving performance on the Category C measure goals in the RHP Plan Updates, among other reporting requirements outlined in this protocol. All Performing Providers must have a current Medicaid provider identification number. Performing Providers that complete milestones and measures as specified in Attachment R, "Measure Bundle Protocol" are the only entities that are eligible to receive DSRIP incentive payments in DY7-10. Performing Providers will primarily be hospitals, but CMHCs, LHDs, and physician practices may also receive DSRIP payments.

A Performing Provider may only participate in the RHP Plan Updates for the RHP where it is physically located except that physician practices affiliated with an academic health science center, major cancer hospitals, or children's hospitals may perform DSRIP outside of the RHP where the Performing Provider's institution is physically located. Performing Providers participating in multiple RHPs may be assigned to a single "home" RHP.

9. DSRIP Requirements for Uncompensated Care (UC) Only Hospitals

In DY7-8, a UC only hospital must participate annually in a regional learning collaborative and/or smaller, targeted learning collaborative or stakeholder meeting and report on mandatory Category D measures identified in Attachment R, "Measure Bundle Protocol."

III. KEY ELEMENTS OF RHP PLAN UPDATES

10. RHP Plan Updates for DY7-8

Each RHP Anchoring Entity must submit an RHP Plan Update for its RHP for DY7-8 using a State-approved template that identifies the participants, objectives, Measure Bundles, measures, milestones, and associated DSRIP values adopted from Attachment R, "Measure Bundle Protocol," and meets all requirements pursuant to the STCs and described herein.

The RHP Plan Updates shall include the following sections:

- RHP Organization including collaborating organizations
- Community Needs Assessment
- Stakeholder Engagement
- The Performing Provider's system definition
- Category A reporting including: 1) the Performing Provider's description of the transition of its DY2-6 projects to its selected Category C Measure Bundles or measures; and 2) the Performing Provider's Core Activities for DY7-8
- Category B MLIU Patient Population by Provider (PPP) baselines
- Category C Measure Bundles and measures for each Performing Provider
- Category D Statewide Reporting Measure Bundles for each Performing Provider
- DSRIP valuation amounts
- Signed certifications from the leadership of Performing Providers and their affiliated IGT Entities

11. RHP Plan Updates for DY9-10

Each RHP Anchoring Entity must submit an RHP Plan Update for its RHP for DY9-10 using a State-approved template that identifies the participants, objectives, Measure Bundles, measures, milestones, and associated DSRIP values adopted from Attachment R, "Measure Bundle Protocol," and meets all requirements pursuant to the STCs and described herein.

The RHP Plan Updates shall include the following sections:

- RHP Organization.
- Updates to Community Needs Assessment, if needed.
- Stakeholder Engagement.
- Anchor hosts at least one public meeting prior to submission of the RHP Plan Update for DY9-10.
- Updates to each Performing Provider's system definition, if needed.
- Category A reporting, including updates to the Performing Provider’s Core Activities for DY9-10.

- Updates to Category B MLIU Patient Population by Provider (PPP), if needed. Forecasted breakout of Medicaid individuals and LIU individuals served in DY9-10 based on MLIU individuals served in DY7-8.
- Category C Measure Bundles and measures for each Performing Provider including:
  - Optional addition or discontinuation of Measure Bundles or measures to meet the updated Minimum Point Threshold (MPT) for DY9-10. This includes allowing Performing Providers with an MPT of less than 75 to update population-based clinical outcomes as pay-for-performance (P4P) or pay-for-reporting (P4R). Providers may replace Measure Bundles and measures up to a maximum of 20 points of a provider's assigned MPT for DY9-10 with good cause limited to significant system changes such as a hospital merger or significant change in a measure bundle's required system component of outpatient services or hospital services as identified in Attachment R, "Measure Bundle Protocol".
  - Related Strategies reporting associated with DY9-10 Measure Bundle selections for hospitals and physician practices or DY9-10 measure selections for CMHCs and LHDs.
  - Justification for any Category C changes from DY7-8 and requested exceptions for new selections in DY9-10.
- Category D Statewide Reporting Measure Bundles for each Performing Provider.
- DSRIP valuation amounts.
- Certifications from the leadership of Performing Providers and their affiliated IGT Entities.

IV. REVIEW AND APPROVAL PROCESS OF RHP PLAN UPDATES

12. HHSC Review and Approval Process for DY7-8

a. Submission of RHP Plan Updates

By January 31, 2018, or 90 days after the approval of Attachment R, "Measure Bundle Protocol," and Attachment J, "Program Funding and Mechanics Protocol" (whichever is later), each RHP Anchoring Entity will submit the completed RHP Plan Update for DY7-8 for HHSC review.

b. Anchoring Entity Review of RHP Plan Updates

To support HHSC's review process, the RHP Anchoring Entity shall perform an initial review of each Performing Provider's submission for the RHP Plan Update for DY7-8 to ensure compliance with elements described in 12.c. below prior to submitting the RHP Plan Update to HHSC.

c. HHSC Review of RHP Plan Updates

i. HHSC shall review and assess each RHP Plan Update according to the following criteria:
   A. The RHP Plan Update is in the prescribed format.
   B. The RHP Plan Update contains and completes all required elements described herein and is consistent with the STCs.
   C. The RHP Plan Update conforms to the requirements for Category A Required reporting, Category B MLIU Patient Population by Provider (PPP), Category C Measure Bundles and measures, and Category D Statewide Reporting Measure Bundles as described herein, as well as in Attachment R, "Measure Bundle Protocol."
   D. The amount and distribution of funding is in accordance with Section VI "Performing Provider Requirements for DY7-8" and Section VII "Disbursement of DSRIP Funds for DY7-8" of this protocol.
   E. The RHP Plan Update is consistent with the overall goals of the DSRIP program and the objectives of the Medicaid program.

ii. By February 28, 2018, or 30 days following the due date for submission of the RHP Plan Updates, HHSC will complete its review of each RHP Plan Update and will notify the RHP Anchoring Entity in writing of any questions, concerns, or problems identified.

iii. The RHP Anchoring Entity shall respond in writing to any notification by HHSC of questions, concerns, and problems by the date specified in the aforementioned notification.

iv. By March 31, 2018, or 60 days following the due date for submission of the RHP Plan Updates, HHSC will approve or disapprove each RHP Plan Update.

13. HHSC Review and Approval Process for DY9-10

a. Submission of RHP Plan Updates

By November 30, 2019, or 60 days after the approval of Attachment R, "Measure Bundle Protocol," and Attachment J, "Program Funding and Mechanics Protocol" (whichever is later), each RHP Anchoring Entity will submit the completed RHP Plan Update for DY9-10 for HHSC review.

b. Anchoring Entity Review of RHP Plan Updates

To support HHSC's review process, the RHP Anchoring Entity shall perform an initial review of each Performing Provider's submission for the RHP Plan Update for DY9-10 to ensure compliance with elements described in 13.c. below prior to submitting the RHP Plan Update to HHSC.

c. HHSC Review of RHP Plan Updates

i. HHSC shall review and assess each RHP Plan Update according to the following criteria:

A. The RHP Plan Update is in the prescribed format.
B. The RHP Plan Update contains and completes all required elements described herein and is consistent with the STCs.
C. The RHP Plan Update conforms to the requirements for Category A Required reporting, Category B MLIU Patient Population by Provider (PPP), Category C Measure Bundles and measures, and Category D Statewide Reporting Measure Bundles as described herein, as well as in Attachment R, "Measure Bundle Protocol."
D. The amount and distribution of funding is in accordance with Section VI "Performing Provider Requirements for DY7-10" and Section VII "Disbursement of DSRIP Funds for DY7-10" of this protocol.
E. The RHP Plan Update is consistent with the overall goals of the DSRIP program and the objectives of the Medicaid program.

ii. By January 15, 2020, or 45 days following the due date for submission of the RHP Plan Updates, HHSC will complete its review of each RHP Plan Update and will notify the RHP Anchoring Entity in writing of any questions, concerns, or problems identified.
iii. The RHP Anchoring Entity shall respond in writing to any notification by HHSC of questions, concerns, and problems by the date specified in the aforementioned notification.
iv. By February 28, 2020, or 90 days following the due date for submission of the RHP Plan Updates, HHSC will approve or disapprove each RHP Plan Update.

V. RHP PLAN UPDATE MODIFICATIONS FOR DY7-10

Consistent with the recognized need to provide RHPs with flexibility to modify their RHP Plan Updates over time and take into account evidence and learning from their own experience over time, as well as for unforeseen circumstances or other good cause, a Performing Provider may request prospective changes to the RHP Plan Update for the RHP(s) in which it participates through an RHP Plan Update modification process.

14. RHP Plan Update Modification Process

A Performing Provider may request to modify the RHP Plan Update for the RHP(s) in which it participates under the following circumstances:

a. Requests to Modify a Performing Provider's System Definition

A Performing Provider may submit a request to HHSC to change its system definition with good cause. The Performing Provider must submit the request to HHSC no later than 30 days prior to the first day of the semi-annual reporting period. HHSC will evaluate how the change to the Performing Provider's system definition impacts Category B and/or Category C.

b. Requests to Modify MLIU Patient Population by Provider (PPP)

A Performing Provider may submit a request to HHSC to change its MLIU PPP baseline and goals with good cause. Good cause may include:

i. A significant change to the Performing Provider's system definition as approved under paragraph 12.a.;
ii. An error in the data uncovered subsequent to baseline reporting;
iii. A significant policy change at the state or federal level that redefines eligibility for Medicaid or other eligibility-based programs that would be captured in the MLIU population; or
iv. A significant shift in the demographic served by the Performing Provider.

The Performing Provider must submit the request to HHSC no later than 30 days prior to the first day of the semi-annual reporting period.

c. Requests to Modify Category C Measures

i. Category C Measure Payer Types for Reporting Milestones

A Performing Provider may submit a request to HHSC to be exempted from reporting its performance on the Medicaid-only payer type and/or the LIU-only payer type for a measure's reporting milestone with good cause, such as data limitations or low volume. The Performing Provider must submit the request to HHSC prior to reporting a baseline for the measure and the first day of the second reporting period of DY7 for DY7-10 measures and the first day of the second reporting period of DY9 for DY9-10 new measures.

ii. Category C P4P Measure Payer Type for Goal Achievement Milestones

A Performing Provider may submit a request to HHSC to change the payer a measure's goal achievement milestone is based with good cause, such as a small denominator or data limitations. The Performing Provider must submit the request to HHSC prior to reporting a baseline for the measure and no later than 30 days prior to the first day of the second reporting period of DY7 for DY7-10 measures and no later than 30 days prior to the first day of the second reporting period of DY9 for DY9-10 new measures.

iii. Category C Optional Measures for Hospitals and Physician Practices

A hospital or physician practice may submit a request to HHSC to delete an optional measure from a selected Category C Measure Bundle. The hospital or physician practice must submit the request to HHSC prior to reporting a baseline for the measure and no later than 30 days prior to the first day of the second reporting period of DY7 for DY7-10 measures and no later than 30 days prior to the first day of the second reporting period of DY9 for DY9-10 new measures. Optional measures that add point(s) to a Category C

Measure Bundle may only be deleted if a hospital's or physician practice's MPT is still met without the deleted optional measure's point(s). The funds associated with the deleted optional measure will be reallocated to the remaining measures in the Measure Bundle such that the remaining measures' valuations are equal.

iv. Category C Measures for CMHCs and LHDs

A CMHC or LHD may submit a request to HHSC to replace a selected Category C measure with one or more other Category C measures with point values greater than or equal to the point value of the measure being replaced. This request is based on good cause, such as a low volume or data limitations. The CMHC or LHD must submit the request to HHSC prior to reporting a baseline for the measure and no later than 30 days prior to the first day of the second reporting period of DY7 for DY7-10 measures and no later than 30 days prior to the first day of the second reporting period of DY9 for DY9-10 new measures.

d. Submission, Review, and Approval Process

A Performing Provider must submit an RHP Plan Update modification request in writing to HHSC. HHSC will review the RHP Plan Update modification request and notify the Performing Provider in writing of any questions or concerns identified. HHSC will then notify the Performing Provider in writing of its decision on the RHP Plan Update modification request. Substantial changes to system definitions, Category C Measure Bundles or measures, or Category B MLIU PPP, may be subject to a secondary review and ongoing compliance monitoring by the independent assessor.

VI. PERFORMING PROVIDER REQUIREMENTS FOR DY7-10

15. DY7-11 Pool Allocation

a. The DSRIP pool allocation for DY7-11 comports with STC 35.

DSRIP Pool Allocation According to Demonstration Year (total computable)

DY7	DY8	DY9	DY10	DY11
3,100,000,000	3,100,000,000	2,910,000,000	2,490,000,000	0

b. No later than March 31, 2019, HHSC will submit an updated PFM Protocol to CMS that includes DSRIP requirements for DY9-10.

c. CMS will aim to approve the updated PFM protocol no later than 45 days after its submission.

d. No later than July 31, 2019, HHSC will submit an updated Measure Bundle Protocol to CMS that includes revised measures and changes to innovative measures for DY9-10.

e. CMS and Texas will collaborate together and aim to approve the updated Measure Bundle Protocol within 60 days after its submission.

16. Performing Provider Valuation

a. A Performing Provider's total valuation for each demonstration year of DY7 and DY8 is equal to its total valuation for DY6A with the following exceptions:

   i. If HHSC determined that a DSRIP project was ineligible to continue in DY6A, the Performing Provider affected by such a determination may use the funds associated with the DSRIP project beginning in DY7; or

   ii. If a Performing Provider withdrew a DSRIP project between June 30, 2014, and June 30, 2016, the Performing Provider may use the funds associated with the DSRIP project beginning in DY7.

   iii. Performing Providers beginning DSRIP participation in DY7 with a total valuation less than $250,000 for DY7 may increase their total valuation to up to $250,000 per each subsequent DY beginning in DY7. Performing Providers eligible for this option must make this choice in the RHP Plan Update.

b. A Performing Provider’s total valuation for each demonstration year of DY9 and DY10 is calculated as follows:

   i. If a Performing Provider has a DY8 total valuation that is less than or equal to $1 million, its total valuation for each demonstration year of DY9 and DY10 is equal to its total valuation for DY8. These valuations are subtracted from the DY9 and DY10 pool amounts.

   ii. If a Performing Provider has a DY8 total valuation that is greater than $1 million, its total valuation for each demonstration year of DY9 and DY10 is calculated as follows:

      A. The remaining DY9 and DY10 pool amounts are divided by the DY8 valuation for all Performing Providers with a DY8 total valuation greater than $1 million to determine the percentage reductions for DY9 and DY10;
      B. The Performing Provider’s DY8 valuation is multiplied by the percentage reduction in valuation from DY8 for the applicable DY to determine the total valuation for each demonstration year of DY9 and DY10; and
      C. The Performing Provider’s total valuation for each demonstration year of DY9 and DY10 is not reduced to less than $1 million.

iii. If a Performing Provider withdrew from participating in DSRIP during DY8 or withdraws during the RHP Plan Update for DY9-10, the Performing Provider's valuation is proportionately distributed among the remaining Performing Providers in the RHP based on each Performing Provider's percent share of DY8 valuation in the RHP.

c. Each Performing Provider's valuation must comport with the following funding distribution in DY7-10.

DSRIP Funding Distribution

	DY7*	**DY8***	**DY9**	**DY10**
RHP Plan Update Submission	20%	NA	NA	NA
Category A - required reporting	0%	0%	0%	0%
Category B - MLIU PPP	10%	10%	10%	10%
Category C- Measure Bundles and Measures	55 or 65%	75 or 85%	75%	75%
Category D - Statewide Reporting Measure Bundle	15 or 5%	15 or 5%	15%	15%

*If an RHP's private hospital participation minimums are met, as described in paragraph 25, then Performing Providers in the RHP may increase the Statewide Reporting Measure Bundle funding distribution to 15% in DY7-8.

17. Category A - Eligibility for DY7-10 Payments

Each Performing Provider is required to complete the following for Category A to be eligible for payment of Categories B-D.

a. Core Activities

Each Performing Provider must report on progress and updates to one or more Core Activities as indicated in the RHP Plan Updates during the second reporting period of each DY.

b. Alternative Payment Models

Each Performing Provider must report on any progress toward, or implementation of, Alternative Payment Model (APM) arrangements with Medicaid managed care organizations (MCOs) or other payers during the second reporting period of each DY.

c. Costs and Savings

Performing Providers who have a total valuation of $1 million or more per DY are required to submit the costs of at least one Core Activity of choice and the

forecasted or generated savings of that Core Activity. Performing Providers must analyze: 1) a different Core Activity for the Costs and Savings analysis in DY9-10 than was used for the Costs and Savings analysis in DY7-8; or 2) a different aspect of the same Core Activity for the Costs and Savings analysis in DY9-10 than was used for the Costs and Savings analysis in DY7-8. Performing Providers must submit this information in a template approved by HHSC or a comparable template. Performing Providers should include costs and savings specific to their organization and other contracted providers if that information is available. A progress update must be submitted during the second reporting period of DY7 and DY9, and a final report of costs and savings must be submitted during the second reporting period of DY8 and DY10.

d. Collaborative Activities

Each Performing Provider is required to attend at least one learning collaborative, stakeholder forum, or other stakeholder meeting each DY and report on participation during the second reporting period of each DY.

18. Category B - Medicaid and Low-income or Uninsured (MLIU) Patient Population by Provider (PPP)

a. Each Performing Provider is required to report for each DY the total number of individuals served by their system, as well as the number of MLIU individuals served by their system, to be eligible for up to 10 percent of the Performing Provider's total valuation.

For purposes of PPP, an individual is a patient receiving a face-to-face or virtual encounter (a service, billable or not) that is the equivalent of a service that would be provided within the physical confines of the defined system. This could include home-visits or other venue-based services that are documented. The service should be billable or charted. Providers are not allowed to count text messages or undocumented encounters.

For DY7-8, Providers are not allowed to count telephone encounters. For DY9-10, individuals who receive a telephone encounter that is the equivalent of a service that would be provided within the physical confines of the defined system may be included in the PPP count.

b. Each Performing Provider is required to submit the baseline total number of individuals served by their system, as well as the baseline number of MLIU individuals served by their system, in the RHP Plan Update for DY7-8 and revise as needed in the RHP Plan Update for DY9-10. Each Performing Provider is required to submit the forecasted breakout of the total Medicaid individuals and LIU individuals that will be served in DY9-10 based on the MLIU individuals served in DY7-8.

c. To calculate the MLIU PPP baseline, the Performing Provider will include in their RHP Plan Update the Total PPP in DY5 and DY6 and the MLIU PPP in DY5 and DY6. HHSC will calculate the average of the DYs and set the MLIU PPP maintenance goal. These are new baselines and are not tied to the QPI reported during DY3-6. The reported baselines will be subject to compliance monitoring.

d. The Performing Provider is required to report the total number of MLIU individuals served each DY and in DY9-10, provide a breakout of the total Medicaid individuals and LIU individuals served during each DY. The number of MLIU individuals served must be maintained or increased each DY with an allowable variation. The allowable variation from the goal will be a maximum percentage below the 100% goal, as determined by HHSC and is meant to account for natural fluctuation that may occur from one year to the next in the number of patients seeking services at a provider. The allowable variation is to be determined by HHSC once Performing Providers have submitted their baselines, and calculation of allowable variance will consider Performing Provider size, type, and the MLIU percentage of Total PPP served in the baseline years. The Performing Provider is also required to report the Total PPP numeric value. The Performing Provider is not required to maintain the ratio of MLIU PPP to Total PPP from the baseline year to earn a Category B payment, but must provide an explanation for any changes in the ratio.

e. The numbers of MLIU individuals served and total individuals served may be reported in the second reporting period of the DY being reported. Performing Providers may request to carry-forward reporting of MLIU PPP until the first round of reporting following the end of the DY being reported if they need additional time to compile or clean up data. If MLIU PPP reporting is not submitted on time or does not meet the requirements of the reporting, future DSRIP payments may be withheld until the complete report is submitted.

19. Category C - Measure Bundle Requirements for Hospitals and Physician Practices

a. The Category C Measure Bundle topics for hospitals and physician practices include the following and are described in Attachment R, "Measure Bundle Protocol."

   i. Chronic Disease Management: Diabetes Care
   ii. Chronic Disease Management: Heart Disease
   iii. Care Transitions & Hospital Readmissions
   iv. Patient Navigation & Emergency Department Diversion
   v. Primary Care Prevention - Healthy Texans
   vi. Primary Care Prevention - Cancer Screening
   vii. Hepatitis C
   viii. Pediatric Primary Care
   ix. Pediatric Hospital Safety

x. Pediatric Chronic Disease Management: Asthma
xi. Pediatric Chronic Disease Management: Diabetes
xii. Improved Maternal Care
xiii. Maternal Safety
xiv. Improved Access to Adult Dental Care
xv. Preventive Pediatric Dental
xvi. Palliative Care
xvii. Integration of Behavioral Health in a Primary or Specialty Care Setting
xviii. Behavioral Health and Appropriate Utilization
xix. Chronic Non-Malignant Pain Management
xx. Integrated Care for People with Serious Mental Illness
xxi. Specialty Care
xxii. Hospital Safety
xxiii. Rural Preventive Care
xxiv. Rural Emergency Care

b. Each hospital and physician practice must determine a DSRIP attributed population to apply to its selected Measure Bundles as described in Attachment R, "Measure Bundle Protocol".

c. Each Measure Bundle includes required measures and may include optional measures.

d. Each measure within a Measure Bundle will be pay-for-performance (P4P) or pay-for-reporting (P4R).

e. Each Measure Bundle and measure is assigned a point value as described in Attachment R, "Measure Bundle Protocol."

f. Each hospital and physician practice is assigned a Minimum Point Threshold (MPT) for Measure Bundle selection.

g. Each hospital and physician practice must select Measure Bundles worth enough points to meet its MPT in order to maintain its valuation for DY7-10.

   i. If a hospital or physician practice does not select Measure Bundles worth enough points to meet its MPT, its total DY7 valuation will be reduced proportionately across its RHP Plan Update funds and Categories B-D based on the number of Measure Bundle points selected, and its total DY8-10 valuation will be reduced proportionately across its Categories B-D based on the number of Measure Bundle points selected.

      Example: A hospital's DY7 valuation is $5 million and its MPT is 50. The RHP's private participation requirements are met, so if it were to select Measure Bundles worth 50 points, its DY7 valuation would be allocated as

follows: $1 million for the RHP Plan Update (20%); $500,000 for Category B (10%); $2.75 million for Category C (55%); and $750,000 for Category D (15%).

However, the hospital selects Measure Bundles worth only 40 points, so its DY7 valuation is decreased to $4 million and is allocated as follows: $800,000 for the RHP Plan Update (20%), $400,000 for Category B (10%), $2.2 million for Category C (55%), and $600,000 for Category D (15%).

h. Each hospital or physician practice with a valuation greater than $2,500,000 per DY in DY7-8 or greater than $2 million in DY10 must: 1) select at least one Measure Bundle with at least one required 3 point measure; or 2) select at least one Measure Bundle with at least one optional 3 point measure, and select an optional 3 point measure in that Measure Bundle. The 3 point measure must have significant volume to meet the requirement.

i. Certain Measure Bundles may include population based clinical outcomes that are required as P4P or P4R based on the measure and a provider's MPT as described in Attachment R, "Measure Bundle Protocol."

j. Each hospital or physician practice with an MPT of 75 must report at least two population-based clinical outcomes as P4P, as specified in Attachment R, "Measure Bundle Protocol."

k. Only hospitals with a valuation equal to or less than $2,500,000 per DY may select the rural Measure Bundles in DY7-8 as identified in Attachment R, "Measure Bundle Protocol."

    i. If a rural Measure Bundle is selected, then certain Measure Bundles and duplicate measures may not be selected as specified in Attachment R, "Measure Bundle Protocol."

l. A hospital or physician practice may only select a Measure Bundle for which the hospital's or physician practice's MLIU denominator for the baseline measurement period for at least half of the required measures in the Measure Bundle has significant volume as defined in Attachment R, "Measure Bundle Protocol," unless an exception is granted by HHSC to use an all-payer, Medicaid-only, or LIU-only denominator with significant volume for one or more required measures.

m. A hospital or physician practice may only select an optional measure in a selected Measure Bundle for which the hospital or physician practice's MLIU denominator for the baseline measurement period has significant volume as defined in Attachment R, "Measure Bundle Protocol," unless an exception is granted by HHSC to use an all-payer, Medicaid-only, or LIU-only denominator with significant volume.

n. Each hospital or physician practice must indicate required measures with an MLIU denominator with less than significant volume in the RHP Plan Update. HHSC may identify measures with less than significant volume during reporting review and adjust valuation as described in paragraph 19.q.

o. Each hospital and physician practice may allocate its Category C valuation among its DY7-8 selected Measure Bundles as it wishes, so long as: 1) no single Measure Bundle is allocated a percentage of the Category C valuation that is less than seventy-five percent of its point value as a percentage of all the selected Measure Bundles' point values; 2) no Measure Bundle without any required or selected optional 3 point measures is allocated a higher percentage of the hospital's or physician's Category C allocation than the Measure Bundle's point value as a percentage of all its selected Measure Bundles' point values; and 3) no Measure Bundle with at least one required or selected optional 3 point measure is allocated a higher percentage of the hospital's or physician practice's Category C allocation than the Measure Bundle's point value multiplied by 1.25 as a percentage of all its selected Measure Bundles' point values.

   The minimum Measure Bundle valuation is calculated using the following formula:

   (Measure Bundle point value/ all selected Measure Bundles' point values) * .75 * Category C valuation

   The maximum Measure Bundle valuation for a Measure Bundle without any required or selected optional 3-point measures is calculated using the following formula:

   (Measure Bundle point value/ all selected Measure Bundles' point values) * Category C valuation

   The maximum Measure Bundle valuation for a Measure Bundle with at least one required or selected optional 3 point measure is calculated using the following formula:

   (Measure Bundle point value/ all selected Measure Bundles' point values) * 1.25 * Category C valuation

   Example:

   - A hospital has selected four Measure Bundles. Measure Bundle A is worth 4 points, Measure Bundles B-C are each worth 10 points, and Measure Bundle D is worth 6 points, for a total of 30 selected points.
   - Measure Bundle A has no required or selected optional 3-point measures. Measure Bundles B-D have required 3 point measures.
   - The hospital or physician practice may not allocate to Measure Bundle A less than 10% [(4/ 30) * .75] of its Category C valuation, Measure Bundles B-C

less than 25% [(10/ 30) * .75] of its Category C valuation, and Measure Bundle D less than 15% [(6/ 30) * .75] of its Category C valuation.

- The hospital or physician practice may not allocate to Measure Bundle A more than 13.33% (4/30) of its Category C valuation, Measure Bundle B-C more than 41.67% [(10/30)* 1.25] of its Category C valuation, and Measure Bundle D more than 25.00% [(6/30)* 1.25] of its Category C valuation.

For valuation changes greater than one percent of a Measure Bundle's point value as a percentage of all the selected Measure Bundles' point values, a justification is required addressing amount of improvement required, level of effort required for improvement, and population impacted. HHSC will review and approve or deny these changes in the RHP Plan Update.

p. For DY9-10, each Measure Bundle selected by the hospital or physician practice is allocated a percentage of the hospital's or physician practice's Category C valuation that is equal to the Measure Bundle's point value as a percentage of all of the hospital's or physician practice's selected Measure Bundles' point values.

q. The valuation for each measure in a Measure Bundle selected by the hospital or physician practice is determined by dividing the Measure Bundle valuation by the number of measures in the Measure Bundle, so that the measures' valuations are equal with the exception of Measure Bundles with innovative measures. Innovative measures are 50 percent of the value of a measure that is not an innovative measure.

   i. The valuation for each innovative measure in a Measure Bundle with innovative measures is determined by dividing the Measure Bundle valuation by the number of measures in the Measure Bundle subtracted by .5 for each innovative measure and divided by 2. The valuation for the remaining measures in a Measure Bundle with innovative measures is determined by dividing the Measure Bundle valuation by the number of measures in the Measure Bundle subtracted by .5.

   ii. If a hospital or physician practice selects a Measure Bundle with a required measure with an MLIU denominator with no volume as defined in Attachment R, "Measure Bundle Protocol", the measure is removed from the Measure Bundle, and its valuation for the DY is redistributed equally among the remaining measures in the Measure Bundle with significant volume as defined in Attachment R, "Measure Bundle Protocol". This measure valuation also applies to population based clinical outcomes that are approved with no numerator volume.

   iii. If a hospital or physician practice selects a Measure Bundle with a required measure with an MLIU denominator with insignificant volume as defined in Attachment R, "Measure Bundle Protocol", the valuation for the measure's baseline reporting milestone and reporting milestones is maintained, unless an exception is granted by HHSC to use an all-payer, Medicaid-only, or LIU-

only denominator with significant volume. The valuation for the measure's goal achievement milestone for the DY is redistributed equally among the goal achievement milestones for the remaining measures in the Measure Bundle with significant volume as defined in Attachment R, "Measure Bundle Protocol." This measure valuation also applies to population based clinical outcomes that are approved to be reported as pay-for-reporting.

r. The standard point valuation (or value per point) is $500,000.

s. Minimum Point Thresholds for Hospitals.

i. A hospital's MPT is based on the following factors:

A. The hospital's DY7 valuation.
B. The hospital's DY7 valuation as a percentage of the DY7 valuations for all hospitals.
C. The hospital MPT cap of 75.
D. The hospital's size and its role in serving Medicaid and uninsured individuals, which is measured by:
I. The hospital's Medicaid and uninsured inpatient days as a percentage of all hospitals' Medicaid and uninsured inpatient days as reported in the Texas Hospital Uncompensated Care Tool (TXHUC) for FFY 2016 weighted at .64.
II. The hospital's outpatient Medicaid and uninsured costs as a percentage of all hospitals' Medicaid and uninsured outpatient costs as reported in the TXHUC for FFY 2016 weighted at .36.

ii. A hospital's MPT is calculated as follows:

A. First, the hospital's Statewide Hospital Factor (SHF) is determined as follows:

Statewide Hospital Factor (SHF) =

.64 multiplied by (the hospital's Medicaid and uninsured inpatient days divided by all hospitals' Medicaid and uninsured inpatient days) plus

.36 multiplied by (the hospital's outpatient Medicaid and uninsured costs divided by all hospitals' Medicaid and uninsured outpatient costs)

B. Second, the hospital's Statewide Hospital Ratio (SHR) is determined as follows:

Statewide Hospital Ratio (SHR) =

(DY7 valuation divided by all hospitals' DY7 valuations) divided by SHF

C. Third, the hospital's MPT is determined as follows:

- If SHR ≤ 3:

  MPT = the lesser of:
  a) DY7 valuation divided by standard point valuation ($500,000); or
  b) MPT cap (75 points)

- If SHR > 3 but ≤ 10:

  MPT = the lesser of:
  a) (DY7 valuation divided by standard point valuation [$500,000]) multiplied by (SHR divided by 3); or
  b) MPT cap (75 points)

- If SHR > 10 and DY7 valuation ≤ $15 million:

  MPT = the lesser of:
  a) (DY7 valuation divided by standard point valuation [$500,000]) multiplied by (SHR divided by 3); or
  b) 40 points

- If SHR > 10 and DY7 valuation > $15 million:

  MPT = the lesser of:
  a) (DY7 valuation divided by standard point valuation [$500,000]) multiplied by (SHR divided by 3); or
  b) MPT cap (75 points)

iii. If a hospital does not have data for the factors under paragraph 19.s.i.D, is a specialty hospital with a limited scope of practice, or has system overlap with a physician practice Performing Provider, its MPT will be determined using an alternate methodology to be determined by HHSC.

iv. For DY9-10, a hospital's MPT is recalculated using the DY10 valuation in place of the DY7 valuation, with a maximum reduction of 10 points from the MPT used in DY7-8.

t. Minimum Point Thresholds for Physician Practices

i. A physician practice's MPT is the lesser of:

A. DY7 valuation divided by standard point valuation ($500,000); or
B. MPT cap (75 points)

ii. If a physician practice is a specialty physician practice with a limited scope of practice, its MPT will be determined using an alternate methodology to be determined by HHSC.

iii. For DY9-10, a physician practice's MPT is recalculated using the DY10 valuation in place of the DY7 valuation, with a maximum reduction of 10 points from the MPT used in DY7-8.

20. Category C - Measure Selection Requirements for CMHCs and LHDs

a. The Category C measures for CMHCs and LHDs are described in Attachment R, "Measure Bundle Protocol".

b. Each CMHC and LHD must determine a DSRIP attributed population to apply to its selected measures as described in Attachment R, "Measure Bundle Protocol".

c. Each measure is assigned a point value as described in Attachment R, "Measure Bundle Protocol".

d. Each CMHC and LHD is assigned a Minimum Point Threshold (MPT) for selection of measures.

e. Each CMHC and LHD must select a measure or a combination of measures worth enough points to meet its MPT in order to maintain its valuation for DY7-10.

   i. If a CMHC or an LHD does not select measures worth enough points to meet its MPT, its total DY7 valuation will be reduced proportionately across its RHP Plan Update funds and Categories B-D based on the number of measure points selected, and its total DY8-10 valuation will be reduced proportionately across its Categories B-D based on the number of measure points selected.

f. A CMHC or LHD must select and report on at least two unique measures.

g. Each CMHC or LHD with a valuation of more than $2,500,000 per DY in DY7-8 and more than $2,000,000 in DY10 must select at least one 3 point measure.

h. An LHD may select P4P measures that the LHD reported for Category 3 in DY6 to meet their DY7-8 MPT as described in Attachment R, "Measure Bundle Protocol."

i. A CMHC or LHD may only select a measure for which the CMHC's or LHD's MLIU denominator for the baseline measurement period has significant volume as defined in Attachment R, "Measure Bundle Protocol", unless an exception is granted by HHSC to use an all-payer, Medicaid-only, or LIU-only denominator with significant volume.

j. All measures selected by a CMHC or LHD are valued equally; however, a CMHC or an LHD may allocate its Category C valuation among its selected measures in DY7-8 as long as: 1) no single measure is allocated a valuation that is less than 75 percent of its initial measure valuation ((total Category C valuation/number of measures selected) /2); 2) no single 1-point or 2-point measure is allocated a

valuation that exceeds its initial measure valuation (total valuation/number of measures selected); and 3) no single 3-point or 4-point measure is allocated a valuation that exceeds its initial measure valuation (total valuation/number of measures) multiplied by 1.25.

Example:

- A CMHC selected four measures.
- Measures A and B are 3-point measures. Measures C and D are 1-point measures.
- The total Category C valuation for the CMHC is $400,000 with each measure initially valued at $100,000 ($400,000 /4).
- The CMHC may not allocate to Measures A-D less than $75,000 ($100,000 * .75).
- The CMHC may not allocate to Measures A-B more than $125,000 ($100,000 * 1.25) and Measures C and D more than $100,000 ($400,000 /4).

For valuation changes greater than one percent of initial measure valuation, a justification is required addressing amount of improvement required, level of effort required for improvement, and population impacted. HHSC will review and approve or deny these changes in the RHP Plan Update.

For DY9-10, all measures selected by a CMHC or LHD are valued equally.

k. The standard point valuation (or value per point) is $500,000.

l. Minimum Point Thresholds for CMHCs and LHDs

   i. A CMHC's MPT is the lesser of:

      A. DY7 valuation/ standard point valuation ($500,000); or
      B. The CMHC MPT cap of 40.

   ii. An LHD’s MPT is the lesser of:

      A. DY7 valuation/ standard point valuation ($500,000); or
      B. The LHD MPT cap of 20.

   iii. For DY9-10, a CMHC’s or LHD’s MPT is recalculated using the DY10 valuation in place of the DY7 valuation, with a maximum reduction of 10 points from the MPT used in DY7-8.

21. Category C - Measurement Periods for P4P Measures

a. The baseline measurement period is calendar year (CY) 2017 (January 1, 2017 - December 31, 2017) for measures selected for DY7-10. The baseline measurement period is CY 2019 (January 1, 2019 - December 31, 2019) for measures newly-selected for DY9-10.

i. A measure may be eligible for a shorter baseline measurement period consisting of no fewer than six months if it: 1) has a denominator or eligible cases greater than or equal to 30 for the requested baseline measurement period; and 2) would not be compromised by a shorter baseline measurement period. Examples of measures that would be compromised by a shorter baseline measurement period include blood pressure control (for which the denominator is individuals diagnosed with hypertension in the first six months of the measurement period), outcomes sensitive to flu season or other seasonal variation, and numerators with a low frequency of probability of occurrence. A Performing Provider may request HHSC approval to use a shorter baseline measurement period for an eligible measure in the RHP Plan Update submission.

ii. A P4P measure may be eligible for a delayed baseline measurement period that ends no later than September 30, 2018 for measures selected for DY7-10 and no later than September 30, 2020 for measures newly-selected for DY9-10. In cases where a provider has no or insufficient volume to establish a baseline that ends by December 31, 2017 for measures selected for DY7-10 or December 31, 2019 for measures newly-selected for DY9-10, a Performing Provider may request HHSC approval to use a delayed baseline measurement period for a measure. If HHSC approves the Performing Provider's request, the Performance Year (PY) measurement periods do not change. The measure’s goal achievement will begin with PY2 for measures selected for DY7-10 and PY4 for measures newly-selected for DY9-10. A Performing Provider must report PY1 and PY2 for a measure with a delayed baseline measurement period for measures selected for DY7-10. A Performing Provider must report PY3 and PY4 for a measure with a delayed baseline measurement period for measures newly-selected for DY9-10.

iii. For LHD P4P measures that were reported in Category 3 in DY6 and selected for DY7-10, the baseline measurement period is DY6 (October 1, 2016 - September 30, 2017).

b. PY1 is CY 2018 (January 1, 2018 - December 31, 2018).

c. PY2 is CY 2019 (January 1, 2019 - December 31, 2019).

d. PY3 is CY 2020 (January 1, 2020 - December 31, 2020).

e. PY4 is CY 2021 (January 1, 2021 - December 31, 2021).

f. Exceptions to measurement periods may be indicated in Attachment R, "Measure Bundle Protocol" for P4P measures for which a CY measurement period would impact the continuity of data reported (example: NQF 0041 Influenza Immunization, where the measure steward specifies a denominator inclusion period of visits between October 1 and March 31 to align with the flu season).

22. Category C - Measure Milestones

a. The Category C measure milestone structure and valuation for DY7-10 is as follows:

	DY7	DY8	DY9	DY10
Innovative Measure or Quality Improvement Collaborative Activity	100% Reporting Year (RY) 1 reporting milestone	100% RY2 reporting milestone	100% RY3 reporting milestone	25% RY4 reporting milestone 75% achievement milestone
P4P Measure - Baseline Reporting Milestone	25%	NA	NA	NA
P4P Measure - Reporting Milestone	PY1 25%	PY2 25%	PY3 25%	PY4 25%
P4P Measure - Achievement Milestone	DY7 Goal 50%	DY8 Goal 75%	DY9 Goal 75%	DY10 Goal 75%
New DY9-10 P4P Measure - Baseline Reporting Milestone	NA	NA	12.5%	NA
New DY9-10 P4P Measure - Reporting Milestone	NA	NA	PY3 12.5%	PY4 25%
New DY9-10 P4P Measure - Achievement Milestone	NA	NA	DY9 Goal 75%	DY10 Goal 75%

b. A Performing Provider must report a baseline for a measure, and HHSC must approve the reported baseline for reporting purposes, before a Performing Provider can report PY1 (or PY2 for measures with a delayed baseline measurement period or PY3 for measures newly-selected for DY9-10).

   i. Performing Providers must adhere to measure specifications and maintain a record of any variances that were approved by HHSC prior to reporting a baseline for a measure.

ii. HHSC's approval of a reported baseline for reporting purposes does not constitute approval for a Performing Provider to report a measure outside measure specifications. If at any point HHSC or the independent assessor identifies that a Performing Provider is reporting a measure outside measure specifications, reporting and goal achievement milestone payment may be withheld or recouped while the Performing Provider works to bring reporting into compliance with specifications.

c. Performing Providers must report the reporting and goal achievement milestones for a P4P measure for a given PY during the same reporting period with some exceptions for measures with a delayed measurement period.

d. As part of the DY9 and DY10 reporting milestones, Performing Providers are required to update Related Strategies reporting, as indicated in Attachment R, "Measure Bundle Protocol."

e. Some measures have multiple parts as outlined in Attachment R, "Measure Bundle Protocol."

   i. A measure with multiple parts has one baseline reporting milestone, one PY reporting milestone for each DY, and multiple goal achievement milestones for each DY.

   ii. The valuation for each measure part's goal achievement milestone is determined by dividing the measure's total goal achievement milestone valuation by the number of measure parts, so that each measure part's goal achievement milestone is valued equally.

   iii. All measure parts for a given baseline or achievement for a PY must be reported in the same reporting period.

   iv. Each measure part's goal achievement milestone will be measured independently to determine percent of goal achieved as defined in paragraph 29.

23. Category C - Measure Denominator Population

a. Each Category C measure's eligible denominator population must include all individuals served by the Performing Provider system during a given measurement period that are included in the Measure Bundle target population as defined in Attachment R "Measure Bundle Protocol."

b. Performing Providers may not select Performing Provider specific facility, co-morbid condition, age, gender, and race/ethnicity subsets not otherwise specified in Attachment R "Measure Bundle Protocol."

c. In order to be eligible for payment for a measure's reporting milestone, the Performing Provider must report its performance on the all-payer, Medicaid-only, and LIU-only payer types.

   i. A Performing Provider may request in the RHP Plan Update submission to be exempted from reporting its performance on the Medicaid-only payer type or the LIU-only payer type for a measure's reporting milestone with good cause, such as data limitations.

   ii. A Performing Provider may also submit an RHP Plan Update modification request to HHSC to be exempted from reporting its performance on the Medicaid-only payer type or the LIU-only payer type for a measure's reporting milestone with good cause, such as data limitations, prior to reporting a baseline for the measure and no later than the first day of the second reporting period of DY7 for DY7-10 measures and the first day of the second reporting period of DY9 for DY9-10 new measures.

d. Payment for a P4P measure's goal achievement milestone is based on the Performing Provider's performance on the MLIU payer type.

   i. A Performing Provider may request in the RHP Plan Update submission that payment for a P4P measure's goal achievement milestone be based on the Performing Provider's performance on the all-payer, Medicaid-only, or LIU-only payer type with good cause, such as a small denominator or data limitations.

   ii. A Performing Provider may also submit an RHP Plan Update modification request to HHSC to change the payer type on which payment for a measure's goal achievement milestone is based with good cause, such as a small denominator or data limitations; the Performing Provider must submit the request to HHSC prior to reporting a baseline for the measure and no later than 30 days prior to the first day of the second reporting period of DY7 for DY7-10 measures and no later than 30 days prior to the first day of the second reporting period of DY9 for DY9-10 new measures.

   iii. In order to be eligible for payment for a measure's DY9 goal achievement milestone, the Performing Provider must report the measure’s PY3 performance, PY2 performance for measures selected in DY7-8, and ongoing continuous quality improvement activities in the Core Activities reporting for DY9-10.

24. Category C - Methodology for Setting P4P Measure Goals

a. Category C P4P measure goals are set as an improvement over the baseline. Each P4P measure will be designated in Attachment R, "Measure Bundle Protocol" as either Quality Improvement System for Managed Care (QISMC) or Improvement over Self (IOS). QISMC measures will have a defined High

Performance Level (HPL) and Minimum Performance Level (MPL) based on state or national benchmarks.

P4P Measure Goals for Measures Selected for DY7-10

	QISMC - Baseline below MPL	**QISMC -** Baseline equal to or greater than the MPL and lower than the HPL	**QISMC -** Baseline equal to or greater than the HPL	**IOS**
DY7	MPL	The greater absolute value of improvement between: 5% gap closure towards HPL, or baseline plus (minus) 2% of the difference between the HPL and MPL	The lesser absolute value of improvement of baseline plus (minus) 2% of the difference between the HPL and MPL or the IOS goal	2.5% gap closure
DY8	10% gap closure between the MPL and HPL	The greater absolute value of improvement between: 20% gap closure towards HPL, or baseline plus (minus) 8% of the difference between the HPL and MPL	The lesser absolute value of improvement of baseline plus (minus) 8% of the difference between the HPL and MPL or the IOS goal	10% gap closure
DY9	MPL plus 12% gap closure between the MPL and HPL	The greater absolute value of improvement between: 22.5% gap closure towards HPL, or baseline plus (minus) 9% of the difference between the HPL and MPL	The lesser absolute value of improvement of baseline plus (minus) 9% of the difference between the HPL and MPL or the IOS goal	11.75% gap closure
DY10	MPL plus 15% gap closure between the MPL and HPL	The greater absolute value of improvement between: 25% gap closure towards HPL, or baseline plus (minus) 10% of the difference between the HPL and MPL	The lesser absolute value of improvement of baseline plus (minus) 10% of the difference between the HPL and MPL or the IOS goal	12.5% gap closure*

* Innovative Measure F1-T03 continued in DY9-10 will be treated as an IOS measure in DY10 and will have a gap closure of 12.5% over baseline unless an alternate goal based on benchmark data is recommended by the measure steward as part of the measure validation process.

P4P Measure Goals for Measures Newly-Selected for DY9-10

	QISMC - Baseline below MPL	**QISMC** - Baseline equal to or greater than the MPL and lower than the HPL	**QISMC** - Baseline equal to or greater than the HPL	**IOS**
DY9	MPL plus 2.5% gap closure between the MPL and HPL	The greater absolute value of improvement between: 10% gap closure towards HPL, or baseline plus (minus) 4% of the difference between the HPL and MPL	The lesser absolute value of improvement of baseline plus (minus) 4% of the difference between the HPL and MPL or the IOS goal	5% gap closure
DY10	MPL plus 10% gap closure between the MPL and HPL	The greater absolute value of improvement between: 20% gap closure towards HPL, or baseline plus (minus) 8% of the difference between the HPL and MPL	The lesser absolute value of improvement of baseline plus (minus) 8% of the difference between the HPL and MPL or the IOS goal	10% gap closure*

*Innovative Measure FI-T03 newly selected in DY9-10 will be treated as an IOS measure in DY10 and will have a gap closure of 10% over baseline unless an alternate goal based on benchmark data is recommended by the measure steward as part of the measure validation process.

b. In cases where a Performing Provider has significant denominator volume and no measurable numerator because required numerator inclusions and exclusions are not tracked during the baseline measurement period, a Performing Provider may request in the RHP Plan Update for DY7-8 to use a baseline numerator of 0 for certain measures designated as process measures and QISMC. Measures that are eligible for a numerator of 0 are indicated in Attachment R, "Measure Bundle Protocol."

    i. If a provider is approved by HHSC to report a baseline numerator of 0, the goal for the DY7 goal achievement milestone will be equal to the 75th percentile as indicated in Attachment R, "Measure Bundle Protocol" and the goal for the DY8 goal achievement milestone will be equal to a 10% gap closure between the 75th percentile and the HPL. For measures approved for a baseline numerator of 0 that are continuing in DY9-10, the DY9-10 goals are determined according to the table in paragraph 24.a. using an updated baseline that is set at the PY1 rate. Measures approved to report with a numerator of 0 in DY7-8 will have standard baseline and PY measurement periods as described in paragraph 21.

25. Category D - Statewide Reporting Measure Bundle

a. Each Performing Provider is required to report on the Statewide Reporting Measure Bundle specific to the type of Performing Provider (hospital, physician practice, CMHC, or LHD) as described in Attachment R, "Measure Bundle Protocol."

b. Category D is valued at 5 percent of a Performing Provider's total valuation for DY7-8. Category D may be increased to 15 percent of a Performing Provider's total valuation if the requirements under paragraph 25.c. are met.

c. An RHP must maintain the following total private hospital valuation amounts at submission of the RHP Plan Update for DY7-8. A 3 percent decrease may be allowed in each RHP and considered maintenance.

Private Hospital Participation

RHP	Private Hospital Valuation	Minimum Private Hospital Valuation in each DY
1	$38,856,709	$37,691,007
2	$12,933,175	$12,545,180
3	$133,630,962	$129,622,034
4	$64,989,767	$63,040,074
5	$108,996,712	$105,726,810
6	$68,777,524	$66,714,199
7	$84,513,275	$81,977,876
8	$9,607,121	$9,318,907
9	$120,556,063	$116,939,381
10	$50,540,564	$49,024,347
11	$21,345,261	$20,704,903
12	$40,896,051	$39,669,169
13	$14,111,711	$13,688,360
14	$13,799,933	$13,385,935
15	$39,491,671	$38,306,921
16	$8,476,165	$8,221,880
17	$12,637,136	$12,258,022
18	$5,311,040	$5,151,709
19	$5,832,483	$5,657,509
20	$11,173,926	$10,838,708
TOTAL	$870,343,929	$844,233,611

d. Category D is valued at 15 percent of a Performing Provider's total valuation for DY9-10.

e. Each measure within the Category D Statewide Reporting Measure Bundle is valued equally.

VII. DISBURSEMENT OF DSRIP FUNDS FOR DY7-10

26. RHP Plan Update Submission for Payment in DY 7

Submission of a State-approved RHP Plan Update shall serve as the basis for payment of 20 percent of a Performing Provider's DY7 total valuation.

27. Category A - Eligibility for DY7-10 Payments

Each Performing Provider is required to complete Category A to be eligible for payment of Categories B-D.

a. Category A must be reported in the second reporting period of each demonstration year to be eligible for payment of Categories B-D of the applicable demonstration year.

b. If Category A is not reported in the second reporting period of each demonstration year, then previous payments for the RHP Plan Update submission and Categories B-D for the applicable demonstration year may be recouped and prospective payments including those in the next reporting period may be withheld until Category A is completed.

28. Basis for Payment of Category B - MLIU PPP

The number of MLIU individuals served by the Performing Provider must be maintained or increased each DY with an allowable variation below the baseline, as described in paragraph 18.d. to be eligible for payment of the MLIU PPP milestone. The allowable variation below the maintenance goal (baseline) will be determined by HHSC and is to be based on the size and type of Performing Provider and will also account for the baseline MLIU percentage of Total PPP.

If a Performing Provider is unable to maintain the MLIU PPP number within the allowable variation, then the payment associated with the number will be reduced. Partial payment will be tiered in the following manner: 100% valuation for achievement at 100% of goal (with allowable variation); 90% of valuation for achievement of 90% to 99% (or 100% less allowable variation as the upper limit); 75% of valuation for achievement of 75% - 89% of goal; or 50% of valuation for achievement of 50% - 74% of goal. A Performing Provider will not earn any payment for maintaining less than 50% of its MLIU patient population. For DY9-10 MLIU PPP, partial payment will be tiered in the following manner: 100% valuation for achievement at 100% of goal (with allowable variation) and remaining valuation

at quartiles based on maximum allowable variation, as determined by HHSC. For example, if allowable variation is 30%, then a provider would earn 100% of valuation for achieving 70% -100% of the provider's goal; or 50% of valuation for achieving 50% - 69% of the goal.

29. Basis for Payment of Category C - Measure Bundles and Measures

a. P4P and P4R Measure Reporting Milestones

A Performing Provider must fully achieve reporting milestones to qualify for a DSRIP payment related to these milestones.

b. P4P Measure Goal Achievement Milestones

Partial payment for P4P measure goal achievement milestones is available in quartiles for partial achievement measured over baseline in PY1, PY2, PY3, and PY4. The achievement value is multiplied by the milestone valuation to determine payment. P4P measures with a baseline above the HPL are not eligible for partial achievement.

i. Each P4P measure has an associated goal achievement milestone that is assigned an achievement value based on the Performing Provider's achievement of the measure's goal as follows:

- If 100 percent of the goal is achieved, the achievement milestone is assigned an achievement value of 1.0;
- If at least 75 percent of the goal is achieved, the achievement milestone is assigned an achievement value of 0.75;
- If at least 50 percent of the goal is achieved, the achievement milestone is assigned an achievement value of 0.5;
- If at least 25 percent of the goal is achieved, the achievement milestone is assigned an achievement value of 0.25; or
- If less than 25 percent of the goal is achieved, the achievement milestone is assigned an achievement value of 0.

ii. For DY9-10, hospital safety measures as identified in Attachment R, "Measure Bundle Protocol" with perfect performance at baseline are eligible for full payment based on maintenance of high performance. If maintenance of high performance is achieved, the achievement milestone is assigned an achievement value of 1.0. Perfect performance at baseline is one in which no numerator cases are reported during the baseline measurement period with one or more eligible denominator cases. Maintenance of high performance is defined as an increase of one numerator case that was not preventable during a performance year. Each provider eligible for maintenance of high performance may determine a valid definition for a numerator case that is not preventable and will submit

documentation to HHSC if reporting maintenance of high performance in a performance year.

iii. The percent of the goal achieved for DY7-10 milestones is determined as follows:

- Measures with a positive directionality where higher scores indicate improvement in measure:
  - DY7 achievement = (PY1 Achieved - Baseline)/(DY7 Goal - Baseline)
  - Carryforward of DY7 achievement = (PY2 Achieved - Baseline)/(DY7 Goal - Baseline)
  - DY8 achievement = (PY2 Achieved - Baseline)/(DY8 Goal - Baseline)
  - Carryforward of DY8 achievement = (PY3 Achieved - Baseline)/(DY8 Goal - Baseline)
  - DY9 achievement = (PY3 Achieved - Baseline)/(DY9 Goal - Baseline)
  - Carryforward of DY9 achievement = (PY4 Achieved - Baseline)/(DY9 Goal - Baseline)
  - DY10 achievement = (PY4 Achieved - Baseline)/(DY10 Goal - Baseline)
- Measures with a negative directionality where lower scores indicate improvement in a measure:
  - DY7 achievement = (Baseline - PY1 Achieved)/(Baseline - DY7 Goal)
  - Carryforward of DY7 achievement = (Baseline - PY2 Achieved)/(Baseline - DY7 Goal)
  - DY8 achievement = (Baseline - PY2 Achieved)/(Baseline - DY8 Goal)
  - Carryforward of DY8 achievement = (Baseline - PY3 Achieved)/(Baseline - DY8 Goal)
  - DY9 achievement = (Baseline - PY3 Achieved)/(Baseline - DY9 Goal)
  - Carryforward of DY9 achievement = (Baseline - PY4 Achieved)/(Baseline - DY9 Goal)
  - DY10 achievement = (Baseline - PY4 Achieved)/(Baseline - DY10 Goal)

iv. For measures selected for DY7-10, the PY3 achievement value for DY9 achievement milestones and DY8 carryforward achievement milestones will be based on the greater of:
- Provider’s approved DY8 achievement value for the measure;
- Average approved DY8 achievement value for the measure if 10 or more providers selected the P4P measure for DY7-8,rounded down to the quartile;

- Average approved DY8 achievement value for the Measure Bundle if less than 10 providers selected the P4P measure for DY7-8, rounded down to the quartile; or
- Percent of DY9 goal achieved as described in paragraph 29.b.iii for DY9 achievement and carryforward of DY9 achievement plus achievement value as described in paragraph 29.b.i.

v. For measures newly-selected for DY9-10, the PY3 achievement value for DY9 achievement milestones will be based on the greater of:
   - Average approved DY8 achievement value for the measure if 10 or more providers selected the P4P measure for DY7-8, rounded down to the quartile;
   - Average approved DY8 achievement value for the Measure Bundle if less than 10 providers selected the P4P measure for DY7-8, rounded down to the quartile; or
   - Percent of DY9 goal achieved as described in paragraph 29.b.iii for DY9 achievement and carryforward of DY9 achievement plus achievement value as described in paragraph 29.b.i.

30. Basis for Payment of Category D - Statewide Reporting Measure Bundle

The amount of the incentive funding paid to a Performing Provider will be based on the amount of progress made in successfully reporting measures included in the Statewide Reporting Measure Bundle specific to the type of Performing Provider. A Performing Provider must complete reporting on a Category D measure to be eligible for Category D payment for the measure.

31. Carry-forward Policy

Carry forward is allowed for Category B and C. Carry forward is not allowed for Category A or D.

If a Performing Provider is unable to report a Category B MLIU PPP and Total PPP in the second reporting period of the achievement DY, the Performing Provider may request to carry forward reporting of the Category B milestone to the first reporting round of the following DY. The measurement period will not change.

If a Performing Provider does not report a baseline or performance year in the first reporting period after the end of the measurement period, the Performing Provider may request to carry forward reporting of the associated Category C milestone to the next reporting round. For measures with a delayed baseline measurement period, a Performing Provider may request to carry forward reporting of the baseline until the first reporting period of DY8 for DY7-10 measures and until the first reporting period of DY10 for DY9-10 new measures. Carrying forward reporting does not change baseline or performance measurement periods.

Performing Providers may carry forward achievement of the Category C goal achievement milestones so that the DY7 goal achievement milestone can be achieved in PY1 or PY2, the DY8 goal achievement milestone can be achieved in PY2 or PY3, the DY9 goal achievement can be achieved in PY3 or PY4, and the DY10 goal achievement can be achieved in PY4. For DY7-10 measures with a delayed baseline measurement period, DY7 goal achievement can only be achieved in PY2 and the DY8 goal achievement milestone can be achieved in PY2 or PY3. For new DY9-10 measures with a delayed baseline measurement period, the DY9 goal achievement and DY10 goal achievement can only be achieved in PY4. The carried forward achievement must be reported in the first reporting period after the end of the carried forward measurement period.

Incentive funding that is carried forward still remains associated with the original DY for all accounting purposes (including calculation of the annual DSRIP payment limits). Carried forward DSRIP funding is subject to all Medicaid claiming requirements and may be paid no later than two years after the end of a DY in which it was to have been completed (e.g., for DY7, which ends September 30, 2018, payments may be made no later than September 30, 2020). Although authority for DSRIP funding expires September 30, 2021, DSRIP payment may be claimed after this point, subject to the carry-forward provisions in this section (e.g. final DSRIP payments will be made in January 2023).

32. Penalties for Missed Milestones

If a Performing Provider does not report the milestones during the carry-forward period or the reporting year with respect to Category D - Statewide Reporting Measure Bundle, funding for the incentive payment shall be forfeited by the Performing Provider.

33. Remaining DY7-8 DSRIP Funds

a. Available DY7-8 DSRIP Funds

The funds remaining from each demonstration year for DY7 and DY8 is based on the difference between the available pool allocation as described in paragraph 13 and all Performing Providers' valuation as described in paragraph 14.a.

b. Regional Allocation

The remaining DY7-8 DSRIP funds are allocated to RHPs that did not fully utilize their original regional DY5 allocation based on the regional DY6 valuation and the valuation available to the region according to paragraph 14.a, excluding regional changes due to DY6 combined projects and DY7 assignment of "home" regions.

Regional Allocation of Additional DSRIP Funds from Remaining DY7-8 DSRIP Funds

RHP	Additional Regional Allocation per DY
RHP 1	$866,635
RHP 2	$2,308,000
RHP 3	$0
RHP 4	$522,345
RHP 5	$4,797,112
RHP 6	$0
RHP 7	$0
RHP 8	$5,739,571
RHP 9	$0
RHP 10	$0
RHP 11	$0
RHP 12	$0
RHP 13	$0
RHP 14	$0
RHP 15	$0
RHP 16	$0
RHP 17	$9,284,861
RHP 18	$1,318,286
RHP 19	$0
RHP 20	$4,062,821
TOTAL	**$28,899,632**

c. Allocation Requirements

The RHP may determine how to allocate the additional DY7-8 DSRIP funds among Performing Providers based on the community needs assessment. New Performing Providers that did not participate in DSRIP in DY2-6 and are an eligible Performing Provider type may be allocated funds to begin participation in DY7-8.

i. Each RHP must conduct at least two public stakeholder meetings to determine the uses for the additional funding.

ii. Each Performing Provider must certify that there is a source of IGT for the additional funding.

iii. The RHP Plan Update must include a description of the process to determine the uses for the additional funding and indicate the interested Performing Providers that were or were not allocated additional funding.

iv. Existing and new Performing Providers allocated additional funds must follow all DSRIP requirements.

34. Withdrawal of a Performing Provider

If a Performing Provider withdraws from DSRIP during the RHP Plan Update submission for DY7-8 or in DY7, DY8, DY9, or DY10, then the funding may not be transferred to other Performing Providers or to the RHP.

If a Performing Provider withdraws after the RHP Plan Update submission for DY9-10, then all DY9-10 DSRIP payments received prior to the withdrawal are recouped and the provider forfeits any remaining DY9-10 DSRIP payments.

VIII. RHP AND STATE REPORTING REQUIREMENTS

35. RHP Reporting in DY7-10

Two times per year, Performing Providers seeking payment under the DSRIP program shall submit reports to HHSC demonstrating progress achieved during the reporting period. The reports shall be submitted using the standardized reporting form approved by HHSC. IGT Entities will review the submission of the reported performance. Based on the reports, HHSC will calculate the incentive payments for the progress achieved in accordance with Section VII "Disbursement of DSRIP Funds for DY7-10." The Performing Provider shall have available for review by HHSC or CMS, upon request, all supporting data and back-up documentation. These reports will be due as indicated below after the end of each reporting period:

- Reporting period of October 1 through March 31: the reporting and request for payment is due April 30.
- Reporting period of April 1 through September 30: the reporting and request for payment is due October 31.

These reports will serve as the basis for authorizing incentive payments to Performing Providers in an RHP for achievement of DSRIP milestones. HHSC shall have 30 days to review and approve or request additional information regarding the data reported for each milestone. If additional information is requested, the Performing Provider shall respond to the request within 15 days and HHSC shall have an additional 15 days to review, approve, or deny the request for payment, based on the data provided. HHSC shall schedule the payment transaction for each RHP Performing Provider within 30 days following HHSC approval of the Performing Provider's RHP report.

<u>Reporting Exceptions</u>

HHSC and CMS may allow a subset of Category B-D milestones to be fully reported after the reporting period. In such instances, HHSC and CMS will designate those milestones as "provisionally approved." Performing Providers will be required to report in full to HHSC such "provisionally approved" milestones prior to when HHSC processes payments for the next reporting period. HHSC will report to CMS which milestones were "provisionally approved."

For milestones that are "provisionally approved," the Performing Provider will be eligible for full DSRIP payment or payment based on historic achievement, thereby waiving the requirements under paragraphs 27, 28, 29, and 30. For Category B carryforward, payments are based on the most recently reported DY achievement levels. Category C reporting milestones and carryforward of achievement milestones are eligible for full DSRIP payment. If a Category C carryforward milestone is provisionally approved, then the measure's reporting milestone is not eligible for provisional approval. Category D milestones are eligible for full DSRIP payment.

After a "provisionally approved" milestone is fully reported, HHSC will request, if necessary, additional information regarding the data reported by the Performing Provider for each milestone. Additional payments may also be made based on full reporting. If the initial supporting documentation, and any additional information reviewed by HHSC, does not form a sufficient basis for actual milestone achievement, HHSC will recoup the associated overpayments from the Performing Provider. If the Performing Provider does not comply with the recoupment, future Medicaid payments will be withheld.

36. Intergovernmental Transfer Process

HHSC will calculate the nonfederal share amount to be transferred by an IGT Entity in order to draw the federal funding for the incentive payments related to the milestone achievement that is reported by the Performing Provider in accordance with paragraph 35 and approved by the IGT Entity and the State. Within 14 days after notification by HHSC of the identified nonfederal share amount, the IGT Entity will make an intergovernmental transfer of funds. The State will draw the federal funding and pay both the nonfederal and federal shares of the incentive payment to the Performing Provider. If the IGT is made within the appropriate 14-day timeframe, the incentive payment will be disbursed within 30 days. The total computable incentive payment must remain with the Performing Provider.

At the time that HHSC requests IGT funding for DSRIP incentive payments, the State may also require the IGT Entity to transfer additional funds to provide a portion of the non-federal share of the state's administrative costs related to waiver monitoring activities.

37. RHP Annual Year End Report

Each RHP Anchoring Entity shall submit an annual report by December 15 following the end of each demonstration year during DY7-10. The annual report shall be prepared and submitted using the standardized reporting form approved by HHSC. The report will include information provided in the interim reports previously submitted for the DY. Additionally, the RHP will provide a narrative description of the progress made, lessons learned, challenges faced, stakeholder engagement, and other pertinent findings.

38. Learning Collaborative Plans

Recognizing the importance of learning collaboratives in supporting continuous quality improvement, RHPs will submit learning collaborative plans with the RHP Plan Updates, to reflect opportunities and requirements for shared learning among the DSRIP Performing Providers in the region. The DY7-8 and DY9-10 learning collaborative plans may include an annual regional learning collaborative and/or smaller, targeted learning collaboratives or stakeholder meetings. Two or more regions may work together to submit a cross-regional DY7-8 or DY9-10 learning collaborative plan. HHSC will develop a template for submission of RHP learning collaborative plans.

39. Texas Reporting to CMS

a. Quarterly and Annual Reporting

DSRIP will be a component of the State's quarterly operational reports and annual reports related to the Demonstration. These reports will include:

i. All DSRIP payments made to Performing Providers that occurred in the quarter as required in the quarterly payment report pursuant to STC 42(c);

ii. Expenditure projections reflecting the expected pace of future disbursements for each RHP and Performing Providers; and

iii. A summary assessment of each RHP's DSRIP activities during the given period including progress on milestones.

b. Claiming Federal Financial Participation

Texas will claim federal financial participation (FFP) for DSRIP incentive payments on the CMS 64.9 waiver form. FFP will be available only for DSRIP payments made in accordance with all pertinent STCs and Attachment R, "Measure Bundle Protocol" and Attachment J, "Program Funding and Mechanics Protocol."

IX. DATA QUALITY ASSURANCE

40. Data validation and alignment with managed care

Data and milestones that form the basis of incentive payments in DSRIP should have a high degree of accuracy and validity. The state must require that each Performing Provider certify that data received to demonstrate DSRIP achievement is accurate and complete. Data accuracy and validity also will be subject to review by the independent assessor.

41. Compliance Monitoring of DSRIP

All RHP Plan Updates are subject to potential audits, including review by the independent assessor. Upon request, Performing Providers must have available for review by the independent assessor, HHSC, and CMS, all supporting data and back-up documentation demonstrating performance of a milestone as described under an RHP Plan Update for DSRIP payments.

Failure of a Performing Provider to provide supporting documentation of performance of a milestone to the independent assessor or HHSC within the defined period of time may result in recoupment of DSRIP payments.

HHSC may recoup payments for milestones when a Performing Provider's documentation does not support the information reported.

Attachment K

Administrative Cost Claiming Protocol

Preface

The following guidance and protocols have been developed to inform and assist the TX Health and Human Services Commission (HHSC) and their partner Anchor and/or contractors in their efforts to comply with Federal statute, regulations, protocols, and guidance regarding claiming for Federal Financial Participation (FFP) for Medicaid administrative expenditures necessary to implement and operate this waiver.

I. General Requirements/Assurances

A. The HHSC/Anchor hospital under this waiver must fully describe the administrative expenditures to be claimed to Medicaid, including the methodology used to identify allowable expenditures, and submit a detailed narrative description and a budget summary for all costs for claiming administrative expenditures in writing to CMS.

State Response:

Texas has 20 Regional Healthcare Partnerships (RHPs), whose members may participate in the Delivery System Reform Incentive Payment (DSRIP) program. A map of the Texas RHPs is provided (reference *Attachment C – RHP Map*).

The RHPs share the following characteristics:

- The RHPs are based on distinct geographic boundaries that generally reflect patient flow patterns for the region;
- The RHPs have identified local funding sources to help finance the non-federal share of DSRIP payment for Performing Providers;
- The RHPs have identified an Anchoring Entity to help coordinate RHP activities.

RHPs vary in geographic and population size. RHP 3 represents the largest region which includes Houston and surrounding areas. This RHP contains more than 15% share of the statewide population under 200 percent of the federal poverty level (FPL) as defined by the U.S. Census Bureau: 2006 – 2010 American Community Survey for Texas (ACS). Approximately one half of the RHPs contain less than 3 percent share of the statewide population under 200 percent of the population. Narrative descriptions from Anchors and the methodologies proposed will vary based on the size of the RHP they are serving, and the type of organization.

Each RHP has one of its members designated as an "Anchor" entity. Anchors provide certain administrative services with respect to the Texas Transformation and Quality Improvement Program 1115 Waiver. The Anchor is a member of an RHP, and is one of the following types of public organizations:

- public hospital,
- hospital district,
- other hospital authority,

- county government, or
- State university with a health science center or medical school.

Description of Administrative Expenditures

Costs for Anchor activities allowable under this protocol for administrative claiming include the following:

1. The provision of appropriate accounting, human resources, and data management resources for the RHP;
2. The coordination of RHP annual reporting, as specified in the Program Protocol, on the status of projects and the performance of Performing Providers (as defined in the Program Protocol) in the region;
3. The provision of RHP data management for purposes of evaluation;
4. The development and facilitation of one or more regional learning collaboratives;
5. Communication with stakeholders in the region, including the public; and
6. Communication on behalf of the RHP with HHSC.

Methodology used to identify allowable expenditures

Parameters of allowable costs for the six activities listed above are addressed in the "Cost Principles for Expenses" specific to the 1115 Waiver document (reference *Attachment A – Cost Principles*). (Note that this document is also included as an attachment to the contract with each Anchor.) The Cost Principles describe in detail that not all types of costs that might be incurred by the Anchor in connection with the performance of its administrative functions under the Contract are allowable. It is the function of these Cost Principles for Expenses to clarify this issue. While this Attachment was derived from similar cost principles used by HHSC with respect to managed care and other contracts, there are substantive differences. The specific terms of this Attachment are the definitive cost principles with respect to the Anchor function.

The Cost Reporting Template (reference *Attachment B – Cost Template*) provides additional framework and controls for reporting of costs for each Anchor. The protected Excel spreadsheet has rows set up for each of the six activities listed above. Cost limits placed in the spreadsheet by HHSC that are specific to each Anchor prevent the Anchor from submitting costs per FFY to HHSC in excess of the limits established by CMS (i.e., the lesser of: $2,000,000 or 2.5% of the RHP DSRIP allocation per FFY). (Note that Anchors may submit a request for additional funding above the maximum to support additional transformation activities for the RHP for approval by HHSC and CMS.)

Narrative description and a budget summary

Each Anchor has submitted a narrative description (reference *Attachment D - RHP Narratives*) and a corresponding budget summary (reference *Attachment E - RHP Budget (Projected Costs)*). Within each of the twenty RHP Narratives, there are three sections, as follows:

- The first section, “Information about the Anchor Organization” includes a general description of the type of organization, any 1115 Waiver activities other than the role as an Anchor (including DSRIP activities), and, any other Administrative Costs or Claiming in which the organization participates.
- The next section, “Administrative Activities,” outlines a detailed narrative description and budget (projected costs) summary for each of the six allowable activities for this Protocol. Each Anchor has also submitted an Excel budget (projected costs) spreadsheet (reference Attachment E, which contains RHP 1 through RHP 20 Budget (Projected Costs). The documents also include the indirect rate proposed. If the rate proposed is higher than 10 %, the Anchor provides a justification proposed for the higher amount that is specific to the Anchor functions for the 1115 Waiver.
- The last section, “Cost Allocation Methodology,” describes the specific method that the particular Anchor uses to account for its relevant staff and/or contract time, and to allocate the staff/contractor time according to multiple activities or cost objectives. The methodology described is required to provide sufficient detail to demonstrate that costs are not duplicated in other programs. Anchors are using a similar methodology for cost allocation that results in a Percent Effort Spreadsheet (Attachment D.1) The approach is consistent with the "2003 CMS Medicaid School-Based Administrative Claiming Guide" incorporating the following requirements:
    a. Reflect an after the fact distribution of the actual activity of each employee;
    b. Are prepared monthly and coincide with one or more pay period;
    c. Are signed by the employee as being a true statement of activities and the employee/office will retain the documentation to support the report;
    d. Account for the total activity for which each employee is compensated.

    The Anchors will utilize a “Time and Effort” reporting process similar to the process utilized by the Texas A&M University System for federally sponsored projects. This process is required for all federally sponsored projects in order to validate that direct salaries and wages charged are reasonable and accurately reflect the work performed. The Anchors will use a spreadsheet and designate a percent effort for each activity by individual employee based on time spent on each activity on a monthly basis.

A narrative overview description of each Anchor is provided below; see the attachments for further details for each Anchor. Also see the *Attachment E* - which includes a *Consolidated Budget Summary* that adds all twenty Anchors into a single total cost projection.

Anchors are using the Percent Effort Spreadsheet as a consistent methodology beginning DY 3 (October 2013) and will also use DY 4 and 5. Anchors have also described a methodology used for DY 2 (October 2012 through August 2013) in their narratives attached.

RHP 1: University of Texas Health Science Center at Tyler (UTHSCT) participates in the 1115 Waiver as an Anchor, as a Performing Provider for DSRIP, and also in the Uncompensated Care (UC) Program. Expenses for Anchor activities are maintained separately from any other administrative functions of the institution. UTHSCT participates in Medicaid, Medicare, and federal funding for graduate medical education programs; none of these programs provide administrative match.

RHP 2: University of Texas Medical Branch (UTMB) participates in the 1115 Waiver as an Anchor, as a Performing Provider for DSRIP, and in UC. For the Anchor function, UTMB created the Office of Waiver Operations.

RHP 3: Harris Health System participates in the 1115 Waiver as an Anchor, as a Performing Provider for DSRIP, and in UC. The organization's DSRIP projects are all related to patient care, with no costs that could also be considered Anchor administration. There are no Anchor administrative costs that could be claimed under other state or federal programs. RHP 3 is Texas' largest region and has included significant detail in attached narrative for the staff involved in Anchor administrative activities.

RHP 4: Nueces County Hospital District (NCHD) participates in the 1115 Waiver as an Anchor. NCHD is not a provider for Medicaid, Medicare, or any other federal program, nor does it operate any healthcare facilities. The organization does not participate in any programs that have administrative cost claiming. It is an IGT entity for DSRIP and Uncompensated Care.

RHP 5: Hidalgo County is a local governmental entity and participates in the 1115 Waiver as an Anchor. It is also an IGT entity for funding for Uncompensated Care. Hidalgo County currently participates in the Medicaid Administrative Claiming (MAC) program. Hidalgo County is not planning to submit administrative costs at this time. Narrative information is not included.

RHP 6: The Bexar County Hospital District, doing business as University Health System (UHS), participates in the 1115 Waiver as an Anchor, as a Performing Provider for DSRIP projects, and in UC. University Health System prepares an annual Medicare/Medicaid cost report and submits administrative reports as required through grants and research programs. UHS has proposed an indirect cost rate of 34.8 %, which is the current federal negotiated cost rate with the Department of Health and Human Services (DHHS) used for grants and research.

RHP 7: The Travis County Healthcare District, doing business as Central Health, participates in the 1115 Waiver as an Anchor and IGT entity for DSRIP and UC. Central Health does not provide direct services but rather contracts with providers such as the Seton Healthcare Family. Central Health is the 51% owner of the Community Care Collaborative (Seton Healthcare Family is 49% owner). The Community Care Collaborative is a performing provider for DSRIP projects. Central Health is also the sole owner of Sendero Health Plan Medicaid Health Maintenance Organization (HMO). Sendero has a separate board, staff and facilities. Central Health does not participate in any other administrative costs or claiming.

RHP 8: Texas A&M Health Science Center (TAMHSC) is the anchoring entity for both RHP 8 and RHP 17. There is separate Anchor staff for the two regions. RHP 8's Anchor staff is at TAMHSC's Round Rock campus; RHP 17 is at the Bryan campus. TAMHSC is a health related institution operating as a component under Texas A&M University and, in addition to the anchor role, participates in the 1115 Waiver as an IGT entity, and as a performing provider for DSRIP projects in RHP 17. TAMHSC's School of Rural Public Health is currently under contract with HHSC to conduct the Statewide Evaluation of the 1115 Waiver.

RHP 9: Dallas County Hospital District, DBA Parkland Health and Hospital System, "Parkland" is the anchoring entity for RHP 9. Parkland is the largest public safety net hospital in the Dallas area and participates in the 1115 Waiver as an Anchor, IGT entity for DSRIP and UC, a performing provider for DSRIP projects, and participates in UC. Parkland does not receive any other administrative match for Medicaid or any other federal program in which they participate. No costs related to Parkland as a participating provider are included in the costs.

RHP 10: Tarrant County Hospital District, DBA JPS Health Network, is the anchoring entity for RHP 10 and also participates in the 1115 Waiver as an IGT entity for DSRIP and UC, DSRIP performing provider, and in UC.

RHP 11: Palo Pinto General Hospital, in Mineral Wells, TX (about 50 miles west of Ft. Worth), is the anchoring entity in RHP 11. It is a small rural hospital and reports that it does not have resources to document administrative activities, and thus is not planning to participate in administrative match claiming at this time.

RHP 12: Lubbock County Hospital District, *dba* University Medical Center (UMC), is the anchoring entity in RHP 12, and participates in the 1115 Waiver as Anchor, DSRIP performing provider, UC, and as an IGT entity. UMC does not participate in any other administrative costs or claiming.

RHP 13: McCulloch County Hospital District, in Brady, TX (about 75 miles east of San Angelo), the anchoring entity in RHP 13, and is not planning to submit administrative costs at this time. Narrative and cost information is not included.

RHP 14: Ector County Hospital District, DBA Medical Center Health System (MCHS), is the anchoring entity in RHP 14 and also participates as a performing provider in DSRIP, in UC and as an IGT entity. MCHS does not participate in other administrative match or claiming activities. For the purposes of Anchor functions, MCHS relies solely on one lead staff person.

RHP 15: El Paso County Hospital District, DBA University Medical Center of El Paso (UMC) is the anchoring entity in RHP 15 and also participates in the 1115 Waiver as a performing provider for DSRIP, UC, and an IGT entity for both DSRIP and UC. UMC also claims administrative types of costs on the Medicare and Medicaid cost reports. The anchor administrative costs will be excluded from these filings.

RHP 16: Coryell County Memorial Hospital Authority, the anchoring entity in RHP 16, is not planning to submit administrative costs at this time. Narrative and cost information is not included.

RHP 17: Texas A&M Health Science Center (TAMHSC) is the anchoring entity for RHP 8 and RHP 17. The RHP 17 Anchor team, as well as RHP 8 Anchor team, operates under the Rural and Community Health Institute which is a component of the College of Medicine. TAMHSC is a health related institution operating as a component under Texas A&M University and, in addition to the anchor role, participates in the 1115 Waiver as an IGT entity, and as a performing provider for DSRIP projects in RHP 17. RHP 17 Anchor team is housed at the Bryan TX campus.

RHP 18: Collin County is the anchoring entity for RHP 18. Collin County is not a Medicaid provider and does not participate as a Performing Provider in DSRIP or in UC.

RHP 19: Electra Hospital District (*dba* Electra Memorial Hospital) is the anchoring entity in RHP 19, and is not planning to submit administrative costs at this time. Narrative and cost information is not included.

RHP 20: Webb County is the anchoring entity in RHP 20. The Anchor did not submit a narrative, so cannot claim any costs unless this is rectified. Note that although narrative information was not submitted, preliminary costs information was submitted in an earlier request: $371,000 for DY2, and $395,000 for DY3.

B. The state is at risk for loss of FFP should an audit of this waiver find non-compliance with Federal statute, regulations, protocols, and guidance.

State Response:

Understood. Language is incorporated in Cost Principles that hold the Anchors to this same standard and risks.

C. The state may be required to develop an administrative claiming plan (protocol) that is described in a later section of this agreement and to amend its cost allocation plan.

In order for the costs of administrative activities to be claimed as Medicaid administrative expenditures at the 50% FFP rate, the state assures that the following requirements are understood and met:

- ✓ The state complies with all Federal statute, regulations and guidance for all claims for FFP.
- ✓ Costs are "necessary for the proper and efficient administration of the Medicaid State Plan" (Section 1903(a)(7) of the Social Security Act).
- ✓ If applicable, costs are allocated in accordance with the relative benefits received by all programs, not just Medicaid.

- ✓ Claims for costs are not duplicate costs that have been, or should have been, paid for through another federal funding source or paid as part of a rate for direct medical services.
- ✓ State or local governmental agency costs are supported by an allocation methodology under the applicable approved public assistance Cost Allocation Plan (42 Code of Federal Regulations (CFR) 433.34) submitted to the Division of Cost Allocation.
- ✓ Costs do not include funding for a portion of general public health initiatives that are made available to all persons, such as public health education campaigns.
- ✓ Costs do not include the overhead costs of operating a provider facility or otherwise include costs of a direct medical services to beneficiaries (these should be claimed as medical service costs, and not plan administration).
- ✓ Costs do not duplicate activities that are already being offered or should be provided by other entities, or through other programs.
- ✓ Costs are supported by adequate source documentation.
- ✓ Costs are not federally-funded or used for any other federal matching purposes.

State Response:

Understood. As a result of the specific guidance, the state has now added language to the Cost Principles that holds the Anchors to the above requirements. See new section I.E. entitled "Core CMS requirements for cost allowability" in the revised version of 1115 Waiver Cost Principles (reference Attachment A).

D. Under the waiver, the state must:

1. **Provide a detailed summary budget and a narrative description of all administrative expenditures for review and approval.**

State Response:

The total net impact to the Federal government of the administrative claiming hereunder, after incorporating offsetting IGT, shows the 50% Federal match at $4.0 Million for DY2, and $5.1M for DY3.

In terms of what they will be claiming (in total dollars, before the impact/offset of IGTs), the twenty RHPs report that they have spent $8.0M during DY2, and plan to spend $10.1M in DY3. Actual expenditures are higher, in that five RHPs plan to not claim administrative expenses hereunder.

Most RHPs are far under their individual maximum allowed amounts, and the aggregate amount of administrative claiming is about one-third of the maximum state-wide amount allowed.

A summary of each Anchor's narrative is provided in Section A above. The full Anchor narratives are provided in Attachment D. Further, an aggregate budget narrative is included within Attachment E. Attachment E also includes substantial budget details,

including an aggregate overview by Administrative Activity, a summary overview by RHP, and a detailed numerical page for each individual RHP.

2. **Submit a narrative budget of administrative expenditures for review purposes to be referenced in the administrative claiming section of the standard terms and conditions for the waiver.**

   State Response:
   A summary of each Anchor's narrative is provided in Section A above. The full Anchor narratives are provided in Attachment D. An aggregate budget narrative is included within Attachment E, along with additional budget details.

3. **Obtain prior approval from CMS for any changes to the methodology used to capture or claim FFP for administrative costs associated with the Waiver/Demonstration**

   State Response:
   Understood.

4. **Describe how the State and its partners will offset other revenue sources for administrative expenditures associated with the Waiver/Demonstration, if applicable.**

   State Response:
   N/A

5. **Detail the oversight and monitoring protocol to oversee all aspects of the Waiver/Demonstration including administrative claiming for the Waiver/Demonstration.**

   State Response:
   A monitoring function is planned for the Waiver that is under development with CMS that may include staff and/or contracted activities.

6. **Obtain prior approval for any new categories of administrative expenditures to be claimed under the Demonstration.**

   State Response:
   Understood.

7. **Agree to permit CMS to review any time study forms and/or allocation methodology related documents that are subsequently developed for use by this program, prior to modification or execution.**

   State Response:
   Understood.

8. **Submit a Medicaid administrative claiming plan to CMS for review and approval prior to implementation and/or claiming costs.**

   State Response:
   Initial Medicaid administrative claiming plan was submitted February 2012.

9. **Submit copies of all of the interagency agreements/MOUs/ and signed contracts for vendors that include administrative costs under this Waiver/Demonstration.**

   State Response:
   Understood.

II. Interagency Agreements/Memorandum of Understanding (MOU)/Contracts

A. Only the state Medicaid agency may submit a claim to CMS to receive FFP for allowable Medicaid costs. Therefore, every participating entity that is performing administrative activities on behalf of the Medicaid agency must be covered, either directly or indirectly, through an interagency agreement, memorandum of understanding (MOU) or contractual arrangement.

These agreements must describe and define the relationships between the state Medicaid agency and the sister agency or sub-grantee claiming entity and document the scope of the activities to be performed by all parties. The interagency agreements must be in effect before the Medicaid agency may submit claims for federal matching funds for any administrative activities conducted by the entity as detailed in the agreement with the Medicaid agency. Although CMS does not have approval authority for interagency agreements, nor are we party to them, the agency reserves the right to review interagency agreements executed for purposes of administering the waiver.

State Response:
See anchor list in box below. Contracts will be executed with each Anchor utilizing the Anchor Contract Template (Attachment F). Anchor Administrative Costs reimbursement is contingent on signed MOU or Contract.

Agency Name/Sub-grantee	Date of Signed MOU or Contract
University of Texas Health Science Center at Tyler	
University of Texas Medical Branch	
Harris Health System	
Nueces County Hospital District	
Hidalgo County	
University Health System	

Travis County Healthcare District (Central Health)	
Texas A&M Health Science Center	
Dallas Cty Hosp District (Parkland Health & Hosp)	
Tarrant Cty Hosp District (JPS Health Network)	
Palo Pinto General Hospital District	
Lubbock County Hospital District - University Medical Center	
McCulloch County Hospital District	
Ector County Hospital District (Medical Center Health System)	
University Med Ctr of El Paso (El Paso Hosp Dist)	
Coryell County Memorial Hospital Authority	
Texas A&M Health Science Center	
Collin County	
Electra Hosp District (Electra Memorial Hospital)	
Webb County	

B. The agreements above describe and define the relationships between the state Medicaid agency and the sister agency or sub-grantee claiming entity and document the scope of the activities being performed by all parties.

State Response:

Understood.

C. The interagency agreement or sub-grant contract must describe the Medicaid administrative claiming process, including an allocation methodology, (i.e., time study) to identify the services the state Medicaid agency will provide as well as those to be performed by the local entity, including any related reimbursement and funding mechanisms, and define oversight and monitoring activities and the responsibilities of all parties.

State Response:

See cost reporting template (Attachment B).

D. All requirements of participation the state Medicaid agency determines to be mandatory for ensuring a valid process should be detailed in the agreement. Maintenance of records, participation in audits, designation of local project coordinators, training

timetables and criteria, and submission of fiscal information are all important elements of the interagency agreement.

The interagency agreement includes:

- ✓ Mutual objectives of the agreement;
- ✓ Responsibilities of all the parties to the agreement;
- ✓ A description of the activities or services each party to the agreement offers and under what circumstances;
- ✓ Cooperative and collaborative relationships at the state and local levels;
- ✓ Specific administrative claiming time study activity codes which have been approved by CMS, by reference or inclusion;
- ✓ Specific methodology which has been approved by CMS for computation of the claim, by reference or inclusion;
- ✓ Methods for reimbursement, exchange of reports and documentation, and liaison between the parties, including designation of state and local liaison staff.

State Response:

See updated contract form (Attachment G), Cost Principles (Attachment A), and cost reporting template (Attachment B).

E. Many interagency agreements require the governmental agency that performs the administrative activities to provide the required state match for Medicaid administrative claiming.

State Response:

Anchors will be required to provide the required state match.

III. Non-federal Share Funding Source

For each activity and/or agreement to provide an activity please specify the source of the non-federal share of funding below. The non-federal share of the Medicaid payments must be derived from permissible sources (e.g., appropriations, Intergovernmental transfers, certified public expenditures, provider taxes) and must comply with federal regulations and policy.

Activity/Agreement	Funding Source
RHP01 Anchor Administrative Costs	UT Health Science Center Tyler
RHP02 Anchor Administrative Costs	The University of Texas Medical Branch at Galveston (UTMB)
RHP03 Anchor Administrative Costs	Harris Health System
RHP04 Anchor Administrative Costs	Anchor Entity (Nueces County Hospital District)
RHP05 Anchor Administrative Costs Not planning to submit at this time	Anchor – Hidalgo County
RHP06 Anchor Administrative Costs	University Hospital

RHP07 Anchor Administrative Costs	Public funds as defined in Rule 355.8202 of the Texas Administrative Code
RHP08 Anchor Administrative Costs	Texas A&M Health Science Center
RHP 09 Anchor Administrative Costs	Parkland Health & Hospital System
RHP10 Anchor Administrative Costs	Anchor – JPS Health Network
RHP11 Not planning to submit costs as this time	
RHP12 Anchor Administrative Costs	Lubbock County Hospital District dba University Medical Center
RHP13 Not planning to submit costs as this time	
RHP 14 Anchor Administrative Costs	Ector County Hospital District
RHP 15 Anchor Administrative Costs	El Paso County Hospital District d/b/a UMC of El Paso
RHP16 Not planning to submit costs as this time	
RHP 17 Anchor Administrative Costs	Texas A&M Health Science Center
RHP18 Anchor Administrative Costs	Collin County Healthcare Foundation
RHP19 Not planning to submit costs as this time	
RHP20 Did not submit narrative	

State Response:

See anchor list above.

IV. Administrative Activities

The state and its partners must describe the proposed administrative activities to be performed in the section below.

Activity	Provider
The provision of appropriate accounting, human resources, and data management resources for the RHP;	Anchors
The coordination of RHP annual reporting, as specified in the Program Protocol, on the status of projects and the performance of Performing Providers (as defined in the Program Protocol) in the region;	Anchors

The provision of RHP data management for purposes of evaluation;	Anchors
The development and facilitation of one or more regional learning collaboratives;	Anchors
Communication with stakeholders in the region	Anchors
Communication on behalf of the RHP with HHSC.	Anchors

State Response:

See the list of proposed administrative activities in the box immediately above. For additional details, further see the cost reporting template (Attachment B), the contract form (Attachment F), and updated Cost Principles (Attachment A).

V. Identification, Documentation and Allocation of Costs

A. Public Assistance Cost Allocation Plan

1. **The Public Assistance Cost Allocation Plan (CAP) is a narrative description of the procedures that the state agency will use to identify, measure, and allocate costs incurred under this Waiver/Demonstration. All administrative costs (direct and indirect) are normally charged to federal grant awards such as Medicaid through the state's public assistance Cost Allocation Plan (CAP).**

   State Response:

   Submitted February 2012.

2. The single state agency has an approved public assistance cost allocation plan (CAP) on file with the Division of Cost Allocation in the U.S. Department of Health and Human Services that meets certain regulatory requirements, which are specified at Subpart E of 45 CFR part 95 and referenced in OMB Circular A-87, Attachment D.

   State Response:

   Submitted February 2012.

3. Upon approval of this Waiver/Demonstration, it is the responsibility of the state Medicaid agency to amend their CAP plan and submit to the DCA for review and approval.

   State Response:

   Understood.

4. In accordance with the statute, the regulations, and the Medicaid state plan, the state will maintain/retain adequate source documentation to support Medicaid payments.

   State Response:

Understood.

5. Upon approval, the CAP must reference the claiming mechanism, the interagency agreement, and the time study methodology and other relevant issues pertinent to the allocation of costs to submit claims. The time study requirements are described in the next section.

State Response:
Understood. Note: the State is not proposing time studies.

B. <u>Cost Allocation Methodology and/or Time Study Description</u>

The state will describe the methodology used to account for 100% of staff time (i.e., time study and/or sampling system) to allocate the staff time accordingly to multiple activities or cost objectives. The time study allocates the share of costs to administrative activities (both Medicaid and non-Medicaid) and direct medical services as well as all other funding sources that are not reimbursable under this administrative claiming protocol. The time study must be described in sufficient detail to include a description of each Medicaid and non-Medicaid codes (to allocate to other federal and non-federal programs) to account for 100% of staff time.

The state and its partners are responsible to develop a time study methodology and instructions to capture costs and reflect all of the time and activities performed by staff. The time study must include careful documentation of all of the work performed by staff over a set period of time and is used to identify, measure and allocate staff time devoted to Medicaid reimbursable administrative activities.

A Medicaid allocation statistic is applied to the resulting recognized administrative cost pool to determine Medicaid's reimbursable administrative cost. Note: Overhead costs incurred that are an integral part of, or an extension of, the provision of services by medical providers, are to be included in the rate paid by the state or its fiscal agent for the medical service. These costs are not claimable as administrative expenditures and there is no additional FFP available under this section.

In accordance with the statute, regulations and the Medicaid state plan, the state is required to maintain and retain source documentation to support Medicaid payments for administrative activities. The basis of this requirement can be found in statute and regulations.

See section 1902 (a)(4) of the Act and 42 CFR 431.17. Documentation maintained in support of administrative claims must be sufficiently detailed to permit CMS to determine whether activities are necessary for the proper and efficient administration of the state plan.

Provide the cost identification and time study methodology descriptions here, if applicable.

State Response:

Anchors are using a similar methodology for cost allocation that results in a Percent Effort Spreadsheet (Attachment D.1)

a. Reflect an after the fact distribution of the actual activity of each employee;
b. Are prepared monthly and coincide with one or more pay period;
c. Are signed by the employee as being a true statement of activities and the employee/office will retain the documentation to support the report;
d. Account for the total activity for which each employee is compensated.

VI. Authorized Collaborations/Partnerships

A. As part of the total amount payable under this Waiver/Demonstration authority granted under section 1115(a)(2) of the Social Security Act (the Act) by the Centers for Medicare & Medicaid Services (CMS) Federal Financial Participation (FFP) as authorized by 42 Code of Federal Regulations (CFR) 433.15 is available at the 50 percent matching rate for administrative costs required for "proper and efficient" administration of the Waiver/Demonstration and subject to the limitations outlined below.

State Response:
Understood.

VII. Administrative Claiming Budget and Budget Narrative

Provide a detailed budget and budget narrative. The budget must crosswalk all of the administrative activities and staff positions associated with administrative services.

State Response:
Each anchor has provided based on draft cost reporting template, and contract and updated cost principles.

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Attachment B – Cost Template – This is the cost reporting template, in the form of a locked Excel spreadsheet, which provides additional framework and controls for reporting of administrative costs by each Anchor. Among other data, the spreadsheet shows costs by activity by Demonstration Year for each Anchor.

Attachment C – RHP Map – This map of the state of Texas shows the locations of the twenty Regional Healthcare Partnerships, whose members may participate in the Delivery System Reform Incentive Payment (DSRIP) program.

Attachment D – RHP Narratives – Each Anchor has submitted a narrative description, per the CMS requirements herein, which has been reviewed by HHSC. This attachment shows this narrative detail for each of the twenty Anchors.

Attachment D.1 -- Percent Effort Spreadsheet -- Each Anchor will utilize this spreadsheet for cost allocation methodology.

Attachment E – RHP Budget (Projected Costs) and Consolidated Budget Summary – Each Anchor has submitted a cost projection / budget by Demonstration Year, which is subject to the maximums as established by CMS. There is a separate spreadsheet for each of the twenty Anchors. HHSC has consolidated the individual submittals from the twenty Anchors into a combined state total by activity by Demonstration Year.

Attachment F – Anchor Contract template -- This is the proposed form for the contracts between HHSC and each of the separate Anchors. Among other things, the contract outlines tasks and

responsibilities, payment terms, and various requirements, such as adherence to the Cost Principles for submission of allowable costs for reimbursement hereunder.

Attachment L
Independent Consumer Support System Plan

1. Introduction

The Health and Human Services Commission (HHSC) is submitting this report as required by the Centers for Medicare and Medicaid Services (CMS) in its agreement with the State of Texas to operate Medicaid managed care under the authority of the Texas Healthcare Transformation and Quality Improvement Program, Section 1115(a) Demonstration (THTQIP 1115(a)). The THTQIP 1115(a) demonstration requires an independent consumer supports system to support beneficiary experience receiving medical assistance and long term services and supports in a managed care environment. Texas is required to maintain a consumer support system that is independent of the managed care organizations to assist enrollees in understanding the coverage model and in the resolution of problems regarding services, coverage, access and rights. see THTQIP 1115(a), STC 20.e.ii.)

2.
Independent Consumer Support System (ICSS)

Texas' independent consumer supports system consists of the HHSC's Medicaid/CHIP Division, Office of the Ombudsman (Ombudsman), the State's managed care Enrollment Broker (EB, "MAXIMUS"), and community support from the Aging and Disability Resource Centers (ADRCs). These entities operate independently of any Medicaid managed care organization (MCO) and work with beneficiaries and MCOs to ensure beneficiaries working to enroll with a MCO understand their managed program, MCO options, and the process for resolving issues.

HHSC's Medicaid/CHIP Division includes staff devoted to providing guidance to the MCOs on Medicaid policy and managed care program requirements, reviewing MCO materials, monitoring the MCO's contractual obligations, answering managed care inquiries, and resolving managed care complaints. HHSC also implements MCO corrective action plans and assesses damages when necessary.

Data related to the ICSS is reported and monitored regularly, on at least a quarterly basis, by all entities discussed in this report. Within each system, the data is reported consistently and across all systems; the data reported is similar.

Ombudsman

The Ombudsman consists of three units dedicated to assisting beneficiaries with health and human services related concerns and a fourth unit specializing in operations and reporting. The units consist of the Hotline unit which receives and triages general health and human services inquiries and complaints, the Special Services unit which assists consumers with more in-depth, complex complaints, and the Medicaid Managed Care Helpline (MMCH) unit that was created to serve Medicaid managed care beneficiaries. These units work under the same Ombudsman leadership. The Ombudsman exists outside of agency program areas and

operates independently of the Medicaid/CHIP Division and any MCO. The Ombudsman's primary purpose is to facilitate the resolution of complaints and inquiries through a collaborative and transparent operation. The office serves as the central point of contact when any Medicaid beneficiary needs assistance obtaining health care services or has a complaint or issue regarding an agency, MCO, or program.

To fulfill its purpose, the Ombudsman offers several ways beneficiaries can access the Ombudsman's assistance: toll-free hotline, online submission, fax, and mail. Similarly, staff are able to work with beneficiaries over the phone, email, fax, and mail, in addition to offering notices by text message or email to provide beneficiaries with updates regarding the status of their concern. The toll-free line offers bilingual services (English and Spanish) and employs two language interpreter vendors for other languages as needed. The Ombudsman strives to make contact information widely available to consumers and maintains a dedicated legislative line for public officials.

The Ombudsman serves as a central access point for beneficiaries to voice complaints or raise issues of concern, specifically related to MCO enrollment and access to services. The office assists beneficiaries through the navigation of the Medicaid managed care system, and educates about the enrollment process and services available under this system. Staff is available to help resolve problems and is trained to educate beneficiaries about their rights related to grievance and appeal processes both through the MCO and through the State, including their right to request a fair hearing. Staff encourages individuals to seek to resolve issues first with the entity or program providing services, but staff will also work directly with MCOs, other State staff, and beneficiaries to assist with issue resolution where appropriate. The MMCH unit was created to teach beneficiaries to advocate for themselves. Staff also advocates on the beneficiary's behalf to resolve problems, including access to care issues, through direct coordination with the beneficiary's MCO. At times, the Ombudsman staff will assist beneficiaries to achieve self-advocacy skills by modeling these skills on a three-way call between the Ombudsman, the beneficiary, and the other entity (such as the MCO).

To ensure staff is adequately prepared to assist beneficiaries, the Ombudsman employs staff with a wide background of experience and knowledge of health and human services programs, services, and individual populations. Ombudsman staff are not typically entry-level employees. New staff receive training designed to expand their knowledge of the State's Medicaid programs and services, including beneficiary protections and rights, in order to best meet consumer needs. Formal training is provided to enhance customer service and the office ensures ongoing training to keep staff abreast of agency initiatives and policy changes, specifically those related to Medicaid, STAR, STAR+PLUS, waiver programs, and Medicare, as well as relevant Social Security Administration policy.

The Ombudsman regularly hosts representatives from various organizations and programs who train staff to better serve individuals with complex needs and/or diverse backgrounds in

an effort to better understand the needs of populations served through the system and resources available, including: National Alliance on Mental Illness, the Department of Aging and Disability Services (DADS), Area Agencies on Aging (AAAs), as well as the following HHSC offices: 2-1-1 Information and Referral, Office of Acquired Brain Injury, Medical Transportation Program, Center for Elimination of Disproportionality and Disparities (CEDD), and the Data Integrity Division, which assists with concerns related to Social Security Income (SSI-related) Medicaid and the Medicare Savings Program processes. Staff have opportunities to attend external training events such as the Central Texas African American Family Support Conference where they interact with consumers of agency services, CEDD annual conference, various health expositions, and professional development trainings. Additionally, Ombudsman staff and leadership attend stakeholder meetings at HHSC and DADS, as well as advisory committee meetings, and communicate to all Ombudsman staff the needs and concerns expressed at such meetings. The Ombudsman staff and Medicaid/CHIP Division staff meet regularly to share information and discuss trends and issues.

The HHSC Ombudsman utilizes a custom designed and secure web-based data tracking system to document each contact received. Staff use the tracking system to collect detailed information such as: specific beneficiary information, the nature of the contact, the type of Medicaid program, beneficiary demographic and residence information, the related MCO, whether a complaint is substantiated or unsubstantiated, and the resolution.

The fourth unit within the Ombudsman, Operations and Reporting, compiles and analyzes inquiry and complaint data from this system and prepares ad hoc and routine reports for internal and external use. Trend analysis is conducted to examine: the types of issues beneficiaries experience, the demographic service area, the responsible MCO, and to identify potential serious, systemic and emerging issues and trends. Reports and analysis are routinely shared, no less than quarterly, with the appropriate program areas including the Medicaid/CHIP Division and executive HHSC leadership, in an effort to address potential systemic issues and improve service to beneficiaries.

Enrollment Broker (EB)

The EB is an entity contracted with HHSC and operates independently of any MCO. The EB serves as an intermediary between the MCOs, beneficiaries, and the State regarding all aspects of enrolling a beneficiary into a MCO. The EB's purpose is to improve access to health and human service programs and reduce administrative burden on beneficiaries, providers, and the State of Texas.

The EB fulfills its contractual obligations by educating beneficiaries about their managed care options and the enrollment process, issuing enrollment packets, operating a call center for beneficiaries, conducting outreach and enrollment events for beneficiaries, conducting home visits, and working one-on-one with beneficiaries to assist with completion of

managed care enrollment. To complete enrollment into a MCO, beneficiaries may submit enrollment forms via fax, mail, and online, or call the EB's toll-free hotline to complete the MCO enrollment process. Spanish speaking hotline staff is available, as needed. The EB is also required to provide language translation for all languages as needed. The EB accepts complaints from beneficiaries about the Medicaid and CHIP programs and MCOs. Any complaint is escalated to HHSC if it cannot be resolved by the EB.

When additional types of beneficiaries become eligible for managed care, the EB implements a specific outreach plan to assist and educate the new beneficiaries locally. For example, for the 2014-15 enrollment period, the EB will conduct enrollment events, community education sessions, and home visits for individuals with intellectual and developmental disabilities and individuals residing in nursing facilities statewide, and to individuals residing in the Medicaid Rural Service Area to educate them about Medicaid managed care and enrolling in the STAR+PLUS program. These events will include collaboration with the AAAs and local intellectual and developmental disability authorities.

To ensure staff are adequately prepared to assist with managed care enrollment and handle complaints as required by their contract with HHSC, the EB employs staff that are properly trained and qualified to perform the functions required by their contract and requires staff complete required training on each of the managed care programs: STAR, STAR+PLUS, STAR Health, CHIP, and Dental. Specific training is provided when new populations are added to Medicaid or CHIP managed care, such as training about providing acute care for individuals with intellectual and developmental disabilities through the managed care system. The EB is required to ensure staff participates in trainings on population-specific sensitivity and effective communication training.

In order to provide adequate oversight, HHSC requires the EB to submit relevant reports, policies and procedures on a regular basis and expects the EB to maintain policies or procedures approved by HHSC. The EB provides HHSC a monthly report on the following: staff training provided , including the types of trainings, the number of participants that passed or failed the class and any remediation plans if a participant did not pass; quality assurance trend analysis related to evaluations; MCO provider network reports, including the number of primary care providers and specialists; enrollment reports summarizing the number of monthly and year-to-date enrollments for each managed care program; call center performance, including results and recommendations for improvement; complaint and dispute information that includes the reason or type of complaint, resolution by incidence, and issues or complaints escalated to HHSC. Separate enrollment reports are submitted for pregnant women and beneficiaries with special health care needs who have been enrolled.

The EB is required to annually submit and maintain a communication and coordination management plan that outlines its overall approach for communications with HHSC, other contractors, and stakeholders. The EB submits an annual progress and statistical report that includes trend analyses, performance data and metrics. The EB submits outreach and

informing policies, procedures, and business rules on a quarterly and annual basis. A complaint and dispute analysis report is sent to HHSC quarterly. Reports are also submitted regarding the EB's outreach and informing efforts.

Aging and Disability Resource Centers

The Aging and Disability Resource Centers (ADRCs) operate independently of any MCO and have historically been grantees of the Department of Aging and Disability Services (DADS). Coordinated through DADS and made up of key partners including the area agencies on aging, local intellectual and developmental disability authorities, and regional DADS staff, the ADRCs provide information about state and federal benefits, primarily to individuals who are aged or disabled seeking assistance.

The ADRCs are a point of contact in the state for people who are aged or have a disability; have physical or intellectual disabilities; or have mental health or substance abuse issues. The ADRCs work with individuals at an individual ADRC, over the phone, or in a person's home if needed. ADRCs offer language assistance through their staff, a statewide language line, or through external vendors under language assistance contracts. The ADRCs assist individuals to determine their needs, provide information about services, and provide person-centered planning to discuss options that most closely meet an individual's needs, which could include assisting an individual enrolling in managed care and accessing other state or federal programs.

According to their contracts, ADRCs must report performance metrics to DADS on a quarterly basis. Current measures relate to outreach and training events, information and referral data, and certain caller demographic data (age, need, conditions, caregiver information). In September 2015, ADRCs will also report data related to the provision of the Long Term Services and Supports (LTSS) pre-screening assessment tool. These metrics and the development of uniform intake, assessment, reporting and referral management processes will ensure a standardized and consistent consumer experience statewide.

The ADRCs play a key role in the statewide "No Wrong Door" system of information and access by promoting better coordination and integration among existing networks of aging and disability services. ADRC partners employ extensive cross-training to ensure consistent service delivery at all ADRC access points. This cross-training includes but is not limited to extensive training in cultural competence; the health and service options of individuals with complex, multiple needs, chronic conditions, disabilities and cognitive or behavioral needs; the state's Medicaid Programs; and beneficiary protections. Training also includes specific information about existing state-level consumer support access points including the Ombudsman, Medicaid Managed Care Helpline, Enrollment Broker services, DADS Consumer Rights and Services and the Long Term Care Ombudsman Program.

3. <u>Conclusion</u>

Attachment L
Independent Consumer Support System Plan

HHSC primarily relies on Medicaid/CHIP Division staff, the Ombudsman and EB to support consumers receiving Medicaid managed care. These entities assist beneficiaries navigating the managed care system by educating about options, rights, and processes for enrollment and issue resolution. ADRCs are an integral community support in the consumer support system for the State of Texas, as they also assist, educate, counsel, and advocate on behalf of beneficiaries seeking services. Together, these entities ensure beneficiaries are able to understand their options and the services available to them, successfully enroll in Medicaid managed care, and resolve any issues that may arise.

Attachment L
Independent Consumer Support System Plan

Attachment M

Historical Demonstration Information

The Texas Legislature, through the 2012-2013 General Appropriations Act and Senate Bill 7, instructed the Texas Health and Human Services Commission (HHSC) to expand its use of pre-paid Medicaid managed care to achieve program savings, while also preserving locally funded supplemental payments to hospitals. The State of Texas submitted a section 1115 Demonstration proposal to CMS in July 2011 to expand risk-based managed care statewide consistent with the existing STAR section 1915(b) and STAR+PLUS section 1915(b)/(c) waiver programs, and thereby replace existing Primary Care Case Management (PCCM) or fee-for-service (FFS) delivery systems. The state sought a section 1115 Demonstration as the vehicle to both expand the managed care delivery system, and to operate a funding pool, supported by managed care savings and diverted supplemental payments, to reimburse providers for uncompensated care costs and to provide incentive payments to participating hospitals that implement and operate delivery system reforms.

STAR and STAR+PLUS Programs

STAR is the primary managed care program providing acute care services to low-income families, children, and pregnant women. STAR+PLUS provides acute and long-term service and supports to older adults and adults with disabilities.

The STAR and STAR+PLUS managed care programs cover most beneficiaries statewide through three geographic expansions. The first expansion occurred on September 1, 2011, under existing section 1915(b) and section 1915(c) authorities; the second expansion occurred in March 2012, under section 1115 authority; and a third expansion of STAR+PLUS occurred on September 1, 2014 under section 1115 authority as a result of an amendment to the demonstration.

Effective March 1, 2012, the STAR program expanded statewide to include the three Medicaid rural service areas (MRSAs). Following this expansion, Medicaid eligible adults who were not enrolled in Medicare, met the level of care for Home and Community Based Services (HCBS), and resided in the MRSA, had to enroll in a STAR managed care organization (MCO); children meeting these criteria could voluntarily enroll in STAR. STAR MCOs in the MRSA provided acute care services, and will coordinate acute and long-term care services with section 1915(c) waivers, such as the Community Based Alternatives Program and the Community Living Assistance and Support Services Program, that exist outside of this section 1115 demonstration.

Effective September 1, 2014, STAR+PLUS expanded to the MRSA and Medicaid eligible adults over age 21 meeting STAR+PLUS eligibility criteria and residing in the MRSA were required to enroll in STAR+PLUS. Clients under 21 who meet the criteria may able to voluntarily enroll in STAR+PLUS effective September 1, 2014, and until the implementation of STAR Kids on November 1, 2016.

STAR and STAR+PLUS beneficiaries receive enhanced behavioral health services consistent with the requirements of the Mental Health Parity Act. As of March 2012, STAR+PLUS beneficiaries began receiving inpatient services through the contracted managed care organizations (MCOs). STAR+PLUS MCOs also provide Medicaid wrap services for outpatient drugs and biological products to dual eligible beneficiaries for whom the State has financial payment obligations. Additionally, Medicaid beneficiaries under the age of 21 received the full array of primary and preventive dental services required under the State plan, through contracting pre-paid dental plans.

Effective March 6, 2014, cognitive rehabilitation therapy services (CRT) will be provided through the STAR+PLUS HCBS program.

Effective September 1, 2014, the following additional benefits are provided:

- acute care services for beneficiaries receiving services through an intermediate care facility for individuals with intellectual disabilities or a related condition (ICF/IID), or an ICF/IID waiver are provided through STAR+PLUS; employment assistance and supported employment are provided through the STAR+PLUS home and community based services (HCBS) program;
- mental health rehabilitation services will be provided via managed care; and
- mental health targeted case management for members who have chronic mental illness are provided via managed care.
- Effective March 1, 2015, nursing facility services are a covered benefit under STAR+PLUS managed care for adults over the age of 21,

Note: The NorthSTAR waiver in the Dallas service delivery area did not change as a result of the September 1, 2014 and the March 1, 2015 STAR+PLUS expansions.

Beginning January 1, 2014, children ages 6 - 18 with family incomes between 100 – 133 percent of the federal poverty level were transferred from the state's separate Children's Health Insurance Program (CHIP) to Medicaid in accordance with section 1902(a)(10)(A)(i)(VII) of the Act. Under the demonstration these targeted low-income children (M-CHIP) are required to enroll in managed care. For the purposes of eligibility and benefits, these children are considered a mandatory Medicaid group for poverty-level related children and title XIX eligibility and benefit requirements apply. The state may claim enhanced match from the state's title XXI allotment for these M-CHIP children in accordance with title XXI funding requirements and regulations. All references to CHIP and title XXI in this document apply to these M-CHIP children only. Other requirements of title XXI (for separate CHIP programs) are not applicable to this demonstration.

STAR Kids Program

Effective November 1, 2016, the following four groups of Medicaid clients from birth through age 20 will become mandatory populations through a new program under the 1115 waiver -- the STAR Kids Medicaid managed care program.

1. Clients receiving SSI and disability-related (including SSI-related) Medicaid who do not participate in a 1915(c) waiver: these children will receive their state plan acute care services and their state plan long term services and supports (LTSS) through STAR Kids.
2. Clients receiving HCBS services through the MDCP 1915(c) waiver: these children and young adults will receive the full range of state plan acute care services and state plan LTSS as well as MDCP 1915(c) HCBS waiver services through STAR Kids. The MDCP waiver will continue, but will be operated by HHSC effective November 1, 2016. This is to ensure that options for MDCP services provided under the 1915(c) authority remain available to individuals in STAR Health, which services children and young adults in the conservatorship of the Department of Family and Protective Services.
3. Clients receiving HCBS through the following 1915(c) waivers -- CLASS, DBMD, HCS, TxHmL, and YES:
    a. Clients enrolled in CLASS, DBMD, HCS and TxHmL receive their 1915(c) LTSS and 1915(k) (Community First Choice) services through their current waiver provider, which are contracted with DADS. These clients receive all other state plan LTSS and acute care services through STAR Kids.
    b. Clients enrolled in the YES waiver receive their 1915(c) LTSS through their current HCBS delivery system, which is operated by DSHS. These clients receive all state plan LTSS, including 1915(k) services, as well as all acute care services through STAR Kids.
4. Clients receiving SSI and disability-related (including SSI-related) Medicaid who reside in a community-based intermediate care facility for individuals with intellectual disabilities or a nursing facility: clients will continue to receive all long term services and supports provided by the facility through the current delivery system. All non-facility related services will be paid through STAR Kids.

Individuals in all four categories will receive a continuum of services, including acute care, behavioral health, and state plan long-term services and supports. STAR Kids managed care organizations will provide service coordination for all members, including coordination with non-capitated HCBS services that exist outside of this section 1115 demonstration. Indian children and young adults who are members of federally-recognized tribes, and have SSI or disability-related (including SSI-related) Medicaid or who are served through one of the 1915(c) waivers, will be able to voluntarily enroll in STAR Kids or opt to remain in traditional fee-for-service Medicaid.

Effective January 1, 2017, the NorthSTAR program (currently operated in Dallas, Ellis, Collin, Hunt, Navarro, Rockwall and Kaufman counties) will discontinue. All Medicaid behavioral health services previously provided to Medicaid-eligible individuals by NorthSTAR will be provided through the 1115 Medicaid STAR, STAR+PLUS and STAR Kids MCOs.[1,2]

Savings generated by the expansion of managed care and diverted supplemental payments will enable the state to maintain budget neutrality, while establishing two funding pools supported by

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[1] For members enrolled in STAR Kids, these services will be available through MCOs beginning November 1, 2016.

[2] As with all other service areas, Mental Health Targeted Case Management and Mental Health Rehabilitative services will be paid through FFS for individuals who receive Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI) funded services or PASSAR services. All wrap-around services and crossover claims will be paid via FFS for dually eligible individuals not enrolled in the duals demonstration.

Federal matching funds, to provide payments for uncompensated care costs and delivery system reforms undertaken by participating hospitals and providers. These payments are intended to help providers prepare for new coverage demands in 2014 scheduled to take place under current Federal law. The state proposes that the percentage of funding for uncompensated care will decrease as the coverage reforms of the Patient Protection and Affordable Care Act are implemented, and the percentage of funding for delivery system improvement will correspondingly increase.

Texas plans to work with private and public hospitals to create Regional Healthcare Partnerships (RHPs) that are anchored financially by public hospitals and/or local government entities, that will collaborate with participating providers to identify performance areas for improvement that may align with the following four broad categories: (1) infrastructure development, (2) program innovation and redesign, (3) quality improvements, and (4) population focused improvements. The non-Federal share of funding pool expenditures will be largely financed by state and local intergovernmental transfers (IGTs). Texas will continue to work with CMS in engaging provider stakeholders and developing a sustainable framework for the RHPs. It is anticipated, if all deliverables identified in this demonstration's STCs are satisfied, incentive payments for planning will begin in the second half of the first Demonstration Year (DY).

Through this demonstration, the state aims to:

- Expand risk-based managed care statewide;
- Support the development and maintenance of a coordinated care delivery system;
- Improve outcomes while containing cost growth;
- Protect and leverage financing to improve and prepare the health care infrastructure to serve a newly insured population; and
- Transition to quality-based payment systems across managed care and hospitals.

In May of 2016, CMS granted the demonstration a 15 month temporary extension to allow additional time for DSRIP projects to demonstrate their results. The extension also allows Texas to study its Medicaid payment and financing policies and providers' uncompensated care burdens, and prepare for the next stage in delivery system reform.

Effective September 1, 2017, the following populations are mandatory for managed care. Those who meet the STAR Kids eligibility criteria are mandatory to enroll in STAR Kids, and the remainder are mandatory to enroll in STAR.

- Clients enrolled in the Department for Family and Protective Services (DFPS) Adoption Assistance program.
- Clients enrolled in the DFPS Permanency Care Assistance program.

Effective September 1, 2017, women participating in the Medicaid for Breast and Cervical Cancer will transition to STAR+PLUS Medicaid managed care.

Health Information Technology (Health IT) Strategic Plan

November 2019

Submitted to:

Centers for Medicare and Medicaid Services

Submitted by:

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Executive Summary

The Centers for Medicare & Medicaid Services (CMS) approved the renewal of the Texas Medicaid 1115 Healthcare Transformation and Quality Improvement Program demonstration waiver on December 17, 2017. Special Terms and Conditions (STC) 39 of the waiver renewal requires the Texas Health and Human Services Commission (HHSC) to develop a Health Information Technology (Health IT) Strategic Plan related to activities in the demonstration that will "link services and core providers across the continuum of care to the greatest extent possible" using Health IT initiatives and strategies.

In Texas, the 1115 waiver governs the Uncompensated Care and Delivery System Reform Incentive Payment (DSRIP) programs. The waiver also represents the authority for most Texas Medicaid managed care, which is the service delivery model for about 93 percent of Texas Medicaid clients. As such a large purchaser of healthcare, Texas Medicaid has the unique opportunity to contribute to a global Health IT approach for the state. Texas Medicaid supports the Texas Health Information Exchange (HIE), five active community-based Health Information Exchanges (Local HIEs) and the health provider community by providing governance and infrastructure to ensure greater interoperability within the state. The Health IT Strategic Plan outlined in this document is designed to implement capabilities complementary to Texas Medicaid and the state's Health IT ecosystem.

Texas is working to increase access to health data across the healthcare continuum, through improvements in provider technologies, such as electronic health record (EHR) systems and strategic use of limited resources to develop methods for establishing interoperability. Access to Medicaid client information supports decision-making by a wide range of entities, including patients, healthcare workers, government agencies and others.

The following three Health IT/HIE strategies detailed in the Texas Health Information Exchange Implementation Advance Planning Document (HIE IAPD) provide the foundation and building blocks for bringing this Health IT Strategic Plan to fruition:

1. **Strategy 1: Medicaid Provider HIE Connectivity** – This strategy is intended to assist Local HIEs with connecting the ambulatory providers and hospitals in their respective areas.
2. **Strategy 2: Texas Health Information Exchange (HIE) Infrastructure** – This strategy aids with building connectivity between the Texas Health Services Authority (THSA), which has a statutory charge to facilitate HIE statewide, and the state's Local HIEs.
3. **Strategy 3: Emergency Department Encounter Notification (EDEN) system** – Texas statewide Health Information Exchange Plan promotes Local HIEs connecting hospitals to their information technology systems and exchanging Admission, Discharge, Transfer (ADT) messages.

This Health IT Strategic Plan discusses how Medicaid managed care can be leveraged to inform the transition to value-based care as a growing proportion of managed care organization (MCO) contracts with providers embrace alternative payment models (APMs). As Medicaid MCO payment models change, health information sharing across the state's Health IT ecosystem becomes more relevant. Texas Medicaid also has several managed care oversight initiatives underway that relate to information sharing, such as a focus on continuous organizational improvement and increasing transparency between providers and members.

Through this Health IT Strategic Plan, HHSC demonstrates compliance with STC 39. STC 39 requires the Health IT Strategic Plan to describe the state's existing Health IT environment and develop an approach to support the following capabilities in furtherance of the programmatic objectives of the demonstration:

1. **C-CDA Format** - Electronic exchange of clinical health information via Consolidated Clinical Document Architecture (C-CDA), when multiple providers provide coordinated care to a client.
2. **Master Patient Index** - Access to a comprehensive enterprise master patient index that supports the programmatic objectives of the demonstration.
3. **Provider Directory** - A comprehensive Medicaid service provider directory strategy that supports the programmatic objectives of the demonstration.
4. **Care Coordination** - Improved coordination and integration between Medicaid behavioral health, physical health, home and community-based services providers and community-level collaborators through the adoption of provider-level Health IT infrastructure and software.
5. **Care Quality** - A comprehensive Health IT enabled quality measurement strategy that supports the collection of data necessary for Texas to monitor and evaluate the demonstration's programmatic objectives.

This Health IT Strategic Plan defines achievable milestones relating to Health IT adoption by Medicaid service providers, plans for the exchange of clinical health information related to Medicaid clients statewide and advances the standards identified in the "Interoperability Standards Advisory—Best Available Standards and Implementation Specifications" (ISA). Such efforts will be undertaken in alignment with critical initiatives advanced by the 21st Century Cures Act (H.R. 34, 114th Congress, 2016) to enhance interoperability, prohibit information blocking and provide patients with easier access to their electronic health data.

This plan provides background information, including detailing Texas Medicaid's Health IT goals, providing an overview of the Healthcare Transformation and Quality Improvement Program Waiver and detailing the strategic plan development activities. This plan then highlights the findings from using CMS' "1115 Health IT Toolkit,".[1] as directed by STC 39, in conducting an assessment of seven key Health IT topic areas. Finally, the plan includes goals and milestones for Health IT in furtherance of the programmatic objectives of the demonstration.

Texas HHS Vision and Mission and Medicaid Health IT Goals

Texas HHS' vision is: "Making a difference in the lives of the people we serve" and the mission is: "Improving the health, safety and well-being of Texans with good stewardship of public resources."

The Health IT Strategic Plan supports this vision, mission and goals of the Texas Health and Human Services agencies as well as those of the Medicaid and CHIP Services Department. The plan provides a roadmap for improving the health and well-being of our citizens by identifying actions and capabilities using information from the Texas Health IT ecosystem. The plan focuses on increasing the adoption of certified EHR systems, particularly among providers not included in previous federal incentive programs; connecting Texas providers to Local HIEs and leveraging clinical and non-clinical data, data analytics, telemedicine and telehealth to facilitate improved outcomes and care coordination.

Texas Medicaid has developed the following Health IT goals specific to the 1115 Waiver:

1. Incorporate Health IT as a foundational component for the Medicaid managed care delivery model, procurement and HHSC contract oversight efforts.

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[1] CMS, in coordination with the Office of the National Coordinator (ONC) for Health IT, has created a series of toolkits and resources for Medicaid focused on health information exchange, Health IT and interoperability. "1115 Health IT Toolkit" materials accessed July 17, 2019 at: https://www.healthit.gov/topic/advancing-interoperability-medicaid

2. Support the development and maintenance of a coordinated care delivery system by facilitating the timely exchange of clinical, health risk and other data among Texas Medicaid stakeholders.
3. Support transition to value-based models across managed care and providers by:
    a. Expanding the use of metrics that integrate administrative, clinical, relevant health risk and other data.
    b. Improving the timely availability of actionable information for decision making by patients, providers and payers.
    c. Translating Health IT best practices from the DSRIP program into managed care programs.
4. Promote MCOs' use of Health IT to manage member healthcare and related needs, with an emphasis on prevention.
5. Promote Medicaid provider connectivity to the overall Texas Health IT ecosystem.

Healthcare Transformation and Quality Improvement Program Waiver Background

In December 2011, Texas received approval for a Section 1115 Medicaid demonstration waiver to expand existing Medicaid managed care programs statewide while preserving certain safety net provider funding and promoting health system transformation. The Healthcare Transformation and Quality Improvement Program Waiver successfully enabled Texas to expand the STAR and STAR+PLUS Medicaid managed care programs statewide and established the following two funding pools:

1. The Uncompensated Care Pool, which allowed for payments for the unreimbursed costs of services, provided to Medicaid clients and uninsured individuals.
2. The DSRIP Pool, which initially enabled providers participating in 20 Regional Healthcare Partnerships (RHPs) to receive incentive payments for projects, and was designed to promote healthcare infrastructure development and implement program innovation and redesign.

In December 2017, CMS approved an extension of the demonstration for five years through September 30, 2022. Texas' objectives for the demonstration renewal are to:

- expand risk-based managed care to new populations and services;
- support the development and maintenance of a coordinated care delivery system;
- improve health outcomes while containing cost growth; and
- transition to quality-based payment systems across managed care and providers.

The demonstration extension represents an evolution from the initial waiver terms as Texas Medicaid managed care now includes:

- additional programs and services;
- a narrowing of the definition of uncompensated care to charity care only; and
- a shift in the focus of the DSRIP program from individual provider projects to more strategic efforts aimed at provider system-level performance measurement and improvement.

The following information provides a brief history on the elements of the demonstration with the closest ties to Health IT – the Medicaid managed care expansion and DSRIP.

Medicaid Managed Care Expansion

Over the past 25 years, Texas has gradually transitioned Medicaid from fee-for-service reimbursement to a managed care system that holds health plans accountable for producing value. Under the managed care system, HHSC contracts with MCOs competing within 13 service delivery areas and pays a per

member per month rate, called a capitation rate or premium, to coordinate care and reimburse providers for health services provided to Medicaid or CHIP members enrolled in their plan.

Texas Medicaid managed care includes the following statewide programs covering the noted populations:

- STAR – children, newborns, pregnant women and some parents with low incomes;
- STAR+PLUS – adults who have disabilities, are age 65 or older or have breast and/or cervical cancer;
- STAR Health – children and youth who receive Medicaid because they either currently are or formerly were in the conservatorship of the state;
- STAR Kids – children and youth age 20 or younger who have disabilities; and
- Children's Medicaid Dental Services – most children and youth under age 21.

The managed care model has become the centerpiece of the state's strategy to promote value-based care in Medicaid. As of November 2018, about 93 percent of Texas Medicaid and CHIP clients received services through risk-bearing MCOs, making Texas a national leader for delivering healthcare through a value-based model to people with low income or disabilities.

Delivery System Reform Incentive Payment (DSRIP) Program

Since 2012, 300 healthcare providers in Texas have earned over $16 billion (all funds) through DSRIP for increasing access to care, piloting care innovations and improving health outcomes. DSRIP providers include public and private hospitals, community mental health centers, local health departments and physician practices - mostly affiliated with academic health science centers.

In demonstration years one through six, DSRIP providers earned funds by achieving process and outcome measures related to projects they chose from an approved "menu" of initiatives, designed to either develop infrastructure or test healthcare innovations. The most common focus points of DSRIP projects over the first six years of the program were:

- behavioral healthcare (mental health and substance use care);
- primary care (expansion/redesign/Patient-Centered Medical Homes);
- patient navigation/care coordination/care transitions;
- chronic care management; and
- health promotion/disease prevention.

An early success of the DSRIP program was the establishment of 20 Regional Healthcare Partnerships (RHPs) covering the state, which led to increased local collaboration to identify and address priority community healthcare needs. Activities are underway in many regions to further connect MCOs and DSRIP providers to better coordinate their efforts. These sorts of connections among healthcare providers and between healthcare providers and MCOs either benefit from the current use of Health IT or could be further enhanced through future utilization of Health IT, including standards-based health information exchange.

The DSRIP funding pool was extended in the latest waiver renewal under a model that shifts the focus of delivery system transformation from individual provider projects to more strategic efforts aimed at provider system-level performance measurement and improvement. The current DSRIP funding ends October 1, 2021. Transition planning is under way to further develop delivery system reform efforts after DSRIP ends. This Health IT Strategic Plan is a crucial component to identify areas where Health IT is already supporting the objectives of the demonstration as well as additional opportunities for advancing care coordination and other quality improvement efforts.

Strategic Plan Development Activities

The development of the Health IT Strategic Plan began with review and consultations regarding the Texas State Medicaid Health IT Plan (SMHP), SMHPs from other states and the 2015 Texas Medicaid Information Technology Architecture (MITA) State Self-Assessment (SS-A). The next Texas MITA SS-A is in progress as of the development of this plan.

Additional early information-gathering activities included meetings and discussions in 2018 with a broad range of Texas Health IT stakeholders and HHSC leadership and staff. Input was received from HHS advisory groups, Health IT stakeholders, MCOs, providers and HHS staff. In June 2019, an overview of draft milestones was provided at a public meeting of the HHSC e-Health Advisory Committee (eHAC), where committee members provided preliminary feedback. Further discussions regarding the information presented were held with workgroup members of eHAC.

Changes resulting from these eHAC discussions were incorporated into the draft Health IT Strategic Plan that was posted to HHSC's website on October 11th, 2019, giving the public an opportunity to comment through November 9th, 2019. Stakeholders interested in Health IT efforts, along with those on the distribution list for DSRIP and the broader 1115 waiver, were sent emails notifying them that the draft plan had posted.

HHSC received substantive comments from 17 respondents. Many comments were supportive of various aspects of the plan. Some of the responses were programmatic questions or suggestions that will be considered by operations staff. Other comments discussed topics not under the authority of Texas HHS or that would suggest changes to the scope of the HIE IAPD, which includes parameters already agreed upon with the federal government.

In response to stakeholder comments, HHSC made several changes to this plan, including defining Local HIEs, adding further detail about 21st Century Cures Act requirements, noting provider types not eligible for federal incentive funds for EHR adoption and emphasizing that Health IT can support delivery of services related to social drivers of health. The updated plan also clarifies that providers would only connect directly to HIETexas if they do not have the capability to connect directly to a Local HIE.

HHSC recognizes strong collaboration is required to increase the flow of clinical data in the state. Internally as well as in HHSC discussions with healthcare stakeholders about Health IT in Texas, a consistent theme in stakeholder feedback was the limited exchange of health information. Additional concerns included the items listed below:

- The low percentage of Medicaid ambulatory providers that are connected to health information networks;
- Lack of trust among providers and payers;
- Lack of standardized processes for connectivity;
- Lack of standardized approaches to value-based purchasing;
- The low percentage of long-term care, behavioral health and home and community-based service providers using electronic health records and connected to health information networks; and
- The cost and administrative barriers providers face regarding participation in the Health IT ecosystem.

Texas HHS agencies have aligned in their pursuit of strategies to advance Health IT, improve care coordination and reduce provider burden. This includes several connectivity strategies, modernization of HHS' infrastructure interfaces to its Health IT information systems, implementation of a provider

management and enrollment system, ongoing enterprise data governance efforts building patient and provider master indices, updating of the registry systems supporting clinical data exchange with providers and using clinical data to provide HHS staff with additional tools to aid and support program innovation.

1115 Health IT Toolkit Health IT Topic Discussion

This strategic plan used the seven Health IT topics outlined in the CMS "1115 Health IT Toolkit".[2] to assess Health IT considerations. This section of the strategic plan provides an overview of the considerations for each Health IT topic followed by the results of HHSC's assessment for each topic area.

Overview of Health IT Topics

This section provides a brief overview of considerations for each Health IT topic identified in the "1115 Health IT Toolkit." Texas has considered the principles and guidelines outlined in the CMS toolkit to align with the Health IT Strategic Plan.

The Use of Standards in Health Information Technology Procurement:
Contracts with providers, vendors and other healthcare entities should require the use of messaging and data standards specified in the ISA maintained by the Office of the National Coordinator (ONC) for Health IT.

Leveraging State Health IT Ecosystem:
Where practical, new or expanded services using Health IT should leverage previous investments in health information technology. For example:

- No unnecessary duplicative networks should be established;
- Where practical and appropriate back-up systems exist, health information exchanges should be leveraged to facilitate data exchange; and
- Technology standards for telemedicine should be standard across programs to facilitate re-use of equipment.

Accountable Oversight and Rules of Engagement for Health IT and Health Information Exchange (a.k.a. Governance):
Governance of health information exchanges, selection of standards for exchange and quality standards must be managed in as transparent a manner as possible, in alignment with applicable federal regulations and policies developed by ONC and CMS. Collaboration in governance-related activities should be promoted.

Identity Management, Provider Directories and Attribution:
Health IT can be used to manage individual patients' identities. Accurate patient identification and matching across disparate systems is critical to minimize patient risk and improve the efficiency of healthcare delivery, inclusive of care coordination. Provider directories can be established and used to facilitate data exchange and reporting, payment services and assisting patients in identifying potential care providers. Using a provider directory enables longitudinal tracking of provider behavior as well as facilitates matching provider-related records across information systems.

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[2] "1115 Health IT Toolkit" materials accessed July 17, 2019 at: https://www.healthit.gov/topic/advancing-interoperability-medicaid

Promoting and Funding Provider Health IT Adoption and Use:
Appropriate technical and financial assistance for healthcare providers helps to promote the adoption and use of Health IT. Examples of relevant activities include, but are not limited to:

- providing funding supporting the adoption and use of Health IT, including EHR technology;
- providing grants for purchasing/using technologies supporting telehealth/telemedicine;
- conducting programs focused on encouraging providers to use health information technology; and
- a provider public relations team assisting to educate and drive adoption.

Advancing Use of Health IT to Support Quality Measurement:
The use of health information technology should support improved quality measurement. This includes the exchange of quality measures between providers and other parties and the transparency of quality measure data to the public. Quality measures may be used by providers, payers and patients to understand, select and improve healthcare options.

Health IT and Service Delivery:
Ultimately, effective Health IT must deliver services that improve the patient experience of care, improve the health of individuals and communities, lower costs and be valued by patients as well as the professionals and organizations accountable for providing and coordinating their care. Beyond traditional healthcare, Health IT can also support the coordination of services that address social drivers of health, such as food insecurity, housing and transportation issues.

Examples of successful Health IT services include, but are not limited to, providing the following:

- An interoperable health registry to reduce administrative activities while facilitating compliance with applicable law;
- An interoperable health registry that supports bi-directional flow of information to facilitate the coordination of care;
- Near real-time alerts on meaningful healthcare events such as patient admissions, discharges and transfers involving hospital emergency and inpatient departments;
- Technology-based tools that enable providers and/or patients to better manage an individual's health;
- Closed-loop referral systems to community-based organizations that address the social drivers of health;
- Computer-based support for decision-making by healthcare providers; and
- A patient portal, messaging support or Fast Healthcare Interoperability Resources (FHIR)-based platform to enable patients to access their own health records.

Health IT Topic: The Use of Standards in Health Information Technology Procurement

HHS agencies have a long history of using systems that support standards-based interoperability with trading partners. A combination of federal laws, state laws and regulations have shaped the Health IT infrastructure. Both HHSC and the Department of State Health Services (DSHS) have implemented technologies in response to national directives, whether it was a highly choreographed revision of all healthcare stakeholder systems for compliance with *International Classification of Diseases, 10th Revision* (ICD-10) or the implementation of commercially available, off-the-shelf software provided by the Centers for Disease Control and Prevention. Texas HHS strategically recognizes Health IT as foundational to advances in many of its business areas and that a standard-based approach maximizes

interoperability with the Certified EHR Technology (CEHRT) technologies used across the Health IT ecosystem.

House Bill 2641, 84th Legislature, Regular Session, 2015 (HB 2641) requires that information systems planned or procured on or after September 1, 2015 and used by a Texas Health and Human Services agency to send or receive protected health information to and from healthcare providers, use applicable standards and be interoperable with each other. HB 2641 aligns with federal legislation and promotes the use of certified electronic health record technology as well as requires the use of standards such as those included in the ISA.

Modernization procurements associated with Medicaid Management Information Systems (MMIS) must adhere to use of standards in Health IT platforms for all secure web services, file and data transmission. The same requirements apply to Health IT systems related to a distributed Service Oriented Architecture, which is essentially a collection of services that communicate with each other. The communication can involve either simple data passing, or two or more services coordinating some activity and Electronic Data Interchange (EDI), which is the electronic interchange of business information using a standardized format.

HHS' Current MMIS EDI System

The current Texas Medicaid EDI system is a Council for Affordable Quality Healthcare CORE-compliant, standards-based gateway for receiving, validating, tracking and routing transactions. The system is composed of reusable business and technical services, with business processes orchestrating the flow. Common file tracking services are used across all subsystems and common reprocessing and alerts are configured for all business processes.

Use of Common Standards in Healthcare

Some common standards used in healthcare today are: Health Level 7 (HL7); Fast Healthcare Interoperability Resources (FHIR); Digital Imaging and Communications in Medicine; and North American Association of Central Cancer Registries Version 15. All these standards are included in the ISA. HHSC addresses standards in a biennial report on interoperability as required by HB 2641. *Interoperability for Texas: Powering Health 2016*.[3] identifies some of the national and international standards development organizations involved in standards used in healthcare.

The HL7 standard is structured to accommodate various types of message transfers using different implementation guides. There are different HL7 structures for a broad range of purposes, including electronic laboratory reporting and exchanging immunization data. Even though these HL7 message types differ, the healthcare industry understands the different subtypes as parts of a broader system. HL7 is leading a project known as the HL7 Da Vinci Project with vendors, providers and payers to promote industry-wide standards and adoption through the development of unique solutions to improve care. One area of focus is automating support for prior authorizations. The goal is to standardize the information exchange required between payers and providers for payer authorizations.

The FHIR standard is a new specification from HL7, based on emerging industry approaches, but informed by years of lessons around requirements, successes and challenges from previous experience

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[3] *Interoperability for Texas: Powering Health 2016.* HHSC. Accessed July 18, 2019 at: https://hhs.texas.gov/sites/default/files/documents/laws-regulations/reports-presentations/interoperability-texas-powering-health-2016.pdf.

with standards. FHIR can be used as a stand-alone standard or can be used in conjunction with other standards. FHIR is easy to implement compared to most standards presently used in the healthcare industry. The ONC notably included FHIR in proposed interoperability rulemaking as the standard for application programming interfaces (APIs) for patient and population services.[4] The use of FHIR for patient platforms enables patients to access and share specific content from their medical records easily.

As the state's public health agency, DSHS operates numerous public health registries that contain valuable clinical information used to understand, plan for and manage health services and needs across Texas. Each of the registries use standardized messages, usually in formats specified by federal partners, HL7 or other national standards development organizations. Data for several systems are received via implementations of Orion gateway services. In other cases, data may be exchanged through standard messages directly between providers' EHRs and DSHS' receiving systems or through web-based data entry. More information regarding DSHS may be found in Appendix C.

Health IT Topic: Leveraging the Texas Health IT Ecosystem

This Health IT Strategic Plan fully leverages Health IT infrastructure already built and in use by internal state and external healthcare entities. The 1115 demonstration is building on the existing Health IT infrastructure and initiatives, including findings of the MITA state self-assessment, state SMHP and active IAPDs. An example of one such initiative, and referenced subsequently in this document, is the Medicaid Electronic Health Record Incentive/Promoting Interoperability (PI) Program established via the Health Information Technology for Economic and Clinical Health (HITECH) Act. The EHR Incentive/PI Program has allowed HHSC to deliver more than $864 million in federal EHR incentive funding to more than 10,000 providers and hospitals since the inception of the program in 2011. This approach ensures Texas' tax dollars are judiciously spent and invested, and that Federal Medical Assistance Percentages (FMAP) funds are used in accordance with CMS rules and regulations. Texas adopts national and state best business practices and leverages systems and experience from other states who also use FMAP funds. Policy and standards adopted in Texas are commonplace in the healthcare industry. Specific examples of how this works include:

- Many state and local for-profit and nonprofit HIEs that support bi-directional exchange across providers are currently operational and committed to the statewide exchange of clinical data and ADT data;
- MCOs, as Medicaid payers charged with facilitating care coordination for their members, work directly with hospitals and providers to provide funding and technical assistance for connectivity to HIEs and EHR interoperability for added value services related to health data exchange;
- HHSC, the state's designated entity for agreements with the Office of the National Coordinator and the state's Medicaid agency, signed a contract in May 2019 with THSA to build infrastructure to connect Texas' HIEs; and
- National networks (e.g., CommonWell, eHealth Exchange, etc.) with products that support interoperability or certified EHR technologies are motivated to leverage existing data connections to propagate and share data.

Texas' Health IT ecosystem consists of a combination of public and private payers, professional entities, providers, associations and HIEs at various stages of maturity and connectivity. Since 2006, the Texas Legislature has passed laws supporting Texas Medicaid and other health agencies strengthening the use

[4] 84 FR 7424 available at: https://www.federalregister.gov/documents/2019/03/04/2019-02224/21st-century-cures-act-interoperability-information-blocking-and-the-onc-health-it-certification

of Health IT and aligning with federal initiatives. Appendix A of this plan provides a chronology of Texas legislation supporting health information exchange.

Health IT Exchange Barriers

Like other states, Texas has challenges with data sharing across the healthcare provider community. The lack of interoperability across the varying CEHRT products used by providers makes true data sharing an ongoing challenge. Providers continue to feel overburdened by quality reporting requirements in the Promoting Interoperability Program as well as other CMS quality programs.

Other barriers to provider participation include the costs to establish interfaces with trusted networks (HIEs), and the hesitancy of providers to share clinical data with payers and other providers. Some providers fear that the data they share could be used against provider and patient interests, such as fear over payer intervention in care decisions or that the information they share could influence patient premiums.

Trust can potentially be built among the provider community and payers by bringing value through provision of clinical data and ADT to automate payer processes, such as prior authorizations. This example underlines the improvements that can result from transparency and information sharing between provider and payer. Additionally, value-based payment models could shift providers' view of claims data and lessen the reticence to payer participation in HIE.

Multiple federal initiatives designed to enhance interoperability and overcome concerns over trust and other barriers resulted from passage of the 21st Century Cures Act. Initiatives included prohibitions on information blocking and development of the Trusted Exchange Framework and Common Agreement (TEFCA). TEFCA outlines a common set of principles, terms and conditions to support the development of a Common Agreement that would help enable nationwide information exchange across disparate networks and ensure that HIEs, healthcare providers, health plans, public health agencies and individuals have secure access to electronic health information when and where it is needed.. [5]

Health IT Ecosystem Strategies

Some of the strategies Texas is pursuing to address obstacles include working around the cost barriers of connectivity (see the following discussion of HIE IAPD Strategy 1: HIE Connectivity) and building incentives for data sharing through Medicaid managed care requirements for alternate payment models between health plans and providers. With the passage of the 21st Century Cures Act in FFY 2017, there has been a succession of federal rules strengthening the interoperability requirements of Health IT products and services. Current and proposed rulings promote CEHRT product offerings and information exchange capabilities that make interoperability accessible for a wider reach of healthcare providers. Texas' Health IT strategies align with federal laws and rules, enabling the state to fully benefit from these recent advances in interoperability.

Texas recognizes that public and private Health IT proponents must strategically focus and collaborate to ensure the state has not transitioned from paper to electronic silos. Texas also recognizes that it is important to continue to promote the benefits of information sharing in healthcare.

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[5] https://www.healthit.gov/topic/interoperability/trusted-exchange-framework-and-common-agreement

State of Health IT and HIE opportunity in Texas

Texas has multiple Health Information Exchanges (HIEs) that are national, state, local or aligned based on EHR products. Professional participants in HIEs are primarily hospitals or large provider groups. Texas has a statewide framework for exchange, THSA, that supports connectivity to the national HIE networks. Texas' plan to implement electronic HIE statewide is market-based and community-driven. To foster HIE growth and adoption across the state, THSA provides ongoing strategic support to Local HIEs. THSA has made available a set of shared services through HIETexas. Some of the most significant benefits of joining HIETexas are the HIE-to-HIE connectivity between authorized HIEs in Texas, the use of the EDEN system and the development of a platform that may facilitate connectivity to the nationwide eHealth exchange, which allows for connectivity with other states' HIEs, as well as federal government agencies such as the Department of Veterans Affairs and the Department of Health and Human Services.

During Hurricane Harvey, there was a need to offer query-based HIE to assist in the recovery efforts by allowing patients' health information to be available to provide services to those in mass shelters. This access to data proved to be invaluable during the disaster response activities.

Discussion of the strategies within the HIE IAPD that follow demonstrate how THSA will play a major role in services that are essential for ensuring the delivery of health information, such as routing ADT messages for Medicaid members and supporting updates to clinical registries.

HIE IAPD Strategy 2: HIE Infrastructure

This strategy aids with building connectivity between THSA and the state's Local HIEs[6] and other authorized entities. Funding is used to implement systems to benefit Medicaid's goals of supporting Medicaid client data collected by the Local HIEs. These activities continue with the THSA contract.

This strategy teams HHSC and THSA to develop and implement projects that make HIE services available statewide and continue to enhance state-level shared services. Projects include, but are not limited to:

- implementation of an HL7 integration engine;
- implementation of a Master Patient Index related to HIE;
- implementation of an audit and logging system to monitor all data flow pertaining to Medicaid's HIE IAPD Strategies 1 and 3, regarding provider connectivity and EDEN;
- implementation of an Administrative User Interface and statistical dashboard for Medicaid to monitor data flows pertaining to HIE IAPD Strategies 1 and 3;
- configuration of implemented systems supporting Medicaid's HIE IAPD Strategies 1 and 3;
- maintenance of systems implemented in support of Medicaid's HIE IAPD Strategies 1 and 3, for the term of this IAPD;
- integration required with Local HIEs to assist them in connecting to THSA in support of Medicaid's HIE IAPD Strategies 1 and 3; and

[6] "Local HIE" with respect to the HIE IAPD strategies uses the definition at (Texas) Government Code, Sec. 531.901(4): "Local or regional health information exchange" means a health information exchange operating in this state that securely exchanges electronic health information, including information for patients receiving services under the child health plan program or Medicaid, among hospitals, clinics, physicians' offices, and other health care providers that are not owned by a single entity or included in a single operational unit or network.

- integration work necessary to deliver required data to Medicaid.

This project supports fundamental, statewide infrastructure necessary for exchange of HL7 v2 and CDA-based documents. This functionality promotes the following Promoting Interoperability measures:

- Lab results;
- Transitions of care;
- Immunization registry reporting;
- Electronic laboratory results reporting to public health;
- Syndromic surveillance; and
- Reporting to specialized registries.

HIE IAPD Strategy 3: Emergency Department Encounter Notifications (EDEN)

This strategy establishes the EDEN system, which provides the ADT processing infrastructure to be used by hospital systems to exchange ADT data between HIEs connected to each other via THSA. If a hospital cannot be served by a Local HIE, they may connect directly to HIETexas. Using EDEN, Medicaid clients' admission, discharge or transfer status will be transmitted to Texas Medicaid and MCOs. EDEN will evolve to support the exchange of patient information with primary care physicians (PCPs) and other care team members. Information about hospital admissions, discharges and transfers are of great value to PCPs for care coordination.

Current emergency department (ED) information systems do not always allow ADT messages/notifications to be exchanged outside the hospital's system (i.e., with MCOs or with a patient's primary care provider). Diagnosis and admissions data is valuable to care coordination and can be used by MCOs to automate prior authorizations, which is a key benefit for both MCOs and hospitals. HHSC intends to increase the exchange of ADT messages by reducing the cost burden for hospitals connecting to their Local HIEs, and establishing ADT processing infrastructure at the statewide level, which can be utilized by all the state's HIEs and other entities connected to THSA's hub.

Once THSA receives an ADT message, it will utilize its integration engine to create a standardized notification message comprised of core data elements such as the patient's name, hospital providing service and date/time of when the admission, discharge or transfer occurred. These notifications will then be forwarded to Texas Medicaid, MCOs and/or to HIEs that have partnered with Medicaid to use notification data for care coordination activities.

Texas Medicaid will direct funding toward obtaining timely encounter notifications via HL7 ADT data streams from hospitals. Other states have shown beneficial effects of providing alerts to PCPs and other care team members when a patient enters an ED. Texas Medicaid seeks to reduce inappropriate ED use, by educating patients on non-emergent ED alternatives, and provide improved follow-up care to reduce the need for individuals to re-visit an ED. Gathering timely ADT data from EDs and publishing alerts to care team members will facilitate these goals.

HHSC aims to build ADT processing infrastructure complementing HIE notification systems, but on a standardized, statewide scale. The systems implemented by THSA will act solely as a data brokerage, supplying encounter notifications based upon patient matches found in ADT data-streams submitted by hospitals.

This EDEN strategy is complemented by the HIE IAPD Strategy 1, which provides funding for Local HIEs to connect hospitals, enabling the exchange of HL7 clinical data feeds necessary for EDEN.

Clinical Data and the Integration and Data Exchange Center of Excellence

DSHS, in partnership with HHSC, has been exploring a strategy to establish an Integration and Data Exchange Center of Excellence (iCoE) technology service as a primary point of exchange between Texas' state-level health and human services agencies and healthcare providers, MCOs and other entities. Incorporating a commercial-off-the-shelf integration engine, the iCoE currently supports the exchange of select public health data, such as syndromic surveillance, and will evolve to support the exchange of data for a broad range of systems operated by Texas' health and human services agencies, including data from the EDEN system at THSA, data from the state's local mental health authorities and data for additional registries and information systems operated by DSHS. The intention of the iCoE is to be flexible, enabling the exchange of data either through HIEs or directly between healthcare providers and state agencies. The system allows state staff to route messages to the appropriate receiving system(s), transforming messages into the appropriate formats and supporting real-time FHIR-based connections.

THSA is a primary connection point for the iCoE, supporting HHSC's receipt of statewide clinical data from Medicaid providers linked to HIEs that are connected to HIETexas. HHSC may leverage the capabilities of the iCoE for anticipated large volumes of clinical data transmitted from Medicaid providers including ADT data, other clinical data and lab reports for Medicaid clients.

DSHS is transforming its information systems to use the iCoE. As each DSHS system that relies on data exchange with external systems is replaced or undergoes a major overhaul, the iCoE is reviewed as part of the IT governance process. Concerns about using the iCoE include funding and the time required to modify commercial-off-the-shelf systems to use its service. Some systems are not modular and may be complicated to integrate with the iCoE.

Health IT Topic: Accountable Oversight and Rules of Engagement for Health IT and Health Information Exchange (a.k.a. Governance)

Health IT governance facilitates the appropriate use and secure exchange of health information in Texas. Enacted through policies, processes and practices, the state has instituted a set of governance bodies that offer guidance, establish standards and provide oversight for public and private entities operating in the Health IT space. The following section describes the roles and responsibilities of these organizations.

Texas Health Services Authority

THSA, established by the Texas Legislature, with Chapter 182 of the Health and Safety Code, operates a set of shared services called HIETexas, has a governance structure that enables trusted and secure connections between it and the Local HIEs and may connect to national networks such as the e-Health Exchange, Carequality and/or Commonwell. It requires its participant members to operate in accordance with privacy and security rules that are aligned with Health Insurance Portability and Accountability Act (HIPAA) and other relevant federal and state statutes and rules. THSA's governor-appointed board is responsible for decision-making with regards to the policies and operations of the shared services THSA provides to its members. The board intends to regularly review performance and utilization reports to ensure services align with the needs of the Texas Health IT ecosystem. The Local HIEs, HHS agencies and members of the healthcare community are represented on the THSA board. The THSA Texas State HIE Plan details more about the THSA structure, plan and HIETexas..[7]

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[7] *Texas State HIE Strategic Plan* accessed July 18, 2019 at: http://www.thsa.org/hie/state-hie-plan/

For statewide activities, HHSC and DSHS are active participant members on the board of the THSA. The HHS system has an internal policy for the exchange of clinical data to use when applicable national standards are identified by the ONC, ensuring compliance with state and federal laws and rules. Internal HHS policy also permits information systems procured, planned or built after September 1, 2015 that exchange clinical data with providers to enable pathways through state and Local HIEs, minimizing the number of connections a provider is required to use for exchanging data with HHS agencies.

The Local HIEs also have a governance structure. Each of the Local HIEs are overseen by a board that approves their policies and procedures and reviews their operations. Participant users must also demonstrate and agree to abidance of privacy and security rules.

This governance structure is critical as Texas navigates toward the U.S. Core Data for Interoperability (USCDI) and its proposed expansion process aims to achieve the goals set forth in the 21st Century Cures Act by specifying a common set of data classes that are required for interoperable exchange and identifying a predictable, transparent and collaborative process for achieving those goals.

The 21st Century Cures Act contains several requirements aimed at improving interoperability in healthcare and information exchange. As the use of the Trusted Exchange Framework and Common Agreement (TEFCA) expands, more states have the opportunity of working together to meet national interoperability initiatives and standards. As states join into interoperability partnerships, governance becomes more critical as the foundation for decision making and strategic direction.

e-Health Advisory Committee

In 2009, the Texas Legislature established the Electronic Health Information Exchange System Advisory Committee to implement HIEs in Texas (HB 1218, 81st Legislature, Regular Session). In 2015, after an agency-wide restructuring of advisory committees, the eHAC was established to advise HHS leadership on activities that could advance Health IT adoption and use in Medicaid. Members of eHAC include healthcare stakeholders from the academic, industrial and medical professions, as well as other state agencies, health information exchanges and professional associations.

A key objective of eHAC is to ensure Medicaid Health IT is interoperable with broader statewide infrastructure. To this end, eHAC counsels HHSC on the development and implementation of the HIE system and related issues, including: data to be included, presentation of data, useful measures for quality of services and patient health outcomes, federal and state laws regarding privacy of private patient information, incentives for increasing adoption and use and data exchange with HIEs.

Past eHAC recommendations include the following:

- Incorporate the ONC's Patient Unified Look-up System for Emergencies (PULSE) into the state's disaster response protocols;
- Use of the HIETexas platform, when applicable, to communicate and collaborate with trading partners and HIEs to increase Health IT adoption and use among providers;
- Enable provider access to the state's prescription drug monitoring program through HIEs to help combat the opioid epidemic;[8] and

[8] In Texas, the Prescription Monitoring Program (PMP) is managed by the Texas Board of Pharmacy.

- Adopt additional communication methods based on stakeholder surveys and research ofthe constituent groups' messages.

HHSC's internal governance structure also considers eHAC input in the decision-making process regarding Health IT products, including telemedicine, telehealth and home telemonitoring.

The Office of eHealth Coordination (OeHC)

OeHC was established in 2010 to serve as the single point of contact in HHS for health information policy and state funding opportunities under the HITECH Act.

Currently, OeHC coordinates health technology initiatives that exchange protected health information across the HHS system and promotes the use of CEHRT in discussions across the state with healthcare stakeholders.

HHS Enterprise Data Governance

HHS agencies follow a data governance policy implemented by the Chief Data and Analytics Officer (CDAO). The CDAO leads the Center for Analytics and Decision Support and resides within the Office of Performance division. In addition to being responsible for general data and analytics strategies implemented at HHS, the CDAO runs the Enterprise Data Governance (EDG) program, which identified five project tracks to implement Medicaid-focused data governance solutions.

The following table lists and describes the various tracks:

EDG Track	Purpose
Data and information management (DIM)	The DIM track is to implement an enterprise master data management (MDM) system for use across the Health and Human Services (HHS) system.
Data quality and standards (DQS)	The DQS track, which includes claims, encounter and clinical data, ensures that the HHS system can measure the data quality within key HHS systems and make necessary recommendations to improve data quality through the creation of data standards.
Metadata and reference data management (MRDM)	The MRDM track alleviates challenges arising from different standards, definitions and reference codes by collecting information from disparate source systems and storing that information in a centralized repository.
Data architecture	The data architecture track ensures key Medicaid-focused data domains are identified, defined and managed appropriately within the HHS system.
Data and information controls (DIC)	The DIC track is responsible for the identification, definition, creation and implementation of various controls and metrics. It also identifies and monitors various data controls like data security and data access.

Texas HHS also partners with academic institutions, such as Dell Medical School to leverage expertise available to help expand HHS's ability to analyze data.

Health IT Topic: Identity Management, Provider Directories and Attribution

The ability to accurately and irrefutably identify the Medicaid community – both providers and members – is essential to ensuring the right services are delivered to the right individual at the right time. Denying an individual Medicaid services because of inaccurate information presents risks and unnecessary hardships to those the state is committed to serve. Additionally, the availability of location and contact information for Medicaid services providers is essential to all facets of care delivery.

The Texas HHS strategy to mitigate these risks is to make the best information easily accessible on member eligibility and provider locations on platforms and media used by Medicaid clients and healthcare providers.

Eligibility as a Service

Eligibility as a Service (EaaS) is a web service implemented at the Texas Medicaid claim administrator's, Texas Medicaid Healthcare Partnership (TMHP), website. This near real-time Medicaid eligibility service enables MCOs' and providers' systems to obtain access to a Medicaid member's current eligibility status. Access to eligibility information ensures MCOs' and providers' decisions are based on the most current eligibility information available. This minimizes the likelihood of a client being incorrectly denied services and assures providers reimbursement for the services provided to a client. The EaaS service is also interfaced with the TMHP client portal, TexMed Client Portal, which enables members to obtain access to their history and eligibility information in near real-time. Providers also use this portal to obtain access to clients' claims data, which is helpful when dentists or physicians are seeing patients for the first time and require relevant history prior to performing tests or procedures.

The EaaS web services uses the Texas Integrated Eligibility Redesign System data to produce a HIPAA compliant X12 standard-based client eligibility query and response electronic data interchange. HHS is using the near-real time accuracy of the data to incentivize its stakeholders to use the web services instead of older format, legacy eligibility information which is updated less frequently. To date, many of the high-volume users, including the behavioral health system used by many of the state's providers, have converted to the EaaS web service. HHS continues to work with its stakeholders as they adapt their systems to the EaaS format.

EaaS is also used by the HHS/DSHS Data Integration and Exchange Platform. Using EaaS, DSHS can identify the state laboratory's test results belonging to Medicaid-eligible clients. The results are sent to Medicaid and used to update the appropriate health information records.

Provider Directories

HHSC is in the process of implementing a Provider Management and Enrollment System (PMES) for provider enrollment and management. PMES is fully compliant with all state and federal laws, including but not limited to the Patient Protection and Affordable Care Act; 42 Code of Federal Regulations (CFR) 455; SB 200, 84th Texas Legislature, Regular Session, 2015, requiring the state to consolidate and streamline its provider enrollment and data management processes; the 2016-17 Texas General Appropriations Act (HB 1, 84th Legislature, Regular Session, Article II, HHSC, Rider 95); and SB 760, 84th Texas Legislature, Regular Session, 2015, regarding provider credentialing and monitoring.

The implementation of a PMES modernizes, streamlines, consolidates and advances the Provider Enrollment and Provider Management activities and supports electronic signatures and attachments. PMES is a cornerstone of the MMIS modernization process. The PMES solution replaces multiple paper and online enrollment applications with a single online application and provides the ability to manage,

correspond, track, monitor and report on all aspects of provider enrollment, disenrollment, re-enrollment, revalidation, inquiry and maintenance of Medicaid providers and any additional non-Medicaid providers currently within the scope of operations supported by the Medicaid program. The system will utilize the National Provider Identifier fully. Implementation includes an Online Provider Directory with information on HHSC Medicaid providers classified by type, specialties, credentials, demographics and service locations. The system is scalable and can be expanded to include attributes and information needed to support the management of providers across the HHS system in the future. Other benefits include:

- Lowers provider frustration by offering one place to enroll in all HHS programs;
- Improves the accuracy of provider location information and network adequacy metrics;
- Provides the capability to access comprehensive data needed to effectively monitor providers;
- Delivers a centralized provider repository that aligns with the ongoing data governance provider efforts and streamlines provider enrollment and management processes; and
- Secures efficient and effective business functionality and processes in support of Texas providers, clients and medical, dental and pharmacy benefit programs.

PMES will serve as the authoritative Medicaid provider information source for the master provider index under development by the Enterprise Data Governance project. Future PMES deployments will integrate the remaining HHS provider groups with the implementation of additional HHS program requirements.

Patient and Provider Master Indices

HHS currently has an IAPD with CMS to implement master data, metadata improvement and data quality controls. HHS has already implemented a Medicaid provider and member master data system to resolve identities across a variety of HHS systems.

As standards-based clinical data sources from provider EHRs are made available through the iCoE, these mastered records will be updated to assist in matching clinical records. Master records will also assist data analytics teams in creating connections to services data for ad hoc analytic uses. They are also foundational for development of future analytics architectures that could be capable of longitudinal views or aggregate groupings of the data (e.g. by care episodes or cohort types).

A Medicaid master provider record has been published for enterprise consumption in Fiscal Year 2019. These mastered records are easily extensible for use in managing clinical records as they arrive at HHS. A Medicaid master member record has also been implemented and is scheduled to be published for internal use in Fiscal Year 2020. These mastered records can also be extended for use as a master patient index to coordinate consumption of electronic health records or messages, as those become available to HHS.

Health IT Topic: Promoting and Funding Provider Health IT Adoption and Use

The Health IT adoption strategies build on Texas' Health IT ecosystem by increasing the number of connected Medicaid providers, expanding the HIE network and establishing a single state-designated connection point for the secure exchange of clinical data with Texas HHS, MCOs and national networks. It is critical to solidify a pathway that can be shared across the state and with Medicaid for the receipt of clinical data.

Medicaid MCO and Dental Contractor HIE Participation

In August 2016, HHSC polled the 19 Medicaid MCOs and two Medicaid dental contractors about their participation in health information exchange. With respect to health information exchange, 4 of the 19 healthcare MCOs, or 21 percent, indicated they exchanged member health information with a health information organization. Among the 79 percent who did not exchange member health information, several gave reasons including concerns over privacy and HIPAA compliance. Other responses included that the MCO lacked exchange access in their service area or that the limited functionality of the exchange in their service area did not warrant participation.

Seven of the 19 healthcare MCOs, or 37 percent, responded that they or their network providers receive or share patient encounter alerts or raw HL7 ADT messages upon which these are based. Five of the 19 healthcare MCOs, or 26 percent, indicated their network providers receive alerts after patients are admitted to hospital emergency departments.

The two dental contractors did not participate in HIEs.

DSRIP Provider Health IT Adoption and Use

As part of DSRIP semi-annual reporting in 2017, DSRIP providers were required to respond to questions relating to the extent to which they participated in health information exchange with other providers and organizations, the types of information shared and factors impacting their participation. Of the 297 DSRIP providers, 55.6 percent indicated they exchanged data, such as claims and clinical information, related to their DSRIP projects. However, about 17 percent of all DSRIP providers indicated that they used manual data exchange processes (e.g., fax and email). Only 22.6 percent of DSRIP providers indicated they participated in a formal HIE related to their DSRIP projects. Of those, 56.7 percent participated in one of the public, Local HIEs. The remaining 43.3 percent either participated in a private (e.g., hospital system HIE) or an interoperable vendor HIE that allows all providers using the same EHR vendor platform to exchange information.

The most common obstacle the providers identified to participating in the exchange of health-related information was lack of technology. Many of the providers operate in the “white space” where no HIE is available. The second most common obstacle was the cost of technology. Additionally, several providers indicated there were “other” barriers, with the most common “other” challenge being a lack of compatibility and interoperability across HIE systems.

Medicaid Electronic Health Record Incentive / Promoting Interoperability (PI) Program

In Texas, EHR use has climbed to rates close to those of national levels. The Texas Medical Association reports that over 85 percent of physicians are using EHRs in their daily practice.. [9]

Texas’ Medicaid EHR Incentive/PI Program is a federal program administered by HHSC which provides incentives to eligible professionals and eligible hospitals participating in Medicaid. The incentive payments, via 100 percent federal funds, are provided for the adoption and subsequent meaningful use of CEHRT. Providers report on PI/meaningful use and clinical quality measures established by CMS. One

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[9] Texas Medical Association 2018 Survey of Texas Physicians: Research Findings. Accessed September 26, 2019 at: https://www.texmed.org/uploadedFiles/Current/2016_Advocacy/2018_Final_Survey_Report_v2_3_14_19.et_FINAL.pdf

limitation of the program cited by providers is that certain provider types were not eligible for the incentive funds per federal regulations.

Texas' EHR Incentive/PI Program has provided almost 11,000 Medicaid providers with financial resources to implement electronic systems. Projected outcomes include:

- more accurate and complete information about a client's health, which allows them to deliver more quality care;
- decreases in fragmented care across care coordination teams, which is important for managing chronic and serious medical conditions;
- secure information sharing with clients electronically, allowing for more client engagement in decisions regarding their health; and
- timely information to help diagnose health problems sooner, reduce medical errors and provide safer care at potentially lower costs.

As of September 1, 2019, the program had disbursed over $864 million federal incentive dollars to 10,472 eligible Medicaid professionals and 343 hospitals. Texas providers have attested to 200 different CEHRT products. The top 20 CEHRT products nationwide are used by 77 percent of Texas program participants.

Eligible Professionals and Eligible Hospitals Achieving Meaningful Use Stage 1 (MU1) and Incentives Paid as of September 1, 2019

	Provider Count	Provider Count Achieving MU1	MU1 Achievement Percent	Incentives Paid
Eligible Professional	10,472	5,160	49.3%	$332,554,171
Eligible Hospital	343	313	90.5%	$532,081,350
Total Incentives Paid				$864,635,521

HIE IAPD Strategy 1: Medicaid Provider HIE Connectivity

HIE IAPD Strategy 1 is intended to assist Local HIEs with connecting to ambulatory providers and hospitals in their respective areas, including by reimbursing Local HIEs for connectivity costs incurred during the connection process. This strategy will build the critical mass of connected providers needed to create meaningful exchange of clinical data across Texas.

This HIE Connectivity strategy enables Local HIEs to transmit data through a set of state-level shared services made available to each local network by the Texas HIE platform. This model enables electronic exchange of clinical data among providers as well as with Texas Medicaid for better care coordination benefiting Medicaid patients.

HHSC recently concluded an open enrollment process to solicit Local HIEs for participation in this program. These activities continue through federal Fiscal Year (FFY) 2021. Funding allocated to Local HIEs through the enrollment process is a deliverable-based model, with the deliverables demonstrating

connections result in active transfer of CDA-based[10] or ADT-based clinical data to state Medicaid and between Medicaid providers.

Funds are targeted toward offsetting the cost HIEs absorb when establishing new connectivity for providers, are paid on a per provider basis and are based upon the type of connectivity for which a Local HIE requests reimbursement. Providers are responsible for their ongoing costs.

Responses to the open enrollment will include each Local HIE's average cost of connecting providers and hospitals to their HIE for the purposes of this program. Costs provided by the Local HIEs must be approved by HHSC prior to awarding contracts for connectivity implementation. Local HIEs must demonstrate the costs presented are comparable to their existing connectivity cost model and are aligned with current industry norms.

HIEs must demonstrate their technical readiness to establish EHR connectivity, including the capability of delivering CDA Transition of Care (CDA ToC) documents to Medicaid and the capability of enabling query-based exchange of those Transition of Care documents across the network to other Medicaid providers.

Locall HIEs accepted into this program conduct business with Texas Medicaid by submitting the Medicaid Practice Onboarding Form for each Medicaid provider the HIE proposes to connect. This onboarding form provides Medicaid with the ability to ensure the provider for which connectivity is being proposed meets the eligibility criteria of the program. The Onboarding Form provides assurance that the HIE has the capability to connect the provider in a manner that meets the technical standards and program timelines set forth for the program. To ease the burden of HIEs in financing the expenditures involved in connecting providers, HIEs may elect on the Onboarding Form to apply for up-front payment of 20 percent of the approved cost of connecting the provider. HIEs will invoice HHSC per connection.

Incenting Provider HIE Participation through Low-Cost Connection Model

Texas Local HIEs are working to address the barriers faced by all levels of providers in connecting to the Health IT ecosystem. In El Paso, the Paso Del Norte Health Information Exchange (PHIX) is working one-on-one with providers to get their CEHRT connected. El Paso has many veterans whose visits to the U.S. Department of Veterans Affairs (VA) require them to provide their health histories. If PHIX HIE was connected to their PCP, this information could be provided to the VA using a database query. Without these connections, veterans are required to bring a paper copy of their health histories.

With PHIX's HIE vendor, each new connection required significant upfront costs for both the provider and HIE, as well as significant ongoing costs for providers. This is especially true for small practices. PHIX researched options for obtaining vendor integration services at more reasonable pricing. In 2018, PHIX concluded that using an open-sourced version of MIRTH to connect to the front-end of their HIE and using PHIX staff to solution the secure infrastructure and connectivity was the most economical approach. This solution, priced on a sliding scale based on the size of the practice, implements routine transmissions of standards-based clinical data C-CDA transactions to PHIX. To date, this solution has worked for three Federally Qualified Health Centers and one Local Mental Health Authority. Plans are in

[10] "CDA-based clinical record" is defined as the C-CDA Transition of Care document referenced in Promoting Interoperability and 2015 EHR Certification Final Rule published by CMS, conforming to the requirements and standards referenced at 45 CFR §170.315(b)(1)(iii)

the works to expand this solution to 10 additional provider locations with less than 5 physicians by January 2020.

This interoperable information exchange between healthcare providers serving the same veteran has improved services for patient, payer and provider with costs at a fraction of commercial prices. This approach is being shared among the HIEs in Texas as way to overcome the cost barrier.

Model for Data Exchange with Community-Based Providers

HHSC has been selected for CMS' Maternal Opioid Misuse Model (MOM) grant program, which requires the ability to exchange EHRs across a participant's caregiver community that includes both Medicaid and non-Medicaid services. The HIE Connectivity Project, Strategy 1 of the HIE IAPD discussed in the prior section, provides the data exchange capabilities needed for Texas Medicaid to participate in innovative care models like the MOM program.

Community-based caregivers connected to a HIE can access and update patient records for services provided outside of the typical healthcare setting. The clinical data in combination with the claims and encounter data Medicaid already receives would enable data analytics teams to identify and assess member populations' healthcare costs and outcomes required for program oversight and reporting needs. This not only meets the requirements for the grant participation but serves as a model that can be extrapolated across the state.

Health IT Topic: Advancing the Use of Health IT to Support Quality Measurement

The ability of the Texas Medicaid Managed Care Program to transition to value-based payment and pursue meaningful healthcare quality improvement goals depends crucially on the availability of performance metrics that can reliably and consistently measure progress across all aspects of the program. These measures should leverage established data standards and consensus specifications to advance the aims endorsed by the National Academy of Medicine (formerly the Institutes of Medicine) in *Crossing the Quality Chasm*.[11] that care should be safe, effective, patient-centered, timely, efficient and equitable. Within the Texas Medicaid managed care program, all major initiatives focused on improving quality and building value begin with data and center on measurement (see Appendix B for a description of the Texas Medicaid Value-Based Initiatives).

Despite this commitment to data driven decision-making, Texas Medicaid, like nearly all healthcare organizations, has opportunity for improvement. A recent review by the state's Value-Based Payment and Quality Improvement Advisory Committee, a multi-disciplinary panel of experts and healthcare industry leaders established by the Executive Commissioner of HHSC to help shape the direction of the APMs and other value-based initiatives in Medicaid, found that a significant amount of data is potentially available to support healthcare quality. This panel, however, found "that doesn't mean that HHSC, its contracted health plans and their network providers always have the information necessary to provide high-value, coordinated care. HHSC must have informative data –- both clinical and administrative -– to guide the program, and health plans and providers must have access to timely, trusted information as a foundation for engaging in value-based payment arrangements."[12] Ultimately, according to the advisory

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[11] *Crossing the Quality Chasm: A New Health System for the 21st Century*. Institute of Medicine (US) Committee on Quality of Health Care in America. Washington (DC): National Academies Press (US); 2001.
[12] Texas Value Based Payment and Quality Improvement Advisory Committee (2018). *Recommendations to the 86th Texas Legislature: Opportunities to Advance Value-Based Payment in Texas.* Accessed July

committee, to fully implement effective value-based and quality improvement initiatives, the HHS System and Medicaid Program will need an informatics strategy that enables near real-time learning and incorporates both clinical and administrative data into robust measures of performance. These next generation informatics tools increasingly will guide decisions at every level, from state policy maker to clinician to individual patient.

To support this emerging emphasis on analytics, best practice and patient empowerment, HHS is working to bring analytics that include both clinical and administrative data to the forefront of healthcare quality measurement and improvement. Clinical data refers to the information derived from the medical interaction between a provider and a patient, including: medications, allergies, problem list, physical examination findings, laboratory and results from other diagnostic testing. Integrating this data with existing administrative or claims data submitted to document healthcare reimbursements promises to broaden the possibilities for successful value-based payment and quality improvement initiatives.

Over the past two decades, analytics based on administrative data have evolved to more reliably measure fidelity to recommended processes of care, i.e., whether a patient received appropriate services. However, in a value-based environment, measures used for decision making, quality improvement and payment must look beyond process to consider outcomes, the prevention and control of disease, as well as environmental and behavioral risks for poor health.

For example, as value-based payment and quality improvement systems become more advanced, indicators recommended by experts through organizations such as the National Quality Forum to identify high achievement in a field such as diabetes care generally look something like the following:

- A patient's most recent HbA1C in the measurement period has a value < 8.0;
- The most recent blood pressure in the measurement period has a systolic value of < 140 and a diastolic value <90; and
- The patient is currently a nonsmoker.

While claims are suitable for identifying a population of individuals with diabetes and some basic measures of quality, clinical and health risk data such as blood pressure control and tobacco use are needed to truly understand and improve the effectiveness of care delivery. Moreover, the near real time availability of electronically exchanged clinical data will significantly accelerate the time horizon for clinical and evaluative decision-making, expanding the possibilities for rapid-cycle improvement approaches.

Ultimately, individuals and the public will benefit from the timely computation, analysis and reporting of enhanced quality indicators based on combined clinical and administrative data because it paves the way to a more accountable, learning healthcare system.

HHSC began assessing payment methodologies between MCOs and providers beginning in 2012. These early reviews indicated that while MCOs received capitated premiums from HHSC and generally operated in a value-based environment, they still predominantly reimbursed providers using a fee-for-service approach, thus maintaining incentives for volume over value in the payment model.

To help promote transformation to a Medicaid system that rewards the achievement of good patient outcomes at lower cost, HHSC created contractual targets for MCOs to link a portion of provider

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18, 2019 at: https://hhs.texas.gov/sites/default/files/documents/about-hhs/communications-events/meetings-events/vbpqi/jan-2019-vbpqi-agenda-item-6.pdf

payments to value using APMs starting in calendar year 2018. APMs are value-based contracting models where providers assume increased accountability for both quality and total cost of care. The term is often used synonymously with value-based payment (VBP) but may also refer to a more systematic approach to VBP where APMs exist along a continuum with progressively greater emphasis on the management of a population (e.g. shared savings, bundled payments and capitation). MCOs must meet targets both for overall value-based payment and for risk-based APMs. If an MCO fails to meet the APM targets or certain allowed exceptions for high performing plans, the MCO must submit a corrective action plan and HHSC may impose contractual remedies, including liquidated damages.

APM Contract Targets with Providers

Year	Overall Target	Risk Based Target
2018	25% of medical expense in a VBP model for MCOs and dental contractors (DCs)	10% of medical expense in a risk based VBP model for MCOs; 2% for DCs
2021	50% of medical expense in a VBP model for MCOs and DCs	25% of medical expense in a risk based VBP model for MCOs; 10% for DCs

The APM initiative, which aligns with the nationally recognized framework established by the Health Care Payment Learning and Action Network,.[13] has already seen some initial progress at aligning payment with value. As of the beginning of 2018, even before the effective date of initial contractual targets, about 40 percent of MCO payments to providers for medical services has migrated to a value-based model.

Electronic clinical quality measures (eCQMs) help to measure and track the quality of healthcare services, based on data generated by a provider's EHR. The availability of clinical metrics will strengthen opportunities for MCOs and providers to adopt more powerful APMs that move closer to population-based payment. The state also sees potential for these measures to help reduce any administrative complexity associated with the changing payment model.

Administrative complexity lowers provider productivity, satisfaction and diverts energy and resources that otherwise could go toward improving patient care. The Value-Based Payment and Quality Improvement Advisory Committee plans to devote a significant portion of its upcoming work on ideas to harmonize VBP approaches, including by recommending common outcome measures for use in APMs. Standardized eCQMs will be considered as part of these deliberations and should support administrative simplification related to the APM initiative.

Federal and state law for Medicaid Managed Care require ongoing reporting on MCO performance, as well as continuous quality improvement. The electronic exchange of data and availability of robust clinical quality measures will invigorate these current efforts. The state's External Quality Review Organization (EQRO) routinely assesses quality, timeliness and access to healthcare for Texas Medicaid and CHIP

[13] Health Care Payment Learning & Action Network. *Alternative Payment Models (APM) Framework*. July 11, 2017. Accessed July 18, 2019 at: https://hcp-lan.org/apm-refresh-white-paper/

recipients..[14] Metrics reported by the EQRO are used for several critical purposes to promote quality improvement and value, including the development of report card ratings for individual health plans. In addition, the EQRO plays a central role in facilitating MCO Performance Improvement Projects (PIPs). Each health plan is required to conduct two, two-year PIPs per Medicaid program.

At least one of these projects must be collaborative, involving another MCO, DSRIP providers and/or community-based organizations. PIPs typically follow a recognizable quality improvement (QI) cycle encompassing root cause analysis, baseline measurement, intervention, remeasurement and assessment.

Recent projects have covered priority QI topics such as improving control of asthma and high blood pressure and reducing potentially preventable hospital and emergency department admissions, all areas that intersect with eCQMs.

Health IT Topic: Health IT and Service Delivery

Health IT presents the opportunity to improve service delivery through a variety of mechanisms. It is a major tool to facilitate improved coordination and integration between Medicaid providers, including physical health, behavioral health and home- and community-based services providers. Beyond coordinating delivery of traditional healthcare services, Health IT can facilitate engagement of community-based organizations that deliver services addressing the social drivers of health, such as food insecurity, housing and transportation issues. Obtaining measurable, actionable data is at the heart of value-based care models. Quantitative and qualitative data analysis to assess performance against meaningful outcome measures identifies where the health system can deliver value. Further, tools such as telehealth and telemedicine are critical in supporting health system goals, such as achieving provider network adequacy in Texas' vast rural regions.

Care Coordination under the Managed Care Delivery System

To address their care needs comprehensively, patients often require multiple touchpoints within a single provider's care team or must be seen by multiple provider types across the spectrum of physical health, behavioral health and home- and community-based services providers. Further, as the complexity of a patient's needs increases, so does the potential for medical errors, duplication of services and unnecessary tests. To compound this complexity, the ability of a patient to achieve optimal health outcomes may be intertwined with medically relevant non-clinical factors, such as access to adequate housing, transportation and social supports.

One of the promises of Medicaid managed care both in Texas and across the nation is to optimize care coordination. The long-term pathway to the most effective care coordination would include providers using EHR technology to integrate all relevant patient care information and distribute that information effectively among authorized providers..[15]

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[14] Institute for Child Health Policy (2018). *Summary of Activities and Value-Added Services State Fiscal Year 2018: Quality, Timeliness, and Access to Health Care for Texas Medicaid and CHIP Recipients*. Accessed July 18, 2019 at: https://hhs.texas.gov/sites/default/files/documents/laws-regulations/reports-presentations/2019/eqro-summary-of-activites-report-contract-yr-2018.pdf

[15] https://www.healthit.gov/topic/health-it-basics/improve-care-coordination

Findings of a study directed by the 2018-19 Texas General Appropriations Act,[16] which required that HHSC conduct a review of the agency's contract management and oversight for Medicaid managed care contracts, further supports the role of Health IT in care coordination. The Rider 61 report acknowledged that the HIE Connectivity Project was introduced with "the primary objectives of advancing care coordination through increased HIE adoption and use by Texas Medicaid providers and creating additional capacity in Texas that can support that use and adoption.".[17]

Consistent with Rider 61, HHSC developed several focused initiatives for improving Medicaid managed care oversight, including an initiative to make improvements related to service and care coordination within managed care. HHSC's Managed Care Oversight Improvement Initiative related to care coordination and service management intends to:

- analyze other state Medicaid programs to assess best practices for care coordination within Texas' managed care programs;
- address any state-level barriers that hinder MCO delivery of care coordination services;
- simplify terminology and clarify definitions of service coordination and service management activities across product lines; and
- identify possible improvements to ensure service coordination and service management is consistent within HHSC contract requirements.

Within these initiatives is the opportunity to assess how Health IT and HIE can overcome barriers to care coordination and service management and identify opportunities for improvement in the contract requirements within Texas' Medicaid managed care models. For example, there could be an assessment of the clinical information exchanged between HHSC, MCOs and Medicaid providers and requirements for how information is conveyed from MCOs to their staff who serve care coordination functions.

Medicaid MCO and Dental Contractor (DC) Portals

MCO and DC portals present the opportunity to empower providers with information to effectively coordinate member care and provide members with the information to understand their health and better advocate for their needs.

In August 2016, HHSC polled the 19 Medicaid healthcare MCOs and two Medicaid dental contractors about their portal capacity. MCOs were asked about the data that network providers could access as well as the types of data that MCO members could access. More MCOs made health data about members available to network providers than to the MCO members themselves. Only 8 of the 19 MCOs made data about the primary categories of health data about which the MCOs were polled (claims-based data, prescription history and clinical data) available to MCO members. These portal poll results follow:

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[16] SB 1, 85th Legislature, Regular Session, Article II, HHSC, Rider 61(b)
[17] HHSC. *Rider 61: Evaluation of Medicaid and CHIP Managed Care,* August 17, 2018. Accessed July 18, 2019 at: https://hhs.texas.gov/sites/default/files/documents/laws-regulations/reports-presentations/2018/sb1-rider61-evaluation-medicaid-chip-august-2018.pdf

Information Accessible to MCO Network Providers about their Clients via MCO Portal

Response	Claims-based Data (e.g., diagnosis and procedures)	Prescription History	Clinical Data (e.g., lab results and immunizations)
Yes	84%	32%	32%
No	16%	68%	68%

Information Accessible to MCO Members about their Health Data via MCO Portal

Response	Claims-based Data (e.g., diagnosis and procedures)	Prescription History	Clinical Data (e.g., lab results and immunizations)
Yes	11%	42%	16%
No	32%	0%	26%
N/A	58%	58%	58%

Both DCs had a portal that enabled network providers to see their clients' claims-based data, but not prescription history or clinical data. Also, neither of the DCs had a member portal that shared health data as of August 2016, though one of the DCs indicated they were about to launch their member portal that would enable members to view their claims, including which procedures they had.

Advances in the sophistication of MCO and DC portals has occurred since 2016, presenting an opportunity to reassess current portal capabilities and identify if any improvements could be made to portal-related managed care contract requirements.

Health IT in DSRIP

Many of the most transformative types of DSRIP projects, including integrating physical and behavioral healthcare, patient-centered medical homes, chronic care management and patient care navigation, fundamentally benefit from the timely exchange of accurate health data. DSRIP has incentivized providers to implement Health IT tools and build local data-sharing relationships that enhance care transitions, care coordination and health system navigation. Further, DSRIP has motivated providers to build internal Health IT infrastructure as well as connect to external data sources to elevate data-driven decision-making, conduct more meaningful performance measurement and engage in continuous quality improvement. Finding ways to sustain and expand upon the successful use of Health IT in DSRIP is a critical component of DSRIP transition planning for when program funding ends October 1, 2021.

Emergency Department Encounter Notification System

HHSC's EDEN system, discussed in greater detail in this plan's Health IT Ecosystem section, implements a major tool for handling care transitions with the transmission of ADT information to MCOs, providers and the state. This is the first step in Texas Medicaid's use of clinical data to facilitate care coordination.

EDEN is implemented utilizing push technology which is recognized as the preferred method for sending electronic notifications. Push technology is a recently added exchange modality in the TEFCA proposed by the ONC.

Telemedicine/Telehealth

Telemedicine and telehealth are part of the larger Texas strategy to deliver services in a more efficient, innovative way and enhances network adequacy, including in rural areas. Telemedicine services are defined in Texas law as healthcare services delivered remotely to a patient by a physician, or other healthcare professional under physician delegation and supervision.

It has the potential to offer convenient access to routine care for Medicaid clients who might otherwise be unable to receive in-person services. Using telemedicine, physicians and other healthcare providers can receive supervision and guidance on patient care from specialty-care physicians. Telemedicine can improve both the access and quality of care.

Telehealth services are defined in state law as healthcare services delivered remotely to a patient by a healthcare practitioner who does not deliver telemedicine services. In practice, this means that telehealth services are non-physician delivered services. Licensed professionals such as counselors, midwives and dieticians can deliver telehealth services.

The number of Texas Medicaid clients using telemedicine and telehealth services grew 30 percent from Fiscal Year 2016 to Fiscal Year 2017. The number of providers offering these services increased 32 percent during that same period. Texas Medicaid's spending on telemedicine, telehealth and telemonitoring services nearly doubled, from $9.6 million in Fiscal Year 2016 to $18.4 million in Fiscal Year 2017. The spending increase is primarily due to a significant uptick in the use of home telemonitoring services. Home telemonitoring services, also referred to as remote patient monitoring, are the scheduled review of a client's transmitted clinical data. Types of clinical data include blood pressure and blood glucose measurements.

Telemedicine and Network Adequacy. State and federal laws require that MCOs meet travel time and distance standards, which measure access to care on a quarterly basis for 35 provider types in all 254 counties in the state. Medicaid is considering how to count telemedicine and telehealth services toward meeting travel time and distance standards.

Telemedicine in Rural Areas. Texas' strategy to address rural healthcare shortages includes telemedicine. Among Texas' 254 counties, 189 counties, in mostly rural areas, are at least partially designated as a primary care Health Professionals Shortage Area (HPSA).[18] Finding efficient, patient-centered approaches to deliver high-quality healthcare services to underserved rural regions is a critical issue for Texas. Telemedicine programs can enhance the viability of rural hospitals through the provision of specialized medical services.

Over the course of several legislative sessions, Texas has been expanding the options for Texas providers to engage in telemedicine in ways that address access concerns in rural areas. For example, in 2017, the Texas Legislature created a new pediatric tele-connectivity grant program to provide funding to non-urban healthcare facilities to obtain telemedicine services from pediatric specialist physicians (HB 1697, 85th Legislature, Regular Session, 2017). The grant program will enable facilities that lack

[18] Health Resources & Services Administration. Health Professional Shortage Areas (HPSAs). https://bhw.hrsa.gov/shortage-designation/hpsas

advanced neonatal intensive care unit capabilities to make appropriate and rapid medical decisions for the care of their newborns. In 2019, the Texas Legislature passed legislation enabling satisfaction of physician requirements for Level IV trauma facility designation in counties with populations less than 30,000 using telemedicine (HB 871, 86th Legislature, Regular Session, 2019). Also, in 2019, legislation was passed to further clarify the array of Medicaid services available for telemedicine reimbursement under Medicaid managed care (SB 670, 86th Legislature, Regular Session, 2019).

HIE and Emergency Medical Services

Texas HIEs have also explored methods for enhancing service delivery. The Harlingen, Texas based Trauma Regional Advisory Council asked their HIE, the Rio Grande Valley Health Information Exchange (RGVHIE), to identify a method for improving communications between EMS 911 providers (EMS) and hospital EDs. RGVHIE developed three approaches for improving communications:

1. **EMS Data-hub.** The EMS Hub integrates with a wide range of EMS Electronic Patient Care Reporting (ePCR) software serving as a conduit for health information exchange by storing "run reports" and making them available via a Provider Portal. Run Reports are required from an EMS organization within 12-24 hours after a patient is delivered to an emergency room. Run reports were typically delivered via fax or paper. The process was fraught with inefficiencies and timeliness issues. Hospital and EMS personnel now have real-time access to run reports stored in the EMS data hub using the HIE-based web portal.
2. **EMS App and Hospital Notifications System.** This service allows for EMS to send a pre-notification alert to a receiving hospital about an individual's status directly onto a dashboard in the Hospital Emergency Department to provide decision support and prepare for an individual's arrival—especially for conditions requiring time-sensitive treatment or therapy—such as trauma, heart attack or stroke. The EMS App is a tool for paramedics on the field responding to 911 emergency calls to capture patient information and send real time to Hospital Emergency Room personnel.
3. **EMS access to real time patient information at the point of care.** There was consensus across RGVHIE EMS stakeholders that access to patient information would be beneficial at the point of care. Since most of the ePCRs did not have integration capabilities, RGVHIE initially solutioned this with an EMS app external to the EMS workflow. There was minimal participation and difficulty with the patient identification process. RGVHIE is continuing to work through these challenges and others.

RGVHIE learned that while it is beneficial to have maximum patient information available, the system must account for workflow adoption and variations in infrastructure standards. RGVHIE surveyed their customers and had a 77 percent response rate. A resounding 80.5 percent of respondents indicated it is extremely useful for them to be able to retrieve patient information from other hospitals, EDs and physician practices through HIE. One hundred percent of participants noted that the most important function of HIE will be obtaining mental health diagnoses and pathology reports.

Disaster Response - PULSE

PULSE is a nationwide Health IT disaster response platform that can be deployed at the city, county or state level to authenticate and assist disaster healthcare volunteer providers.

PULSE allows disaster workers to query and view patient documents from all connected healthcare organizations. To ensure the maximum amount of medical information is electronically available about Texans during a disaster, HHSC is proposing to implement PULSE in partnership with THSA. In 2017, the THSA's query-based HIE services were scheduled to terminate as THSA was in the process of converting

HIETexas, the THSA's state-level HIE network, from query-based exchange services to an alerts-based care coordination platform. However, THSA delayed that transition after Hurricane Harvey hit Texas and there was a need to continue offering query-based HIE to assist in the recovery efforts by allowing patients' health information to follow them.

During the response to Hurricane Harvey, Texas HIEs set up access in select shelters and provided patient look-up services to medical teams operating in those environments. Although several successful information hits resulted, the process needs to be scaled and standardized across the state.

PULSE, initially developed by the State of California with ONC grant funding (2015-2017), is a non-proprietary, open-source software solution operated for California by Audacious Inquiry (Maryland) and hosted by The Sequoia Project. PULSE was designed to be expandable to all parts of the United States.

PULSE represents a significant improvement over the HIE involvement during the Hurricane Harvey response. It provides emergency healthcare workers direct access to broader sources of critical health information. Texas is proposing to implement PULSE through IAPD funding requested to leverage and expand the state-level services, HIE and provider connectivity included in all the strategies of the previous IAPD.

During disasters, Texas' large and highly complex healthcare delivery system performs as a health information exchange model with HIEs that have limited interoperability across the state. An interoperable model is required to support meaningful coordination of care as services are delivered in shelter sites. It is essential that the most clinically relevant information be available to support individuals involved in disaster situations. The access and use of health information is critical to patient quality of care during these times of crisis.

The project is based on a use case that incorporates interoperable health information technology tools and services that support disaster response activities in shelter locations. It will incorporate national standards that facilitate health information exchange and build upon the HIE work already accomplished in Texas.

Behavioral Health

Behavioral health has been a priority focus for Texas over the last several years as demonstrated through significant policy-making, strategic planning and legislative funding commitments. Texas Medicaid and CHIP has been working on several initiatives to improve outcomes and reduce costs for providing services to individuals with Behavioral Health (BH) diagnoses. The capacity for providers to coordinate care through the sharing of health information will help Texas Medicaid achieve these initiatives, which are as follows:

- Implementation of federal and state mental health parity standards, which require that individuals do not experience more barriers accessing mental health and substance use disorder services than they do accessing medical and surgical services;
- The creation of managed care requirements around integrating behavioral and physical healthcare at the MCO and provider levels;
- Evaluation of a pilot program studying integrated behavioral and physical healthcare led by behavioral health clinics and including the implementation of alternative payment methodologies in integrated care clinics;
- Implementation of a peer support benefit for individuals with mental health and substance use disorder conditions; and

- Improving access to medication assisted therapy and other evidence-based treatments for substance use disorders.

The Health IT approach to behavioral health cross-cuts many Health IT topics, which necessitates the comprehensive discussion that follows.

Prevalence of BH diagnoses in Texas Medicaid

More than 290,000 Texas Medicaid and CHIP clients had a diagnosed serious emotional disturbance (SED) or serious mental illness (SMI) in state Fiscal Year 2016. The most common SED/SMI diagnoses are major depression, schizophrenia and bipolar disorder. A much larger number of clients experience mental health conditions that do not rise to the level of a SED/SMI but do impact daily life, such as anxiety disorders. Still others have diagnosed substance use disorders, such as opioid use disorder or alcoholism.

Health IT's potential for physical and behavioral health integration

Care coordination across physical and behavioral health is of sentinel importance to ensuring good outcomes. Behavioral health conditions are associated with significant physical comorbidities, which can increase the cost of care and result in poor health outcomes. Individuals with mental illness are also more likely to develop chronic medical conditions and become physically debilitated earlier in life, increasing acute and long-term costs. Behavioral health conditions are associated with 22 percent of Texas Medicaid managed care potentially preventable admissions and 46 percent of potentially preventable readmissions. Almost 66 percent of Texas Medicaid clients with three or more ED visits and two or more admissions in a year have a chronic behavioral health condition. According to a national study, significant numbers of nursing facility residents had a primary diagnosis of mental illness, with 25 percent being younger than age 65. Some medications required to manage the symptoms of serious mental illness can increase the risk of chronic physical conditions, such as metabolic disorders (e.g., diabetes).

When health information, such as medical history, lab results, medication lists and treatment plans for physical and behavioral health is not electronically exchanged, providers may prescribe treatment that compromises the person's safety, disrupts their recovery or otherwise negatively affects their overall well-being. In cases where people with more severe conditions must see multiple providers, the risk that they will receive fragmented and inconsistent episodic care increases (e.g., people with depression are three times more likely to be noncompliant with their medical treatment regimens), which contributes to a shorter life expectancy.

The ability for behavioral and physical health providers to electronically share data on conditions and treatments enhances coordination of care, reduces/prevents adverse health events and improves outcomes of care.

Without connectivity to the Health IT ecosystem, the state must rely on its medical benefits claims processing system (Compass21) and outpatient pharmacy claims processing system (OS+, which is managed by Conduent) to manage whole-person care in individuals with behavioral health conditions. These systems are not connected and, as an example: a client could receive the buprenorphine implant (J0570) in a physician's office or outpatient hospital as a medical benefit (Compass21) and also receive an outpatient prescription by a different provider (i.e., pharmacy claims processed by OS+) that would interact negatively with the buprenorphine without either provider being aware, which could result in serious complications for the client.

Behavioral health providers have been working to use EHRs. This has been an issue for both behavioral and physical health providers who are working to integrate care within their practice, as many EHRs are not built to accommodate the needs of an integrated provider and require technical modifications. In addition, behavioral health providers are beginning to enter APMs with some MCOs, which often require EHR modification for quality measure data. These types of modifications can assist providers in addressing the needs of individuals with co-occurring conditions, but can be expensive and cost prohibitive. Assistance to providers will be necessary to support advances in an integrated care model.

HHSC maintains an electronic data system known as Clinical Management for Behavioral Health Services (CMBHS). CMBHS serves as an EHR for contracted providers of substance use disorder (SUD) services, and it serves as a data reporting system for contracted providers of mental health services.

For SUD services, CMBHS captures clinical documentation at a detailed level, including such things as client profile, screening, assessment, service type, treatment, progress notes, lab results, medication administration and service authorization. CMBHS also supports submitting claims to TMHP both for block-grant-funded SUD services and for a limited set of Medicaid-funded SUD services. Entering data for SUD services is currently only supported through a web-based interface in which providers directly enter the data. SUD providers who maintain their own electronic health record have the option of exporting their data, so it may be imported into their local systems.

For mental health services, CMBHS primarily serves as a data reporting system. It captures client profile, diagnosis, assessment, service authorization and it supports submitting claims to TMHP for certain Medicaid mental health programs. The system is primarily used by the Local Mental Health Authorities (LMHAs) and by other Medicaid providers of mental health case management and mental health rehabilitation services. Data for mental health services may be entered directly through the web interface, but LMHAs, with their own electronic health records, may submit information through an electronic data exchange.

Although CMBHS supports a variety of nationally-recognized vocabulary standards including the Diagnostic and Statistical Manual, ICD-10, and the National Drug Code, at the time of development there were no available national data standards that sufficiently addressed the medical and care delivery needs for patients with serious mental illness. This was recognized by HL7, which, at the time, had a workgroup on community-based collaborative care. To enable the LMHAs to extract data from their local EHRs and submit it electronically to CMBHS, the state worked with the primary EHR vendors of the LMHAs (Cerner, iServe, & Netsmart) as well as IT directors from the LMHAs to develop a set of standards and data definitions which are still in use today. All 39 of the LMHAs in Texas engage in some form of data exchange with CMHBS; but 35 of them utilize all the data exchange functions. The other four use a combination of data exchange and direct entry.

CMBHS is planned to be the system of record for commitment information, which is currently captured in various systems. Outpatient community center commitments are captured in CMBHS. State hospital commitments are captured in the Avatar systems maintained by the state hospitals, but it is also transmitted to the legacy mental health system, known as CARE. Current plans are to migrate remaining CARE functions to CMBHS when funding becomes available.

CMBHS could play an effective role in integrating behavioral health services into a care coordination system, but not without enhancements to its data exchange process. As CMBHS currently only supports the exchange of behavioral health data using custom interfaces, further development work would be required to make CMBHS compliant with ONC proposed national standard for USCDI and to meet the HL7 C-CDA standards. Making these enhancements in CMBHS and having our contracted users make

the same enhancements to their local systems would allow CMBHS to be interoperable, exchange behavioral health data and receive other forms of health data in a meaningful way.

The state's and MCOs' ability to effectively manage the Medicaid system to achieve good outcomes for Medicaid and CHIP members with behavioral health conditions can also be enabled through improvements, standardization and connectivity to the Health IT ecosystem.

Connection of BH provider EHRs and CMBHS

Once behavioral health provider EHRs and CMBHS are connected to the Health IT ecosystem, MCOs and state staff would be able to access clinical data on member characteristics that would aid in the identification of specific needs. These denotations include certain behavioral health diagnoses for whom MCOs are contractually required to provide high levels of care coordination, and members enrollment in specific waiver programs with whom MCOs are contractually required to coordinate in creating service plans and authorizing medically necessary services. This information could also assist the state in data analysis to identify common diagnoses on which policies or programs to improve outcomes may be focused, and to ensure that members are not enrolled in more than one waiver program at a time.

Connectivity to provider EHRs would also enable access to information on court-ordered psychiatric services and would assist MCOs and the state to ensure that all court-ordered services are delivered and reimbursed, and that members who have been court-ordered into services get needed supports as court orders expire to prevent further criminal justice involvement and reduce emergency department use and hospitalizations.

As non-medical clinically necessary information is integrated into CEHRT, provider EHRs would also indicate when a member is experiencing a non-healthcare need that impacts health, such as housing instability or interaction with the criminal justice system. This would allow MCOs to identify members with further care coordination needs and would allow the state to work with other state-level systems such as the Texas Department of Housing & Community Affairs and the Texas Commission on Jail Standards to coordinate needs of Medicaid and CHIP participants.

Goals/Milestones

While this Health IT Strategic Plan details many important initiatives that advance Health IT, the milestones described in the table that follows represent core activities to services and providers across the continuum of care. HHSC considers this plan a living document that may be adapted to meet evolving needs.

Health IT/ HIE Strategy	Service or Application	Measure	FFY 2020/2021 Milestones
HIE IAPD Strategy 1	**Connections**	Number of Medicaid providers connected to Local HIEs by this project, with capability to transfer C-CDA and/or ADT-based clinical data	Goal is two hundred (200) Medicaid providers (including hospital and ambulatory providers) connected to Local HIEs as an outcome of this project

Health IT/ HIE Strategy	Service or Application	Measure	FFY 2020/2021 Milestones
HIE IAPD Strategy 2	**Onboarding Local HIEs to THSA**	Number of HIEs connected to the THSA by this project	Goal is eight (8) HIEs connected to THSA as an outcome of this project
HIE IAPD Strategy 2	**Master Patient Index**	Implementation of Master Patient Index	Master Patient Index implemented
HIE IAPD Strategy 3	**Medicaid Emergency Department Encounter Notification**	Number of HIEs contributing hospital emergency department ADT data	Goal is eight (8) HIEs contributing hospital emergency department ADT data as an outcome of this project
Initiative	**PULSE**	Program Planning and Implementation	Develop Plan and PULSE Application. Test and Launch PULSE Application and Implement Program

Conclusion

The primary objectives of this Health IT Strategic Plan are to establish a Health IT or HIE model that achieves better health outcomes for Texas Medicaid clients and to bring increased value to healthcare providers, institutions and community partners to best serve the Texas Medicaid population. Our intent is to develop a pragmatic, achievable and meaningful strategy that motivates state agencies and healthcare providers to adopt interoperability and Health IT infrastructure in support of achieving better health outcomes for the people we serve. Meaningful health data collection strengthens understanding of the relationship between social drivers of health and healthcare use across diverse populations, allowing the state to develop solutions to better connect patients to much needed services.

Propagating the transmission of ED ADT data will demonstrate the value to PCPs and healthcare providers of participating in data exchange. This is a first step in the use of clinical data for care coordination, but we must take subsequent steps beyond ED data notifications. Push technology is one way of exchanging information, but not the only one and not for all use cases. The ability to ask for information that is needed for care is another widely used method to support APMs. This Health IT Strategic Plan demonstrates an initial pathway, but Texas must also scale the solution beyond ED data to enabling push notifications between healthcare providers and payers. True care coordination will happen with information exchange among all care providers on the care team throughout the care continuum.

Not all healthcare providers and Medicaid payers will swiftly adopt the idea of connecting to HIEs to transmit data to other providers, other HIEs or state HHS entities. Many of the reasons for this reluctance are described in this plan. Large hospitals, provider groups and MCOs may recognize the most value in client data transmission and with their more robust resources are likely to adopt and implement HIE. However, it is unrealistic to expect 100 percent adoption from the healthcare community. Rural providers and practices that treat a small population of patients are likely to be the last to adopt HIE due to resource constraints.

Texas HHS must diligently work directly with HIE networks, THSA, provider associations, healthcare providers and MCOs to communicate the HIE value proposition and assist with bringing value to their respective organizations. Every organization strives to improve health outcomes for their patients, but how to achieve this vastly differs among organizations as the approach is governed by entity-specific priorities. Over the last five years, providers have encountered great expense and dedicated a significant amount of resources toward adopting and implementing EHR technologies. Their primary purpose is to provide high-quality services to the patients they serve, and Texas HHS can play a significant role in shaping a Health IT landscape that advances this objective.

The buildout of Health IT and HIE infrastructure is a critical component of furthering Texas HHS' vision of "Making a difference in the lives of the people we serve" and the mission of "Improving the health, safety and well-being of Texans with good stewardship of public resources."

Appendix A – Timeline of Health IT Legislation in Texas

Legislative action has been a significant driver for the advancement of Health IT in Texas. In 2005, the Texas Legislature created a multi-agency Texas Health Care Policy Council (Council) that was charged, among other directives, with "promoting the use of technology in health care to decrease administrative costs and to increase and improve the quality of health care."[19] In 2006, Governor Rick Perry established the Texas Health Care System Integrity Partnership, which recommended mechanisms for operationalizing the state-level recommendations of the Council.

In 2007, the Texas Legislature enacted Chapter 182 of the Health and Safety Code, which established the THSA. THSA is "a public-private collaborative to implement the state-level health information technology functions" and is intended to serve "as a catalyst for the development of a seamless electronic health information infrastructure to support the healthcare system in the state and to improve patient safety and quality of care."[20]

HHS agencies serve as ex officio representatives on the THSA board of directors. Texas HHS agencies work with THSA, HIEs and other stakeholders to advance the use of standards to support interoperability. Currently, the THSA is focused on:

1) expanding connectivity;
2) emergency department notifications;
3) support for statewide disaster response; and
4) public health reporting.

The Electronic Health Information Exchange System Advisory Committee was established to advise HHSC on issues regarding the development and implementation of the electronic health information exchange system in accordance with HB 1218, 81st Legislature, Regular Session, 2009. The committee was chaired by a member of the healthcare provider community and offered valuable stakeholder insight regarding HHS Health IT and HIE activities.

In 2010, HHS established the OeHC to serve as a single point of contact in HHS for health policy information, coordinate state level activities with THSA and serve as the State Health IT Coordinator and the central Health IT coordinator within the Texas HHS agency system.

In 2015, SB 200, 84th Legislature, Regular Sesion removed over 20 advisory committees from statute, including the Electronic Health Information Exchange System Advisory Committee, and HHSC subsequently created the eHAC to advise HHS agencies on strategic planning, policy, rules and services related to the use of Health IT, health information exchange systems, telemedicine, telehealth and telemonitoring services.

HB 2641, 84th Legislature, Regular Session, 2015 required that information systems planned or procured on or after September 1, 2015 and used by a Texas Health and Human Services Agency to send or receive protected health information to and from healthcare providers use applicable standards and be interoperable with each other. HB 2641 aligns with federal legislation and promotes the use of certified electronic health record technology as well as requires information systems to follow the ONC's ISA.

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[19] House Bill 916, 79th Legislature, Regular Session, 2005
[20] House Bill 1066, 80th Legislature, Regular Session, 2007

Appendix B – Texas Medicaid Value-Based Initiatives

Initiative	Description	Quality and/or Efficiency Measures	Benefit from Improved Health IT/HIE
Transition from Fee-for-Service to Managed Care	Over 90 percent of Medicaid and CHIP clients receive services through risk bearing MCOs and DCs. The transition to managed care has occurred in carefully planned stages over a 24-year period.	Federal and state law require several quality related activities including routine reporting on evidence-based measures of MCO and DC performance.	Care coordination is a foundation of the MCO service delivery model. The state's Health IT strategy will establish a reliable pathway for the expeditious exchange of high-quality data with MCOs and across providers engaged in the care of an individual. The availability of clinical data will also improve the relevance of program performance measures, including eCQMs.
MCO Pay for Quality (P4Q)	Budget neutral program that creates incentives and disincentives for MCOs and DCs. Health plans that excel on specified quality metrics are eligible for additional funds above their existing premium payments; health plans that do not meet their measures can lose funds.	P4Q includes industry recognized process and outcome measures within a model that: 1) is easy to understand; 2) allows health plans to track performance and improvement; 3) rewards both high performance and improvement; and 4) promotes transformation and innovation.	Improved HIE will allow for more timely assessment of MCO performance using the most meaningful metrics possible, including metrics showing clinical outcomes and that are appropriately adjusted for clinical and social risk.

Initiative	Description	Quality and/or Efficiency Measures	Benefit from Improved Health IT/HIE
Hospital Quality Based Payment Program for Potentially Preventable Readmissions and Complications	Provides incentives and disincentives to hospitals to reduce potentially preventable readmissions and complications. MCOs pass incentives and disincentives to hospitals based on a hospital's overall performance for Medicaid clients as calculated by HHSC.	Potentially Preventable Readmissions and Potentially Preventable Complications.	Real time exchange of health information is crucial for care transitions that reduce preventable events. Admission, discharge and transfer data has been demonstrated to reduce preventable hospital admissions and readmissions.
MCO Performance Improvement Projects (PIPs)	Two-year projects designed to follow a common quality improvement cycle. Projects should demonstrate significant improvement sustained over time for clinical and non-clinical care that has a favorable effect on health outcomes and client satisfaction.	HHSC, with the EQRO, determines topics for PIPs based on improvement goals. MCOs create a PIP plan, report on progress annually and provide a final report.	HIE will reduce data lag, promoting the integration of rapid-cycle improvement approaches into the PIPs. Wider use of electronically exchanged clinical data/metrics will expand the range of viable QI projects, particularly collaborative projects.

Initiative	Description	Quality and/or Efficiency Measures	Benefit from Improved Health IT/HIE
Quality Incentive Payment Program (QIPP)	Incentivizes nursing facilities to improve quality and innovation in the provision of services using the CMS five-star rating system as a basis.	Performance measures include: 1) high-risk residents with pressure ulcers; 2) percent of residents who received an antipsychotic medication; 3) residents experiencing one or more falls with major injury; and 4) residents who were physically restrained.	Nursing homes maintain data in electronic format but may not participate in electronic health information exchange with other providers, despite the complex medical backgrounds of their residents. Real time data exchange involving nursing homes is crucial for optimal care coordination and, in particular, will promote better transitions across care settings and higher performance on both nursing home and hospital metrics.
MCO Value-Based Contracting (or Alternative Payment Models) with Providers	HHSC, through contract, requires MCOs to develop value-based payment models with providers.	HHSC has established overall and risk-based targets for the level of MCO reimbursement to providers through value-based payments relative to a plan's total medical expenses.	More clinically relevant data, metrics and data sharing across providers, MCOs and agency programs is needed for the state to fully transition to a value-based Medicaid program.

Appendix C – Public Health Collaborations Advancing Health IT

The Department of State Health Services (DSHS) is Texas' state-level public health agency and is an important component of Texas' Health IT ecosystem. DSHS receives health data from healthcare providers, including general practitioners, specialty care providers and hospitals across the state and uses it to advance DSHS' goals:

- Improve health outcomes through public and population health strategies, including prevention and intervention.
- Optimize public health response to disasters, disease threats and outbreaks.
- Promote the use of science and data to drive decision-making and best practices.

DSHS recognizes the value in using Health IT and health information exchange to reduce provider burden in reporting information to the state. It also recognizes the value in transforming the data it receives into timely, accurate, actionable information that supports providers in their delivery of high-quality care to patients.

DSHS is continuously investing in its technology systems that support the state's Health IT ecosystem. Key services DSHS provides that rely on the exchange of health information with providers include:

- Operating the State Laboratory, which performs a variety of tests, including newborn blood spot testing.
- Operating the state's immunization registry, which allows healthcare providers and other authorized users to use ImmTrac2 to access immunization histories and vaccination forecasts for children and adults who have consented to have their information included in the immunization registry.
- Disease investigations conducted by the state and local health departments using DSHS' implementation of the National Electronic Disease Surveillance System (NEDSS).
- The Texas syndromic surveillance system, which collects information from hospitals and urgent care centers and makes that information available to local health departments across the state.
- The Texas Cancer Registry, which collects patient-level information from healthcare providers who diagnose and treat cancer. This data can be used to help coordinate patients' care, conduct cancer research and investigate cancer clusters in communities across the state.
- The newborn hearing screening program, which focuses on early detection of hearing issues in newborns and appropriate follow-up care.
- Managing HIV services funded through the Ryan White grant program.

DSHS-run information systems supply actionable information to providers, DSHS program staff, local health departments and other entities. DSHS and its partners use data from these systems to target preventative and early intervention services intended to minimize the health impacts and manage the costs of detected diseases or conditions.

DSHS and HHSC share the same information technology services team, core system architecture requirements, data center and internal IT project approval and governance processes. This sharing eases coordination and helps align resources to meet core needs such as data exchange between the agencies and external partners. This collaboration includes sharing plans and technologies to connect with health information exchanges (HIEs) and other trading partners.

Both DSHS and HHSC will benefit from the improved connectivity for providers and HIEs described in the HIE Implementation Advanced Planning Document. The connection established to support the Emergency Department Encounter Notifications system messages (described in this Plan) between the Texas Health Services Authority's HIETexas and HHSC can also be used to support the exchange of data with DSHS' registries and information systems.

The capabilities provided through the Medicaid provider directory system index being implemented can be extended to serve DSHS' registry systems, reducing duplicative activities by providers and improving DSHS' ability to link information from disparate systems together. Similarly, access to a master patient index will be of use to DSHS programs as they match patient records from different systems.

DSHS is working to improve its implementation of NEDSS. Modernizing NEDSS and its affiliated tools will improve providers' ability to submit data, including support for electronic case reporting. The transition to electronic case reporting will reduce manual activities currently required of providers, by enabling direct reporting of conditions from providers' electronic health records (EHRs), leveraging the Reportable Condition Knowledge Management System or similar technologies.

DSHS continues to improve its IT systems, complying with interoperability standards requirements from House Bill 2641, 84th Legislature, Regular Session, 2015, with an aim to provide actionable data to decision-makers at the local, state and national levels. Funding to implement technology changes comes from general revenue, the Centers for Disease Control and Prevention, other grant-making entities and through partnerships with HHSC to implement projects funded through the Advanced Planning Document process.

DSHS recognizes the importance of governance in managing internal systems, the state's Health IT ecosystem, as well as at the national level including both exchange networks and messaging standards. Representatives from DSHS are active in all levels of governance and work to ensure that public health's needs, as well as the services it can provide, are recognized.

Attachment O
Preparing the Evaluation Design

Introduction

For states that are testing new approaches and flexibilities in their Medicaid programs through section 1115 demonstrations, evaluations are crucial to understand and disseminate what is or is not working and why. The evaluations of new initiatives seek to produce new knowledge and direction for programs and inform Medicaid policy for the future. While a narrative about what happened during a demonstration provides important information, the principal focus of the evaluation of a section 1115 demonstration should be obtaining and analyzing data on the process (e.g., whether the demonstration is being implemented as intended), outcomes (e.g., whether the demonstration is having the intended effects on the target population), and impacts of the demonstration (e.g., whether the outcomes observed in the targeted population differ from outcomes in similar populations not affected by the demonstration). Both state and federal governments need rigorous quantitative and qualitative evidence to inform policy decisions.

Expectations for Evaluation Designs

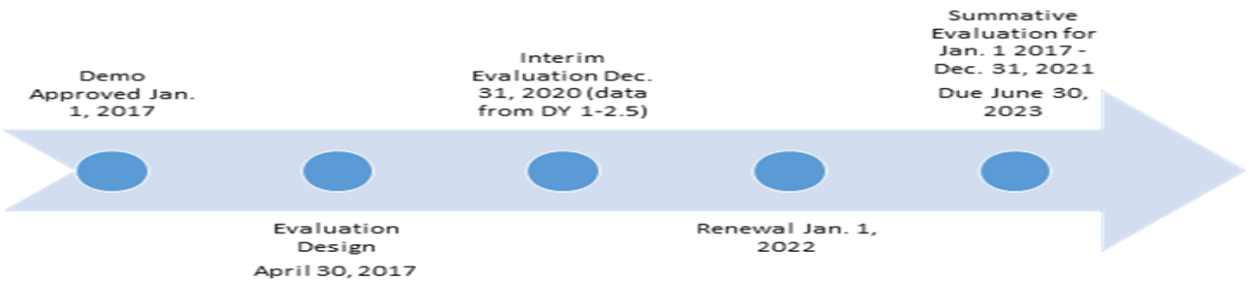
All states with Medicaid section 1115 demonstrations are required to conduct an evaluation, and the Evaluation Design is the roadmap for conducting the evaluation. The roadmap begins with the stated goals for the demonstration followed by the measurable evaluation questions and quantifiable hypotheses, all to support a determination of the extent to which the demonstration has achieved its goals. When conducting analyses and developing the evaluation reports, every effort should be made to follow the approved methodology. However, the state may request, and CMS may agree to, changes in the methodology in appropriate circumstances.

The format for the Evaluation Design is as follows:

A. General Background Information;
B. Evaluation Questions and Hypotheses;
C. Methodology;
D. Methodological Limitations;
E. Attachments.

Submission Timelines

There is a specified timeline for the state's submission of Evaluation Design and Reports. (The graphic below depicts an example of this timeline). In addition, the state should be aware that section 1115 evaluation documents are public records. The state is required to publish the Evaluation Design to the state's website within 30 days of CMS approval, as per 42 CFR 431.424(e). CMS will also publish a copy to the Medicaid.gov website.



Required Core Components of All Evaluation Designs
The Evaluation Design sets the stage for the Interim and Summative Evaluation Reports. It is important that the Evaluation Design explain the goals and objectives of the demonstration, the hypotheses related to the demonstration, and the methodology (and limitations) for the evaluation. A copy of the state's Driver Diagram (described in more detail in paragraph B2 below) should be included with an explanation of the depicted information.

A. **General Background Information** – In this section, the state should include basic information about the demonstration, such as:

1) The issue/s that the state is trying to address with its section 1115 demonstration and/or expenditure authorities, the potential magnitude of the issue/s, and why the state selected this course of action to address the issue/s (e.g., a narrative on why the state submitted an 1115 demonstration proposal).

2) The name of the demonstration, approval date of the demonstration, and period of time covered by the evaluation;

3) A brief description of the demonstration and history of the implementation, and whether the draft Evaluation Design applies to an amendment, extension, renewal, or expansion of, the demonstration;

4) For renewals, amendments, and major operational changes: A description of any changes to the demonstration during the approval period; the primary reason or reasons for the change; and how the Evaluation Design was altered or augmented to address these changes.

5) Describe the population groups impacted by the demonstration.

B. **Evaluation Questions and Hypotheses** – In this section, the state should:

1) Describe how the state's demonstration goals are translated into quantifiable targets for improvement, so that the performance of the demonstration in achieving these targets could be measured.

2) Include a Driver Diagram to visually aid readers in understanding the rationale behind the cause and effect of the variants behind the demonstration features and intended outcomes. A driver diagram is a particularly effective modeling tool when working to improve health and health care through specific interventions. The diagram includes information about the goal of the demonstration, and the features of the demonstration. A driver diagram depicts the relationship between the aim, the primary drivers that contribute directly to achieving the aim, and the secondary drivers that are necessary to achieve the primary drivers for the demonstration. For an example and more information on driver diagrams: https://innovation.cms.gov/files/x/hciatwoaimsdrvrs.pdf

3) Identify the state's hypotheses about the outcomes of the demonstration:
   a. Discuss how the evaluation questions align with the hypotheses and the goals of the demonstration;
   b. Address how the research questions / hypotheses of this demonstration promote the objectives of Titles XIX and/or XXI.

C. Methodology – In this section, the state is to describe in detail the proposed research methodology. The focus is on showing that the evaluation meets the prevailing standards of scientific and academic rigor, and the results are statistically valid and reliable, and that where appropriate it builds upon other published research (use references).

This section provides the evidence that the demonstration evaluation will use the best available data; reports on, controls for, and makes appropriate adjustments for the limitations of the data and their effects on results; and discusses the generalizability of results. This section should provide enough transparency to explain what will be measured and how. Specifically, this section establishes:

1) Evaluation *Design* – Provide information on how the evaluation will be designed. For example, will the evaluation utilize a pre/post comparison? A post-only assessment? Will a comparison group be included?

2) *Target and Comparison Populations* – Describe the characteristics of the target and comparison populations, to include the inclusion and exclusion criteria. Include information about the level of analysis (beneficiary, provider, or program level), and if populations will be stratified into subgroups. Additionally discuss the sampling methodology for the populations, as well as support that a statistically reliable sample size is available.

3) *Evaluation Period* – Describe the time periods for which data will be included.

4) *Evaluation Measures* – List all measures that will be calculated to evaluate the demonstration. Include the measure stewards (i.e., the organization(s) responsible for the evaluation data elements/sets by "owning", defining, validating; securing; and submitting for endorsement, etc.) Include numerator and denominator information. Additional items to ensure:

a. The measures contain assessments of both process and outcomes to evaluate the effects of the demonstration during the period of approval.
b. Qualitative analysis methods may be used, and must be described in detail.
c. Benchmarking and comparisons to national and state standards, should be used, where appropriate.
d. Proposed health measures could include CMS's Core Set of Health Care Quality Measures for Children in Medicaid and CHIP, Consumer Assessment of Health Care Providers and Systems (CAHPS), the Initial Core Set of Health Care Quality Measures for Medicaid-Eligible Adults and/or measures endorsed by National Quality Forum (NQF).
e. Proposed performance metrics can be selected from nationally recognized metrics, for example from sets developed by the Center for Medicare and Medicaid Innovation or for meaningful use under Health Information Technology (HIT).
f. Among considerations in selecting the metrics shall be opportunities identified by the state for improving quality of care and health outcomes, and controlling cost of care.

5) *Data Sources* – Explain where the data will be obtained, and efforts to validate and clean the data. Discuss the quality and limitations of the data sources.

   If primary data (data collected specifically for the evaluation) – The methods by which the data will be collected, the source of the proposed question/responses, the frequency and timing of data collection, and the method of data collection. (Copies of any proposed surveys must be reviewed with CMS for approval before implementation).

6) *Analytic Methods* – This section includes the details of the selected quantitative and/or qualitative measures to adequately assess the effectiveness of the demonstration. This section should:
   a. Identify the specific statistical testing which will be undertaken for each measure (e.g., t-tests, chi-square, odds ratio, ANOVA, regression). Table A is an example of how the state might want to articulate the analytic methods for each research question and measure.
   b. Explain how the state will isolate the effects of the demonstration (from other initiatives occurring in the state at the same time) through the use of comparison groups.
   c. A discussion of how propensity score matching and difference in differences design may be used to adjust for differences in comparison populations over time (if applicable).
   d. The application of sensitivity analyses, as appropriate, should be considered.

7) *Other Additions* – The state may provide any other information pertinent to the Evaluation Design of the demonstration.

Table A. Example Design Table for the Evaluation of the Demonstration

Research Question	Outcome measures used to address the research question	Sample or population subgroups to be compared	Data Sources	Analytic Methods
Hypothesis 1				
Research question 1a	-Measure 1 -Measure 2 -Measure 3	-Sample e.g. All attributed Medicaid beneficiaries -Beneficiaries with diabetes diagnosis	-Medicaid fee-for-service and encounter claims records	-Interrupted time series
Research question 1b	-Measure 1 -Measure 2 -Measure 3 -Measure 4	-sample, e.g., PPS patients who meet survey selection requirements (used services within the last 6 months)	-Patient survey	Descriptive statistics
Hypothesis 2				
Research question 2a	-Measure 1 -Measure 2	-Sample, e.g., PPS administrators	-Key informants	Qualitative analysis of interview material

D. **Methodological Limitations –** This section provides detailed information on the limitations of the evaluation. This could include the design, the data sources or collection process, or analytic methods. The state should also identify any efforts to minimize the limitations. Additionally, this section should include any information about features of the demonstration that effectively present methodological constraints that the state would like CMS to take into consideration in its review.

E. **Special Methodological Considerations-** CMS recognizes that there may be certain instances where a state cannot meet the rigor of an evaluation as expected by CMS. In these instances, the state should document for CMS why it is not able to incorporate key components of a rigorous evaluation, including comparison groups and baseline data analyses. Examples of considerations include:

1) When the state demonstration is:
    a. Long-standing, non-complex, unchanged, or
    b. Has previously been rigorously evaluated and found to be successful, or
    c. Could now be considered standard Medicaid policy (CMS published regulations or guidance)

2) When the demonstration is also considered successful without issues or concerns that would require more regular reporting, such as:
    a. Operating smoothly without administrative changes; and

b. No or minimal appeals and grievances; and
c. No state issues with CMS 64 reporting or budget neutrality; and
d. No Corrective Action Plans (CAP) for the demonstration.

F. Attachments

1) **Independent Evaluator.** This includes a discussion of the state's process for obtaining an independent entity to conduct the evaluation, including a description of the qualifications that the selected entity must possess, and how the state will assure no conflict of interest. Explain how the state will assure that the Independent Evaluator will conduct a fair and impartial evaluation, prepare an objective Evaluation Report, and that there would be no conflict of interest. The evaluation design should include "No Conflict of Interest" signed by the independent evaluator.

2) **Evaluation Budget.** A budget for implementing the evaluation shall be provided with the draft Evaluation Design. It will include the total estimated cost, as well as a breakdown of estimated staff, administrative, and other costs for all aspects of the evaluation. Examples include, but are not limited to: the development of all survey and measurement instruments; quantitative and qualitative data collection; data cleaning and analyses; and reports generation. A justification of the costs may be required by CMS if the estimates provided do not appear to sufficiently cover the costs of the draft Evaluation Design or if CMS finds that the draft Evaluation Design is not sufficiently developed.

3) **Timeline and Major Milestones.** Describe the timeline for conducting the various evaluation activities, including dates for evaluation-related milestones, including those related to procurement of an outside contractor, if applicable, and deliverables. The Final Evaluation Design shall incorporate an Interim and Summative Evaluation. Pursuant to 42 CFR 431.424(c)(v), this timeline should also include the date by which the Final Summative Evaluation report is due.

Attachment P:
Preparing the Evaluation Report

Introduction

For states that are testing new approaches and flexibilities in their Medicaid programs through section 1115 demonstrations, evaluations are crucial to understand and disseminate what is or is not working and why. The evaluations of new initiatives seek to produce new knowledge and direction for programs and inform Medicaid policy for the future. While a narrative about what happened during a demonstration provide important information, the principal focus of the evaluation of a section 1115 demonstration should be obtaining and analyzing data on the process (e.g., whether the demonstration is being implemented as intended), outcomes (e.g., whether the demonstration is having the intended effects on the target population), and impacts of the demonstration (e.g., whether the outcomes observed in the targeted population differ from outcomes in similar populations not affected by the demonstration). Both state and federal governments need improved quantitative and qualitative evidence to inform policy decisions.

Expectations for Evaluation Reports

Medicaid section 1115 demonstrations are required to conduct an evaluation that is valid (the extent to which the evaluation measures what it is intended to measure), and reliable (the extent to which the evaluation could produce the same results when used repeatedly). To this end, the already approved Evaluation Design is a map that begins with the demonstration goals, then transitions to the evaluation questions, and to the specific hypotheses, which will be used to investigate whether the demonstration has achieved its goals. States should have a well-structured analysis plan for their evaluation. With the following kind of information, states and CMS are best poised to inform and shape Medicaid policy in order to improve the health and welfare of Medicaid beneficiaries for decades to come. When conducting analyses and developing the evaluation reports, every effort should be made to follow the approved methodology. However, the state may request, and CMS may agree to, changes in the methodology in appropriate circumstances. When submitting an application for renewal, the interim evaluation report should be posted on the state's website with the application for public comment. Additionally, the interim evaluation report must be included in its entirety with the application submitted to CMS.

Intent of this Attachment

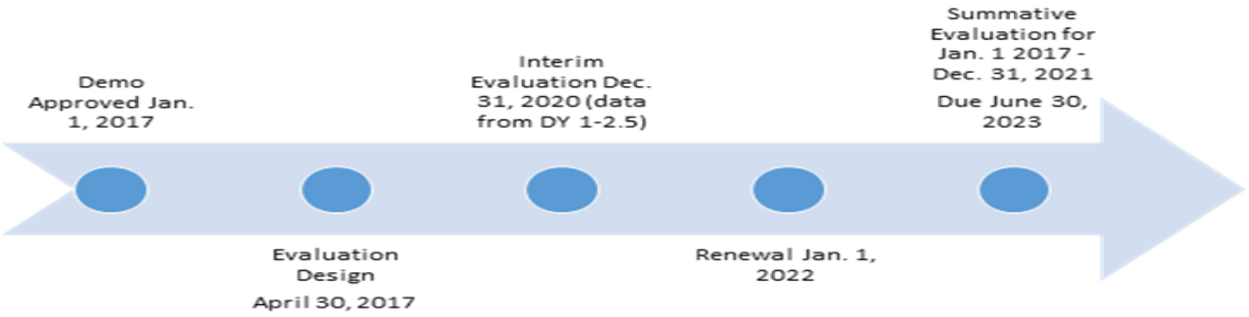
Title XIX of the Social Security Act (the Act) requires an evaluation of every section 1115 demonstration. In order to fulfill this requirement, the state's submission must provide a comprehensive written presentation of all key components of the demonstration, and include all required elements specified in the approved Evaluation Design. This Attachment is intended to assist states with organizing the required information in a standardized format and understanding the criteria that CMS will use in reviewing the submitted Interim and Summative Evaluation Reports.

The format for the Interim and Summative Evaluation reports are as follows:

A. Executive Summary;
B. General Background Information;

C. Evaluation Questions and Hypotheses;
D. Methodology;
E. Methodological Limitations;
F. Results;
G. Conclusions;
H. Interpretations, and Policy Implications and Interactions with Other State Initiatives;
I. Lessons Learned and Recommendations; and
J. Attachment(s).

Submission Timelines
There is a specified timeline for the state's submission of Evaluation Designs and Evaluation Reports. These dates are specified in the demonstration Special Terms and Conditions (STCs). (The graphic below depicts an example of this timeline). In addition, the state should be aware that section 1115 evaluation documents are public records. In order to assure the dissemination of the evaluation findings, lessons learned, and recommendations, the state is required to publish the evaluation design and reports to the state's website within 30 days of CMS approval, as per 42 CFR 431.424(d). CMS will also publish a copy to the Medicaid.gov website.



Required Core Components of Interim and Summative Evaluation Reports

The section 1115 Evaluation Report presents the research about the section 1115 Demonstration. It is important that the report incorporate a discussion about the structure of the Evaluation Design to explain the goals and objectives of the demonstration, the hypotheses related to the demonstration, and the methodology for the evaluation. A copy of the state's Driver Diagram (described in the Evaluation Design Attachment) must be included with an explanation of the depicted information. The Evaluation Report should present the relevant data and an interpretation of the findings; assess the outcomes (what worked and what did not work); explain the limitations of the design, data, and analyses; offer recommendations regarding what (in hindsight) the state would further advance, or do differently, and why; and discuss the implications on future Medicaid policy. Therefore, the state's submission must include:

a. **Executive Summary** – A summary of the demonstration, the principal results, interpretations, and recommendations of the evaluation.

B. General Background Information about the Demonstration – In this section, the state should include basic information about the demonstration, such as:

i. The issues that the state is trying to address with its section 1115 demonstration and/or expenditure authorities, how the state became aware of the issue, the potential magnitude of the issue, and why the state selected this course of action to address the issues.

ii. The name of the demonstration, approval date of the demonstration, and period of time covered by the evaluation;

iii. A brief description of the demonstration and history of the implementation, and if the evaluation is for an amendment, extension, renewal, or expansion of, the demonstration;

iv. For renewals, amendments, and major operational changes: A description of any changes to the demonstration during the approval period; whether the motivation for change was due to political, economic, and fiscal factors at the state and/or federal level; whether the programmatic changes were implemented to improve beneficiary health, provider/health plan performance, or administrative efficiency; and how the Evaluation Design was altered or augmented to address these changes.

v. Describe the population groups impacted by the demonstration.

C. Evaluation Questions and Hypotheses – In this section, the state should:

1) Describe how the state's demonstration goals were translated into quantifiable targets for improvement, so that the performance of the demonstration in achieving these targets could be measured. The inclusion of a Driver Diagram in the Evaluation Report is highly encouraged, as the visual can aid readers in understanding the rationale behind the demonstration features and intended outcomes.
2) Identify the state's hypotheses about the outcomes of the demonstration;
   a. Discuss how the goals of the demonstration align with the evaluation questions and hypotheses;
   b. Explain how this Evaluation Report builds upon and expands earlier demonstration evaluation findings (if applicable); and
   c. Address how the research questions / hypotheses of this demonstration promote the objectives of Titles XIX and XXI.

D. Methodology – In this section, the state is to provide an overview of the research that was conducted to evaluate the section 1115 demonstration consistent with the approved Evaluation Design. The evaluation Design should also be included as an attachment to the report. The focus is on showing that the evaluation builds upon other published research (use references), and meets the prevailing standards of scientific and academic rigor, and the results are statistically valid and reliable.

An interim report should provide any available data to date, including both quantitative and qualitative assessments. The Evaluation Design should assure there is appropriate data development and collection in a timely manner to support developing an interim evaluation.

This section provides the evidence that the demonstration evaluation used the best available data and describes why potential alternative data sources were not used; reported on, controlled for, and made appropriate adjustments for the limitations of the data and their effects on results; and discusses the generalizability of results. This section should provide enough transparency to explain what was measured and how. Specifically, this section establishes that the approved Evaluation Design was followed by describing:

1) *Evaluation Design*—Will the evaluation be an assessment of: pre/post, post-only, with or without comparison groups, etc?
2) *Target and Comparison Populations*—Describe the target and comparison populations; include inclusion and exclusion criteria.
3) *Evaluation Period*—Describe the time periods for which data will be collected
4) *Evaluation Measures*—What measures are used to evaluate the demonstration, and who are the measure stewards?
5) *Data Sources*—Explain where the data will be obtained, and efforts to validate and clean the data.
6) *Analytic methods*—Identify specific statistical testing which will be undertaken for each measure (t-tests, chi-square, odds ratio, ANOVA, regression, etc.).
7) *Other Additions* – The state may provide any other information pertinent to the evaluation of the demonstration.

E. Methodological Limitations
This section provides sufficient information for discerning the strengths and weaknesses of the study design, data sources/collection, and analyses.

F. Results – In this section, the state presents and uses the quantitative and qualitative data to show to whether and to what degree the evaluation questions and hypotheses of the demonstration were achieved. The findings should visually depict the demonstration results (tables, charts, graphs). This section should include information on the statistical tests conducted.

G. Conclusions – In this section, the state will present the conclusions about the evaluation results.

1) In general, did the results show that the demonstration was/was not effective in achieving the goals and objectives established at the beginning of the demonstration?

2) Based on the findings, discuss the outcomes and impacts of the demonstration and identify the opportunities for improvements. Specifically:
   a. If the state did not fully achieve its intended goals, why not? What could be done in the future that would better enable such an effort to more fully achieve those purposes, aims, objectives, and goals?

H. Interpretations, Policy Implications and Interactions with Other State Initiatives – In this section, the state will discuss the section 1115 demonstration within an overall Medicaid context and long range planning. This should include interrelations of the demonstration with other aspects of the state's Medicaid program, interactions with other

Medicaid demonstrations, and other federal awards affecting service delivery, health outcomes and the cost of care under Medicaid. This section provides the state with an opportunity to provide interpretation of the data using evaluative reasoning to make judgments about the demonstration. This section should also include a discussion of the implications of the findings at both the state and national levels.

I. **Lessons Learned and Recommendations** – This section of the Evaluation Report involves the transfer of knowledge. Specifically, the "opportunities" for future or revised demonstrations to inform Medicaid policymakers, advocates, and stakeholders is just as significant as identifying current successful strategies. Based on the evaluation results:
   1) What lessons were learned as a result of the demonstration?
   2) What would you recommend to other states which may be interested in implementing a similar approach?

J. **Attachment**
   1) Evaluation Design: Provide the CMS-approved Evaluation Design

Attachment Q: DSRIP Sustainability Plan

Reserved

Texas DSRIP Measure Bundle Protocol Demonstration Years 7-10

TEXAS
Health and Human Services

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Introduction

The Delivery System Reform Incentive Payment (DSRIP) program is designed to provide incentive payments to Texas hospitals, physician practices, Community Mental Health Centers (CMHCs), and Local Health Departments (LHDs) for investments in delivery system reforms that increase access to health care, improve the quality of care, and enhance the health of patients and families they serve. This Measure Bundle Protocol for the DSRIP program is effective for Demonstration Years (DYs) 7-10 beginning October 1, 2017 [contingent on negotiations with the Centers for Medicare and Medicaid Services (CMS)].

The DY7-10 Measure Bundle Protocol reflects the evolution of the DSRIP program from project-level reporting to provider-level outcome reporting to measure the continued transformation of the Texas healthcare system. In DY7-10, DSRIP Performing Providers will report on required reporting categories at their provider system level.

Category A

Required reporting for Category A in DY7-10 includes progress on Core Activities, Alternative Payment Model (APM) arrangements, Costs and Savings, and Collaborative Activities. The Category A requirements were developed to serve as an opportunity for Performing Providers to move further towards sustainability of their transformed systems, including development of APMs to continue services for Medicaid and Low-Income or Uninsured (MLIU) individuals after DSRIP ends. The listing of Core Activities in the Measure Bundle Protocol reflects those project areas that have been determined to be the most transformational and will support continuation of the work begun by Performing Providers during the first years of DSRIP. These Core Activities will be continued or implemented by a Performing Provider to support achievement of its Category C measure goals.

Category B

As DSRIP shifts from project-level reporting to system-level reporting, the Texas Health and Human Services Commission (HHSC) wants to ensure that Performing Providers maintain a focus on serving the DSRIP target population: MLIU individuals. To that end, Category B will require each Performing Provider to report the total number of individuals and the number of MLIU individuals served by its system during each DY. In addition, Performing Providers will also report a breakout of MLIU individuals served by its system during DY9-10. The Measure Bundle Protocol sets out parameters for a Performing Provider to define its "system" to reflect the Performing Provider's current care landscape that is striving to advance the Triple Aim: improving the patient experience of care; improving the health of populations; and reducing the per capita cost of health care.

Category C

For Category C, targeted Measure Bundles have been developed for hospitals and physician practices and lists of measures are available for CMHCs and LHDs. Measure Bundles consist of measures that share a unified theme, apply to a similar population, and are impacted by similar activities. Bundling measures for DY7-10 allows for ease in measure selection and approval, increases standardization of measures across the state for hospitals and physician practices with similar activities, facilitates the use of regional networks to identify best practices and share innovative ideas, and continues to build on the foundation set in the initial waiver period while

providing additional opportunities for transforming the healthcare system and bending the cost curve.

The menu of available Measure Bundles for hospitals and physician practices and measures for CMHCs and LHDs were built with measures from common DY2-6 Category 3 pay-for-performance (P4P) measures; new P4P measures added from authoritative sources, with a preference for measures endorsed by the National Quality Forum; and innovative measures as needed, which will be pay-for-reporting (P4R) for DY7-8 and function as a measure testing process.

Additionally, in DY9-10, Category C includes required reporting on Lists of Related Strategies as determined by Measure Bundle selection for hospitals and physician practices or measure selection for CMHCs and LHDs. The individual Related Strategies within a List represent strategies Performing Providers may have implemented that impact the Category C Measure Bundle or measure target population. HHSC aims to examine the relationship between Related Strategies reporting and Performing Providers demonstrating higher Category C performance achievement among shared Measure Bundles or measures.

Related Strategies (Category C) and Core Activities (Category A) are similar in that they both involve better understanding what kinds of strategies Performing Providers are implementing to meet Category C achievement goals. In fact, the individual Related Strategy descriptions were informed by, but not limited to, Core Activity descriptions.

However, there are key differences between Related Strategies and Core Activities. First, the Lists of Related Strategies include strategies a Performing Provider may have implemented, even apart from DSRIP, which may not be included in Core Activities reporting. Second, unlike Core Activities reporting, Related Strategies reporting does not include a qualitative reporting component. Moreover, even if multiple Category C measures are selected, Performing Providers are only required to report on at least one Core Activity, leaving a gap in understanding what strategies were implemented across all selected Measure Bundles/measures for a given Performing Provider or across Performing Providers selecting shared Measure Bundles/measures.

Measure Development Process

HHSC formed a DSRIP Clinical Champions stakeholder group in 2015 to provide clinical expertise for development of DSRIP processes. The Clinical Champions consist of clinical, health quality, and operational professionals in Texas. In 2015, the Clinical Champions reviewed Performing Provider-submitted Transformational Impact Summaries—brief, structured project descriptions and evaluations—and identified DSRIP projects' high impact practices. HHSC used these high impact practices to inform the initial selection of the Category C Measure Bundle topics. The Clinical Champions also helped HHSC refine the DSRIP project menu to include only the most transformational project areas.

In 2017, Texas HHSC began a new process with the Clinical Champions to seek their input on the meaningfulness, improvability, and clinical appropriateness of proposed measures to include in the Hospital and Physician Practice Measure Bundles, as well as any identified gaps in measurement. HHSC implemented a multi-round process with the Clinical Champions to choose the draft measures for each of the Category C Measure Bundles. The process entailed three rounds of anonymous voting by Measure Bundle topic subgroups—termed Bundle Advisory Teams—via online surveys. Each round was followed by an advisory team conference call to discuss the survey results.

HHSC assigned Clinical Champions to 11 Bundle Advisory Teams based on their areas of clinical expertise and interest. Additionally, some Clinical Champions with operational expertise were assigned to a Technical Advisory Team, which provided feedback to the Bundle Advisory Teams

and HHSC about the feasibility of implementing suggested quality measures in a variety of settings.

The Bundle Advisory Teams rated each potential measure using a 5-point Likert scale, based on the measure's importance according to the member's clinical judgement. During the second and third survey rounds, participants reviewed the anonymous results of previous rounds, including both numerical ratings for each measure and qualitative comments submitted on the surveys and during conference calls. Each round resulted in the exclusion of measures with limited support. Additionally, Bundle Advisory Team members had the opportunity to suggest new and innovative measures, and those were included in the last round of voting.

CMHCs and the Texas Council of Community Centers provided recommendations for measures related to behavioral health, and LHDs were engaged in the development of measures for those Performing Providers.

Points were assigned to measures as outlined in the Measure Bundle Protocol.

HHSC will submit an updated Measure Bundle Protocol for DY7-10 to CMS (including a review of innovative measures tested in DY7 and DY8 for possible inclusion as P4P in the DY9-10 menu) no later than July 31, 2019.

Category D

For DY7-10, the Category D Statewide Reporting Measure Bundles have replaced the former Category 4 reporting on population-focused measures. While Category 4 was only for hospitals, all Performing Provider types can report on Category D in DY7-10. The Statewide Reporting Measure Bundles align with the MLIU population, are identified as high priority given the health care needs and issues of the patient population served, and are viewed as valid health care indicators to inform and identify areas for improvement in population health within the health care system. These bundles refine the hospital measures from the former Category 4 and add measures for physician practices, CMHCs, and LHDs. The emphasis of Category D is on the reporting of population health measures to gain information on and understanding of the health status of key populations and to build the capacity for reporting on a comprehensive set of population health metrics.

Category A

Each Performing Provider is required to report on the following for Category A:

- Core Activities;
- APMs;
- Costs and Savings; and
- Collaborative Activities.

Category A is designed to support DSRIP sustainability through Performing Providers' reporting on progress on the four key areas outlined above. Performing Providers design the structure of their next-step initiatives based on the foundation of quality improvements from DY2-6 projects and the experience from implementing Core Activities in DY7-8. This approach offers Performing Providers the flexibility to choose the elements for these four key areas with the goal to continue improvement in health care access and coordination. Category A reporting is required for all Performing Providers; its structure allows the flexibility for continuous quality improvement for the P4P in quality measurement in Category C.

Core Activities

With the transition from project-level to Performing Provider-level reporting, Performing Providers no longer report on projects; instead, they report on achievement of the goals for the Category C measures they select. To understand what enables Performing Providers to achieve these goals, Performing Providers report the Core Activities they implement to meet their Category C goals.

As defined in the Program Funding and Mechanics Protocol (PFM), a Core Activity is an activity implemented by a Performing Provider to achieve its Category C measure goals. A Core Activity can be an activity implemented by a Performing Provider as part of a DY2-6 DSRIP project that the Performing Provider chooses to continue in DY7-10, or it can be a new activity that the Performing Provider is implementing in DY7-10.

Core Activities included in this Measure Bundle Protocol are connected to the Transformational Extension Menu (TEM) that HHSC and the Clinical Champions developed in 2015-2016. In the TEM, HHSC and the Clinical Champions identified the most transformative initiatives from the initial waiver period, many of which are based on effective models that can be implemented by Performing Providers in the transition from project-level reporting to Performing Provider-level, quality-based reporting. In addition to activities learned through Texas DSRIP, Performing Providers can also propose activities from other national quality initiatives such as the MACRA Merit-based Incentive Payment System.

There are certain activities that Performing Providers can incorporate in any Core Activity as a sub-activity if it contributes to improving quality of care, such as technology improvements (e.g., Electronic Medical Records or Health Information Exchange connectivity) and continuous quality improvement (CQI), but the technological advances activities or the CQI should not be the only activity that Performing Providers choose to report on.

Core Activities Selection and Reporting

A Performing Provider needs to select and report on at least one Core Activity that supports the achievement of its Category C measure goals for the selected Measure Bundle(s) or measures. There is no maximum number of Core Activities that the Performing Provider may select.

Performing Providers can select Core Activities from the list created by HHSC, and they can include their own Core Activity by using the *Other* option and providing a description. In addition to reporting on Core Activities supporting Category C measures, a Performing Provider may include a Core Activity tied to the mission of the Performing Provider's organization, even if the activity does not have a strong connection to the selected measures. Selection of a Core Activity not tied to the Measure Bundles or measures cannot be the only selection but can be chosen as an additional Core Activity that the Performing Provider is reporting.

Requirement of at least one Core Activity was designed to increase the flexibility for Performing Providers and to lessen the reporting commitment by the Performing Providers. It is reasonable to assume that some Performing Providers will have just one main activity and requiring them to report on many initiatives would not benefit the Performing Provider or state and federal entities. However, Performing Providers with many initiatives can benefit from sharing what activities they are implementing. If some Performing Providers are successful at achieving the goals for the measures they are working on, understanding the main drivers for this success is beneficial to the state and federal government as well as other Performing Providers who are working on similar quality initiatives. In addition, sharing information on Core Activities can lead to further collaboration among Performing Providers within and across the regions.

In the RHP Plan Update for DY7-8, Performing Providers indicated which DY2-6 projects had Core Activities that continued in DY7-8 and which projects have been completed. The template for the RHP Plan Update for DY7-8 allowed Performing Providers to select Core Activities that continued from DY2-6 projects and new Core Activities that Performing Providers selected for implementation. In DY9-10, Performing Providers can continue working on the Core Activities from DY7-8 if they contribute to the Performing Providers' goals, or new Core Activities can be selected if Performing Providers need to adjust their initiatives based on their experience.

For example, a Performing Provider that expanded its primary care clinic in DSRIP DY2-6 decided to continue that expansion in DY7-8 (e.g., space expansion, increase in hours that clinic is in operation, or additional staffing) and selected *Provision of coordinated services for patents under Patent Centered Medical Home (PCMH) model* as a Core Activity that assisted the Performing Provider in achieving the goals for Improved Chronic Disease Management: Diabetes Care Measure Bundle in DY7-8. This Performing Provider can continue with the same Core Activity in DY9-10 but adjust it if needed. The Performing Provider may also decide to add a new Core Activity to reflect additional work that currently takes place or will be done in DY9-10.

As another example, a Performing Provider who increased access to different types of specialty care during DY2-6 could then decide in DY7-8 to maintain the same level of specialty care only in some areas but provide telemedicine services to other areas of specialty care. This Performing Provider may have selected *Use telehealth to deliver specialty services* as a Core Activity for DY7-8. In DY9-10, this Performing Provider may decide to continue with the existing Core Activity and adjust it as needed and select a new Core Activity, *Implementation of remote patient monitoring programs for diagnosis and/or management of care,* that will reflect additional plans that the Performing Provider is selecting to further promote its goals tied to quality measures selected under Category C*.*

In general, Performing Providers can select Core Activities from various groupings as long as it reflects what the Performing Provider is carrying out. Performing Providers working on quality initiatives in the area of behavioral health are not limited to areas directly related to behavioral health Core Activities and can select items in other areas.

During the second reporting period of each DY, Performing Providers report on all Core Activities selected, both continuing and those that are newly added. If adjustments are needed, Performing Providers can revise their strategies used in achieving Category C goals and update their selection of Core Activities at any time without HHSC approval. During the second reporting

period of each DY, Performing Providers provide a description of any newly selected Core Activity and the reason for selecting it along with reporting progress on previously selected Core Activities. If a Performing Provider has more than one Core Activity in the initial selection, and the Performing Provider needs to delete one of these activities due to the changes, then the Performing Provider is not required to choose a replacement activity to report on. Performing Providers may also add new Core Activities and discontinue those that are not showing results. It is recommended that Performing Providers use continuous quality improvement to monitor their progress. Providers report on Core Activities using the DSRIP online reporting system.

Menu of Core Activities

Access to Primary Care Services

- Increase in utilization of mobile clinics
- Increase in capacity and access to services by utilizing Community Health Workers (CHWs)/promotors, health coaches, peer specialists and other alternative clinical staff working in primary care
- Expanded Practice Access (e.g., increased hours, telemedicine, etc.)
- Establishment of care coordination and active referral management that integrates information from referrals into the plan of care
- Provision of screening and follow up services
- Provision of vaccinations to target population
- Integrated physical and behavioral health care services
- Use telemedicine/telehealth to deliver specialty services
- Provision of services to individuals that address social determinants of health
- Other

Access to Specialty Care Services

- Improvement in access to specialty care services with the concentration on underserved areas, so Performing Providers can continue to increase access to specialty care in the areas with limited access to services
- Use telemedicine/telehealth to deliver specialty services
- Implementation of remote patient monitoring programs for diagnosis and/or management of care
- Provision of services to individuals that address social determinants of health
- Other

Expansion or Enhancement of Oral Health Services

- Utilization of targeted dental intervention for vulnerable and underserved population in alternate setting (e.g., mobile clinics, teledentistry, Federally Qualified Health Centers (FQHCs), etc.)
- Expanded use of existing dental clinics for underserved population
- Expansion of school-based sealant and/or fluoride varnish initiatives to otherwise unserved school-aged children by enhancing dental workforce capacity through partnerships with dental and dental hygiene schools, LHDs, FQHCs, and/or local dental providers
- Other

Maternal and Infant Health Care

- Implementation of evidence-based strategies to reduce low birth weight and preterm birth (Evidence-based strategies include Nurse Family Partnership, Centering Pregnancy, IMPLICIT: Interventions to Minimize Preterm and Low birth weight Infants through Continuous Improvement Techniques among others)
- Develop and implement standard protocols for the leading causes of preventable death and complications for mothers and infants (Early Elective Delivery, Hemorrhage, Preeclampsia, and Supporting Vaginal Birth and Reducing Primary Cesareans)
- Provision of coordinated prenatal and postpartum care
- Use telemedicine/telehealth to deliver specialty services
- Provision of services to individuals that address social determinants of health
- Other

Patient Centered Medical Home

- Provision of coordinated services for patients under Patent Centered Medical Home (PCMH) model, which incorporates empanelment of patients to physicians, and management or chronic conditions and preventive care
- Integration of care management and coordination for high-risk patients based on the best practices (Agency for Healthcare Research and Quality (AHRQ) PCMH framework; Risk Stratified Care Management — High Risk, Rising Risk, and Low Risk designations; ACP PCMH model Safety Net Medical Home Initiative — Change Concepts for Practice Transformation, etc.)
- Enhancement in data exchange between hospitals and affiliated medical home sites
- Utilization of care teams that are tailored to the patient's health care needs, including non-physician health professionals, such as pharmacists doing medication management; case managers providing care outside of the clinic setting via phone, email, and home visits; etc.
- Provision of services to individuals that address social determinants of health
- Other

Expansion of Patient Care Navigation and Transition Service

- Provision of navigation services to targeted patients (e.g., patients with multiple chronic conditions, cognitive impairments and disabilities, Limited English Proficient patients, the uninsured, those with low health literacy, frequent visitors to the Emergency Department (ED), and others)
- Enhancement in coordination between primary care, urgent care, and EDs to increase communication and improve care transitions for patients
- Identification of frequent ED users and use of care navigators as part of a preventable ED reduction program, which includes a connection of ED patients to primary and preventive care
- Implementation of a care transition and/or a discharge planning program and post discharge support program. This could include a development of a cross-continuum team comprised of clinical and administrative representatives from acute care, skilled nursing, ambulatory care, health centers, and home care providers.
- Utilization of a comprehensive, multidisciplinary intervention to address the needs of high-risk patients
- Expansion of access to medical advice and direction to the appropriate level of care to reduce ED use for non-emergent conditions
- Provision of services to individuals that address social determinants of health
- Other

Prevention and Wellness

- Self-management programs and wellness programs using evidence-based designs (e.g., Stanford Small-Group Self-Management Programs for people with arthritis, diabetes, HIV, cancer, chronic pain, and other chronic diseases; and SAMHSA's Whole Health Action Management among others)
- Implementation of strategies to reduce tobacco use (Example of evidence-based models: 5R's (Relevance, Risks, Rewards, Roadblocks, Repetition) for patients not ready to quit; Ottawa Model; Freedom From Smoking Curriculum- American Lung Association among others)
- Implementation of evidence-based strategies to reduce and prevent obesity in children and adolescents (e.g., Technology Supported Multi Component Coaching or Counseling Interventions to Reduce Weight and Maintain Weight Loss; Coordinated Approach to Child Health - CATCH; and SPARK among others)
- Implementation of evidence-based strategies to empower patients to make lifestyle changes to stay healthy and self-manage their chronic conditions
- Utilization of whole health peer support, which could include conducting health risk assessments, setting SMART goals, providing educational and supportive services to targeted individuals with specific disorders (e.g., hypertension, diabetes, and health risks such as obesity, tobacco use, and physical inactivity)
- Use of CHWs to improve prevention efforts
- Implementation of evidence-based strategies to reduce sexually transmitted diseases
- Implementation of interventions focusing on social determinants of health that can lead to improvement in well-being of an individual
- Other

Chronic Care Management

- Utilization of evidence-based care management models for patients identified as having high-risk health care needs and/or individuals with complex needs (e.g., Primary care–integrated complex care management (CCM), Complex Patient Care Model Redesign-enhanced multidisciplinary care teams, The Transitional Care Model, etc.)
- Utilization of care management and/or chronic care management services, including education in chronic disease self-management
- Management of targeted patient populations (e.g., chronic disease patient populations that are at high risk for developing complications, co-morbidities, and/or utilizing acute and emergency care services)
- Implementation of a medication management program that serves patients across the continuum of care
- Utilization of pharmacist-led chronic disease medication management services in collaboration with primary care and other health care providers
- Utilization of enhanced patient portal that provides up-to-date information related to relevant chronic disease health or blood pressure control and allows patients to enter health information and/or enables bidirectional communication about medication changes and adherence
- Use telemedicine/telehealth to deliver specialty services
- Education and alternatives designed to curb prescriptions of narcotic drugs to patients
- Provision of services to individuals that address social determinants of health
- Other

Availability of Appropriate Levels of Behavioral Health Care Services

- Utilization of mobile clinics that can provide access to behavioral health care in very remote, inaccessible, or impoverished areas of Texas
- Utilization of telehealth/telemedicine in delivering behavioral services
- Increasing access to services by utilizing staff with the following qualifications: Wellness and Health Navigation: Bachelors level professional with experience in mental health and/or wellness initiatives or a peer specialist who has successfully completed the DSHS certification program for peer specialists
- Provision of care aligned with Certified Community Behavioral Health Clinic (CCBHC) model
- Utilization of Care Management function that integrates primary and behavioral health needs of individuals
- Provision of services to individuals that address social determinants of health and/or family support services.
- Other

Substance Use Disorder

- Provision of Medication Assisted Treatment
- Education of primary care practitioners on preventive treatment option
- Utilization of telehealth/telemedicine in delivering behavioral health services
- Utilization of Prescription Drug Monitoring program (can include targeted communications campaign)
- Supported employment services for individuals in recovery
- Office-based additional treatment for uninsured individuals
- Peer recovery support
- Provision of services to individuals that address social determinants of health including housing navigation services
- Utilization of telehealth/telemedicine in delivering behavioral services

Behavioral Health Crisis Stabilization Services

- Provision of crisis stabilization services based on the best practices (e.g., Critical Time Intervention, Critical Intervention Team, START model)
- Implementation of community-based crisis stabilization alternatives that meet the behavioral health needs of the patients
- Implement models supporting recovery of individuals with behavioral health needs
- Provision of services to individuals that address social determinants of health
- Other

Palliative Care

- Provision of coordinated palliative care to address patients with end-of-life decisions and care needs
- Provision of palliative care services in outpatient setting
- Transitioning of palliative care patients from acute hospital care into home care, hospice, or a skilled nursing facility and management of patients' needs
- Provision of services to individuals that address social determinants of health
- Utilization of services assisting individuals with pain management
- Other

Hospital Safety and Quality

- Development and implementation of standard protocols and/or evidence-based practices to address leading causes of hospital infections and injuries (e.g., CLABSI, CAUTI, SSI, Sepsis, and Falls)
- Implementation of evidence-based practices to improve quality of care (e.g., Quality Departments, monitoring and evaluation, etc.)
- Other

Other

If a Core Activity is not on this list, a Performing Provider can include a Core Activity and provide a description. As stated previously, Performing Providers may not add activities such as continuous quality improvement or a technology improvement as a stand-alone Core Activity. HHSC reserves the right to determine the appropriateness of "other" Core Activities chosen by a Performing Provider.

Alternative Payment Models

Based on numerous studies and research articles related to categories of healthcare spending and opportunities for increased efficiencies, there is a widespread trend towards linking health care payments to measures of quality and/or efficiency (aka "value"). Texas Medicaid and Children's Health Insurance Program programs are following this trend and have developed a Value-Based Purchasing Roadmap. Through its managed care contracting model, HHSC is making progress on a multiyear transformation of provider reimbursement models that have been historically volume based (i.e., fee-for-service) toward models that are structured to reward patient access, care coordination and/or integration, and improved healthcare outcomes and efficiency.

Because the initial DSRIP program has been a very effective incubator for testing how alternative, value-based payment models can support patient centered care and clinical innovation, HHSC continues to work with Managed Care Organizations (MCOs) and DSRIP Performing Providers on ways to incorporate promising clinical models as Value-Based Purchasing (VBP) arrangements in the Medicaid MCO provision of care. Performing Providers will report on progress in building the capacity to participate in a VBP model with MCOs through better utilization of Health Information Technologies and better measurement processes.

Costs and Savings Analysis

Based on the requirement included in the PFM for DY7-8, Performing Providers with a total valuation of $1 million or more per DY are required to submit information related to the costs of at least one Core Activity of their choice and the forecasted or generated savings of that Core Activity. In DY9-10, Performing Providers will continue with the Costs and Savings review and must analyze: 1) a different Core Activity than was used for the Costs and Savings analysis in DY7-8; or 2) a different aspect of the same Core Activity for the Costs and Savings analysis than was used for the Costs and Savings analysis in DY7-8. Along with other required information, Performing Providers will submit a short narrative including Core Activity chosen, methodologies, and assumptions made for the analysis. Information related to Costs and Savings analysis will be submitted in a template approved by HHSC or a comparable template. Performing Providers may use the Return on Investment Forecasting Calculator for Quality Initiatives by the Center for Health Care Strategies, Inc. or a comparable template that includes information such as the duration of the initiative, target population, costs, utilization changes, and/or savings.

Performing Providers will include costs and savings specific to their organization and other contracted providers if that information is available. If the Core Activity selected for the analysis is broad in scope, Performing Providers can concentrate their analysis on a component of this Core Activity and provide an explanation for such selection during reporting. In DY7-8, Performing Providers submitted a progress update on the analysis during the second reporting period of DY7, and the final report of costs and savings will be submitted during the second reporting period of DY8. For DY9-10, Performing Providers will submit a progress update for the new analysis to HHSC during the second reporting period of DY9, and a final report of costs and savings will be submitted during the second reporting period of DY10. This information is key to assist Performing Providers to work with Medicaid MCOs and other health care payers for sustainability.

Collaborative Activities

To continue to foster growth of collaboration within and among regions, all Performing Providers are required to attend at least one learning collaborative, stakeholder forum, or other stakeholder meeting each DY and report on participation during the second reporting period of each DY. A Performing Provider's participation in the learning collaborative, stakeholder forum, or other stakeholder meeting in DY7-10 can be done in person, via conference call, or via other telecommunications applications, and these meetings should include individuals from other entities in this region or other regions. Lessons learned from these meetings should be relevant at the Performing Provider level or applicable to some of the Performing Provider's Core Activities. Performing Providers will report on Collaborative Activities via the DSRIP online reporting system.

Category B

System Definition

DSRIP is shifting from project-based reporting to system-level reporting and a focus on system-wide changes and quality outcomes for DY7-10. As such, each Performing Provider will be required to define its system in the RHP Plan Update for its RHP.

In the broadest sense, the system is defined by the location(s) where patients are served by the Performing Provider and the types of services patients are receiving. The system definition will provide a broad structure in which Performing Providers work to improve care and transform the way healthcare is delivered in the state of Texas. While DSRIP will maintain its overall emphasis of improving care and access for the MLIU population in Texas, DSRIP reporting will no longer be limited by project-specific interventions or project-defined target populations.

A Performing Provider's system definition should capture all aspects of the Performing Provider's patient services. The Patient Population by Provider (PPP) (reported in Category B) is intended to reflect the universe of patients served by the Performing Provider's system; and, therefore, the Performing Provider's system definition should incorporate all aspects of its organization that serve patients. The system definition may not exclude certain populations (with the exception of incarcerated populations served by hospital systems under contract with a government entity). The system definition should include all of a Performing Provider's service areas that will be measured in its Category C measures but may not be limited to those populations or locations if other services are provided by the Performing Provider. In DY9-10, Performing Providers report a breakout of Medicaid and low-income or uninsured (LIU) served by their systems. In DY7-8 MLIU was reported as one number.

Systems may be limited by geographic location. For example, a Performing Provider that operates one hospital in one RHP and another hospital in a separate RHP will have two systems if the separate hospitals were each DSRIP Performing Providers in DY2-6, though they are technically owned by the same company. System is not exclusively defined by ownership. Alternatively, the system may cross geographic locations. For example, a Performing Provider that operates a variety of clinics in one RHP and multiple clinics in another RHP may be one system. DSRIP Performing Providers with the same ownership may not combine two currently separate DSRIP Performing Providers into one system for DY7-10, unless this has been previously approved. A Performing Provider's delineation of system should consider data systems and the extent to which the various components are coordinating to improve health of the patients served.

There are required and optional components of a Performing Provider's system definition for each Performing-Provider type. The required components are elements of a system that, through discussion with stakeholders and the technical advisory team, should be included as a Performing Provider's "base unit"; it has been determined that these components are essential functions and/or departments of the Performing Provider type. Therefore, the required components must be included in a Performing Provider's system definition if the Performing Provider's organization has that business component. A Performing Provider may then include optional components in its system definition and patient count, including contracted partners for certain services. Unless otherwise granted permission from HHSC, a Performing Provider should not count within its system definition or patient population another DSRIP Performing Provider's required components. There may be overlap in system definition for contracted partners; for example, System A that contracts with FQHC A and System B that contracts with FQHC A may both count the FQHC A as part of their system definition.

As indicated in the PFM, Performing Providers may add contracted entities to their system definition. Certain options will be specified by HHSC, but Performing Providers will also have the option to add an "other" category. Performing Providers will be required to explain any "other" optional component of the system definition. Inclusion of the population served in the optional components may be disallowed by HHSC. Performing Providers should include optional components in their system definition only if the Performing Provider will have access to all data necessary for reporting. Performing Providers should be mindful of data arrangements when contracting with entities that they intend to include in their system definition.

Required and Optional System Components

The following tables display the required and optional components of the system definition by Performing Provider type.

Hospitals

Required*	Optional
Inpatient Services	Contracted Specialty Clinics
Emergency Department	Contracted Primary Care Clinics
Owned or Operated Outpatient Clinics	School-based Clinics
Maternal Department	Contracted Palliative Care Programs
Owned or Operated Urgent Care Clinics	Contracted Mobile Health Programs
	Other

*Required only if the Performing Provider has this business component.

Physician Practices

Required*	Optional
Owned or Operated Primary Care Clinics	Contracted Specialty Clinics
Owned or Operated Specialty Care Clinics	Contracted Primary Care Clinics
Owned or Operated Hospital	Contracted Community-based Programs
Owned or Operated Urgent Care Clinics	Other

*Required only if the Performing Provider has this business component.

Community Mental Health Centers

Required*	Optional
Home-based services	Hospital
Office/Clinic	Contracted Clinic
	School-based Clinic
	Contracted Inpatient Beds
	State-funded Community Hospital
	Community Institution for Mental Disease (IMD)
	General Medical Hospital
	State Mental Health Facility
	State Mental Retardation Facility
	Other

*Required only if the Performing Provider has this business component.

Local Health Departments

Required*	Optional
Clinics	Mobile Outreach
Immunization Locations	Other

*Required only if the Performing Provider has this business component.

Once the Performing Provider has defined its system and the definition has been approved by HHSC, then the Performing Provider will focus its system population according to the measure denominators for Category C reporting. Denominators for Category C will be naturally limited by the encounter types defined in the measure specifications

Category C

Each Performing Provider must select Category C Measure Bundles or measures from the following menus included in this section based on Performing Provider type: 1) Hospital and Physician Practice Measure Bundle Menu; 2) Local Health Department Measure Menu; or 3) Community Mental Health Center Measure Menu. These menus include the number of points that each Measure Bundle or measure is worth.

Each Performing Provider is assigned a minimum point threshold (MPT) for Measure Bundle or measure selection as described in the PFM. Each Performing Provider must select Measure Bundles or measures worth enough points to meet its MPT in order to maintain its valuation for DY7 and DY8, and in DY9 and DY10.

Additionally, in DY9-10, Performing Providers will report on Lists of Related Strategies as determined by Measure Bundle selection for hospitals and physician practices or by measure selection for LHDs and CMHCs. For each Related Strategy within a required List, Performing Providers will make two reporting indications regarding the strategy's implementation (e.g., Implementation Date and Implementation Status). Performing Providers are required to report on Related Strategies in the DY9-10 RHP Plan Update and required to update Related Strategies reporting as part of the DY9 and DY10 Category C reporting milestones.

1. Measure Points

a. Each measure is assigned a point value based on the following classifications:
   i. Clinical Outcome: Patient clinical measures for which improvement in the measure represents an improvement in patient health outcomes or utilization patterns are valued at 3 points.
   ii. Population Based Clinical Outcome (PBCO): Clinical Outcomes that measures ED utilization or admissions for selected conditions for all individuals in the target population of a Measure Bundle are valued at 4 points.
   iii. Cancer Screening: Cancer screening measures are valued at 2 points.
   iv. Hospital Safety: Hospital safety and infection measures are valued at 2 points.
   v. Process Measure: Measures of clinical practice are valued at 1 point.
   vi. Immunization: Immunization rates are valued at 1 point.
   vii. Quality of Life: Measures related to quality of life or functional assessment are valued at 1 point.
   viii. Innovative Measure: Innovative measures are P4R in DY7-8 and valued at 0 points; the innovative measure is P4P in DY10 and valued at 1 point for DY9-10.
   ix. Quality Improvement Collaborative Activity: Participation in quality improvement activities is valued at 0 points.
b. Measure classification is specified for each measure in Appendix A Category C Specifications Document.
c. All measures are designated as P4P except for Innovative Measures and Quality Improvement Collaborative Activities which are P4R in DY7 and DY8 and P4P if selected or continued in DY9 and DY10. Measures that are P4R are noted in Measure Bundles for Hospital & Physician Practices section.

2. Hospital and Physician Practice Measure Bundle Points & Selection Requirements

a. The base point value of a Measure Bundle is equal to the sum of the points for the required measures in the Measure Bundle during the initial selection period. The base point value of a Measure Bundle designated as High State Priority is then multiplied by 2, and the base point value of a Measure Bundle designated as State Priority is then multiplied by 1.5.
   i. High State Priority Measure Bundles (sum of the required measures' points multiplied by 2)
      1. E1: Improved Maternal Care
      2. E2: Maternal Safety
      3. H3: Chronic Non-Malignant Pain Management
   ii. State Priority Measure Bundles (sum of the required measures' points multiplied by 1.5)
      1. A1: Chronic Disease Management: Diabetes
      2. A2: Chronic Disease Management: Heart Disease
      3. C1: Healthy Texans
      4. D1: Pediatric Primary Care
      5. D4: Pediatric Chronic Disease Management: Asthma
      6. D5: Pediatric Chronic Disease Management: Diabetes
      7. H1: Behavioral Health in a Primary Care Setting
      8. H2: Behavioral Health & Appropriate Utilization
      9. H4: Integrated Care for People with Serious Mental Illness
b. Optional measures in a Measure Bundle, if selected, add points to the Measure Bundle.
   i. Optional measures that add points, if selected, are not impacted by a high state priority or a state priority multiplier.

      EXAMPLE: Measure Bundle A1 - Chronic Disease Management: Diabetes is a State Priority Measure Bundle with required measures equaling 7 points and a multiplier of 1.5 for a base point value of 11 points. If a hospital selects Measure Bundle A1 and selects measures A1-500 Diabetes Composite and A1-508 Rate of ED Visits for Diabetes as P4P (A1-500 and A1-508 PBCOs worth an additional four points each and are required as P4P for Performing Providers with an MPT of 75 and optional as P4P for Performing Providers with an MPT less than 75), 8 points will be added to the Measure Bundle for a total of 19 points towards the hospital's MPT.

c. Limitations on Hospital and Physician Practice Measure Bundle Selections and Optional Measure Selections
   i. Measure Bundles K1 Rural Preventive Care and K2 Rural Emergency Care can only be selected in DY7-8 by hospitals with a valuation less than or equal to $2,500,000 per DY. Performing Providers that select Measure Bundle K1 cannot also select Measure Bundles A1, A2, B1, C1, D1, E1, or H1. Measure K2-285 cannot be selected if Measure Bundle K1 is selected.
   ii. In DY7 and DY8, each hospital or physician practice with an MPT of 75 must select at least one Measure Bundle with a PBCO. In DY9 and DY10, each hospital or physician practice with an MPT of 75 must select Measure Bundles that result in a minimum of two PBCOs.
   iii. For Measure Bundles A1, A2, B1, C1, D1, and H2, Population Based Clinical Outcomes are required for Performing Providers with an MPT of 75 and optional as P4P with 4 additional points for Performing Providers with an MPT below 75. Providers that do not opt to select a PBCO as P4P but have a measurable numerator greater than 0 are

required to report the PBCO as P4R following the requirements for a measure with insignificant volume.

iv. For Measure Bundles D4 and D5, the PBCO is a required measure for any Performing Provider that selects that Measure Bundle as the PBCO in each Measure Bundle is essential to the Measure Bundle objective.

v. Each hospital or physician practice with a valuation of more than $2,500,000 per DY in DY7-8 or $2,000,000 in DY10 must either: 1) select at least one Measure Bundle with at least one required 3 point clinical outcome measure; or 2) select at least one Measure Bundle with at least one optional 3 point clinical outcome measure selected. Three-point clinical measures must have significant volume and be P4P to qualify as the required 3-point measure.

vi. If bundles D3 Pediatric Hospital Safety and J1 Hospital Safety are both selected, the points of each bundle will be reduced by 50%.

3. Community Mental Health Center and Local Health Department Measure Points & Selection Requirements

a. Certain measures designated as a state priority, if selected, add an additional point.
b. CMHCs and LHDs must select and report on at least two unique measures.
c. Each CMHC or LHD with a valuation of more than $2,500,000 per DY in DY7-8 or $2,000,000 in DY10 must select at least one 3 point clinical outcome measure.
d. If a CMHC selects more than one of the depression response measures M1-165, M1-181, or M1-286, only 4 points will be counted towards the Performing Provider's MPT.

4. Minimum Volume Definitions & Requirements

a. Minimum Volume Definitions
   i. *Significant volume* is defined, for most outcome measures, as an MLIU denominator for the measurement period that is greater than or equal to 30, unless an exception has been granted by HHSC to use an all-payer denominator as defined in the PFM.
   ii. *Insignificant volume* is defined, for most outcome measures, as an MLIU denominator for the measurement period that is less than 30, but greater than 0, unless an exception has been granted by HHSC to use an all-payer denominator.
   iii. *No volume* is defined as an MLIU denominator for the measurement period that is 0. For a PBCO, no volume is defined as a numerator for the 12 month measurement period that is 0.
b. Hospital and Physician Practice Minimum Volume Requirements
   i. A hospital or physician practice may only select a Measure Bundle for which the hospital's or physician practice's MLIU denominator for the baseline measurement period for at least half of the required measures in the Measure Bundle has *significant volume.*
   ii. A hospital or physician practice may only select an optional measure in a selected Measure Bundle for which the hospital or physician practice's MLIU denominator for the baseline measurement period has *significant volume.*
   iii. **Insignificant Volume:** If a hospital or physician practice selects a Measure Bundle with a required measure for which the hospital or physician practice has *insignificant volume*, the valuations of the measure's reporting milestones will remain the same, but the valuations of the measure's achievement milestones will be redistributed proportionally among the achievement milestones for the other measures in the Measure Bundle with *significant volume.*

EXAMPLE: A physician practice selects a Measure Bundle with four required measures, selects one optional measure in the Measure Bundle, and has *insignificant volume* for one required measure. The selected Measure Bundle is assigned a valuation of $1,000,000 for DY7 and $1,000,000 for DY8. The milestone valuations for DY7 and DY8 are as follows:

Measure	Volume	DY7 Baseline Milestone ($250,000)	DY7 PY1 Reporting Milestone ($250,000)	DY7 Achievement Milestone ($500,000)	DY8 PY2 Reporting Milestone ($250,000)	DY8 Achievement Milestone ($750,000)
1 (required)	Significant	$62,500	$62,500	$166,667	$62,500	$250,000
2 (required)	Significant	$62,500	$62,500	$166,667	$62,500	$250,000
3 (required)	Insignificant	$62,500	$62,500	$0	$62,500	$0
4 (optional)	Significant	$62,500	$62,500	$166,667	$62,500	$250,000

1. If a hospital or physician practice has *insignificant volume* for the baseline measurement period for a required measure in a selected Measure Bundle at the time of RHP Plan Update submission, the hospital or physician practice will notify HHSC in the RHP Plan Update that it has *insignificant volume* for the measure.
2. If a hospital or physician practice reports the baseline or performance for a required measure in a selected Measure Bundle with *insignificant volume* for the measurement period, the measure's achievement milestone valuation may be redistributed as described in this subsection.

iv. **No Volume:** Required measures with *no volume* because the hospital or physician practice does not serve the population measured will be removed from the Measure Bundle and the valuations of the associated reporting and achievement milestones will be redistributed proportionally among the remaining measures in the Measure Bundle.

EXAMPLE: A physician practice selects a Measure Bundle with four required measures, selects one optional measure in the Measure Bundle, and has *no volume* for one required measure. The selected Measure Bundle is assigned a valuation of $1,000,000 in DY7 and $1,000,000 in DY8. The valuations for DY7 and DY8 are as follows:

Measure	Volume	DY7 Baseline Milestone ($250,000)	DY7 PY1 Reporting Milestone ($250,000)	DY7 Achievement Milestone ($500,000)	DY8 PY2 Reporting Milestone ($250,000)	DY8 Achievement Milestone ($750,000)
1 (required)	Significant	$83,333	$83,333	$166,667	$83,333	$250,000
2 (required)	Significant	$83,333	$83,333	$166,667	$83,333	$250,000
3 (required)	None	$0	$0	$0	$0	$0
4 (optional)	Significant	$83,333	$83,333	$166,667	$83,333	$250,000

1. If a hospital or physician practice has *no volume* for the baseline measurement period for a required measure in a selected Measure Bundle at the time of RHP Plan Update submission, the hospital or physician practice will notify HHSC in the RHP Plan Update that it has *no volume* for the measure.
2. If a hospital or physician practice reports the baseline or performance for a required measure in a selected Measure Bundle with *no volume* for the measurement period, the measure's reporting and achievement milestone valuation may be redistributed as described in this subsection.

c. CMHC and LHD Minimum Volume Requirements
   i. A CMHC or LHD may only select measures for which it has *significant volume.*

5. Eligible Denominator Population

All Measure Bundles will be based on the DSRIP attributed population defined below. Each Measure Bundle has a target population (or pool of people) for which the Performing Provider system is accountable for improvement under the DSRIP incentive arrangements. The target population identifies all individuals in the DSRIP attributed population for each Performing Provider system, which then serves as the starting point for all the measures within the Measure Bundle and includes all individuals that would fall into the measure specifications for the included measure.

When reporting data for measures in a Measure Bundle, the eligible denominator population for each measure will be determined by the following process:

Step 1: Determine the DSRIP attributed population using the prescribed attribution methodology defined below.

Step 2: Determine the individuals from step one that are included in the Measure Bundle or measure target population.

Step 3: Determine the individuals from the Measure Bundle target population that meet the measure specific denominator inclusion criteria.

Step 4: Determine payer type for individuals or encounters in the denominator following standardized specifications to determine the all payer, Medicaid, and LIU rate for each measure.

Step 1: Determine the DSRIP attributed population using the prescribed retroactive attribution methodology defined below based on the Performing Provider type indicated in the RHP Plan Submission:

1. For hospital organizations and physician practices, the DSRIP attributed population includes individuals from the DSRIP system defined in Category B that meet at least one of the criteria below. Individuals do not need to meet all or multiple criteria to be included.
   a. Medicaid beneficiary attributed to the Performing Provider during the measurement period as determined by assignment to a primary care provider (PCP), medical home, or clinic in the Performing Providers DSRIP defined system OR
   b. Individuals enrolled in a local coverage program (for example, a county-based indigent care program) assigned to a PCP, medical home, or clinic in the Performing Providers DSRIP defined system OR
   c. One preventive service provided during the measurement period (Includes value sets of visit type codes for annual wellness visit, preventive care services - initial office visit, preventive care services - established office visit, and preventive care individual counseling) OR
   d. One ambulatory encounter during the measurement year and one ambulatory encounter during the year prior to the measurement year OR
   e. Two ambulatory encounters during the measurement year OR
   f. Other populations managed with chronic disease in specialty care clinics in the Performing Providers DSRIP defined system
   g. One ED visit during the measurement year OR
   h. One admission for inpatient or observation status during the measurement year OR
   i. One prenatal or postnatal visit during the measurement year OR

j. One delivery during the measurement year OR
k. One dental encounter during the measurement year OR
l. Enrolled in a palliative care or hospice program during the measurement year OR
m. Other populations not included above that should be included in a Measure Bundle target population included in the RHP plan submission and approved by HHSC (for example, individuals enrolled in community-based education programs)

2. For CMHCs, the DSRIP attributed population includes:
   a. All individuals from the DSRIP system defined in Category B that meet one of the following criteria during the measurement period:
      i. One encounter with the Performing Providers system during the measurement year and one encounter during the year prior to the measurement year OR
      ii. Two encounters with the Performing Providers system during the measurement year OR
      iii. Other populations defined by the CMHC in the RHP Plan Submission and approved by HHSC
3. For LHDs, the DSRIP attributed population includes:
   a. Individuals with one eligible encounter during the measurement period OR
   b. Other populations defined by the LHD in the RHP Plan Submission and approved by HHSC
4. Allowable Exclusions for all Performing Provider types:
   a. Performing Providers may remove from the DSRIP attributed population any individual for which the Performing Provider has documentation of any one of the following during the measurement year:
      i. The individual that was previously assigned a PCP, medical home, or clinic with the Performing Provider but has changed their care to a PCP, medical home, or clinic that is not with the Performing Providers DSRIP system.
      ii. The patient has had a total time of incarceration during the measurement period that exceeded 45 days.

For Steps 2 - 4, refer to the introduction section of Appendix A Category C Measure Specifications.

6. Exceptions to MPTs and Measure Bundle Selection for Hospital and Physician Practices with a Limited Scope of Practice

a. Certain Performing Providers have a limited scope of practice. These Performing Providers may include children's hospitals and specialty hospitals such as infectious disease hospitals and Institutions for Mental Disease.
   i. If such a Performing Provider is not able to reasonably report on enough Measure Bundles to meet its MPT based on its limited scope of practice and available community partnerships, the Performing Provider may request a lowered MPT equal to the sum of all Measure Bundles that the Performing Provider could reasonably report. The Performing Provider must request a lowered MPT prior to the RHP Plan Update submission, by a date determined by HHSC.
   ii. If such a Performing Provider is not able to reasonably report on at least half of the required measures in Measure Bundles needed to meet its MPT based on its limited scope of practice and available community partnerships, the Performing Provider may request approval to select measures outside of the Measure Bundle structure prior to the RHP Plan Update submission, by a date determined by HHSC.

1. The hospital or physician practice must select measures from the Hospital and Physician Practice Measure Bundle Menu, the Local Health Department Measure Menu, or the Community Mental Health Center Measure Menu in accordance with the measure selection requirements for LHDs and CMHCs.

iii. A hospital's or physician practice's request to lower the MPT or to select measures outside of the Measure Bundle structure may be subject to review by CMS. If HHSC and CMS, as appropriate, approve the request, the hospital's or physician practice's total valuation may be reduced.

7. Exceptions to Measure Selection for Local Health Department

a. LHDs may continue to report measures that an LHD reported for Category 3 in DY6 that are P4P in DY6 and not otherwise included in the L1 Local Health Department Menu.
   i. Grandfathered measures that are classified as standalone measures in DY2-6 will be valued at 3 points. Grandfathered measures that are non-standalone in DY2-6 will be valued at 1 point unless a measure has been given a categorization with a valuation of 2 points in the Measure Bundle Protocol.
   ii. Grandfathered measures will use DY6 (10/01/2016 - 09/30/2017) as the baseline measurement period for determining DY7 and DY8 goal achievement milestones and standard performance measurement periods so that PY1 is CY2018, PY2 is CY2019, and PY3 is CY2020.
   iii. Duplicated measures will only count once towards a Performing Providers MPT. For example, if an LHD has two non-standalone measures that are the same measure selection in DY6 but report different rates for different facilities, the Performing Provider may continue to report both measures, but both measures will only contribute 3 points towards the MPT.
b. LHDs may use a combination of grandfathered DY6 Category 3 measures and new measures selected from the L1 Local Health Department Menu in the Measure Bundle Protocol. New measures cannot duplicate grandfathered measures.
c. LHDs may continue to report grandfathered measures that were approved for use in DY7 and DY8 as P4P in DY9 and DY10.
d. LHDs may not select new grandfathered measures for use in DY9 and DY10.

Hospital & Physician Practice Measure Bundle Menu

Hospital & Physician Practice Measure Bundles	Any PBCO (4 points)	Any Clinical Outcome (3 Points)	Base Points	Additional Points	Max Points
A1: Chronic Disease Management: Diabetes *[SP]*	*Required* [1]	Required	11	9	**20**
A2: Chronic Disease Management: Heart Disease *[SP]*	*Required* [1]	Required	8	11	**19**
B1: Care Transitions & Hospital Readmissions	None	Required	11	0	**11**
B2: Patient Navigation & ED Diversion	None	Required	3	9	**12**
C1: Primary Care Prevention - Healthy Texans *[SP]*	*Required* [1]	None	12	4	**16**
C2: Primary Care Prevention - Cancer Screening	None	None	6	0	**6**
C3: Hepatitis C	None	None	4	0	**4**
D1: Pediatric Primary Care *[SP]* DY7/8	*Required* [1]	Required	14	6	**20**
D1: Pediatric Primary Care *[SP]* DY9/10	*Required* [1]	Required	12	6	**18**
D3: Pediatric Hospital Safety	None	None	10	0	**10**
D4: Pediatric Chronic Disease Management: Asthma *[SP]*	Required	None	9	0	**9**
D5: Pediatric Chronic Disease Management: Diabetes *[SP]*	Required	None	8	0	**8**
E1: Improved Maternal Care *[HSP]* DY7/8	None	Required	10	1	**11**
E1: Improved Maternal Care *[HSP]* DY9/10	None	Required	10	0	**10**
E2: Maternal Safety *[HSP]* DY7/8	None	Required	8	0	**8**
E2: Maternal Safety *[HSP]* DY9/10	None	Required	12	0	**12**
F1: Improved Access to Adult Dental Care DY7/8	None	Required	7	0	**7**
F1 Improved Access to Adult Dental Care DY9/10	None	Required	7	1	**8**
F2: Preventive Pediatric Dental	None	None	2	0	**2**
G1: Palliative Care	None	*None* [2]	6	0	**6**
H1: Integration of Behavioral Health in a Primary or Specialty Care Setting *[SP]*	None	Required	12	0	**12**
H2: Behavioral Health & Appropriate Utilization *[SP]*	*Required* [1]	Optional	8	11	**19**
H3: Chronic Non-Malignant Pain Management *[HSP]*	None	None	10	0	**10**
H4: Integrated Care for People with Serious Mental Illness *[SP]*	None	None	5	0	**5**
I1: Specialty Care [3]	None	None	2	0	**2**
J1: Hospital Safety	None	None	10	0	**10**
K1: Rural Preventive Care [4]	None	Optional	3	10	**13**
K2: Rural Emergency Care [4]	None	None	3	1	**4**
Total Possible Points DY7/8	N/A	N/A	182	62	244
Total Possible Points DY9/10	N/A	N/A	184	63	247

[SP] Measure Bundle Designated as a State Priority.
[HSP] Measure Bundle Designated as a High State Priority.
[1]One or more PBCOs are required as P4P for Performing Providers with an MPT 0f 75 that select bundle, optional as P4P for others.
[2]Clinical outcomes included for cancer hospital only (optional 6 additional points).
[3]Requires prior authorization.
[4]Can only be selected in DY7-8 by hospitals with a valuation at or below $2,500,000 per DY.

A1: Improved Chronic Disease Management: Diabetes Care

This bundle is a State Priority.

Objective:
Develop and implement chronic disease management interventions that are geared toward improving management of diabetes and comorbidities, improving health outcomes and quality of life, preventing disease complications, and reducing unnecessary acute and emergency care utilization.

Target Population:
Adults with diabetes

Base Points: 7*1.5 (state priority) = 11

Possible Additional Points: 9

Maximum Total Possible Points: 20

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
A1-111	Comprehensive Diabetes Care: Eye Exam (retinal) performed	NCQA	0055	No	No	+1
A1-112	Comprehensive Diabetes Care: Foot Exam	NCQA	0056	Yes	Yes	1
A1-115	Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Poor Control (>9.0%)	NCQA	0059	Yes	Yes	3
A1-207	Diabetes care: BP control (<140/90mm Hg)	NCQA	0061	Yes	Yes	3
A1-500	PQI 93 Diabetes Composite (Adult short-term complications, long-term complications, uncontrolled diabetes, lower-extremity amputation admission rates)	AHRQ	N/A	Yes*	Yes*	+4 if P4P +0 if P4R
A1-508	Reduce Rate of Emergency Department visits for Diabetes	N/A	N/A	Yes*	Yes*	+4 if P4P +0 if P4R

*For Performing Providers that select Measure Bundle A1:

- Measures A1-500 AND A1-508 are PBCOs and are required P4P measures for Performing Providers with an MPT of 75.
- Performing Providers with an MPT less than 75 may opt to report measures as P4P.
  Performing Providers with an MPT below 75 that do not opt to report as P4P that have any numerator volume will report as P4R. Measures reported as P4R will not count towards the Measure Bundle's point value and do not contribute towards a Performing Provider's MPT

A2: Improved Chronic Disease Management: Heart Disease

This bundle is a State Priority.

Objective:
Develop and implement chronic disease management interventions that are geared toward improving management of heart disease and comorbidities, improving health outcomes and quality of life, preventing disease complications, and reducing unnecessary acute and emergency care utilization.

Target Population:
Adults with heart disease

Base Points: 5*1.5 (state priority) = 8

Possible Additional Points: 11

Maximum Total Possible Points: 19

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
A2-103	Controlling High Blood Pressure	NCQA	0018	Yes	Yes	3
A2-210	Preventive Care and Screening: Screening for High Blood Pressure and Follow-Up Documented	CMS	N/A	Yes	Yes	1
A2-384	Risk Adjusted CHF 30-Day Readmission Rate	N/A	N/A	No	No	+3
A2-404	Statin Therapy for the Prevention and Treatment of Cardiovascular Disease	CMS	N/A	Yes	Yes	1
A2-501	PQI 08 Heart Failure Admission Rate (Adult)	AHRQ	N/A	Yes*	Yes*	+4 if P4P +0 if P4R
A2-509	Reduce Rate of Emergency Department visits for CHF, Angina, and Hypertension	N/A	N/A	Yes*	Yes*	+4 if P4P +0 if P4R

*For Performing Providers that select Measure Bundle A2:

- Measures A2-501 and A2-509 are PBCOs and are required P4P measures for Performing Providers with an MPT of 75.
- Performing Providers with an MPT less than 75 may opt to report measures as P4P.
- Performing Providers with an MPT below 75 that do not opt to report as P4P that have any numerator volume will report as P4R. Measures reported as P4R will not count towards the Measure Bundle's point value and do not contribute towards a Performing Provider's MPT.

B1: Care Transitions & Hospital Readmissions

Objective:
Implement improvements in care transitions and coordination of care from inpatient to outpatient, post-acute care, and home care settings in order to improve health outcomes and prevent increased health care costs and hospital readmissions.

Target Population:
Individuals transitioning out of inpatient care

Base Points: 11

Possible Additional Points: N/A

Maximum Total Possible Points: 11

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
B1-124	Medication Reconciliation Post-Discharge	NCQA	0097	Yes	Yes	1
B1-141	Risk Adjusted All-Cause 30-Day Readmission for Targeted Conditions: coronary artery bypass graft (CABG) surgery, CHF, Diabetes, AMI, Stroke, COPD, Behavioral Health, Substance Use	N/A	N/A	Yes	Yes	3
B1-217	Risk Adjusted All-Cause 30-Day Readmission	N/A	N/A	Yes	Yes	3
B1-252	Care Transition: Transition Record with Specified Elements Received by Discharged Patients (Emergency Department Discharges to Ambulatory Care [Home/Self Care] or Home Health Care)	AMA	0649	Yes	Yes	1
B1-253	Transition Record with Specified Elements Received by Discharged Patients (Inpatient Discharges to Home/Self Care or Any Other Site of Care)	AMA	0647	Yes	Yes	1
B1-287	Documentation of Current Medications in the Medical Record	CMS	0419	Yes	Yes	1
B1-352	Post-Discharge Appointment	AHA/ASA, TJC	2455/ 2439	Yes	Yes	1

B2: Patient Navigation & ED Diversion

Objective:
Utilize patient navigators (CHWs, case managers, or other types of professionals) and/or develop other strategies to provide enhanced social support and culturally competent care to connect high risk patients to primary care or medical home sites, improve patient outcomes, and divert patients needing non-urgent care to appropriate settings.

Target Population:
Adults utilizing the emergency department

Base Points: 3

Possible Additional Points: 9

Maximum Total Possible Points: 12

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
B2-242	Reduce Emergency Department (ED) visits for Chronic Ambulatory Care Sensitive Conditions (ACSC)	N/A	N/A	Yes**	Yes**	*(+3)*
B2-387	Reduce Emergency Department visits for Behavioral Health and Substance Abuse	N/A	N/A	Yes**	Yes**	*(+3)*
B2-392	Reduce Emergency Department visits for Acute Ambulatory Care Sensitive Conditions (ACSC)	N/A	N/A	Yes	Yes	*3*
B2-393	Reduce Emergency Department visits for Dental Conditions	N/A	N/A	Yes**	Yes**	*(+3)*

**Must select one of either B2-242, B2-387, B2-393

May select one or more additional from B2-242, B2-387, B2-393 for up to an additional 6 points.

C1: Primary Care Prevention - Healthy Texans

This bundle is a State Priority.

Objective:
Provide comprehensive, integrated primary care services that are focused on person-centered preventive care and chronic disease screening.

Target Population:
Adults

Base Points: 8*1.5 (state priority) = 12

Possible Additional Points: 4

Maximum Total Possible Points: 16

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
C1-105	Preventive Care & Screening: Tobacco Use: Screening & Cessation Intervention	NCQA	0028	Yes	Yes	1
C1-113	Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) testing	NCQA	0057	Yes	Yes	1
C1-147	Preventive Care and Screening: Body Mass Index (BMI) Screening and Follow-Up	CMS	0421 / 2828	Yes	Yes	1
C1-268	Pneumonia vaccination status for older adults	CMS	0043	Yes	Yes	1
C1-269	Preventive Care and Screening: Influenza Immunization	AMA / PCPI	0041 / 3070	Yes	Yes	1
C1-272	Adults (18+ years) Immunization status	ICSI	N/A	Yes	Yes	1
C1-280	Chlamydia Screening in Women (CHL)	NCQA	0033	Yes	Yes	1
C1-389	Human Papillomavirus Vaccine (age 18 -26)	N/A	N/A	Yes	Yes	1
C1-502	PQI 91 Acute Composite (Adult Dehydration, Bacterial Pneumonia, Urinary Tract Infection Admission Rates)	AHRQ	N/A	Yes*	Yes*	+4 if P4P +0 if P4R

*For Performing Providers that select Measure Bundle C1:

- Measure C1-502 is a PBCOs and is a required P4P measures for Performing Providers with an MPT of 75.
- Performing Providers with an MPT less than 75 may opt to report measure as P4P.
- Performing Providers with an MPT below 75 that do not opt to report as P4P that have any numerator volume will report as P4R. Measures reported as P4R will not count towards the Measure Bundle's point value and do not contribute towards a Performing Provider's MPT.

C2: Primary Care Prevention - Cancer Screening

Objective:
Increase access to cancer screening in the primary care setting.

Target Population:
Adults

Base Points: 6

Possible Additional Points: N/A

Maximum Total Possible Points: 6

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
C2-106	Cervical Cancer Screening	NCQA	0032	Yes	Yes	2
C2-107	Colorectal Cancer Screening	NCQA	0034	Yes	Yes	2
C2-186	Breast Cancer Screening	NCQA	2372	Yes	Yes	2

C3: Hepatitis C

Objective:
Implement screening program in high risk populations to detect and treat Hepatitis C infections.

Target Population:
Adults

Base Points: 4

Possible Additional Points: N/A

Maximum Total Possible Points: 4

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
C3-203	Hepatitis C: One-Time Screening for Hepatitis C Virus (HCV) for Patients at Risk	AMA-PCPI	3059	Yes	Yes	1
C3-328	Appropriate Screening Follow-up for Patients Identified with Hepatitis C Virus (HCV) Infection	PCPI	3061	Yes	Yes	1
C3-368	Hepatitis C: Hepatitis A Vaccination	American Gastroenterological Association	0399	Yes	Yes	1
C3-369	Hepatitis C: Hepatitis B Vaccination	American Gastroenterological Association	0400	Yes	Yes	1

D1: Pediatric Primary Care

This bundle is a State Priority.

Objective: Increase access to comprehensive, coordinated primary care & preventive services focused on accountable, child-centered care that improves quality of life and health outcomes.

Target Population: Children

Base Points:

DY7/8: 9*1.5 (high state priority) = 14
DY9/10: 8*1.5 (high state priority) = 12**

Possible Additional Points: 6

Maximum Total Possible Points: 20 for DY7/8, 18 for DY9/10**

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
D1-108	Childhood Immunization Status (CIS)	NCQA	0038	Yes	Yes	1
D1-211	Weight Assessment and Counseling for Nutrition and Physical Activity	NCQA	0024	Yes	Yes	1
D1-212	Appropriate Testing for Children With Pharyngitis	AHRQ	0002	Yes	Yes	3
D1-237	Well-Child Visits in the First 15 Months of Life	NCQA	1392	Yes	Discontinued**	DY7/8: 1 DY9/10: 0
D1-271	Immunization for Adolescents	NCQA	1407	Yes	Yes	1
D1-284	Appropriate Treatment for Children with URI	NCQA	0069	Yes	Yes	1
D1-301	Maternal Depression Screening	NCQA	1401	No	No	+1
D1-389	Human Papillomavirus Vaccine (age 15-18)	N/A	N/A	No	No	+1
D1-400	Tobacco Use and Help with Quitting Among Adolescents	CMS	N/A	Yes	Yes	1
D1-503	PDI 97 Acute Composite (Gastroenteritis, Urinary Tract Infection Admission Rate)	AHRQ	N/A	Yes*	Yes*	*+4 if P4P +0 if P4R
D1-T01	*Innovative Measure:* Behavioral Health Counselling for Childhood Obesity	Meadows	N/A	No	Discontinued	0

*For Performing Providers that select Measure Bundle D1:

- Measure D-503 is a PBCOs and is a required P4P measures for Performing Providers with an MPT of 75.
- Performing Providers with an MPT less than 75 may opt to report measure as P4P.
- Performing Providers with an MPT below 75 that do not opt to report as P4P that have any numerator volume will report as P4R. Measures reported as P4R will not count towards the Measure Bundle's point value and do not contribute towards a Performing Provider's MPT.

**D1-237 may be continued as P4P in DY9/10 for continued selection with a D1 base point value of 14.

D3: Pediatric Hospital Safety

Objective:
Reduce hospital errors, improve effectiveness of staff communication (both internally and with patients and their caregivers), improve medication management, and reduce the risk of health-care associated infections.

Target Population:
Children receiving inpatient care

Base Points: 10

Possible Additional Points: N/A

Maximum Total Possible Points: 10

If D3 and J1 are both selected, the points of each bundle will be reduced by 50%.

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
D3-330	Pediatric CLABSI	Children's Hospitals' Solutions for Patient Safety National Children's Network	N/A	Yes	Yes	2
D3-331	Pediatric CAUTI	Children's Hospitals' Solutions for Patient Safety National Children's Network	N/A	Yes	Yes	2
D3-333	Pediatric Surgical site infections (SSI)	Children's Hospitals' Solutions for Patient Safety National Children's Network	N/A	Yes	Yes	2
D3-334	Pediatric Adverse Drug Events	Children's Hospitals' Solutions for Patient Safety National Children's Network	N/A	Yes	Yes	2
D3-335	Pediatric Pressure Injuries	Children's Hospitals' Solutions for Patient Safety National Children's Network	N/A	Yes	Yes	2

D4: Pediatric Chronic Disease Management: Asthma

This bundle is a State Priority.

Objective:
Develop and implement chronic disease management interventions that are geared toward improving management of asthma to improve patient health outcomes and quality of life and reduce unnecessary acute and emergency care utilization.

Target Population:
Children with asthma

Base Points: 6*1.5 (state priority) = 9

Possible Additional Points: N/A

Maximum Total Possible Points: 9

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
D4-139	Asthma Admission Rate (PDI 14)	AHRQ	07228	Yes	Yes	4
D4-353	Proportion of Children with ED Visits for Asthma with Evidence of Primary Care Connection Before the ED Visit	University Hospitals Cleveland Medical Center	3170	Yes	Yes	1
D4-375	Asthma: Pharmacologic Therapy for Persistent Asthma (Rate 3 only)	The American Academy of Asthma Allergy and Immunology	0047	Yes	Yes	1

D5: Pediatric Chronic Disease Management: Diabetes

Objective:
Develop and implement diabetes management interventions that improve patient health outcomes and quality of life, prevent onset or progression of comorbidities, and reduce unnecessary acute and emergency care utilization.

Target Population:
Children with Type 1 and Type 2 Diabetes

Base Points: 5*1.5 (state priority) = 8

Possible Additional Points: N/A

Maximum Total Possible Points: 8

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
D5-211	Weight Assessment and Counseling for Nutrition and Physical Activity for Children/ Adolescents	NCQA	0024	Yes	Yes	1
D5-406	Diabetes Short-term Complications Admission Rate (PDI 15)	AHRQ	N/A	Yes	Yes	4
D5-T07	*Innovative Measure:* Diabetes Care Coordination	TBD	N/A	No	Discontinued	0

E1: Improved Maternal Care

This bundle is a High State Priority.

Objective:
Improve maternal health outcomes by implementing evidence-based practices to provide pre-conception, prenatal, and postpartum care including early detection and management of comorbidities like hypertension, diabetes, and depression.

Target Population:
Pregnant and postpartum women

Base Points: 5*2 (high state priority) = 10

Possible Additional Points: 1 for DY7/8

Maximum Total Possible Points: 11 for DY7/8, 10 for DY9/10

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
E1-193	Contraceptive Care – Postpartum Women Ages 15–44	US Office of Population Affairs	2902	No	Discontinued	DY7/8: +1
E1-232	Timeliness of Prenatal Care	NCQA	1517	Yes	Yes	1
E1-235	Post-Partum Follow-Up and Care Coordination	CMS	N/A	Yes	Yes	3
E1-300	Behavioral Health Risk Assessment for Pregnant Women	AMA-PCPI	N/A	Yes	Yes	1

E2: Maternal Safety

This bundle is a High State Priority.

Objective:
Improve maternal safety and reduce maternal morbidity through data driven interventions to prevent and manage obstetric hemorrhage.

Target Population:
Women with preterm or full-term deliveries

Base Points:

DY7/8: 4*2 (high state priority) = 8

DY9/10: 6*2 (high state priority) = 12

Possible Additional Points: N/A

Maximum Total Possible Points: 8 for DY7/8, 12 for DY9/10

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
E2-150	PC-02 Cesarean Section	The Joint Commission	0471	Yes	Yes	3
E2-151	PC-03 Antenatal Steroids	The Joint Commission	0476	Yes	Yes	1
E2-A01	Quality Improvement Collaborative Activity: Participation in OB Hemorrhage Safety Bundle Collaborative (TexasAIM Plus) through the Texas Department of State Health Services *(P4R for participation in collaborative and implementation of recommended practices in DY7-8)*	N/A	N/A	Yes	Discontinued	0
E2-601	Hemorrhage Risk Assessment *(Requires participating in TexasAIM Plus)*	Alliance for Innovation in Maternal Care	N/A	N/A	Yes	1
E2-602	Quantified Blood Loss *(Requires participating in TexasAIM Plus)*	Alliance for Innovation in Maternal Care	N/A	N/A	Yes	1

F1: Improved Access to Adult Dental Care

Objective:
Increase access to timely, appropriate dental care.

Target Population:
Adults

Base Points: 7

Possible Additional Points: DY9/10: 1

Maximum Total Possible Points: 7 for DY7/8, 8 for DY9/10

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
F1-105	Preventive Care & Screening: Tobacco Use: Screening & Cessation Intervention	NCQA	0028	Yes	Yes	1
F1-226	Chronic Disease Patients Accessing Dental Services	N/A	N/A	Yes	Yes	3
F1-227	Dental Caries: Adults	Healthy People 2020	N/A	Yes	Yes	3
F1-T03	*Innovative Measure:* Oral Cancer Screening (DY7/8: P4R, DY9: P4R, DY10: P4P)	A&M College of Dentistry	N/A	No	No	DY7-8: 0 DY9-10: +1

F2: Preventive Pediatric Dental Care

Objective:
Expand access to dental care including screening and preventive dental services to improve long term oral health and quality of life and reduce costs by preventing the need for more intensive treatments.

Target Population:
Children

Base Points: 2

Possible Additional Points: N/A

Maximum Total Possible Points: 2

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
F2-224	Dental Sealant: Children	Healthy People 2020	N/A	Yes	Yes	1
F2-229	Oral Evaluation: Children	American Dental Association	2517	Yes	Yes	1

G1: Palliative Care

Objective:
Provide palliative care services to patients and their families and/or caregivers to improve patient outcomes and quality of life with a focus on relief from symptoms, stress, and pain related to serious, debilitating, or terminal illness.

Target Population:
Individuals with serious or terminal illness enrolled in a hospice or palliative care program

Base Points: 6

Possible Additional Points: N/A or 6*

Maximum Total Possible Points: 6 or 12*

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
G1-276	Hospice and Palliative Care – Pain assessment	University of North Carolina-Chapel Hill	1637	Yes	Yes	1
G1-277	Hospice and Palliative Care – Treatment Preferences	University of North Carolina-Chapel Hill	1614	Yes	Yes	1
G1-278	Beliefs and Values	University of North Carolina-Chapel Hill	1647	Yes	Yes	1
G1-361	Patients Treated with an Opioid who are Given a Bowel Regimen	RAND Corporation/UCLA	1617	Yes	Yes	1
G1-362	Hospice and Palliative Care -- Dyspnea Treatment	University of North Carolina-Chapel Hill	1638	Yes	Yes	1
G1-363	Hospice and Palliative Care -- Dyspnea Screening	University of North Carolina-Chapel Hill	1639	Yes	Yes	1
G1-505	Proportion Admitted to Hospice for less than 3 days	American Society of Clinical Oncology	0216	No*	No*	+3
G1-507	Proportion not Admitted to Hospice	American Society of Clinical Oncology	0215	No*	No*	+3

*Measures G1-505 and G1-507 may only be selected by a cancer hospital in DY7/8 but may be selected by any performing provider with a cancer hospital as a part of their system definition in DY9/10.

H1: Integration of Behavioral Health in a Primary or Specialty Care Setting

This bundle is a State Priority.

Objective:
Implement depression, substance use disorder, and behavioral health screening and multi-modal treatment in a primary or non-psychiatric specialty care setting.

Target Population:
Individuals receiving primary care services or specialty care services

Base Points: 8*1.5 (state priority) = 12

Additional Points: N/A

Maximum Total Possible Points: 12

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
H1-146	Screening for Clinical Depression and Follow-Up Plan	CMS	0418	Yes	Yes	1
H1-255	Follow-up Care for Children Prescribed ADHD Medication	NCQA	0108	Yes	Yes	3
H1-286	Depression Remission at Six Months	MN Community Measurement	0711	Yes	Yes	3
H1-317	Preventive Care and Screening: Unhealthy Alcohol Use: Screening & Brief Counseling	AMA-PCPI	2152	Yes	Yes	1
H1-T04	*Innovative Measure:* Engagement in Integrated Behavioral Health	Meadows	N/A	No	Discontinued	0

H2: Behavioral Health and Appropriate Utilization

This bundle is a State Priority.

Objective:
Provide specialized and coordinated services to individuals with serious mental illness and/or a combination of behavioral health and physical health issues to reduce emergency department utilization and avoidable inpatient admission and readmissions.

Target Population:
Individuals with serious mental illness

Base Points: 5*1.5 (state priority) = 8

Possible Additional Points: 11

Maximum Total Possible Points: 19

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
H2-160	Follow-Up After Hospitalization for Mental Illness	NCQA	0576	*(Yes)**	*(Yes)**	*+3*
H2-216	Risk Adjusted Behavioral Health /Substance Abuse 30-day Readmission Rate	N/A	N/A	*(Yes)**	*(Yes)**	*+3*
H2-259	Assignment of Primary Care Physician to Individuals with Schizophrenia	CQAIMH	N/A	Yes	Yes	1
H2-265	Housing Assessment for Individuals with Schizophrenia	CQAIMH	N/A	No	No	+1
H2-266	Independent Living Skills Assessment for Individuals with Schizophrenia	CQAIMH	N/A	Yes	Yes	1
H2-305	Child and Adolescent Major Depressive Disorder: Suicide Risk Assessment	AMA-PCPI	1365	Yes	Yes	1
H2-319	Adult Major Depressive Disorder (MDD): Suicide Risk Assessment	AMA-PCPI	0104	Yes	Yes	1
H2-405	Bipolar Disorder and Major Depression: Appraisal for alcohol or chemical substance use	CMS	N/A	Yes	Yes	1
H2-510	Reduce Rate of Emergency Department visits for Behavioral Health and Substance Abuse	N/A	N/A	Yes * †	Yes * †	+4 if P4P +0 if P4R

† For Performing Providers that select Measure Bundle H2 and have an MPT of 75:Measure H2-510 is a PBCO and is a required P4P measure for Performing Providers with an MPT of 75.

† * For Performing Providers that select Measure Bundle H2 and have an MPT of less than 75: Performing Providers with an MPT less than 75 must select one of either H2-160, H2-216, or H2-510 as P4P.

Performing Providers that do not opt to report H2-510 as P4P that have any numerator volume must report as P4R and select one of either H2-160 or H2-216. Measures reported as P4R will not count towards the Measure Bundle's point value and do not contribute towards a Performing Provider's MPT.

H3: Chronic Non-Malignant Pain Management

This bundle is a High State Priority.

Objective:
Improve individuals' quality of life and reduce pain through lifestyle modification, psychological approaches, interventional pain management, and/or pharmacotherapy while recognizing current or potential substance abuse disorders. Improve providers' ability to identify and manage chronic, non-malignant pain using a function-based multimodal approach and ability to screen for substance use disorder and connect individuals to appropriate treatment.

Target Population:
Adults with chronic pain or on long-term opioid therapy

Base Points: 5*2 (high state priority) = 10

Possible Additional Points: N/A

Maximum Total Possible Points: 10

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
H3-144	Screening for Clinical Depression and Follow-Up Plan (CDF-AD) for individuals with a diagnosis of chronic pain	CMS	0418	Yes	Yes	1
H3-287	Documentation of Current Medications in the Medical Record	CMS	0419	Yes	Yes	1
H3-288	Pain Assessment and Follow-up	CMS	0420	Yes	Yes	1
H3-401	Opioid Therapy Follow-up Evaluation	N/A	N/A	Yes	Yes	1
H3-403	Evaluation or Interview for Risk of Opioid Misuse	N/A	N/A	Yes	Yes	1
H3-T05	*Innovative Measure:* Treatment of Chronic Non-Malignant Pain Management with Multi-Modal Therapy (DY7/8: P4R)	San Francisco Health Network, Alameda Health Systems, UC San Diego	N/A	No	Discontinued	0
H3-T06	*Innovative Measure:* Patients on long-term opioid therapy checked in prescription drug monitoring programs (PDMPs) (DY7/8: P4R)	San Francisco Health Network, Alameda Health Systems, UC San Diego	N/A	No	Discontinued	0

H4: Integrated Care for People with Serious Mental Illness

This bundle is a State Priority.

Objective:
Improve physical health outcomes for individuals with serious mental illness.

Target Population:
Individuals with Serious Mental Illness

Base Points: 3*1.5 (state priority) = 5

Possible Additional Points: N/A

Maximum Total Possible Points: 5

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
H4-182	Diabetes Screening for People with Schizophrenia or Bipolar Disorder who are Using Antipsychotic Medications	NCQA	1932	Yes	Yes	1
H4-258	Cardiovascular Monitoring for People with Cardiovascular Disease and Schizophrenia	NCQA	1933	Yes	Yes	1
H4-260	Annual Physical Exam for Persons with Mental Illness	CQAIMH	N/A	Yes	Yes	1

I1: Specialty Care

Objective:
Improve quality of life and functional status for individuals with chronic and life impacting conditions receiving services in an outpatient specialty care setting.

Target Population:
Adults & Children with chronic and life impacting conditions

Base Points: 2

Possible Additional Points: N/A

Maximum Total Possible Points: 2

Requires prior authorization and can only be selected once by hospital and physician practices with a specialty care project in DY6. Cannot be selected for the first time in DY9/10.

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
I1-385	Assessment of Functional Status or QoL	N/A	N/A	Yes	Yes	1
I1-386	Improvement in Functional Status or QoL	N/A	N/A	Yes	Yes	1

J1: Hospital Safety

Objective:
Improve patient health outcomes and experience of care by reducing the risk of health-care associated infections and reducing hospital errors.

Target Population:
Individuals receiving inpatient care

Base Points: 10

Possible Additional Points: N/A

Maximum Total Possible Points: 10

If D3 and J1 are both selected, the points of each bundle will be reduced by 50%.

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
J1-218	Central line-associated bloodstream infections (CLABSI) rates	CDC	0139	Yes	Yes	2
J1-219	Catheter-associated Urinary Tract Infections (CAUTI) rates	CDC	0138	Yes	Yes	2
J1-220	Surgical site infections (SSI) rates	CDC	0299	Yes	Yes	2
J1-221	Patient Fall Rate	American Nurses Association	0141	Yes	Yes	2
J1-506	PSI 13 Post-Operative Sepsis Rate	AHRQ	N/A	Yes	Yes	2

K1: Rural Preventive Care

This bundle is only available to hospitals with a valuation less than or equal to $2,500,000 per DY in DY7-8. This bundle may not be selected for the first time in DY9-10.

Objective:
Improve provision of preventive care in rural and critical access hospitals to improve patient health.

Target Population:
Adults and Children in Rural Areas

Base Points: 3

Possible Additional Points: 10

Maximum Total Possible Points: 13

Measure Bundles A1, A2, C1, D1, E1, and H1 cannot be selected if Measure Bundle K1 is selected.

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
K1-103	Controlling High Blood Pressure	NCQA	0018	No	No	+3
K1-105	Preventive Care & Screening: Tobacco Use: Screening & Cessation Intervention	NCQA	0028	Yes	Yes	1
K1-112	Comprehensive Diabetes Care: Foot Exam	NCQA	0056	No	No	+1
K1-115	Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Poor Control (>9.0%)	NCQA	0059	No	No	+3
K1-146	Screening for Clinical Depression and Follow-Up Plan	CMS	0418	No	No	+1
K1-268	Pneumonia vaccination status for older adults	CMS	0043	Yes	Yes	1
K1-269	Preventive Care and Screening: Influenza Immunization	AMA / PCPI	0041/ 3070	No	No	+1
K1-285	Advance Care Plan	NCQA	0326	Yes	Yes	1
K1-300	Behavioral Health Risk Assessment for Pregnant Women	AMA / PCPI	N/A	No	No	+1

K2: Rural Emergency Care

This bundle is only available to hospitals with a valuation less than or equal to $2,500,000 per DY in DY7-8. This bundle may not be selected for the first time in DY9-10.

Objective:
Improve quality of emergency care in rural and critical access hospital to improve patient health.

Target Population:
Adults and Children receiving emergency services in rural areas

Base Points: 3

Possible Additional Points: 1

Maximum Total Possible Points: 4

ID	Measure	Steward	NQF #	Required in DY7/8	Required in DY9/10	Measure Points
K2-285	Advance Care Plan	NCQA	0326	No*	No*	+1
K2-287	Documentation of Current Medications in the Medical Record	CMS	0419	Yes	Yes	1
K2-355	Admit Decision Time to ED Departure Time for Admitted Patients	CMS	0497	Yes	Yes	1
K2-359	Emergency Transfer Communication Measure	University of Minnesota Rural Health Research Center	0291	Yes	Yes	1

*K2-285 cannot be selected if Measure Bundle K1 is selected.

Local Health Department Measure Menu

LHD Measures

ID	Measure	Steward	NQF #	Points
L1-103	Controlling High Blood Pressure	NCQA	0018	3
L1-105	Preventive Care & Screening: Tobacco Use: Screening & Cessation Intervention	NCQA	0028	1
L1-107	Colorectal Cancer Screening	NCQA	0034	2
L1-108	Childhood Immunization Status (CIS)	NCQA	0038	1
L1-115	Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Poor Control (>9.0%)	NCQA	0059	3
L1-147	Preventive Care and Screening: Body Mass Index (BMI) Screening and Follow-Up	CMS	0421 / 2828	1
L1-160	Follow-Up After Hospitalization for Mental Illness	NCQA	0576	3
L1-186	Breast Cancer Screening	NCQA	2372	2
L1-205	Third next available appointment	Wisconsin Collaborative for Healthcare Quality	N/A	1
L1-207	Diabetes care: BP control (<140/90mm Hg)	NCQA	0061	3
L1-210	317 Preventive Care and Screening: Screening for High Blood Pressure and Follow-Up Documented	CMS	N/A	1
L1-211	Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents	NCQA	0024	1
L1-224	Dental Sealant: Children	Healthy People 2020	N/A	1
L1-225	Dental Caries - Children	Healthy People 2020	N/A	3
L1-227	Dental Caries - Adults	Healthy People 2020	N/A	3
L1-231	Preventive Services for Children at Elevated Caries Risk - Modified Denominator	American Dental Association	N/A	1
L1-235	Post-Partum Follow-Up and Care Coordination	CMS	N/A	3
L1-237	Well-Child Visits in the First 15 Months of Life (6 or more visits)	NCQA	1392	1
L1-241	Decrease in mental health admissions and readmissions to criminal justice settings such as jails or prisons	None	N/A	3
L1-242	Reduce Emergency Department (ED) visits for Ambulatory Care Sensitive Conditions (ACSC)	None	N/A	3
L1-262	Assessment of Risk to Self/Others	CQAIMH	N/A	1
L1-263	Assessment for Psychosocial Issues of Psychiatric Patients	CQAIMH	N/A	1
L1-265	Housing Assessment for Individuals with Schizophrenia	CQAIMH	N/A	1
L1-268	Pneumonia vaccination status for older adults	CMS	0043	1

ID	Measure	Steward	NQF #	Points
L1-269	Preventive Care and Screening: Influenza Immunization	AMA / PCPI	0041 / 3070	1
L1-271	Immunization for Adolescents - Tdap/TD and MCV	NCQA	1407	1
L1-272	Adults (18+ years) Immunization status	Institute for Clinical Systems Improvement	N/A	1
L1-280	Chlamydia Screening in Women	NCQA	0033	1
L1-342	Time to Initial Evaluation: Evaluation within 10 Business Days	SAMHSA/ CCBHC	N/A	1
L1-343	Syphilis positive screening rates	CDC	N/A	1
L1-344	Follow-up after Treatment for Primary or Secondary Syphilis	CDC	N/A	3
L1-345	Gonorrhea Positive Screening Rates	CDC	N/A	1
L1-346	Follow-up testing for N. gonorrhoeae among recently infected men and women	CDC	N/A	3
L1-347	Latent Tuberculosis Infection (LTBI) treatment rate	CDC	N/A	3
L1-387	Reduce Emergency Department visits for Behavioral Health and Substance Abuse	N/A	N/A	3
L1-400	Tobacco Use and Help with Quitting Among Adolescents	CMS	N/A	1

Measures L1-262, L1-263, L1-265, and L1-342 are added for new selection in DY9-DY10 only.

Community Mental Health Center Measure Menu

CMHC Measures

ID	Measure	Steward	NQF #	Points	Additional Points for State Priority Measures
M1-100	Initiation and Engagement of Alcohol and Other Drug Dependence Treatment (IET)	NCQA	0004	3	+1
M1-103	Controlling High Blood Pressure	NCQA	0018	3	+1
M1-105	Preventive Care & Screening: Tobacco Use: Screening & Cessation Intervention	NCQA	0028	1	+1
M1-115	Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Poor Control (>9.0%)	NCQA	0059	3	
M1-124	Medication Reconciliation Post-Discharge	NCQA	0097	1	
M1-125	Antidepressant Medication Management (AMM-AD)	NCQA	0105	3	
M1-146	Screening for Clinical Depression and Follow-Up Plan (CDF-AD)	CMS	0418	1	
M1-147	Preventive Care and Screening: Body Mass Index (BMI) Screening and Follow-Up	CMS	0421 / 2828 eMeasure	1	
M1-160	Follow-Up After Hospitalization for Mental Illness	NCQA	0576	3	
M1-165	Depression Remission at 12 Months	MN Community Measurement	0710	*(3)**	+1
M1-180	Adherence to Antipsychotics for Individuals with Schizophrenia	CMS	1879	3	
M1-181	Depression Response at Twelve Months- Progress Towards Remission	MN Community Measurement	1885	*(3)**	+1
M1-182	Diabetes Screening for People With Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications	NCQA	1932	1	+1
M1-203	Hepatitis C: One-Time Screening for Hepatitis C Virus (HCV) for Patients at Risk	AMA-PCPI	N/A / 3059 eMeasure	1	+1
M1-205	Third next available appointment	Wisconsin Collaborative for Healthcare Quality	N/A	1	
M1-207	Diabetes care: BP control (<140/90mm Hg)	NCQA	0061	3	
M1-210	Preventive Care and Screening: Screening for High Blood Pressure and Follow-Up Documented	CMS	N/A	1	
M1-211	Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents	NCQA	0024	1	+1

ID	Measure	Steward	NQF #	Points	Additional Points for State Priority Measures
M1-216	Risk Adjusted Behavioral Health /Substance Abuse 30-day Readmission Rate	N/A	N/A	3	
M1-241	Decrease in mental health admissions and readmissions to criminal justice settings such as jails or prisons	None	N/A	3	
M1-255	Follow-up Care for Children Prescribed ADHD Medication	NCQA	0108	3	
M1-256	Initiation of Depression Treatment	CQAIMH	N/A	1	
M1-257	Care Planning for Dual Diagnosis	CQAIMH	N/A	1	
M1-259	Assignment of Primary Care Physician to Individuals with Schizophrenia	CQAIMH	N/A	1	
M1-260	Annual Physical Exam for Persons with Mental Illness	CQAIMH	N/A	1	+1
M1-261	Assessment for Substance Abuse Problems of Psychiatric Patients	CQAIMH	N/A	1	+1
M1-262	Assessment of Risk to Self/Others	CQAIMH	N/A	1	
M1-263	Assessment for Psychosocial Issues of Psychiatric Patients	CQAIMH	N/A	1	
M1-264	Vocational Rehabilitation for Schizophrenia	CQAIMH	N/A	1	
M1-265	Housing Assessment for Individuals with Schizophrenia	CQAIMH	N/A	1	+1
M1-266	Independent Living Skills Assessment for Individuals with Schizophrenia	CQAIMH	N/A	1	
M1-280	Chlamydia Screening in Women	NCQA	0033	1	+1
M1-286	Depression Remission at Six Months	MN Community Measurement	0711	*(3)**	+1
M1-287	Documentation of Current Medications in the Medical Record	CMS	0419	1	+1
M1-305	Child and Adolescent Major Depressive Disorder: Suicide Risk Assessment	AMA-PCPI	1365	1	+1
M1-306	Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics	NCQA	2801	1	
M1-317	Preventive Care and Screening: Unhealthy Alcohol Use: Screening & Brief Counseling	AMA-PCPI	2152	1	+1
M1-319	Adult Major Depressive Disorder (MDD): Suicide Risk Assessment	AMA-PCPI	0104	1	+1
M1-339	Alcohol & Other Drug Use Disorder Treatment Provided or Offered at Discharge	The Joint Commission	1664	1	+1

ID	Measure	Steward	NQF #	Points	Additional Points for State Priority Measures
M1-340	Substance use disorders: percentage of patients aged 18 years and older with a diagnosis of current opioid addiction who were counseled regarding psychosocial AND pharmacologic treatment options for opioid addiction within the 12-month reporting period.	APA/ NCQA/ PCPI	N/A	1	+1
M1-341	Substance use disorders: percentage of patients aged 18 years and older with a diagnosis of current alcohol dependence who were counseled regarding psychosocial AND pharmacologic treatment options for alcohol dependence within the 12 month reporting period	APA/ NCQA/ PCPI	N/A	1	+1
M1-342	Time to Initial Evaluation: Evaluation within 10 Business Days	SAMHSA/ CCBHC	N/A	1	
M1-385	Assessment of Functional Status or QoL *Specific to IDD Services*	N/A	N/A	1	
M1-386	Improvement in Functional Status or QoL *Specific to IDD Services*	N/A	N/A	1	
M1-387	Reduce Emergency Department visits for Behavioral Health and Substance Abuse	N/A	N/A	3	+1
M1-390	Time to Initial Evaluation: Mean Days to Evaluation	SAMHSA/ CCBHC	N/A	1	
M1-400	Tobacco Use and Help with Quitting Among Adolescents	CMS		1	+1
M1-405	Bipolar Disorder and Major Depression: Appraisal for alcohol or chemical substance use	CMS/CQAIMH	N/A	1	+1

**If more than one of M1-165, M1-181, and/or M1-286 are selected, only 4 points will be added to meet MPT.*

Related Strategies Reporting for Hospitals & Physician Practices

In DY9-10, as determined by Measure Bundle selection, hospitals and physician practices will report on one or more Related Strategies Lists. As identified in the table below, Measure Bundles with similar interventions, service settings, and/or populations may be associated with a single Related Strategies List.

Within each Related Strategies List, there are multiple individual Related Strategies organized by Themes: *Access to Care, Care Coordination, Data Analytics, Disease Management, and Social Determinants of Health.* Individual Related Strategies may be limited to specific Related Strategies Lists.

Hospitals & Physician Practices Measure Bundles and associated Related Strategies Lists

Adult Primary Care and Chronic Disease Management

ID	Measure Bundle
A1	Chronic Disease Management: Diabetes
A2	Chronic Disease Management: Heart Disease
C1	Primary Care Prevention - Healthy Texans
C2	Primary Care Prevention - Cancer Screening
C3	Hepatitis C

Hospital Readmissions and Emergency Department Utilization

ID	Measure Bundle
B1	Care Transitions and Hospital Readmissions
B2	Patient Navigation & ED Diversion

Pediatric Primary Care and Chronic Disease Management

ID	Measure Bundle
D1	Pediatric Primary Care
D4	Pediatric Chronic Disease Management: Asthma
D5	Pediatric Chronic Disease Management: Diabetes

Maternal Care and Safety

ID	Measure Bundle
E1	Improved Maternal Care
E2	Maternal Safety

Dental Care

ID	Measure Bundle
F1	Improved Access to Adult Dental Care
F2	Preventive Pediatric Dental

Palliative Care and Specialty Care (Chronic and Life Impacting Conditions)

ID	Measure Bundle
G1	Palliative Care
I1	Specialty Care

Behavioral Health Integration

ID	Measure Bundle
H1	Mental Health Comorbidities
H2	Behavioral Health and Appropriate Utilization
H3	Chronic Non-Malignant Pain Management
H4	Integrated Care for People with Serious Mental Illness

Hospital Safety

ID	Measure Bundle
J1	Hospital Safety
D3	Pediatric Hospital Safety

Rural Primary Care

ID	Measure Bundle
K1	Rural Primary Care

Rural Emergency Care

ID	Measure Bundle
K2	Rural Emergency Care

Example:
In DY9-10, a hospital or physician practice selects seven Measure Bundles: A1, A2, C1, C2, D1, F2, and J1.

The Performing Provider will report on the following four Related Strategies Lists associated with those seven Measure Bundle selections:

- *Adult Primary Care Prevention and Chronic Disease Management (A1, A2, C1, C2)*
- *Pediatric Primary Care Prevention and Chronic Disease Management (D1)*
- *Dental Care (F1)*
- *Hospital Safety (J1)*

H/PP Theme: Access to Care

Related Strategies in the *Access to Care* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as *"Limited to"* a specific List:

- Adult Primary Care and Chronic Disease Management
- Hospital Readmissions and ED Utilization
- Pediatric Primary Care and Chronic Disease Management
- Maternal Care and Safety
- Dental Care
- Behavioral Health Integration
- Rural Primary Care

RS-ID	Related Strategies Description
1.00	Same-day and/or walk-in appointments in the outpatient setting
1.01	Night and/or weekend appointments in the outpatient setting
1.10	Integration or co-location of primary care and specialty care (physical health only) services in the outpatient setting
1.11	Telehealth to provide virtual medical appointments and/or consultations with a primary care provider
1.12	Telehealth to provide virtual medical appointments and/or consultations with a specialty care physician (physical health only)
1.20	Integration or co-location of primary care and psychiatric services in the outpatient setting
1.21	Telehealth to provide virtual medical appointments and/or consultations with a psychiatrist
1.30	Mobile clinic or other community-based delivery model to provide care outside of the traditional office (excludes home-based care)
1.40	Integration or co-location of primary care and dental services in the outpatient setting *(Limited to: Hospital Readmissions and ED Utilization; Dental Care)*
1.41	Telehealth to provide virtual appointments and/or consultations with a dentist *(Limited to: Hospital Readmissions and ED Utilization; Dental Care)*

H/PP Theme: Care Coordination

Related Strategies in the *Care Coordination* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as "*Limited to"* a specific List:

- Adult Primary Care and Chronic Disease Management
- Hospital Readmissions and ED Utilization
- Pediatric Primary Care and Chronic Disease Management
- Maternal Care and Safety
- Dental Care
- Palliative/Specialty Care
- Behavioral Health Integration
- Rural Primary Care
- Rural Emergency Care

RS-ID	Related Strategies Description
2.00	Culturally and linguistically appropriate care planning for patients
2.01	Pre-visit planning and/or standing order protocols (e.g. for screenings/assessments, immunization status, tests/results, prescription changes/refills, scheduling follow-up visits, evidence-based practices, etc.)
2.02	Automated reminders/flags within the E.H.R. or other electronic care platform (e.g. for screenings/assessments, immunization status, tests/results, prescription changes/refills, scheduling follow-up visits, evidence-based practices, etc.)
2.10	Care team includes personnel in a care coordination role not requiring clinical licensure (e.g. non-clinical social worker, community health worker, medical assistant, etc.)
2.11	Care team includes personnel in a care coordination role requiring clinical licensure (e.g. registered nurse, licensed clinical social worker, etc.)
2.12	Hotline, call center, or other similar programming staffed by personnel with clinical licensure to answer questions for patients (and their families) related to medications, clinical triage, care transitions, etc.
2.20	Formal closed loop process for scheduling a follow-up visit with a primary care provider and/or assigning a primary care provider when none is identified
2.30	Formal closed loop process for scheduling referral visits as needed
2.40	Data sharing connectivity or arrangement with Medicaid Managed Care Organization(s) for patient claims data
2.50	Data sharing connectivity across care settings within provider's integrated delivery system (includes inpatient, outpatient, post-acute, urgent care, pharmacy, etc.) for patient medical records
2.51	Data sharing connectivity or Health Information Exchange (HIE) arrangement across care settings external to provider's office/integrated delivery system (includes inpatient, outpatient, post-acute, urgent care, pharmacy, etc.) for patient medical records
2.60	Formal closed loop process for coordinating the transition from pediatric to adult care *(Limited to: Pediatric Primary Care and Chronic Disease Management)*

H/PP Theme: Data Analytics

Related Strategies in the *Data Analytics* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as *"Limited to"* a specific List:

- Adult Primary Care and Chronic Disease Management
- Hospital Readmissions and ED Utilization
- Pediatric Primary Care and Chronic Disease Management
- Maternal Care and Safety
- Dental Care
- Palliative/Specialty Care
- Behavioral Health Integration
- Hospital Safety**
- Rural Primary Care
- Rural Emergency Care

RS-ID	Related Strategies Description
3.00	Panel management and/or proactive outreach of patients using a gap analysis method (i.e. strategically targeting patients with missing or overdue screenings, immunizations, assessments, lab work, etc.)
3.01	Panel management and/or proactive outreach of patients using a risk-stratification method (i.e. strategically targeting patients based on risk factors associated with worsening disease states)
3.10	Database or registry to track quality and clinical outcomes data on patients
3.20	Analysis of appointment "no-show" rates
3.30	Formal partnership or arrangement with post-acute care facilities (e.g. skilled nursing facility, inpatient rehabilitation facility, long-term acute care hospital, home health agency, hospice, etc.) to track/share quality measures such as length of stay and readmission rates, etc. *(Limited to: Hospital Readmissions and ED Utilization; Palliative/Specialty Care; Rural Emergency Care)*
3.40	Formal partnership or arrangement with schools/school districts to track/share data such as absenteeism, classroom behaviors, etc. *(Limited to: Pediatric Primary Care and Chronic Disease Management; Dental Care)*

**Within this Theme, the Hospital Safety List only includes RS-IDs 3.00, 3.01, and 3.10.

H/PP Theme: Disease Management

Related Strategies in the *Disease Management* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as "*Limited to"* a specific List:

- Adult Primary Care and Chronic Disease Management
- Pediatric Primary Care and Chronic Disease Management
- Maternal Care and Safety
- Dental Care
- Palliative/Specialty Care
- Behavioral Health Integration
- Hospital Safety**
- Rural Primary Care
- Rural Emergency Care

RS-ID	Related Strategies Description
4.00	Care team includes a clinical pharmacist(s)
4.01	Care team includes a behavioral health professional such as a psychologist, licensed clinical social worker, licensed counselor (LPC, LMHC), etc.
4.02	Care team includes a registered dietician(s)
4.10	Group visit model or similar non-traditional appointment format that includes at least one provider and a group of patients with shared clinical and/or social experiences
4.20	Home visit model of providing clinical services at a patient's residence (may be restricted to specific patient subpopulations)
4.30	Classes for patients focused on disease self-management (e.g. lifestyle changes, symptom recognition, clinical triage guidance, etc.)
4.31	Classes for patients focused on diet, nutrition counseling, and/or cooking
4.32	Classes for patients focused on physical activity
4.40	Peer-based programming (includes support groups, peer coaching/mentoring, etc.)
4.50	Telehealth to provide remote monitoring of patient biometric data (e.g. HbA1c levels, blood pressure, etc.) and/or medication adherence
4.60	Patient educational materials or campaigns about preventive care (e.g. immunizations, preventive screenings, etc.)
4.61	Patient educational materials or campaigns about advance care planning/directives *(Limited to: Adult Primary Care and Chronic Disease Management; Palliative/Specialty Care; Rural Primary Care; Rural Emergency Care)*
4.70	SBIRT (Screening, Brief Intervention, Referral, and Treatment) workflow actively in place *(Limited to: Maternal Care and Safety; Palliative/Specialty Care; Behavioral Health Integration; Rural Primary Care)*
4.71	Medication-Assisted Treatment (MAT) services actively offered *(Limited to: Behavioral Health Integration)*
4.80	Hospital hand hygiene protocol/programming (Limited to: Hospital Safety)
4.81	Checklist(s) (or similar standardized protocol) tailored to prevent hospital safety-related events *(Limited to: Hospital Safety)*
4.82	Formal process for monitoring compliance with hospital safety-related protocols (includes reviews, "secret shopper" approaches, etc.) *(Limited to: Hospital Safety)*
4.83	Formal process for analyzing and addressing hospital safety-related events (includes root-cause analyses, remediation policies, etc.) *(Limited to: Hospital Safety)*

**Within this Theme, the Hospital Safety List only includes RS-IDs 4.80, 4.81, 4.82, and 4.83.

H/PP Theme: Social Determinants of Health

Related Strategies in the *Social Determinants of Health* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as "*Limited to"* a specific List:

- Adult Primary Care and Chronic Disease Management
- Hospital Readmissions and ED Utilization
- Pediatric Primary Care and Chronic Disease Management
- Maternal Care and Safety
- Dental Care
- Behavioral Health Integration
- Rural Primary Care
- Rural Emergency Care

RS-ID	Related Strategies Description
5.00	Screening patients for food insecurity
5.01	Formal partnership or arrangement with food resources to support patient health status (e.g. local food banks, grocery stores, etc.)
5.10	Screening patients for housing needs
5.11	Formal partnership or arrangement with housing resources to support patient health status (e.g. affordable housing units, transitional housing, rental assistance, etc.)
5.12	Screening patients for housing quality needs
5.13	Formal partnership or arrangement with housing quality resources to support patient health status (e.g. housing inspections, pest control management, heating and other utility services, etc.)
5.20	Screening patients for transportation needs
5.21	Formal partnership or arrangement with transportation resources to support patient access to care (e.g. public or private transit, etc.)
5.30	Formal partnership or arrangement with schools/school districts to collaborate on health-promoting initiatives (e.g. addressing environmental triggers, healthy lunch options, field day activities, etc.) *(Limited to: Pediatric Primary Care and Chronic Disease Management; Dental Care)*

Related Strategies Reporting for Local Health Departments

In DY9-10, as determined by measure selection, Local Health Departments will report on one or more Related Strategies Lists. As identified in the table below, measures with similar interventions, service settings, and/or populations may be associated with a single Related Strategies List.

Within each Related Strategies List, there are multiple individual Related Strategies organized by Themes: *Access to Care, Care Coordination, Data Analytics, Disease Management, and Social Determinants of Health.* Individual Related Strategies may be limited to specific Related Strategies Lists.

Local Health Department Measures and associated Related Strategies Lists

Adult Primary Care Prevention and Chronic Disease Management

ID	Measure
L1-103	Controlling High Blood Pressure
L1-115	Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Poor Control (>9.0%)
L1-210	Preventive Care and Screening: Screening for High Blood Pressure and Follow-Up Documented
L1-105	Preventive Care & Screening: Tobacco Use: Screening & Cessation Intervention
L1-107	Colorectal Cancer Screening
L1-147	Preventive Care and Screening: Body Mass Index (BMI) Screening and Follow-Up
L1-186	Breast Cancer Screening
L1-268	Pneumonia vaccination status for older adults
L1-269	Preventive Care and Screening: Influenza Immunization
L1-272	Adults (18+ years) Immunization status
L1-280	Chlamydia Screening in Women (CHL)
L1-343	Syphilis positive screening rates
L1-344	Follow-up after Treatment for Primary or Secondary Syphilis
L1-345	Gonorrhea Positive Screening Rates
L1-346	Follow-up testing for N. gonorrhoeae among recently infected men and women
L1-347	Latent Tuberculosis Infection (LTBI) treatment rate
L1-207	Diabetes care: BP control (<140/90mm Hg)

Hospital Readmissions and Emergency Department Utilization

ID	Measure
L1-160	Follow-Up After Hospitalization for Mental Illness
L1-242	Reduce Emergency Department visits for Chronic Ambulatory Care Sensitive Conditions (ACSC)
L1-387	Reduce Emergency Department visits for Behavioral Health and Substance Abuse (Reported as two rates)

Pediatric Primary Care

ID	Measure
L1-108	Childhood Immunization Status (CIS)
L1-211	Weight Assessment and Counseling for Nutrition and Physical Activity for Children/ Adolescents
L1-237	Well-Child Visits in the First 15 Months of Life (6 or more visits)
L1-271	Immunization for Adolescents
L1-400	Tobacco Use and Help with Quitting Among Adolescents

Maternal Care and Safety

ID	Measure
L1-235	Post-Partum Follow-Up and Care Coordination

Dental Care

ID	Measure
L1-224	Dental Sealant: Children
L1-225	Dental Caries: Children
L1-227	Dental Caries: Adults
L1-231	Preventive Services for Children at Elevated Caries Risk

Access to Care

ID	Measure
L1-205	Third next available appointment
L1-342	Time to Initial Evaluation: Evaluation within 10 Business Days

Criminal Justice

ID	Measure
L1-241	Decrease in mental health admissions and readmissions to criminal justice settings such as jails or prisons

Serious Mental Illness

ID	Measure
L1-262	Assessment of Risk to Self/ Others
L1-263	Assessment for Psychosocial Issues of Psychiatric Patients
L1-265	Housing Assessment for Individuals with Schizophrenia

Example:
In DY9-10, an LHD selects five measures: L1-103 Controlling High Blood Pressure, L1-105 Tobacco Screening & Cessation, L1-115 HbA1C Poor Control, L1-225 Dental Caries: Children, and L1-227 Dental Caries: Adult.

The Performing Provider will report on the following two Related Strategies Lists associated with those five measure selections:

- *Primary Care Prevention and Chronic Disease Management (L1-103, L1-105, L1-115)*
- *Dental Care (L1-225, L1-227)*

LHD Theme: Access to Care

Related Strategies in the *Access to Care* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as *"Limited to"* a specific List:

- Adult Primary Care and Chronic Disease Management
- Hospital Readmissions and ED Utilization
- Pediatric Primary Care and Chronic Disease Management
- Maternal Care and Safety
- Dental Care
- Access to Care
- Criminal Justice
- Serious Mental Illness

RS-ID	Related Strategies Description
1.00	Same-day and/or walk-in appointments in the outpatient setting
1.01	Night and/or weekend appointments in the outpatient setting
1.10	Integration or co-location of primary care and specialty care (physical health only) services in the outpatient setting
1.11	Telehealth to provide virtual medical appointments and/or consultations with a primary care provider
1.12	Telehealth to provide virtual medical appointments and/or consultations with a specialty care physician (physical health only)
1.20	Integration or co-location of primary care and psychiatric services in the outpatient setting
1.21	Telehealth to provide virtual medical appointments and/or consultations with a psychiatrist
1.22	Integration or co-location of psychiatry and substance use disorder treatment services in the outpatient setting *(Limited to: Serious Mental Illness)*
1.30	Mobile clinic or other community-based delivery model to provide care outside of the traditional office (excludes home-based care)
1.40	Integration or co-location of primary care and dental services in the outpatient setting *(Limited to: Dental Care)*
1.41	Telehealth to provide virtual appointments and/or consultations with a dentist *(Limited to: Dental Care)*

LHD Theme: Care Coordination

Related Strategies in the *Care Coordination* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as "*Limited to"* a specific List:

- Adult Primary Care and Chronic Disease Management
- Hospital Readmissions and ED Utilization
- Pediatric Primary Care and Chronic Disease Management
- Maternal Care and Safety
- Dental Care
- Criminal Justice
- Serious Mental Illness

RS-ID	Related Strategies Description
2.00	Culturally and linguistically appropriate care planning for patients
2.01	Pre-visit planning and/or standing order protocols (e.g. for screenings/assessments, immunization status, tests/results, prescription changes/refills, scheduling follow-up visits, evidence-based practices, etc.)
2.02	Automated reminders/flags within the E.H.R. or other electronic care platform (e.g. for screenings/assessments, immunization status, tests/results, prescription changes/refills, scheduling follow-up visits, evidence-based practices, etc.)
2.10	Care team includes personnel in a care coordination role not requiring clinical licensure (e.g. non-clinical social worker, community health worker, medical assistant, etc.)
2.11	Care team includes personnel in a care coordination role requiring clinical licensure (e.g. registered nurse, licensed clinical social worker, etc.)
2.12	Hotline, call center, or other similar programming staffed by personnel with clinical licensure to answer questions for patients (and their families) related to medications, clinical triage, care transitions, etc.
2.20	Formal closed loop process for scheduling a follow-up visit with a primary care provider and/or assigning a primary care provider when none is identified
2.30	Formal closed loop process for scheduling referral visits as needed
2.40	Data sharing connectivity or arrangement with Medicaid Managed Care Organization(s) for patient claims data
2.50	Data sharing connectivity across care settings within provider's integrated delivery system (includes inpatient, outpatient, post-acute, urgent care, pharmacy, etc.) for patient medical records
2.51	Data sharing connectivity or Health Information Exchange (HIE) arrangement across care settings external to provider's office/integrated delivery system (includes inpatient, outpatient, post-acute, urgent care, pharmacy, etc.) for patient medical records
2.60	Formal closed loop process for coordinating the transition from pediatric to adult care *(Limited to: Pediatric Primary Care and Chronic Disease Management)*

LHD Theme: Data Analytics

Related Strategies in the *Data Analytics* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as *"Limited to"* a specific List:

- Adult Primary Care and Chronic Disease Management
- Hospital Readmissions and ED Utilization
- Pediatric Primary Care and Chronic Disease Management
- Maternal Care and Safety
- Dental Care
- Access to Care
- Criminal Justice
- Serious Mental Illness

RS-ID	Related Strategies Description
3.00	Panel management and/or proactive outreach of patients using a gap analysis method (i.e. strategically targeting patients with missing or overdue screenings, immunizations, assessments, lab work, etc.)
3.01	Panel management and/or proactive outreach of patients using a risk-stratification method (i.e. strategically targeting patients based on risk factors associated with worsening disease states)
3.10	Database or registry to track quality and clinical outcomes data on patients
3.20	Analysis of appointment "no-show" rates
3.30	Formal partnership or arrangement with post-acute care facilities (e.g. skilled nursing facility, inpatient rehabilitation facility, long-term acute care hospital, home health agency, hospice, etc.) to track/share quality measures such as length of stay and readmission rates, etc. *(Limited to: Hospital Readmissions and ED Utilization)*
3.40	Formal partnership or arrangement with schools/school districts to track/share data such as absenteeism, classroom behaviors, etc. *(Limited to: Pediatric Primary Care and Chronic Disease Management; Dental Care)*

LHD Theme: Disease Management

Related Strategies in the *Disease Management* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as "*Limited to"* a specific List:

- Adult Primary Care and Chronic Disease Management
- Pediatric Primary Care and Chronic Disease Management
- Maternal Care and Safety
- Dental Care
- Criminal Justice
- Serious Mental Illness

RS-ID	Related Strategies Description
4.00	Care team includes a clinical pharmacist(s)
4.01	Care team includes a behavioral health professional such as a psychologist, licensed clinical social worker, licensed counselor (LPC, LMHC), etc.
4.02	Care team includes a registered dietician(s)
4.10	Group visit model or similar non-traditional appointment format that includes at least one provider and a group of patients with shared clinical and/or social experiences
4.20	Home visit model of providing clinical services at a patient's residence (may be restricted to specific patient subpopulations)
4.30	Classes for patients focused on disease self-management (e.g. lifestyle changes, symptom recognition, clinical triage guidance, etc.)
4.31	Classes for patients focused on diet, nutrition counseling, and/or cooking
4.32	Classes for patients focused on physical activity
4.40	Peer-based programming (includes support groups, peer coaching/mentoring, etc.)
4.50	Telehealth to provide remote monitoring of patient biometric data (e.g. HbA1c levels, blood pressure, etc.) and/or medication adherence
4.60	Patient educational materials or campaigns about preventive care (e.g. immunizations, preventive screenings, etc.)
4.70	SBIRT (Screening, Brief Intervention, Referral, and Treatment) workflow actively in place *(Limited to: Maternal Care and Safety; Criminal Justice; Serious Mental Illness)*
4.71	Medication-Assisted Treatment (MAT) services actively offered *(Limited to: Criminal Justice)*

LHD Theme: Social Determinants of Health

Related Strategies in the *Social Determinants of Health* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as "*Limited to"* a specific List:

- Adult Primary Care and Chronic Disease Management
- Hospital Readmissions and ED Utilization
- Pediatric Primary Care and Chronic Disease Management
- Maternal Care and Safety
- Dental Care
- Access to Care**
- Criminal Justice
- Serious Mental Illness

RS-ID	Related Strategies Description
5.00	Screening patients for food insecurity
5.01	Formal partnership or arrangement with food resources to support patient health status (e.g. local food banks, grocery stores, etc.)
5.10	Screening patients for housing needs
5.11	Formal partnership or arrangement with housing resources to support patient health status (e.g. affordable housing units, transitional housing, rental assistance, etc.)
5.12	Screening patients for housing quality needs
5.13	Formal partnership or arrangement with housing quality resources to support patient health status (e.g. housing inspections, pest control management, heating and other utility services, etc.)
5.20	Screening patients for transportation needs
5.21	Formal partnership or arrangement with transportation resources to support patient access to care (e.g. public or private transit, etc.)
5.30	Formal partnership or arrangement with schools/school districts to collaborate on health-promoting initiatives (e.g. addressing environmental triggers, healthy lunch options, field day activities, etc.) *(Limited to: Pediatric Primary Care and Chronic Disease Management; Dental Care)*

**Within this Theme, the Access to Care List only includes RS-IDs 5.20 and 5.21.

Related Strategies Reporting for Community Mental Health Centers

In DY9-10, as determined by measure selection, Community Mental Health Centers will report on one or more Related Strategies Lists. As identified in the table below, measures with similar interventions, service settings, and/or populations may be associated with a single Related Strategies List.

Within each Related Strategies List, there are multiple individual Related Strategies organized by Themes: *Access to Care, Care Coordination, Data Analytics, Disease Management, and Social Determinants of Health.* Individual Related Strategies may be limited to specific Related Strategies Lists.

Community Mental Health Centers Measures and associated Related Strategies Lists

Physical Health Comorbidities

ID	Measure
M1-103	Controlling High Blood Pressure
M1-105	Preventive Care & Screening: Tobacco Use: Screening & Cessation Intervention
M1-115	Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Poor Control (>9.0%)
M1-147	Preventive Care and Screening: Body Mass Index (BMI) Screening and Follow-Up
M1-182	Diabetes Screening for People with Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications (SSD-AD)
M1-203	Hepatitis C: One-Time Screening for Hepatitis C Virus (HCV) for Patients at Risk
M1-207	Diabetes care: BP control (<140/90mm Hg)
M1-210	Preventive Care and Screening: Screening for High Blood Pressure and Follow-Up Documented
M1-259	Assignment of Primary Care Physician to Individuals with Schizophrenia
M1-260	Annual Physical Exam for Persons with Mental Illness
M1-280	Chlamydia Screening in Women (CHL)

Hospital Readmissions and Emergency Department Utilization

ID	Measure
M1-124	Medication Reconciliation Post-Discharge
M1-160	Follow-Up After Hospitalization for Mental Illness
M1-216	Risk Adjusted Behavioral Health/ Substance Abuse 30-Day Readmission Rate
M1-287	Documentation of Current Medications in the Medical Record
M1-387	Reduce Emergency Department visits for Behavioral Health and Substance Abuse (Reported as two rates)

Children and Adolescents

ID	Measure
M1-211	Weight Assessment and Counseling for Nutrition and Physical Activity for Children/ Adolescents
M1-255	Follow-up Care for Children Prescribed ADHD Medication (ADD)
M1-305	Child and Adolescent Major Depressive Disorder (MDD): Suicide Risk Assessment (SRA-CH)
M1-306	Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics (APP-CH)*
M1-400	Tobacco Use and Help with Quitting Among Adolescents

Specialty Care (Chronic and Life Impacting Conditions)

ID	Measure
M1-385	Assessment of Functional Status or QoL (Modified from NQF# 0260/2624)
M1-386	Improvement in Functional Status or QoL (Modified from PQRS #435)

Serious Mental Illness (SMI): Depression

ID	Measure
M1-125	Antidepressant Medication Management (AMM-AD)
M1-146	Screening for Clinical Depression and Follow-Up Plan (CDF-AD)
M1-165	Depression Remission at Twelve Months
M1-181	Depression Response at Twelve Months- Progress Towards Remission
M1-256	Initiation of Depression Treatment
M1-262	Assessment of Risk to Self/ Others
M1-286	Depression Remission at Six Months
M1-319	Adult Major Depressive Disorder (MDD): Suicide Risk Assessment (eMeasure)

Serious Mental Illness: Schizophrenia

ID	Measure
M1-180	Adherence to Antipsychotics for Individuals with Schizophrenia (SAA-AD)
M1-263	Assessment for Psychosocial Issues of Psychiatric Patients
M1-264	Vocational Rehabilitation for Schizophrenia
M1-265	Housing Assessment for Individuals with Schizophrenia
M1-266	Independent Living Skills Assessment for Individuals with Schizophrenia

Dual Diagnosis and Substance Use Disorder (SUD) Treatment

ID	Measure
M1-100	Initiation and Engagement of Alcohol and Other Drug Dependence Treatment (IET)
M1-257	Care Planning for Dual Diagnosis
M1-261	Assessment for Substance Abuse Problems of Psychiatric Patients
M1-317	Preventive Care and Screening: Unhealthy Alcohol Use: Screening & Brief Counseling
M1-339	Alcohol & Other Drug Use Disorder Treatment Provided or Offered at Discharge SUB-3 / Alcohol and Other Drug Use Disorder Treatment at Discharge SUB-3a
M1-340	Substance use disorders: Percentage of patients aged 18 years and older with a diagnosis of current opioid addiction who were counseled regarding psychosocial AND pharmacologic treatment options for opioid addiction within the 12-month reporting period
M1-341	Substance use disorders: Percentage of patients aged 18 years and older with a diagnosis of current alcohol dependence who were counseled regarding psychosocial AND pharmacologic treatment options for alcohol dependence within the 12-month reporting period
M1-405	Bipolar Disorder and Major Depression: Appraisal for alcohol or chemical substance use

Access to Care

ID	Measure
M1-205	Third next available appointment
M1-342	Time to Initial Evaluation: Evaluation within 10 Business Days
M1-390	Time to Initial Evaluation: Mean Days to Evaluation

Criminal Justice

ID	Measure
M1-241	Decrease in mental health admissions and readmissions to criminal justice settings such as jails or prisons

Example:
In DY9-10, a CMHC selects five measures: M1-103 Controlling High Blood Pressure, M1-115 HbA1c Poor Control, M1-147 BMI Screening and Follow-Up, M1-125 Antidepressant Medication Management, and M1-146 Screening for Clinical Depression and Follow Up Plan.

The Performing Provider will report on the following two Related Strategies Lists associated with those five measure selections:

- *Physical Health Comorbidities (M1-103, M1-115, M1-147)*
- *Serious Mental Illness: Depression (M1-125, M1-146)*

CMHC Theme: Access to Care

Related Strategies in the *Access to Care* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as *"Limited to"* a specific List:

- Physical Health Comorbidities
- Hospital Readmissions and ED Utilization
- Children and Adolescents
- SMI: Depression
- SMI: Schizophrenia
- Dual Diagnosis/SUD Treatment
- Access to Care
- Criminal Justice

RS-ID	Related Strategies Description
1.00	Same-day and/or walk-in appointments in the outpatient setting
1.01	Night and/or weekend appointments in the outpatient setting
1.10	Integration or co-location of primary care and specialty care (physical health only) services in the outpatient setting
1.11	Telehealth to provide virtual medical appointments and/or consultations with a primary care provider
1.12	Telehealth to provide virtual medical appointments and/or consultations with a specialty care physician (physical health only)
1.20	Integration or co-location of primary care and psychiatric services in the outpatient setting
1.21	Telehealth to provide virtual medical appointments and/or consultations with a psychiatrist
1.22	Integration or co-location of psychiatry and substance use disorder treatment services in the outpatient setting
1.30	Mobile clinic or other community-based delivery model to provide care outside of the traditional office (excludes home-based care)

CMHC Theme: Care Coordination

Related Strategies in the *Care Coordination* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as "*Limited to"* a specific List:

- Physical Health Comorbidities
- Hospital Readmissions and ED Utilization
- Children and Adolescents
- Specialty Care
- SMI: Depression
- SMI: Schizophrenia
- Dual Diagnosis/SUD Treatment
- Criminal Justice

RS-ID	Related Strategies Description
2.00	Culturally and linguistically appropriate care planning for patients
2.01	Pre-visit planning and/or standing order protocols (e.g. for screenings/assessments, immunization status, tests/results, prescription changes/refills, scheduling follow-up visits, evidence-based practices, etc.)
2.02	Automated reminders/flags within the E.H.R. or other electronic care platform (e.g. for screenings/assessments, immunization status, tests/results, prescription changes/refills, scheduling follow-up visits, evidence-based practices, etc.)
2.10	Care team includes personnel in a care coordination role not requiring clinical licensure (e.g. non-clinical social worker, community health worker, medical assistant, etc.)
2.11	Care team includes personnel in a care coordination role requiring clinical licensure (e.g. registered nurse, licensed clinical social worker, etc.)
2.12	Hotline, call center, or other similar programming staffed by personnel with clinical licensure to answer questions for patients (and their families) related to medications, clinical triage, care transitions, etc.
2.20	Formal closed loop process for scheduling a follow-up visit with a primary care provider and/or assigning a primary care provider when none is identified
2.30	Formal closed loop process for scheduling referral visits as needed
2.40	Data sharing connectivity or arrangement with Medicaid Managed Care Organization(s) for patient claims data
2.50	Data sharing connectivity across care settings within provider's integrated delivery system (includes inpatient, outpatient, post-acute, urgent care, pharmacy, etc.) for patient medical records
2.51	Data sharing connectivity or Health Information Exchange (HIE) arrangement across care settings external to provider's office/integrated delivery system (includes inpatient, outpatient, post-acute, urgent care, pharmacy, etc.) for patient medical records
2.60	Formal closed loop process for coordinating the transition from pediatric to adult care *(Limited to: Children and Adolescents)*

CMHC Theme: Data Analytics

Related Strategies in the *Data Analytics* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as *"Limited to"* a specific List:

- Physical Health Comorbidities
- Hospital Readmissions and ED Utilization
- Children and Adolescents
- Specialty Care
- SMI: Depression
- SMI: Schizophrenia
- Dual Diagnosis/SUD Treatment
- Access to Care
- Criminal Justice

RS-ID	Related Strategies Description
3.00	Panel management and/or proactive outreach of patients using a gap analysis method (i.e. strategically targeting patients with missing or overdue screenings, immunizations, assessments, lab work, etc.)
3.01	Panel management and/or proactive outreach of patients using a risk-stratification method (i.e. strategically targeting patients based on risk factors associated with worsening disease states)
3.10	Database or registry to track quality and clinical outcomes data on patients
3.20	Analysis of appointment "no-show" rates
3.30	Formal partnership or arrangement with post-acute care facilities (e.g. skilled nursing facility, inpatient rehabilitation facility, long-term acute care hospital, home health agency, hospice, etc.) to track/share quality measures such as length of stay and readmission rates, etc. *(Limited to: Hospital Readmissions & ED Utilization; Specialty Care)*
3.40	Formal partnership or arrangement with schools/school districts to track/share data such as absenteeism, classroom behaviors, etc. *(Limited to: Children and Adolescents)*

CMHC Theme: Disease Management

Related Strategies in the *Disease Management* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as "*Limited to"* a specific List:

- Physical Health Comorbidities
- Children and Adolescents
- Specialty Care
- SMI: Depression
- SMI: Schizophrenia
- Dual Diagnosis/SUD Treatment
- Criminal Justice

RS-ID	Related Strategies Description
4.00	Care team includes a clinical pharmacist(s)
4.01	Care team includes a behavioral health professional such as a psychologist, licensed clinical social worker, licensed counselor (LPC, LMHC), etc.
4.02	Care team includes a registered dietician(s)
4.10	Group visit model or similar non-traditional appointment format that includes at least one provider and a group of patients with shared clinical and/or social experiences
4.20	Home visit model of providing clinical services at a patient's residence (may be restricted to specific patient subpopulations)
4.30	Classes for patients focused on disease self-management (e.g. lifestyle changes, symptom recognition, clinical triage guidance, etc.)
4.31	Classes for patients focused on diet, nutrition counseling, and/or cooking
4.32	Classes for patients focused on physical activity
4.40	Peer-based programming (includes support groups, peer coaching/mentoring, etc.)
4.50	Telehealth to provide remote monitoring of patient biometric data (e.g. HbA1c levels, blood pressure, etc.) and/or medication adherence
4.60	Patient educational materials or campaigns about preventive care (e.g. immunizations, preventive screenings, etc.)
4.70	SBIRT (Screening, Brief Intervention, Referral, and Treatment) workflow actively in place
4.71	Medication-Assisted Treatment (MAT) services actively offered *(Limited to: Dual Diagnosis/SUD Treatment; Criminal Justice)*

CMHC Theme: Social Determinants of Health

Related Strategies in the *Social Determinants of Health* Theme shown in the table below are included in all of the following Related Strategies Lists unless the individual Related Strategy is separately noted as "*Limited to"* a specific List:

- Physical Health Comorbidities
- Hospital Readmissions and ED Utilization
- Children and Adolescents
- Specialty Care
- SMI: Depression
- SMI: Schizophrenia
- Dual Diagnosis/SUD Treatment
- Access to Care**
- Criminal Justice

RS-ID	Related Strategies Description
5.00	Screening patients for food insecurity
5.01	Formal partnership or arrangement with food resources to support patient health status (e.g. local food banks, grocery stores, etc.)
5.10	Screening patients for housing needs
5.11	Formal partnership or arrangement with housing resources to support patient health status (e.g. affordable housing units, transitional housing, rental assistance, etc.)
5.12	Screening patients for housing quality needs
5.13	Formal partnership or arrangement with housing quality resources to support patient health status (e.g. housing inspections, pest control management, heating and other utility services, etc.)
5.20	Screening patients for transportation needs
5.21	Formal partnership or arrangement with transportation resources to support patient access to care (e.g. public or private transit, etc.)
5.30	Formal partnership or arrangement with schools/school districts to collaborate on health-promoting initiatives (e.g. addressing environmental triggers, healthy lunch options, field day activities, etc.) *(Limited to: Children and Adolescents)*

** Within this Theme, the Access to Care List only includes RS-IDs 5.20 and 5.21.

Category D

Category D represents a population health perspective for all DSRIP Performing Providers. Whereas the initial waiver period included Category 4 statewide reporting for hospitals, Category D includes measures for all DSRIP Performing Provider types including hospitals, CMHCs, physician practices, and LHDs. This reporting is designed to assist Performing Providers, MCOs, Regional Healthcare Partnerships (RHP), and state and federal agencies to have regional and statewide views of important health care trends. The Category D reporting Measure Bundles are:

- Aligned with Medicaid and LIU populations;
- Identified as high priority given the health care needs and issues of the patient population served; and
- Viewed as valid health care indicators to inform and identify areas for improvement in population health within the health care system.

Category D Structure

Required Statewide Reporting Measure Bundles for each of the Performing Provider types:

- Hospitals
- CMHCs
- Physician practices
- LHDs

The Category D emphasis is on the reporting of population health measures to gain information on and understanding of the health status of key populations and to build the capacity for reporting on a comprehensive set of population health metrics; therefore, Performing Providers will not be required to achieve improvement in Category D. All measures are required and may be reported in the first or second reporting period of each DY. Performing Providers will also submit qualitative information describing Performing Providers' activities impacting measures. Measure reporting and qualitative information will be submitted in the form prescribed by HHSC.

Hospital Statewide Reporting Measure Bundle

As specified in the PFM, hospital Performing Providers must report on all measures included in this bundle:

- Potentially preventable admissions (PPAs)
- Potentially Preventable 30-day readmissions (PPRs)
- Potentially preventable complications (PPCs)
- Potentially Preventable ED visits (PPVs)
- Patient satisfaction

Hospital Performing Providers report on the Category D Statewide Hospital Reporting Measure Bundle, including hospitals that were previously exempt from the reporting on population health measures during DY2-6. Each hospital Performing Provider subject to required Category D reporting must report on all measures.

For PPAs, PPRs, PPCs and PPVs, hospitals with low volume are still required to respond to qualitative questions.

Hospital Reporting Measures

Potentially Preventable Admissions (PPAs)

PPAs are facility admissions that may have resulted from the lack of adequate access to care or ambulatory care coordination. Circumstances associated with PPAs are ambulatory sensitive conditions (e.g., asthma) for which adequate patient monitoring and follow-up (e.g., medication management) can often avoid the need for admission. The occurrence of high rates of PPAs may represent a failure of the ambulatory care provided to the patient. In addition to a significant quality problem, excess PPAs result in unnecessary increases in cost. From the perspective of care providers, one way to improve efficiency and quality and to generate greater value is to better identify and avoid unnecessary hospitalizations.

PPA by Category

- CHF (Congestive Heart Failure)
- DM (Diabetes)
- BH/SA (Behavioral Health/Substance Abuse)
- COPD (Chronic Obstructive Pulmonary Disease)
- Adult Asthma
- Pediatric Asthma
- CP & CAD (Angina and Coronary Artery Disease)
- HTN (Hypertension)
- Cellulitis
- Bacterial PNA (Respiratory Infection)
- PE & RF (Pulmonary Edema and Respiratory Failure)
- Others

Potentially Preventable Readmissions (PPRs)

Readmissions have potential value as an indicator of quality of care because they may reflect poor clinical care and poor coordination of services either during hospitalization or in the immediate post discharge period. A potentially preventable readmission is a readmission (return hospitalization within the specified readmission time interval) that is clinically related to the initial hospital admission. "Clinically related" is defined as a requirement that the underlying reason for readmission be plausibly related to the care rendered during or immediately following a prior hospital admission. A readmission is defined as a return hospitalization to an acute care hospital that follows a prior acute care admission within a specified time interval, called the readmission time interval. The readmission time interval is the maximum number of days allowed between the discharge date of a prior admission and the admitting date of a subsequent admission. If a subsequent admission occurs within the readmission time interval and is clinically related to a prior admission, it is considered a PPR. The hospitalization triggering a PPR is called an Initial Admission. Subsequent PPRs relate back to the care rendered during or following the Initial Admission.

PPR by Category

- CHF (Congestive Heart Failure)
- DM (Diabetes)
- BH/SA (Behavioral Health or Substance Abuse)
- COPD (Chronic Obstructive Pulmonary Disease)
- CVA (Cerebrovascular Accident)
- Adult Asthma

- Pediatric Asthma
- AMI (Acute Myocardial Infarction)
- CP & CAD (Angina and Coronary Artery Disease)
- HTN (Hypertension)
- Cellulitis
- Renal Failure
- C Section (Cesarean delivery)
- Sepsis
- Others

Potentially Preventable Complications (PPCs)

PPCs are in-hospital complications that are not present on admission but result from treatment during the inpatient stay. As indicators of quality of care, PPCs represent harmful events or negative outcomes that might result from processes of care and treatment rather than from natural progression of the underlying disease. Increased costs resulting from complications are passed on to payers because the diagnosis codes linked to complications frequently increase Diagnosis Related Group (DRG) payment.

The 3M PPC methodology identifies PPCs based on risk at admission, using information from inpatient encounters, such as diagnosis codes, procedure codes, procedure dates, present on admission (POA) indicators, patient age, sex, and discharge status. Accurate coding of the POA indicators is particularly important as it serves two primary purposes: (1) to identify potentially preventable complications from among diagnoses not present on admission and (2) to allow only those diagnoses designated as present on admission to be used for assessing the risk of incurring complications.

PPC by Category

- Renal Failure without Dialysis
- Urinary Tract Infection
- Clostridium Difficile Colitis
- Encephalopathy
- Shock
- Pneumonia & Other Lung Infections
- Acute Pulmonary Edema and Respiratory Failure without Ventilation
- Stroke and Intracranial Hemorrhage
- Post Hemorrhagic & Other Acute Anemia with Transfusion
- Venous Thrombosis
- Ventricular Fibrillation/Cardiac Arrest
- Major Gastrointestinal Complications without Transfusion or Significant Bleeding
- Other Complications of Medical Care
- Moderate Infections
- Inflammation & Other Complications of Devices, Implants or Grafts except Vascular Infection
- Post-Operative Hemorrhage & Hematoma without Hemorrhage Control Procedure or I&D Procedure
- Septicemia & Severe Infections
- Acute Pulmonary Edema and Respiratory Failure with Ventilation
- Post-Operative Infection & Deep Wound Disruption without Procedure
- Infections due to Central Venous Catheters

Potentially Preventable ED visits (PPVs)

A PPV is an emergency treatment for a condition that could have been treated or prevented by a physician or other health care provider in a nonemergency setting. Because some visits are preventable, they may indicate poor care management, inadequate access to care, or poor choices on the part of the patient. ED visits for conditions that are preventable or treatable with appropriate primary care lower health system efficiency and raise costs.

PPV by Category

- Skin and Integumentary System
- Breast
- Musculoskeletal System
- Respiratory System
- Cardiovascular System
- Hematologic, Lymphatic and Endocrine
- Gastrointestinal
- Genitourinary System
- Male Reproductive System
- Female Reproductive System
- Neurologic System
- Ophthalmologic System
- Otolaryngologic System
- Radiologic Procedures
- Rehabilitation
- Mental Illness and Substance Abuse Therapies
- Nuclear Medicine
- Radiation Oncology
- Dental Procedures

Patient Satisfaction

Reporting on Patient Satisfaction is limited to the inpatient setting.

For Patient Satisfaction, Performing Providers will report the percentage of survey respondents who choose the most positive, or "top-box," response for the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Reporting Measures:

- Percent of patients who reported that their doctors "Always" communicated well
- Percent of patients who reported that their nurses "Always" communicated well
- Percent of patients who reported that their pain was "Always" well controlled[1]
- Percent of patients who reported that staff "Always" explained about medicines before giving it to them
- Percent of patients who reported that YES, they were given information about what to do during their recovery at home
- Percent of patients who reported that their room and bathroom were "Always" clean
- Percent of patients who reported that the area around their room was "Always" quiet at night
- Percent of patients who gave their hospital a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest)
- Percent of patients who reported YES, they would definitely recommend the hospital.

[1] This question will most likely be substituted for DY9-10 reporting.

Hospitals that do not report HCAHPS as part of Medicare Inpatient Prospective Payment System due to low volume or other exempt status may use an alternative hospital patient satisfaction survey.

Community Mental Health Center Statewide Reporting Measure Bundle

CMHCs will report on their activities being carried out to impact rates on the following measures and provide qualitative reporting as required by HHSC:[2]

1. Effective Crisis Response

This measure is the percent of individuals receiving crisis services who avoid inpatient admission after the crisis episode.

2. Crisis Follow up

This measure is the percent of individuals receiving crisis services who receive a crisis follow up services within a defined time period.

3. Community Tenure (Adult and Child/Youth)

This measure is the percent of individuals who successfully avoid psychiatric inpatient care.

4. Reduction in Juvenile Justice Involvement

This measure is the percent of children and youth who demonstrate improvement on indicators of juvenile justice involvement.

5. Adult Jail Diversion

This measure is the percent adults who demonstrate improvement on indicators of criminal justice involvement.

Physician Practices Statewide Reporting Measure Bundle

Physician practices report on their activities being carried out to impact rates measured by Prevention Quality Indicators (PQIs). Based on the description by the AHRQ, PQIs are a set of measures that can be used with hospital inpatient discharge data to identify quality of care for "ambulatory care sensitive conditions." These are conditions for which good outpatient care can potentially prevent the need for hospitalization or for which early intervention can prevent complications or more severe disease.

Even though these indicators are based on hospital inpatient data, they provide insight into the community health care system or services outside the hospital setting. For example, patients with diabetes may be hospitalized for diabetic complications if their conditions are not adequately monitored or if they do not receive the patient education needed for appropriate self-management.

Based on the regional summary of the PQIs that HHSC will make available to the Performing Providers, each physician practice will provide qualitative information on their efforts to impact these rates.

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[2] Some measures may be modified at the end of DY9-10. CMHCs will report based on the modified measure specifications once approved by HHSC.

1. Diabetes Short-term Complications Admission Rate
2. Perforated Appendix Admission Rate
3. Diabetes Long-term Complications Admission Rate
4. Chronic Obstructive Pulmonary Disease (COPD) or Asthma in Older Adults Admission Rate
5. Hypertension Admission Rate
6. Heart Failure Admission Rate
7. Low Birth Weight Rate
8. Dehydration Admission Rate
9. Bacterial Pneumonia Admission Rate
10. Urinary Tract Infection Admission Rate
11. Uncontrolled Diabetes Admission Rate
12. Asthma in Younger Adults Admission Rate
13. Lower-Extremity Amputation among Patients with Diabetes Rate

Local Health Departments Statewide Reporting Measure Bundle

Based on the information available via Texas Behavioral Risk Factor Surveillance System (BRFSS)[3], HHS agencies will provide a RHP specific summary for the following areas:

- Access to health care services
- Health status of the population
- Selected immunizations
- Prevention of sexually transmitted diseases

Each LHD will provide a qualitative description of what is carried out by that LHD in its region to impact the rates and trends of the following measures:

1. Time Since Routine Checkup

- BRFSS Questionnaire: About how long has it been since you last visited a doctor for a routine checkup?

2. High Blood Pressure Status

- BRFSS Calculated Variable: Doctor diagnosed high blood pressure

3. Diabetes Status

- BRFSS Calculated Variable: Doctor diagnosed diabetes

4. Overweight or Obese

- BRFSS Calculated Variable: Overweight or obese

5. Smoker Status

- BRFSS Calculated Variable: Four-level smoker status (Current Smoker - Every Day; Current Smoker - Some Days; Former Smoker; and Never Smoker)

6. Selected Immunizations

- **Flu Shot Past Year**
  - BRFSS Questionnaire: During the past 12 months, have you had either a seasonal flu shot or a seasonal flu vaccine that was sprayed in your nose?

[3] Additional information on BRFSS is available in Appendix B.

- **Ever Had Pneumonia Shot**
  - BRFSS Questionnaire: Have you ever had a pneumonia shot?
- **Received Tetanus Shot Since 2005**
  - BRFSS Questionnaire: Since 2005, have you had a tetanus shot? Was this Tdap, the tetanus shot that also has pertussis or whooping cough vaccine?
- **Ever Had MMR Vaccine**
  - BRFSS Questionnaire: Have you ever received the MMR vaccine?
- **Had All HPV Shots**
  - Calculated Variable: Received all 3 HPV shots

7. Prevention of Sexually Transmitted Diseases

- Ever Had HIV Test
  - BRFSS Questionnaire: Have you ever been tested for HIV?

Appendix A

Category C Measure Specifications

Appendix B

Regional summaries with selected health information are generated based on the data collected by the Department of State Health Services via BRFSS. BRFSS, initiated in 1987, is a federally supported landline and cellular telephone survey that collects data about Texas residents regarding their health-related risk behaviors, chronic health conditions, and use of preventive services. Texas BRFSS is an important tool for decision-making throughout the Texas Health and Human Services, Texas Department of State Health Services and the public health community. Public and private health officials at the federal, state, and local levels rely on the BRFSS to identify public health problems, set priorities and goals, design policies and interventions, as well as evaluate the long-term impact of these efforts.

This surveillance can be used to monitor the Healthy People 2020 Objectives for current smoking, obesity, high blood pressure, exercise and physical activity, flu and pneumonia vaccinations, cholesterol and cancer screenings, seat belt use, as well as other risk factors.

The BRFSS is administered under the direction of the Centers for Disease Control and Prevention (CDC) so that survey methods and much of the questionnaire are standardized across all BRFSS surveys in the 50 states, three territories, and the District of Columbia. As a result, comparisons can be made among states and to the nation.

Texas Healthcare Transformation and Quality Improvement Program Demonstration Waiver Evaluation Design Plan

As Required by

Centers for Medicare and Medicaid Services

Texas Health and Human Services Commission Center for Analytics and Decision Support

July 9, 2018

TEXAS
Health and Human Services

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Background and Introduction

Medicaid is an important source of health care coverage in Texas. In 2015, the Texas Health and Human Services Commission (HHSC) provided Medicaid benefits to approximately one in seven Texans, or 4.06 million people (Texas Health and Human Services Commission, 2017). Medicaid is jointly funded by the federal and state governments. The Texas Medicaid program cost the state and federal governments a combined total of approximately $29 billion in 2015, up from $10 billion in 2000, accounting for 28.6 percent and 20.2 percent of the state budget in 2015 and 2000, respectively (Texas Health and Human Services Commission, 2017).

The Texas Medicaid program continues to grow in the number of individuals eligible for services and the types of services provided. The biggest issue facing the Texas Medicaid program is that of coordination of the healthcare system, specifically how to provide coordinated, high quality services to over four million people while containing costs. The lack of coordination of care can lead to less effective use of care, use of more expensive resources, and ultimately increased costs for a program that already represents over one-quarter of the state's annual budget. Additionally, HHSC provides hospitals supplemental payments to make up for the unreimbursed cost of services provided to Medicaid and uninsured patients. Previously these payments were made under the Upper Payment Limit (UPL) system, and without it, many providers would not be able to afford to provide services to Medicaid clients and patients who cannot afford to pay. These payments are an important source of funding for safety net providers.

Given the scope and importance of the Medicaid program to provide safety net care to low-income Texans, it is vital to consider adaptations to improve efficiency and contain costs while maintaining access to, coordination, and quality of care. Texas had success implementing Medicaid managed care (MMC) in urban areas prior to expansion to rural areas in 2012. MMC in urban areas resulted in cost savings as compared to the traditional fee-for-service (FFS) delivery model, while maintaining or increasing access to care and quality of services for Medicaid clients.

Given the history of success with MMC, the 82nd Texas Legislature, 2011, directed HHSC to expand Medicaid managed care (Texas Health and Human Services

Commission, 2017) statewide from predominantly urban areas to include rural areas, additional populations, and services traditionally provided through a FFS or primary care case management (PCCM) service delivery model. Additionally, the Legislature "directed HHSC to preserve federal hospital funding historically received as supplemental payments under the UPL program" (Texas Health and Human Services Commission, 2017). The combination of these two directives, however, was not allowable under federal regulations enforced by the Centers for Medicare and Medicaid Services (CMS).

To address these issues and execute the directives of the Legislature, HHSC applied for an 1115 demonstration waiver. This waiver allows Texas to continue to expand MMC and implement the Delivery System Reform Incentive Payment (DSRIP) and Uncompensated Care (UC) funding pools. With a focus on value-based care, the coordination and cost effectiveness of care and health outcomes are expected to improve. Additionally, healthcare system innovations and improvements realized through DSRIP are expected to result in more coordinated, higher quality, cost-effective care for the Medicaid and low-income uninsured (MLIU) population in Texas. The improvements to the system through DSRIP are, in turn, expected to result in a slower rate of growth in UC costs borne by providers.

This waiver, the Texas Healthcare Transformation and Quality Improvement Program (Demonstration), was initially approved by CMS in December 2011 for five years through September 30, 2016. A 15-month extension was granted from October 1, 2016 through December 31, 2017. The current version of the Demonstration was approved on December 21, 2017, renewing the waiver for five years through September 30, 2022.

The overarching objectives of the Demonstration have remained consistent since the initial approval:

- Expand risk-based managed care to new populations and services.
- Support the development and maintenance of a coordinated care delivery system.
- Improve outcomes while containing cost growth.
- Transition to quality-based payment systems across managed care and providers.

To achieve these objectives, HHSC ended the UPL program "for services under managed care capitation and for residual FFS Medicaid services" (Texas Health and

Human Services Commission, n.d.). The former UPL funds and savings from the expansion of MMC are combined to create two new funding pools for providers. These two funding pools and MMC comprise the three components of the Demonstration:

- Delivery System Reform Incentive Payment (DSRIP) Pool
- Uncompensated Care (UC) Pool
- Medicaid managed care (MMC) expansion

The current evaluation, as outlined in this evaluation design plan, focuses primarily on the Demonstration renewal timeframe, building upon the evaluation conducted during the initial approval timeframe (Texas Health and Human Services Commission, 2017). This evaluation aims to evaluate the DSRIP Pool throughout demonstration years (DY) 7-11, the five years covered through this renewal (appending previous years, if feasible), UC through federal fiscal year (FFY) 2021 (ten years of the Demonstration), and MMC populations and services carved into MMC during and after FFY 2015 through FFY 2022. The various timeframes for each component reflect the anticipated availability of data for each Demonstration component.

The Demonstration components have remained consistent throughout the life of the Demonstration, but operational activities have evolved over time. The DSRIP component has experienced the most change; requirements related to the UC Pool will change in FFY 2020, and MMC has continued to expand to include additional populations and services (Figure 1).

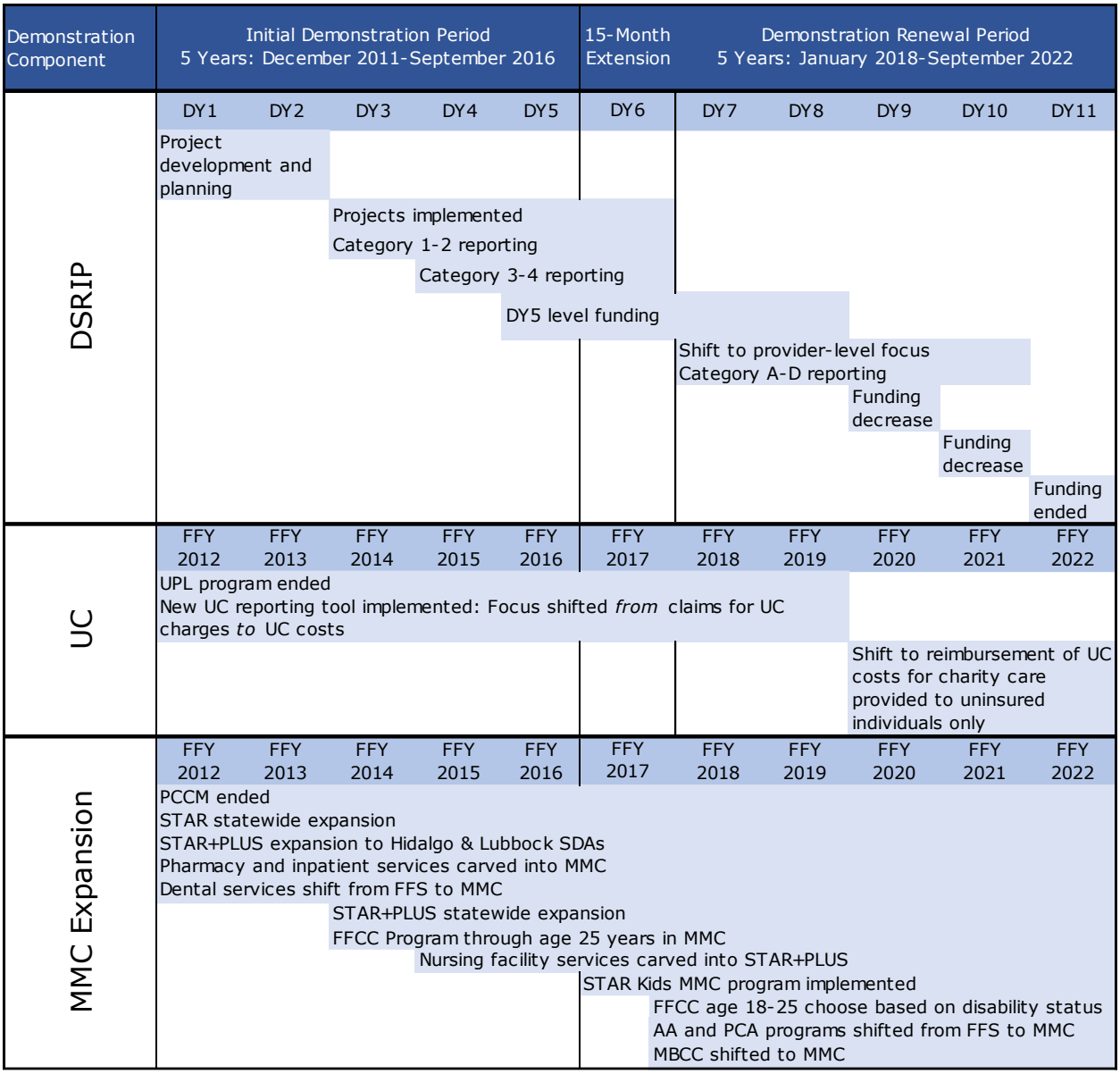

Figure 1. Demonstration Overview

Note. DSRIP=Delivery System Reform Incentive Payment; UC=Uncompensated Care; MMC=Medicaid managed care; DY=Demonstration year, October 1-September 30; FFY=Federal fiscal year, October 1-September 30; UPL=Upper Payment Limit; PCCM=Primary care case management; STAR=MMC program primarily serving children and pregnant women; STAR+PLUS=MMC program serving aged and disabled clients; SDA=Service Delivery Area; FFS=Fee-for-service; FFCC=Former Foster Care Children; STAR Kids=MMC program serving disabled individuals 20 years and younger; AA=Adoption Assistance; PCA=Permanency Care Assistance; MBCC=Medicaid for Breast and Cervical Cancer.

Delivery System Reform Incentive Payment Pool

The DSRIP Pool provides incentive payments to providers who engage in reforms that improve access to care, quality of patient care, population health outcomes, and reduce per capita costs. To participate in DSRIP, performing providers must be members of their local Regional Healthcare Partnership (RHP). There are 20 geographically distinct RHPs throughout the state through which the DSRIP and UC components of the Demonstration are implemented (Figure 2).

Performing providers, broadly defined, initially selected improvement projects from a menu aligned with the reform objectives of the state and addressed local needs.

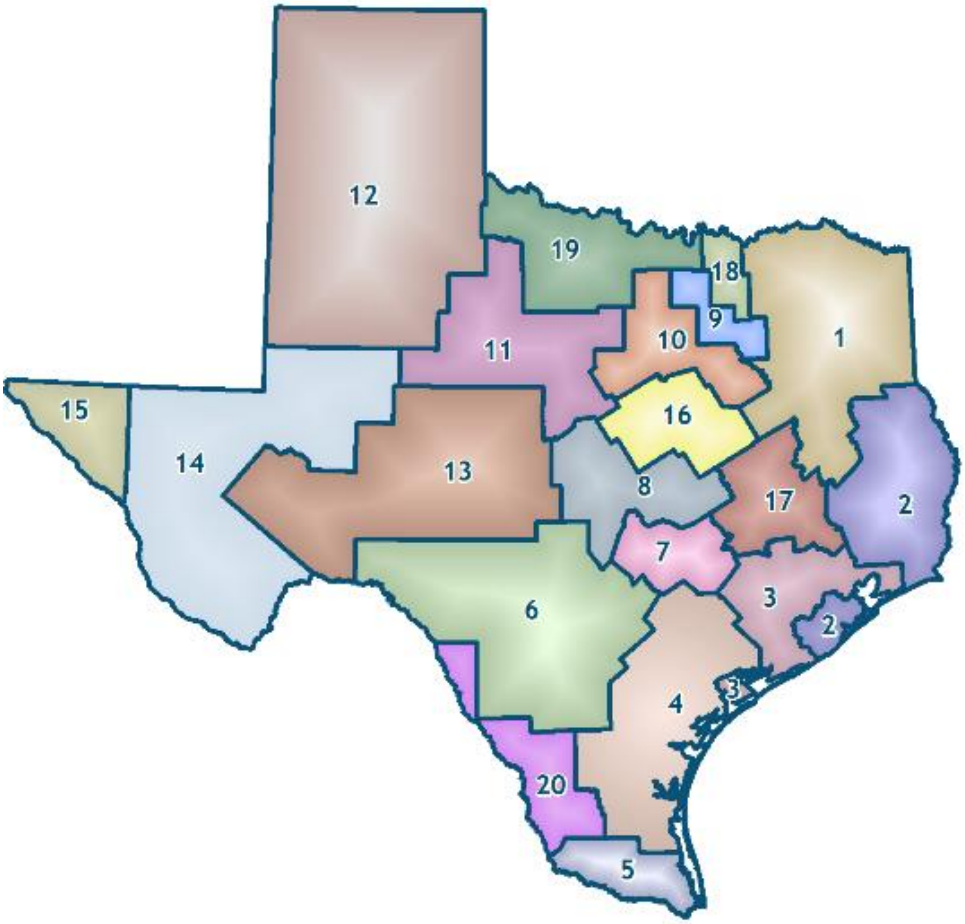

Figure 2. Texas 20 Regional Healthcare Partnerships

These projects were categorized as either Category 1, Infrastructure Development, or Category 2, Program Innovation and Redesign. Performing providers reported on

Category 1 and 2 process measures and Category 3 quality improvement outcomes for each of their projects. Certain performing providers, namely large hospitals, also reported on Category 4 population-based measures.

A major change from the initial and extension Demonstration timeframes (DY1-6) to the renewal timeframe (DY7-11) is the shift from *project-level* reporting to *provider-level* reporting. This change reflects an effort to streamline reporting for performing providers and ease the administrative burden of semi-annual reporting on performing providers and HHSC. To illustrate the scope of the DSRIP program, in DY5 there were over 1,400 projects implemented by approximately 300 performing providers. This shift to provider-level reporting is accompanied by a shift from reporting on isolated metrics and measures to reporting on Measure Bundles - sets of measures clinically related to one another - by hospitals and physician groups. Additionally, unique measures were developed for both community mental health centers (CMHCs) and local health departments (LHDs). In DY7, performing providers will submit a description of their "provider system" as well as descriptions of Core Activities they will implement to achieve outcomes in their pre-selected Measure Bundles and Measures. While these Core Activities may include DSRIP projects continued from the previous time period, outcomes will be measured at the provider level rather than the Core Activity or project level. These changes will reduce the reporting burden and distill the number of outcomes on which performing providers can report as compared to reporting in the initial and extension timeframes.

This shift in reporting requirements is reflected in new reporting categories. The DSRIP reporting will no longer include Category 1 or Category 2 process measures, or Category 3 outcome measures. Population-level outcomes will still be reported, but the Category 4 reporting that was only required of hospitals is expanding to include all performing provider types. Now reporting will be in categories A-D (Texas Health and Human Services Commission, 2018):

- **Category A** includes descriptive reporting on Core Activities, alternative payment model (APM) efforts, collaborative activities, and certain providers will report costs and savings associated with at least one Core Activity.

- **Category B** reporting reflects the MLIU population served by the performing provider.

- **Category C** reporting includes outcomes grouped together in Measure Bundles for hospital and physician group performing providers and Measures for LHD and CMHC performing providers. Performing providers will report baseline levels based on calendar year 2017 for their selected Measure Bundles and Measures.

- **Category D** measures make up statewide Measure Bundles to allow for population-level reporting by all performing provider types. The measures will be calculated by the state's External Quality Review Organization (EQRO), the Institute for Child Health Policy. Potentially preventable events will be calculated for each hospital and RHP as well as other indicators of population health specific to the other performing provider types. Performing providers will be required to respond qualitatively to the results specific to their hospital and/or RHP (Texas Health and Human Services Commission, 2018).

In addition to the shift from project- to provider-level reporting and newly established reporting requirements, the DSRIP program will be phased out by the end of the renewal timeframe. This reflects the "time-limited" nature of DSRIP as stated in the Special Terms and Conditions (STCs), the contractual agreement between HHSC and CMS for the Demonstration (Centers for Medicare and Medicaid Services, 2017). The DSRIP program will operate with DY5 level funding in DY7-8, the first two years of the renewal timeframe, but funding will be reduced in DY9, again in DY10, and the DSRIP Pool will be terminated in DY11. Given this timeline, performing providers are encouraged to explore and establish APMs to sustain DSRIP Core Activities upon the termination of DSRIP funding.

Uncompensated Care Payment Pool

Upon implementation of the Demonstration, the previously utilized UPL was replaced with the UC payment pool. This payment pool reimburses providers for UC costs incurred as reported in the annual Disproportionate Share Hospital/Uncompensated Care (DSH/UC) application (Texas Health and Human Services Commission, 2017). Similar to the prior UPL program, the UC payment pool provides a supplemental payment to providers, but is based on UC costs, rather than claims for UC charges.

To receive payments from the UC Pool, a provider must complete an application listing its uncompensated costs for charity care services provided. A hospital may

claim uncompensated costs for inpatient and outpatient services, as well as related costs for physician, and pharmacy services.

The UC Pool payment methodology has remained steady since DY1, but two challenges remain. The first challenge is the two-year data lag needed to finalize and validate UC costs at the state and federal levels. Providers submit UC requests annually, but these requests are based on data from two years prior. In the initial evaluation, only one year of post-UC data were available for analysis in the Final Evaluation Report (Texas Health and Human Services Commission, 2017). The current evaluation aims to continue the previous analysis (Texas Health and Human Services Commission, 2017), but the UC rules will change in FFY 2020 such that UC Pool payments will serve to reimburse uncompensated costs for charity care provided to uninsured individuals only (as opposed to uninsured and Medicaid eligible individuals). These changes are to be negotiated between HHSC and CMS as a part of the Demonstration renewal to reflect the application of updated federal policies (Centers for Medicare and Medicaid Services, 2017).

Medicaid Managed Care

The MMC program has been vastly expanded throughout the Demonstration timeframe. Upon implementation of the Demonstration in FFY 2012, the PCCM health care delivery model ended; the STAR MMC program, providing coverage primarily to children and pregnant women, expanded statewide; and the STAR+PLUS MMC program, which provides services to the aged and disabled population, expanded to two new service delivery areas (SDAs). Additionally, pharmacy benefits and non-behavioral health inpatient hospital stays were carved into MMC and the dental program shifted from a FFS to a MMC health care delivery model.

Through a series of waiver amendments, several other populations and services have transitioned to MMC from FFS. In FFY 2014 STAR+PLUS expanded statewide to provide coverage in Medicaid Rural Service Areas and to non-dual eligible individuals with intellectual and developmental disabilities receiving services through a 1915(C) waiver or residing in an intermediate care facility. In FFY 2015 nursing facility services were carved into MMC. A new MMC program, STAR Kids, was established for disabled children and adults 20 years old and younger in FFY 2016.

On September 1, 2017, smaller program populations experienced changes in their Medicaid service delivery. These changed to the MMC program include: Children in the Adoption Assistance (AA) and Permanency Care Assistance (PCA) programs became eligible for STAR or STAR Kids; Former Foster Care Children (FFCC) ages 18 to 20 years, who meet STAR Kids criteria may choose between STAR Health and STAR Kids, and FFCC, ages 21 to 26, who meet STAR+PLUS criteria will be enrolled in STAR+PLUS; and Medicaid for Breast and Cervical Cancer (MBCC) program shifted from the FFS health care delivery model to STAR+PLUS.

The CMS and HHSC are not making any substantive changes to the requirements of the MMC programs with the renewal of the Demonstration. Therefore, the evaluation of the continued expansion of MMC through the Demonstration will focus on the most recently incorporated populations (AA, PCA, FFCC, MBCC, STAR Kids[1]) and continued evaluation of dental and nursing facility services. These new and unique MMC clients provide a natural experiment to compare the FFS and MMC health care delivery models for populations with challenging and diverse health needs.

Evaluation Implications

The evaluation design plan for the initial approval period of the Demonstration has been updated to reflect changes to the Demonstration as described above. The Final Evaluation Report for the initial Demonstration approval period included a comparative case study of 10 DSRIP projects representing 10 "research regions" covering the entire state; a social network analysis measuring change in collaboration at the RHP level; a descriptive study of the changes in the composition of UC from 2012 through 2015; a pre/post comparison of access to, coordination, and quality of care for the STAR and STAR+PLUS populations as MMC expanded statewide; and a stakeholder survey (Texas Health and Human Services Commission, 2017).

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[1] On November 1, 2016, Medicaid managed care was expanded to children and young adults (20 years and younger) with disabilities. A pre/post implementation evaluation is being conducted by Texas External Quality Review Organization, the University of Florida Institute for Child Health Policy. Results from all deliverables (last deliverable due May 3, 2019) may inform additional Demonstration evaluation questions, hypotheses, and analyses.

The proposed evaluation design plan expands its evaluation of DSRIP to include an analysis of DSRIP provider reporting of clinical population health measures and a comparison of specific outcomes among Medicaid clients served by DSRIP providers compared to clients of non-DSRIP providers. The social network analysis will continue with the addition of a new type of connection among RHP members through health information exchanges (HIEs). The proposed UC evaluation continues to analyze the percentage of UC costs reimbursed through UC payments and expands to examine the UC growth rate over time. The UC program will undergo changes starting in FFY 2020, but those changes are still under negotiation so the evaluation design plan may be amended, if necessary, to accommodate the revised UC program. The MMC evaluation continues to be a pre/post evaluation of access to, coordination, and quality of care measures, but is limited to populations and services new to MMC (i.e., AA, PCA, MBCC), those not included in the previous evaluation due to timing of the carve-in (i.e., nursing facility services (NF)), and those shifting from one MMC program to another (i.e., FFCC). STAR Kids, a MMC program for disabled children launched in SFY 2016, is currently being evaluated by the EQRO. If additional evaluation issues remain, this evaluation design plan may be revised to include this MMC population as well. Due to challenges with the sampling frame used for the stakeholder survey and a low response rate, the previously conducted stakeholder survey is not proposed for the renewal period. HHSC is currently investigating the feasibility of including the MMC sub-populations included in this evaluation in the biannual Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys conducted for the STAR and STAR+PLUS populations by the EQRO. Finally, the Demonstration will be evaluated overall by analyzing the transition to quality-based payment systems, changes in potentially preventable emergency department (ED) utilization, and overall costs.

Evaluation Questions and Hypotheses

Given the focus of the evaluation is to determine if the Demonstration achieved its intended objectives through the three components, the proposed evaluation questions were developed to align with the Demonstration objectives (Table 1).

Table 1. Demonstration Alignment

Demonstration Objective	Demonstration Component	Proposed Evaluation Question(s)
Expand risk-based managed care to new populations and services	MMC	Did the expansion of the MMC health care delivery model to additional populations and services improve health care (including access to care, care coordination, quality of care, and health outcomes) for MMC clients?
Support the development and maintenance of a coordinated care delivery system	DSRIP MMC	Did the DSRIP program incentivize changes to transform the health care system for the MLIU population in Texas? Did the Demonstration transform the health care system for the MLIU population in Texas?
Improve outcomes while containing cost growth	DSRIP MMC UC	Did the Demonstration impact unreimbursed costs associated with the provision of health care to the MLIU population for UC providers?
Transition to quality-based payment systems across managed care and providers	DSRIP MMC	Did the Demonstration impact the development and implementation of quality-based payment systems in Texas Medicaid?

Note. MMC=Medicaid managed care, DSRIP=Delivery System Reform Incentive Payment, MLIU=Medicaid and low-income uninsured, UC=Uncompensated Care.

Logic Model

The logic model (Figure 3) illustrates the theory of change, or the pathways through which the Demonstration will work to achieve these objectives during the renewal timeframe (DY7-11, FFY 2018-2022).

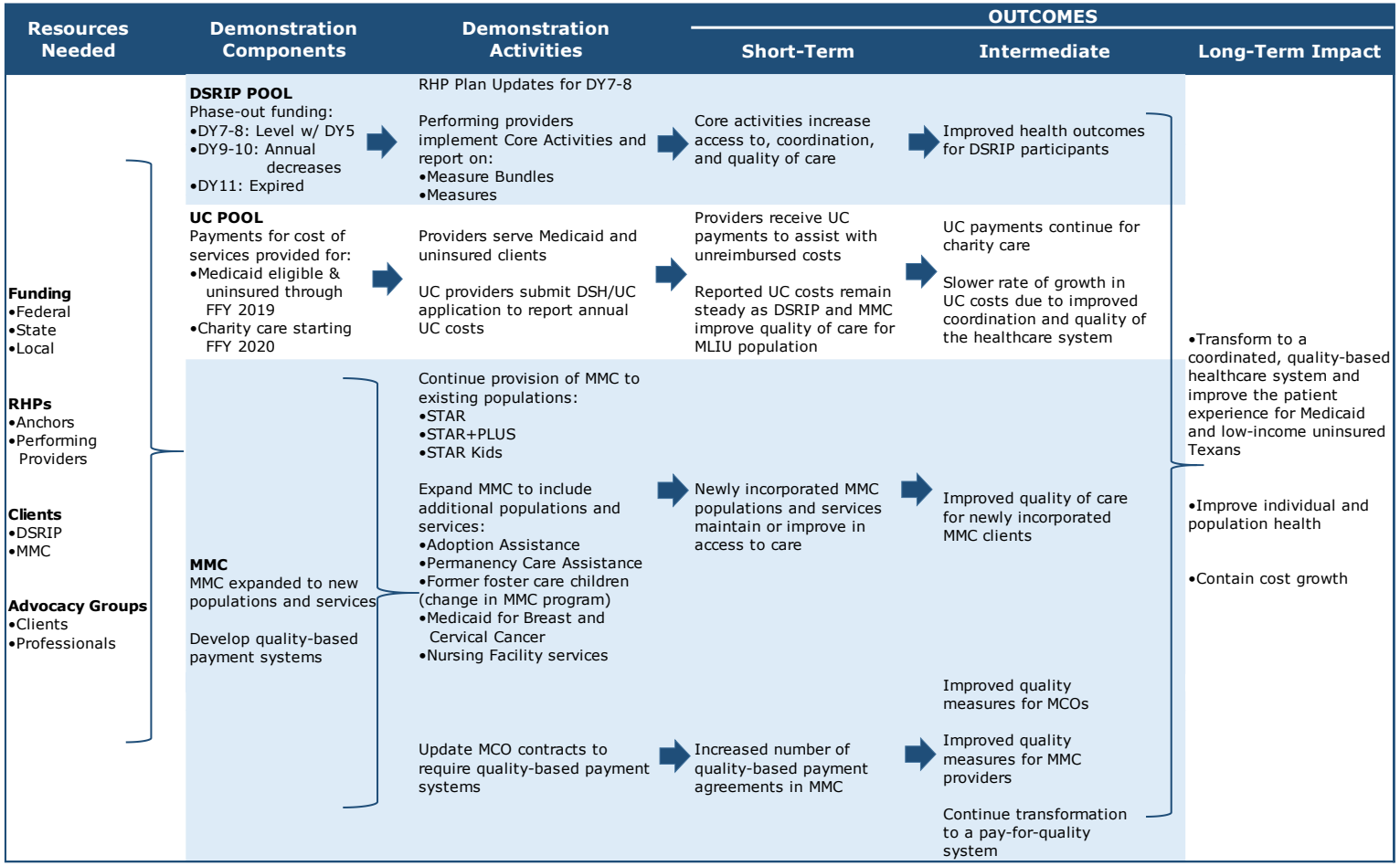


Figure 3. Demonstration Logic Model: Renewal Timeframe

Note. RHP=Regional Health care Partnership; DSRIP=Delivery System Reform Incentive Payment; MMC=Medicaid managed care; DY=Demonstration year, October 1-September 30; UC=Uncompensated Care; FFY=Federal fiscal year, October 1-September 30; DSH=Disproportionate Share Hospital; MLIU=Medicaid and low-income uninsured; STAR=MMC program for children and pregnant women; STAR+PLUS=MMC program for aged and disabled age 21 and older; STAR Kids=MMC program for disabled through 20 years; MCO=Managed care organization.

The Demonstration is carried out through three components described previously, DSRIP, UC, and MMC. As illustrated in the logic model for the renewal timeframe (DY7-11, FFY 2018-2022), DSRIP performing providers implement Core Activities working toward quality-related outcomes as indicated through selected Measure Bundles and Measures (e.g., chronic disease management, reduction of unnecessary ED visits, etc.). Ultimately, implementation of these Core Activities will lead to improved quality of care and health outcomes for individuals served through the DSRIP Provider Systems. UC providers deliver care to the MLIU population, sometimes without being paid for their services. These providers submit the UC application to request reimbursement for the cost of UC provided, allowing them to continue to provide much needed safety net care to the MLIU population who otherwise may not receive services. Due to the improvements in the health care system, the growth rate of UC costs is expected to slow over time.

Finally, operating in parallel with DSRIP and UC efforts, MMC continues to expand to include additional populations and services. Access to care will be maintained or improved in MMC as compared to FFS. Quality of care is expected to improve for clients in MMC due to increased efficiency and coordination of care. Finally, managed care organizations (MCOs) and providers will be required to move toward quality-based payment systems (i.e., alternative payment models) such that payments are (at least partially) contingent upon meeting certain quality outcomes. Overall, through the simultaneous implementation of DSRIP, UC, and the expansion of MMC, it is anticipated that these efforts to improve access, coordination, and quality of care will result in a transformed health care system and improved population health for MLIU individuals, all while containing cost growth.

Based on this proposed theory of change, the Demonstration evaluation aims to examine:

- How DSRIP activities have influenced collaboration among providers, improved quality of care, and individual and population health outcomes.
- The impact of the Demonstration on UC costs over time.
- The impact of the Demonstration on access to care, coordination of care, quality of care, and health outcomes among MMC clients.
- The impact of the Demonstration on the health care system for the MLIU population in terms of payment reform and population health outcomes.

To accomplish these aims and determine if the Demonstration meets its objectives, the proposed evaluation design plan includes five evaluation questions operationalized through corresponding hypotheses and associated measures. The methods used to test the hypotheses and answer the evaluation questions are described in the Methodology section. Data sources and technical specifications for measures are described in Appendix C.

Evaluation Questions

The proposed evaluation questions address the three Demonstration components and promote the objectives of Title XIX. All study populations and related services studied through these questions are Medicaid-eligible populations or services through the State Plan[2] and/or authorities specifically granted through this Demonstration.

The evaluation questions and hypotheses are grouped by Demonstration component, with one question each pertaining to DSRIP, UC, MMC, and two overall questions. Each evaluation question is addressed through a minimum of one corresponding hypothesis and measure.

Evaluation Question 1: Did the DSRIP program incentivize changes to transform the health care system for the MLIU population in Texas?

Hypothesis 1.1 DSRIP incentivized changes to the health care system that maintained or increased collaboration among providers.

Hypothesis 1.2 DSRIP incentivized performing providers to improve continuity, quality, and cost of care for Medicaid clients with diabetes.

Hypothesis 1.3 DSRIP incentivized performing providers to improve quality-related outcomes, specified as Category C population-based clinical outcome measures.

Hypothesis 1.4 DSRIP transformed the health care system, resulting in improvements in population health, specified as DSRIP Category D outcomes.

[2] The Medicaid State Plan describes the "nature and scope" of the Texas Medicaid program. It is available through: https://hhs.texas.gov/services/health/medicaid-chip/about-medicaid-chip/state-plan

Evaluation Question 2: Did the Demonstration impact unreimbursed costs associated with the provision of care to the MLIU population for UC providers?

Hypothesis 2.1 The percentage of UC costs reimbursed through UC payments for each type of UC (overall, Medicaid shortfall, uninsured shortfall) will decrease throughout DY1-DY8.

Hypothesis 2.2 The UC cost growth rate will slow over time for UC providers participating in the Demonstration.

Evaluation Question 3: Did the expansion of the MMC health care delivery model to additional populations and services improve healthcare (including access to care, care coordination, quality of care, and health outcomes) for MMC clients?

Hypothesis 3.1 Access to care will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.

Hypothesis 3.2 Care coordination will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.

Hypothesis 3.3 Quality of care will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.

Hypothesis 3.4 Health and health care outcomes will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.

Hypothesis 3.5 Client satisfaction will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.

Evaluation Question 4: Did the Demonstration impact the development and implementation of quality-based payment systems in Texas Medicaid?

Hypothesis 4.1 The Demonstration will result in the development and/or implementation of a variety of APMs in Texas Medicaid.

Evaluation Question 5: Did the Demonstration transform the health care system for the MLIU population in Texas?

Hypothesis 5.1 The Demonstration will result in a reduction of potentially preventable ED use for the MLIU population.

Hypothesis 5.2 The Demonstration will result in overall cost savings as compared to the Medicaid program without the Demonstration, as shown in the budget neutrality calculation.

Methodology

The Demonstration evaluation design plan includes 5 evaluation questions and 14 hypotheses that explore and examine the effectiveness and impact of the Demonstration through a set of sentinel outcome measures collected at select times throughout the Demonstration timeframe. Given the multi-pronged approach of health care transformation (i.e., DSRIP, UC, MMC), the evaluation plans to capture outcome measures for each Demonstration component as well as measure the overall impact of all Demonstration components on common population health outcome measures (e.g., potentially preventable ED utilization).

The Methodology section is divided into four major sections to describe the proposed evaluation design for each component of the Demonstration: DSRIP, UC, MMC, and overall. Methods for each component include: Study population, data sources and collection plan, analytic methods, proposed measures, and methodological limitations. Following the evaluation design for each component are sections that apply to the evaluation of the Demonstration overall: Special Methodological Considerations and Communication, Dissemination, and Reporting.

The technical specifications for each evaluation measure are described in Appendix C: Detailed Tables. Specific details include the measure definition, study population, measure steward, technical specifications, exclusion criteria, data source or collection method, comparison group or subgroups, analytic methods, and benchmark, as appropriate for each individual measure. Although methodological plans for addressing each question are provided, these plans may change as key data sources are assessed for completeness, level of required detail, and necessary quality required for the proposed analyses. Changes to the evaluation design plan will be documented in Appendix A: Document History Log.

Data, analytic methods, and reporting will meet traditional standards of scientific and academic rigor, as appropriate and feasible for each aspect of the evaluation: Evaluation design, data collection and analysis, and the interpretation and reporting of findings. The evaluation will use primary data along with the best available secondary data, and will report the respective limitations and their effects on interpreting the results.

DSRIP Evaluation Methods

A mixed-methods approach will be used to evaluate four hypotheses specific to the DSRIP component of the Demonstration. Sections following this overview provide more detail regarding the proposed measures, study populations, data sources/data collection methods, and proposed analytic methods.

DSRIP Proposed Measures

A measure, or a series of measures, has been selected or developed to operationalize each hypothesis. Table 2 provides an overview of all DSRIP-specific evaluation questions and hypotheses aligned with their respective measures. Specific details regarding each of the proposed measures can be found in Appendix C: Detailed Tables.

Table 2. Delivery System Reform Incentive Payment Evaluation Design Overview

Evaluation Hypothesis	Measure(s)	Study Population	Data Source(s) or Data Collection Method(s)	Analytic Methods
Evaluation Question 1: To what extent did the DSRIP program incentivize changes to transform the health care system for the MLIU population in Texas?				
1.1 DSRIP incentivized changes to the health care system that maintained or increased collaboration among providers.	1.1.1 Type of collaboration 1.1.2 Number of ties 1.1.3 Strength of ties (multiplexity) 1.1.4 Density 1.1.5 Centralization 1.1.6 Attitude toward collaboration	• DSRIP performing providers	• Social network analysis survey • Learning collaborative reporting, if necessary	• Social network analysis • Descriptive statistics, including trend analysis with DY2-5 data, if possible • Thematic content analysis of open-ended responses
	1.1.7 HIE membership 1.1.8 Use of HIE data for DSRIP reporting	• DSRIP performing providers	• DSRIP reporting	• Descriptive statistics: frequency of HIE membership
1.2 DSRIP incentivized performing providers to improve continuity, quality, and cost of care for Medicaid clients with diabetes.	1.2.1 Ratio of new to existing patient visits 1.2.2 Diabetes poor control (HbA1c > 9) 1.2.3 ED visits due to diabetes 1.2.4 Cost of care	• Medicaid clients served by DSRIP providers	• Medicaid encounters data	• Difference-in-difference

Evaluation Hypothesis	Measure(s)	Study Population	Data Source(s) or Data Collection Method(s)	Analytic Methods
1.3 DSRIP incentivized performing providers to maintain or improve quality-related outcomes, specified as Category C population-based clinical outcome measures.	Category C Measures*: 1.3.1 A1-508: Rate of ED visits for diabetes 1.3.2 A2-509: Rate of ED visits for CHF, angina, and hypertension 1.3.3 H2-510 / L1-387 / M1-387: Rate of ED visits for BH and SA 1.3.4 C1-502: Adult acute composite indicator 1.3.5 D1-503: Child acute composite indicator	• DSRIP performing providers	• DSRIP reporting • RHP plan update • DSRIP administrative data	• Descriptive trend analysis • Hierarchical linear modeling, if feasible
1.4 DSRIP transformed the health care system, resulting in improvements in population health, specified as DSRIP Category D outcomes.	Category 4/D Measures*: 1.4.1 PPAs 1.4.2 PPRs 1.4.3 PPCs 1.4.4 PPVs	• DSRIP performing providers	• DSRIP reporting	• Descriptive trend analysis
	1.4.5 Category D-related activities	• DSRIP performing providers	• DSRIP reporting	• Thematic content analysis • Descriptive statistics, if feasible

Note. DSRIP=Delivery System Reform Incentive Payment; MLIU=Medicaid and low-income uninsured; DY=Demonstration year, October 1-September 30; HIE=Health information exchange; ED=Emergency department; CHF=Congestive heart failure; BH=Behavioral health; SA=Substance abuse; RHP=Regional Healthcare Partnership; PPA=Potentially preventable admission; PPR=Potentially preventable readmission; PPC=Potentially preventable complication; PPV=Potentially preventable ED visit.

*Selected Category C and Category D measures from the Measure Bundle Protocol (Texas Health and Human Services Commission, 2018).

DSRIP Study Populations

The primary unit of analysis for DSRIP outcomes is the performing provider, which includes hospitals, CMHCs, LHDs, and physician practices participating in the DSRIP program. While DSRIP participants cannot be directly identified, Medicaid clients seen by DSRIP providers will be used to approximate individual-level outcomes related to DSRIP.

- **DSRIP Performing providers** – Providers who are eligible to receive DSRIP incentive payments must have a current Medicaid provider identification number. Performing providers include hospitals, CMHCs, LHDs, and physician practices. Performing providers are responsible for: 1) implementing Core Activities to achieve the Category C Measure Bundles and Measures; and 2) measuring, reporting, and improving performance on the Category C Measures and Measure Bundles. In DY6 there were a total of 296 providers (Table 3). These numbers may change slightly as RHP Plan Updates are finalized for DY7-8.

Table 3. Delivery System Reform Incentive Payment Providers - Demonstration Year 6

Provider Type	Count
Hospital	218
Physician Practices	18
Community Mental Health Centers	39
Local Health Departments	21

Note. Numbers may vary slightly after regional healthcare partnership (RHP) plans are finalized for demonstration years (DY) 7-8.

- **Medicaid Clients Served by DSRIP Performing Providers** – Medicaid clients served by DSRIP performing providers will be identified through Medicaid encounter data. These individuals will have at least one MMC encounter with a DSRIP performing provider during the measurement period. Medicaid clients who receive DSRIP-specific services are not flagged or identified in the MMC encounter database so this does not necessarily indicate this individual is a "DSRIP participant" but does indicate the provider visited for the encounter participates in DSRIP.

DSRIP Data Sources and Collection Plan

The evaluation will include multiple sources and forms of qualitative and quantitative data and research methods to comprehensively evaluate the DSRIP Demonstration component. These data include both primary and secondary data sources as described here.

DSRIP Primary Data Source

Primary data collection will be necessary to evaluate the DSRIP component of the Demonstration.

- **Social network analysis survey** - The social network analysis survey used in the previous Demonstration evaluation will be updated to reflect DY7-11 collaborators, new types of ties (learning collaborative participation, HIE membership), and other issues relevant to the renewal. Data will be collected at the organizational level using a computer-assisted telephone survey.

DSRIP Secondary Data Sources

This evaluation leverages administrative data collected by HHSC for reporting and payment purposes to assess the effects of DSRIP on access to and quality of care and Medicaid encounters and enrollment data.

- **RHP Plan Update** - Performing providers will include their system description, including the population they serve through DSRIP and will list planned DY7 Core Activities, including which DY2-6 projects may correspond to DY7 Core Activities.

- **DSRIP reporting** - Performing providers are required to report their progress in categories A-C during specific reporting periods. Additionally, performing providers will respond qualitatively to Category D reporting completed by the EQRO. Where feasible, DY2-6 Category 1-4 reporting will be utilized as well. These data will be used by the evaluation team to address various hypotheses.

- **DSRIP administrative data** - HHSC maintains monitoring and payment information for DSRIP performing providers to determine incentive valuations, payment amounts earned, and track performance over time.

- **Learning collaborative reporting** - Performing providers are required to attend and report on their DSRIP participation in at least one learning collaborative, stakeholder forum, or other stakeholder meetings each DY.

- **Medicaid managed care data**

    - MMC Encounter Data **-** The member-level encounter data contain the Current Procedural Terminology (CPT) codes, International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) codes, place of service codes, and other information necessary to calculate individual-level outcome measures. There is an approximate six-month time lag for encounter data adjudication. Prior analyses with Texas data showed that, on average, over 96 percent of the claims and encounters are complete by that timeframe.

    - Member-level enrollment files **-** The enrollment file will be used to obtain information about the person's age, gender, race/ethnicity, county, the MCO in which the member is enrolled, and the number of months the member has been enrolled in the program.

    - Member-level pharmacy data -The member-level pharmacy data contain information about filled prescriptions, including the drug name, dose, date filled, number of days prescribed, and refill information.

DSRIP Proposed Analytic Methods

Qualitative and quantitative methods will be used to evaluate the DSRIP component of the Demonstration. Social network analysis, an inherently mixed method, will also be used. This section describes the proposed analytic methods to determine outcomes as specified through the DSRIP measures.

DSRIP Qualitative Analysis

Qualitative methods will be used to categorize, analyze, and synthesize data extracted from DSRIP reporting documents, open-ended question responses, and interview notes and/or transcripts. Both content analysis and thematic content analysis are proposed to answer evaluation questions related to DSRIP and the Demonstration overall.

Thematic Content Analysis

Thematic content analysis will be used primarily to evaluate responses to open-ended social network analysis survey items, DSRIP performing provider descriptions of Category D-related activities, and description of APM planning and/or implementation and perceived barriers/benefits to their development and implementation in Texas Medicaid. Thematic content analysis will be used to analyze and interpret documents for emerging themes among respondents. Through this method, documents are coded, and then codes are grouped together using inductive or deductive reasoning as themes among codes consistently emerge (Vaismoradi, Turunen, & Bondas, 2013).

DSRIP Mixed Methods Analysis

Social Network Analysis

Social network analysis is both a qualitative and quantitative analysis method in that a network diagram is used to illustrate relationships among network members. Measures including density, centrality, and multiplexity are calculated to quantitatively describe relationships within the network. Additionally, the social network analysis survey will collect responses to open-ended questions regarding attitudes toward collaboration. The social network analysis method will be used to measure change in collaboration among organizations participating in DSRIP within each RHP over time.

The proposed social network analysis aims to build upon a similar analysis conducted during the initial Demonstration timeframe (Texas Health and Human Services Commission, 2017). Collaboration will be measured by assessing connections between providers in each RHP; ties between providers will be measured for program and service delivery, sharing tangible resources, formal data sharing, learning collaborative participation, and HIE membership (Table 3).

The network survey will be structured such that each organization will answer a series of questions about their relationships with each of the organizations in their RHP (Provan & Milward, 1995; Provan & Milward, 2001). Measures used are provided in Table 4. In addition, open-ended questions will probe for qualitative information about the relationship, kinds of collaborative services, or nature of data sharing to assist in interpretation of the results.

Table 4. Social Network Analysis Measures

Measure	Sample Question	Source
Any Collaboration*	"Does your organization currently work with [x organization]?"	Provan & Milward, 1995
Joint Service Delivery	"Does your organization currently collaborate with [x organization] to deliver services?"	Foster-Fishman et al., 2001; Provan & Milward, 1995
Resource Sharing	"Does your organization currently share tangible resources with [x organization] for the purpose of increasing access to services?"	Provan, Nakama, Veazie, Teufel-Shone & Huddleston, 2003
Data Sharing	"Does your organization currently have a data sharing agreement with [x organization]?"	Johnsen, Morrissey, & Calloway, 1996
Learning Collaborative Participation	"Do members of your organization attend the same RHP learning collaborative as [x organization]?	Measure established in DY1-5
Health Information Exchange (HIE) Membership	"Does your organization belong to an HIE? If yes, which one(s)?	Measure established in DY1-5
Attitudes Toward Building Ties	"Given the opportunity, would your organization be willing to collaborate with [x organization] in the future?"	Measure established in DY1-5

Note. DY=Demonstration year, October 1-September 30.

DSRIP Quantitative Analysis

Quantitative methods will also be used to evaluate the DSRIP component of the Demonstration. Below is a description of the analytic strategies that will be used to examine the evaluation hypotheses.

Univariate and Bivariate Statistics

Descriptive statistics will examine results for selected measures for each year in the pre- and post-measurement timeframes. For example, bivariate analyses will be used to explore trends in beneficiaries' access to care, quality of care, etc. Three descriptive quantitative analysis methods will be used to examine health and health care outcomes: McNemar's chi-square, Mann-Whitney U Test, and Wilcoxon Signed Rank Test. These nonparametric tests are appropriate when data are categorical or continuous but do not meet the assumptions (e.g., normality) used by parametric tests. Parametric analyses (e.g., t-tests, etc.) may be used as appropriate.

Descriptive Trend Analysis

Descriptive trend analysis will be used if more robust methods such as interrupted time series (ITS) are not appropriate. Univariate or bivariate statistics will be calculated on the same population at two or more points in time to determine if a trend exists.

Difference in Difference

DSRIP will also be evaluated through a quasi-experimental design using individual-level encounter data extracted from DSRIP providers and a randomly selected sample of comparison providers not participating in DSRIP. Specifically, this portion of the evaluation will focus on DSRIP providers that selected measure bundle A1 (Comprehensive Diabetes Care) in the measure bundle protocol (N=70). This was the most commonly selected measure bundle in all DYs, and offers the largest sample for analysis. It is currently unknown how many clients will have visits with these 70 DSRIP providers.

To select the comparison group, HHSC Center for Analytics and Decision Support (CADS) will draw a stratified random sample of providers by RHP and provider type. This sampling strategy randomly selects providers from each strata independently to approximate the composition of DSRIP providers. Sampling will be performed using the HHSC provider database assembled and maintained by HHSC CADS; the sample of comparison providers will be equal to or larger than the number of DSRIP providers in the analysis to ensure an adequate sample of clients in the comparison group. If feasible, DSRIP collaborators (e.g., FQHCs) will be excluded from the comparison sample to prevent contamination of the treatment effect.

After generating the sample of comparison providers, HHSC CADS will obtain individual-level encounter data for clients who visited DSRIP providers (i.e., treatment group) and non-DSRIP providers (i.e., comparison group). Client-level data will be drawn from the Texas Medicaid and Healthcare Partnership (TMHP), the claims administrator for FFS claims and data warehouse for encounter data associated with Texas Medicaid. To extract client-level data, HHSC CADS will query the TMHP encounter universe filtering on provider identification numbers (e.g., NPIs or TPIs), diabetes-related diagnosis codes, and dates of service. No sampling is performed at this stage; instead, the full population of clients associated with the provider sample who meet the diagnosis and date range criteria will be included. HHSC CADS will analyze the treatment and comparison samples to confirm adequate sample size and relative balance across the sampling strata; if necessary, adjustments may be made.

After obtaining Medicaid IDs for the treatment and comparison samples, a mapping table will be used to query TMHP for all encounters associated with these clients over the selected time period. Individual-level variables may include provider IDs, dates of service, diagnosis codes, procedure codes, claim numbers, and other relevant fields. Outcome measures will be calculated for clients in each group and time period using the same methodology, allowing for an estimate of the treatment effect resulting from DSRIP. If feasible, a difference-in-difference (DID) design will be used for this purpose.

DID mimics an experimental study by examining the average change in outcomes over time for the treatment and comparison groups, and helps to mitigate selection concerns that might exist with a single cross-sectional comparison of DSRIP and non-DSRIP providers. For DSRIP, the pre period corresponds to DY1-DY6 and the post period corresponds to DY7-DY11. To provide a relevant comparison, individual years may be selected from each time period when the program was fully operational and consistently funded (e.g., DY5 vs. DY8). The regression equation for a simple DID model is:

$$Y_{ist} = \beta_0 + \beta_1 DSRIP_s + \beta_2 Post_t + \beta_3 (DSRIP_s * Post_t) + \varepsilon_{ist}$$

Where Y is the outcome measure for individual *i* in group *s* and time *t*, $DSRIP$ is a dummy variable for receiving care from a DSRIP provider, $Post$ is a dummy variable for the post period, $DSRIP * Post$ is an interaction term for receiving care from a DSRIP provider in the post period, and ε is an error term. β_3 gives the treatment

effect of DSRIP. Additional covariates may be added to determine the effect of RHP, provider type, and other provider-level or client-level characteristics.

The basic DID approach would be applied to three individual-level outcome measures within DSRIP: 1) Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Poor Control (>9.0%), 2) Diabetes-related ED visits, and 3) Overall cost of care, as determined by paid claims and prescription drug costs. Importantly, the traditional DID model is a linear probability model, however individual-level outcomes associated with DSRIP may be dichotomous (e.g., diabetes control), count data with excess zeros (e.g., ED visits), or positively skewed (e.g., cost). These distinctions may require adjustments or corrections to the DID model. For example, because of known challenges involved in the application and interpretation of non-linear DID models--especially with regard to interaction terms (Athey and Imbens, 2006; Ai and Norton, 2003), linear models are often used to preserve interpretability of the treatment effect coefficient. Bootstrapping adjustments can be made to correct for hetereoscedasticity and autocorrelation that arise from linear modeling under these circumstances (Bertrand et. al, 2004). However, other corrections or alternative models may be necessary.

Hierarchical Linear Models

Hierarchical linear models (HLM) or growth curve models may be used to evaluate DSRIP outcomes reported annually (Littell, Milliken, Stroup, Wolfinger, & Schanbenberger, 2006).

The HLM method accounts for the hierarchical nature of a dataset, in this case, provider systems operate within an RHP. The provider system is considered level 1 and the RHP is considered level 2 in the proposed model (Table 5).

Table 5. Hierarchical linear model framework for the Delivery System Reform Incentive Payment (DSRIP) program

Hierarchical Level		Potential Variables
Level 2	RHP	Demographic and poverty characteristics Poverty characteristics Health Professional Shortage Areas Percent population in Medicaid/Medicare Rural-Urban Continuum Code
Level 1	DSRIP performing provider system	Provider type Provider DSRIP minimum point threshold DSRIP valuation Percentage of MLIU in the provider system

Note. RHP=Regional Healthcare Partnership, DSRIP=Delivery System Reform Incentive Payment.

Given that DSRIP projects will operate with level funding through DY8, there may be sufficient years of data to evaluate if outcomes improved over baseline, in which case growth curve modeling may be appropriate. In a growth curve model, the dependent variable would be Category C outcomes at each year; in a cross-sectional hierarchical linear model, the dependent variable might be change in Category C outcomes from baseline. The evaluation aims to examine performing provider and contextual factors associated with changes reported in outcome measures.

For selected Category C outcome measures, the basic HLM Level 1 model is specified as (a):

$$\text{(a)}\ \ Y_{ij} = \beta_{0j} + \beta_{1j}{*}X_{ij} + \varepsilon_{ij}$$

From the basic statistical model, Y_{ij} is the dependent variable, change in Category C outcome for the ith provider at the jth RHP, β_{0j} reflects the intercept of the dependent variable in group j (Level 2-RHP); β_{1j} estimates the slope for the relationship in group j (Level 2-RHP) between the Level 1 (Performing provider) predictor and the dependent variable; X_{ij} is a vector of Level 1 performing provider characteristics (e.g., core activities, years of DSRIP participation); and ε_{ij} refers to random errors of prediction for the Level 1 equation.

$$\text{(b)}\ \ \beta_{0j} = \gamma_{00} + \gamma_{01}{*}W_j + \upsilon_{0j} \text{ and } \ \text{(c)}\ \beta_{1j} = \gamma_{10} + \upsilon_{1j}$$

HLM models (b) and (c) specify how Level 2-RHP-level predictors influence model (a). γ_{00} reflects the overall intercept. This is the grand mean of the dependent variable (i.e., average change in outcome measure from baseline) across all

provider outcomes when all predictors are equal to zero. W_j is the Level 2 predictor (Level 2-RHP), γ_{01} refers to the overall regression coefficient, or slope, between the dependent variable and the Level 2 predictor. u_{0j} refers to the random error component for the deviation of the intercept of a group from the overall intercept, γ_{10} estimates the overall regression coefficient between the dependent variable and the Level 1 predictor, and u_{1j} refers to the error component for the slope (meaning the deviation of the group slopes from the overall slope).

DSRIP Methodological Limitations

While DSRIP performing providers report the number of unique individuals served through their projects (DY2-6) and within their provider systems (DY7-10), these counts are unique only at the performing provider level and cannot be aggregated across providers to enumerate the entire DSRIP population. It is unknown how many clients may participate in DSRIP core activities implemented by multiple DSRIP performing providers. Additionally, DSRIP activities are intended to serve MLIU individuals, but 1) services are not limited to this population, and 2) it is not possible to link Medicaid clients with utilization of specific DSRIP services. Additionally, the change in reporting from project-level Category 1-4 reporting to provider-level Category A-D reporting means there is a lack of continuity in outcomes reporting, resulting in instrumentation threats to internal validity.

The proposed HLM analysis allows the evaluation to account for the effects of the RHP on selected outcomes; however, there may be insufficient Category C outcome data for these analyses. Category C data are new as of DY7 and have yet to be reported. While there is compliance monitoring in place to ensure validity of the data, it is unknown how consistently the outcomes will be reported across providers.

A DID analysis is proposed using Medicaid encounter data. While this is a robust method allowing for the comparison of individual-level outcomes over time, it is unknown the degree to which the Medicaid clients served by DSRIP performing providers are actually exposed to DSRIP core activities. It is possible these clients may visit their provider for Medicaid services without being exposed to DSRIP core activities. Other limitations include lack of data on the uninsured population and possible contamination of the treatment effect. For example, it is possible that non-DSRIP performing providers may implement similar, non-DSRIP-funded activities to improve care for their patients, thus diluting the treatment effect of DSRIP. It is also possible that some clients may receive care from both DSRIP and non-DSRIP

providers, raising the possibility of individuals who are in both the treatment and comparison groups simultaneously. Finally, the reliance on administrative claims and encounters can be a limitation. These data have been designed and collected for billing purposes, but are used to determine changes in continuity and quality of care. However, most of the selected measures are validated and widely used for this purpose.

UC Evaluation Methods

A quantitative approach will be used to evaluate two hypotheses specific to the UC component of the Demonstration. Sections following this overview provide more detail regarding the proposed measures, study population, data source, and proposed analytic methods.

The proposed evaluation question and hypotheses relate to UC as implemented from DY1-DY8. The UC program will undergo changes in DY9 and UC reimbursement will be for UC costs for charity care provided to uninsured individuals only. At the time of this draft negotiations are still ongoing. Should these changes to the UC program warrant specific evaluation questions or hypotheses, the evaluation design plan can be revised accordingly.

UC Proposed Measures

A measure has been selected or developed to operationalize each hypothesis. Table 6 provides an overview of all UC-specific evaluation questions and hypotheses aligned with its respective measure. Specific details regarding each of the proposed measures can be found in Appendix C: Detailed Tables.

Table 6. Uncompensated Care Evaluation Design Overview

Evaluation Hypothesis	Measure(s)	Study Population	Data Source(s) or Data Collection Method(s)	Analytic Methods
Evaluation Question 2: Did the Demonstration impact unreimbursed costs associated with the provision of care to the MLIU population for UC providers?				
2.1 The percentage of UC costs reimbursed through UC payments for each type of UC (overall, Medicaid shortfall, uninsured shortfall) will decrease throughout DY1-DY8.	2.1.1 UC costs reimbursed (percentage)	• Providers reporting UC costs	• DSH/UC application	• Trend analysis
2.2 The UC cost growth rate will slow over time for UC providers participating in the Demonstration.	2.1.2 UC cost growth rate	• Providers reporting UC costs	• DSH/UC application	• Multiple linear regression or growth curve modeling

Note. MLIU=Medicaid and low-income uninsured; UC=Uncompensated Care; DY=Demonstration year, October 1-September 30; DSH=Disproportionate Share Hospital.

UC Study Population

The UC population consists of UC providers, including hospitals, clinics, and other providers who provide "medical assistance," as defined in section 1905(a) of the Social Security Act, to individuals who cannot pay for the services received. Analyses may be limited to hospitals who submit an annual DSH/UC Application that collects costs and payment data on services eligible for reimbursement through the UC Pool.

Providers included in the UC analyses must have a current Medicaid provider identification number and participate in regional learning collaborative activities. In DY7 there were 486 UC providers (Table 7). This number may vary slightly from year to year.

Table 7.Uncompensated Care Providers by Type in Demonstration Year 7

Provider Type	Estimated Count*
Hospital	360
Physician Group Practice	17
Ambulance Providers	107
Dental Providers	2

Note. *These are estimated numbers as of June 2018 to be finalized by September 2018. Ambulance and dental providers are estimates for DY6.

UC Data Sources and Collection Plan

The evaluation will include quantitative data and research methods to comprehensively evaluate the UC Demonstration component. The secondary data source is described below.

UC Secondary Data Source

- **DSH/UC Application** – UC providers complete this application to apply for reimbursement for costs incurred providing services to Medicaid and uninsured individuals that are not otherwise reimbursed. These applications are submitted to HHSC annually, but are paid based on a two-year data lag. The UC cost reimbursements are adjusted for inflation as an estimate of the UC costs for the year of payment.

UC Proposed Analytic Methods

Quantitative methods will be used to evaluate the UC component of the Demonstration. This section describes the proposed analytic methods to determine outcomes as specified through UC measures.

UC Quantitative Analysis

Quantitative methods will be used to evaluate the UC component of the Demonstration. Below is a description of the analytic strategies that will be used to examine the evaluation hypotheses.

Univariate and Bivariate Statistics

Descriptive statistics will examine results for selected measures for each year in the pre- and post-measurement timeframes. For example, bivariate analyses will be used to explore trends in beneficiaries' access to care, quality of care, etc. Three descriptive quantitative analysis methods will be used to examine health and health care outcomes: McNemar's chi-square, Mann-Whitney U Test, and Wilcoxon Signed Rank Test. These nonparametric tests are appropriate when data are categorical or continuous but do not meet the assumptions (e.g., normality) used by parametric tests. Parametric analyses (e.g., t-tests, etc.) may be used as appropriate.

Descriptive Trend Analysis

Descriptive trend analysis will be used if the recommended minimum measurement time points for ITS are not available (i.e., eight pre- and eight post-Demonstration measurement time points). Univariate or bivariate statistics will be calculated on the same population at two or more points in time to determine if a trend exists.

Regression Analyses

Regression analyses will be used to evaluate the UC component of the Demonstration. Multiple linear regression (MLR) will be used to test for trend over time in the annual UC growth rate, while controlling for UC provider type, and regional/county-level characteristics. The proposed MLR model is specified as:

$$UC\ growth\ rate_{ij} = \beta_0 + \beta_1(time) + \beta_2(hosptype_{ii}) + \beta_3(regionalchar_{ij}) + \varepsilon_{ij}$$

Where UC growth rate is defined as ((UC $costs_j$ – UC $costs_{j-1}$) / UC $costs_{j-1}$) for hospital *i* in year *j*. Time is a time trend variable, hosptype is the hospital type for hospital *i* in year *j*, regionalchar is a vector of county-level or RHP-level

characteristics such as rural-urban continuum code, RHP tier, or Rider 38 Status for hospital i in year j, and ε is an error term. Alternately, evaluators may also choose to model changes in UC costs through growth curve modeling, using time (level 1), hospital-level characteristics (level 2), and regional-level characteristics (level 3).

Where appropriate, research methods will incorporate results from sensitivity analyses—such as a comparison of nominal to constant dollar amounts, and all UC providers to UC hospitals only—to simplify statistical models and test for robustness/model fit.

UC Methodological Limitations

Major limitations affecting the UC evaluation include lack of a comparison group, lack of a pre-period, and a two-year data lag. Analysis of UC was limited in the evaluation of the initial approval period due to the two-year lag between reporting of UC costs and receiving UC payments. Given these challenges, the UC evaluation will include a trend analysis of the percentage of UC costs reimbursed rather than more robust methods such as DID or ITS, but will also include a regression analyses to examine the change in the UC growth rate over time.

MMC Evaluation Methods

A quantitative approach will be used to evaluate five hypotheses specific to the MMC component of the Demonstration. Sections following this overview provide more detail regarding the proposed measures, study populations, data sources/data collection methods, and proposed analytic methods.

MMC Proposed Measures

A measure, or series of measures, has been selected or developed to operationalize each hypothesis. Table 8 provides an overview of MMC-specific evaluation questions and hypotheses aligned with their respective measures. Specific details regarding each of the proposed measures can be found in Appendix C: Detailed Tables.

Table 8. Medicaid Managed Care Design Overview

Evaluation Hypothesis	Measure(s)	Study Population	Data Source(s) or Data Collection Method(s)	Analytic Methods
Evaluation Question 3: Did the expansion of the MMC health care delivery model to additional populations and services improve health care (including access to care, care coordination, quality of care, and health outcomes) for MMC clients?				
3.1 Access to care will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.	3.1.1 CMS percentage of eligibles who received preventative dental services	• CMDS	• FFS claims and MMC encounter data • Member-level enrollment files • Member-level pharmacy data	• Interrupted time series analysis
	3.1.2 HEDIS® adult access to preventive/ ambulatory health services	• NF • FFCC • MBCC		
	3.1.3 HEDIS® children and adolescent access to primary care services	• AA • PCA		
	3.1.4 CMS screening for depression and follow-up plan	• NF • FFCC • AA • PCA • MBCC		
	3.1.5 Utilization of pharmacy benefits	• NF • FFCC • AA • PCA • MBCC		

Evaluation Hypothesis	Measure(s)	Study Population	Data Source(s) or Data Collection Method(s)	Analytic Methods
3.2 Care coordination will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.	3.2.1 Rate of service coordination utilization	• NF • FFCC • MBCC	• FFS claims and MMC encounter data • Member-level enrollment files	• Interrupted time series analysis
	3.2.2 Rate of clients with SPMI receiving Targeted Case Management	• MBCC • AA • PCA		
3.3 Quality of care will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.	3.3.1 HEDIS® antidepressant medication management	• NF • FFCC	• FFS claims and MMC encounter data • Member-level enrollment files • Member-level pharmacy data	• Interrupted time series analysis
	3.3.2 HEDIS® Use of first-line psychosocial care for children and adolescents on antipsychotics	• NF		
	3.3.3 Percent of Medicaid for Breast and Cervical Cancer clients receiving recommended treatment	• MBCC		
	3.3.4 Behavior modification	• NF	• NFQR Survey	• Descriptive trend analysis

Evaluation Hypothesis	Measure(s)	Study Population	Data Source(s) or Data Collection Method(s)	Analytic Methods
3.4 Health and health care outcomes will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.	3.4.1 CMS Children who have dental decay or cavities	• CMDS	• FFS claims and MMC encounter data • Member-level enrollment files	• Interrupted time series
	3.4.2 Pressure Ulcers	• NF		
	3.4.3 Symptoms of depression	• NF	• NFQR Survey	• Descriptive trend analysis
	Category C/D Measures*: 3.4.4 PPAs 3.4.5 PPVs 3.4.6 H2-510: Rate of ED visits for BH and SA	• NF • FFCC • AA • PCA • MBCC	• FFS claims and MMC encounter data • Member-level enrollment files	• Interrupted time series analysis
3.5 Client satisfaction will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.	3.5.1 Client satisfaction - NF	• NF	• NFQR Survey	• Descriptive trend analysis
	3.5.2 Client satisfaction - CAHPS	• AA • PCA • MBCC	• CAHPS Health Plan Survey	

Note. MMC=Medicaid managed care, FFS=Fee-for-service, CMS=Centers for Medicare and Medicaid Services, CMDS=Children's Medicaid Dental Services, HEDIS®=Healthcare Effectiveness Data and Information Set, NF=Nursing Facility, FFCC=Former Foster Care Children, MBCC=Medicaid for Breast and Cervical Cancer, AA=Adoption Assistance, PCA=Permanency Care Assistance, SPMI=Serious and persistent mental illness, NFQR=Nursing Facility Quality Review, PPA=Potentially preventable admissions, PPV=Potentially preventable emergency department visits, ED=Emergency department, BH=Behavioral health, SA=Substance abuse, CAHPS=Consumer Assessment of Healthcare Providers and Systems.

MMC Study Populations

The study population collectively refers to the MMC clients enrolled in their respective MMC program in the post-implementation period (post-MMC population) and clients who would have been eligible for the MMC program had it been available to them in the pre-MMC period (pre-MMC population). Pre- and post-MMC populations will be identified by applying the Medicaid Population Eligibility Criteria to the pre- and post-MMC populations (Maximus, 2017). The specific pre-MMC and post-MMC periods will align to implementation date by MMC program or population in the analysis.

The MMC clients are the primary unit of analysis to examine the expansion of managed care as a health care delivery model. Medicaid populations were selected for this evaluation because: 1) they were carved in by DY4/FFY 2015 and additional years of data were needed to complete trend analyses conducted in the initial evaluation (i.e., nursing facility), 2) they are new MMC beneficiaries and provide a natural experiment to compare FFS to MMC health care delivery models (i.e., STAR Kids, MBCC, AA, PCA), 3) they demonstrate changes to MMC beneficiary programs (i.e., FFCC), or 4) they require continued evaluation based on CMS feedback on populations of interest (i.e., Children's Medicaid Dental Services).

The MMC study populations include:

- **Children's Medicaid Dental Services** - In March 2012, dental managed care replaced the FFS delivery model for primary and preventive dental care. The Children's Medicaid Dental Services (CMDS) are provided through MMC for most children and young adults through age 20.

- **Nursing Facility (NF)** - On March 1, 2015, HHSC began delivering nursing facility benefits to qualifying adults age 21 and older through STAR+PLUS.

- **STAR Kids** – On November 1, 2016, MMC was expanded to children and young adults (20 years and younger) with disabilities. Previously, MMC was voluntary for this population, but enrollment is now mandatory with STAR Kids implementation. A pre-post implementation evaluation is currently

being conducted by Texas' EQRO[3]. Given this ongoing study, STAR Kids is not currently included in the evaluation of the Demonstration extension, but if results of the EQRO's study suggest further evaluation of STAR Kids is necessary, this evaluation design plan may be revised.

- **Former Foster Care Children (FFCC)** - On September 1, 2017, FFCC clients ages 18-20, based on their disability status, may choose between STAR, STAR Kids, or STAR Health. FFCC clients ages 21 - 25, based on disability status, are mandated to enroll in STAR or STAR+PLUS, as STAR Health and STAR Kids are not options for this age group.

- **Adoption Assistance (AA) and Permanency Care Assistance (PCA)** - On September 1, 2017, Medicaid AA and PCA recipients transitioned from FFS to either STAR or STAR Kids MMC.

- **Medicaid Breast and Cervical Cancer (MBCC)** - On September 1, 2017, women in the FFS Breast and Cervical Cancer program transitioned to MMC. These clients are a specific sub-set of the STAR+PLUS population.

MMC study populations will be identified using data from member-level enrollment files, specifically Medicaid category and type program. Using these data fields, clients can be identified in both FFS (pre-period) and MMC (post-period) (Table 9).

[3]External Quality Review Organization timeline includes five deliverables: 1) STAR Kids Managed Care Organization Site Visits, 2) Measures Feasibility - Survey, Screening and Assessment Instrument, Individual Service Plan, 3) Pre-/Post- Implementation survey measures, 4) Pre-/Post-Implementation Administration measures, and 5) Summary Report. Based on results from all deliverables (last deliverable due May 3, 2019), Texas Health and Human Services Center for Analytics and Decision Support may alter evaluation questions to include additional hypotheses/analyses.

Table 9. Overview of Medicaid Managed Care Populations

Population or Service	Medicaid Category	Medicaid Program Type	Medicaid Managed Care Program(s)	Average Monthly Enrollment, SFY 2017
Populations and services carved into MMC from FFS				
Children's Medicaid Dental Services	01, 02, 03, 04	01, 03, 07, 12, 13, 14, 15, 18, 19, 20, 21, 37, 40, 43, 44, 45, 47, 48, 51, 66, 67, 78, 79, 80, 81, 82, 87, 88	STAR STAR Kids STAR+PLUS	3,146,229
Nursing facility	01, 03, 04	12, 13, 14	STAR Kids STAR+PLUS	53,779
Adoption Assistance	02	15, 21	STAR STAR Kids	48,589
Permanency Care Assistance	02	78, 79, 80, 81	STAR STAR Kids	3,224
Medicaid for Breast and Cervical Cancer	N/A	67	STAR+PLUS	4,861
Population shifting from one MMC program to another				
Former Foster Care Children	02	09, 77, 82	STAR Health STAR STAR Kids STAR+PLUS	4,187

Note. Eligibility based on Appendix O: Medicaid Population Eligibility Criteria, EB 726 - EB Joint Interface Plan (JIP) - Update (Version 6.7). Average monthly enrollment provided by Health and Human Services Commission (HHSC) Forecasting. SFY=State fiscal year, September 1-August 31; MMC=Medicaid managed care, FFS=Fee-for-service.

The intention is to use the entire eligible population for the proposed MMC analyses. Therefore any changes pre- and post-expansion represent the population parameter. Parametric tests of hypotheses rely on sampling theory to produce estimates of likely error. If a researcher assumes a sample of a given size is selected from a population, knowledge of the systematic nature of sampling makes statistical testing, coefficient estimators, and standard errors meaningful. With a population, sampling theory is not relevant and statistical tests (e.g., t-tests) are not meaningful in the traditional sense because there is nothing to infer from a sample about the population. However, if there is a change and samples are necessary, the appropriate actions will be taken, including power calculations, to ensure traditional standards of scientific and academic rigor are met to ensure the validity of the findings.

MMC Data Sources and Collection Plan

The evaluation will include multiple sources and forms of qualitative and quantitative data and research methods to comprehensively evaluate the MMC Demonstration component. These data include both primary and secondary data sources, as outlined below.

MMC Secondary Data Sources

- **FFS Claims and MMC Encounter Data** - FFS claims and MMC encounter data have been processed by TMHP since January 1, 2004. The TMHP performs internal edits for data quality and completeness. The member-level claims/encounter data contain the CPT codes, ICD-10-CM codes, place of service codes, and other information necessary to calculate outcome measures. There is an approximate six-month time lag for claims and encounter data adjudication. Prior analyses with Texas data showed that, on average, over 96 percent of the claims and encounters are complete by that timeframe.
- **Member-Level Enrollment Files** - The enrollment file will be used to determine the pre-MMC and post-MMC populations, determine health care service delivery model (i.e., FFS or MMC), and enrollment gaps. The enrollment files contain information about the person's age, gender, race/ethnicity, county, the MCO in which the member is enrolled, and the number of months the member has been enrolled in the program.
- **Member-Level Pharmacy Data -**The member-level pharmacy data contain information about filled prescriptions, including the drug name, dose, date filled, number of days prescribed, and refill information.

MMC Proposed Analytic Methods

Quantitative methods will be used to evaluate the MMC component of the Demonstration. This section describes the proposed analytic methods to determine outcomes as specified through the proposed MMC measures. Where appropriate, research methods will incorporate results from sensitivity analysis to compare alternate subgroups (e.g., Medicaid clients continuously enrolled versus all Medicaid clients in a particular population), and other comparisons as necessary.

MMC Quantitative Analysis

Descriptive trend analysis and ITS will be the analytic strategies used to examine most of the evaluation questions. Although difference-in-difference (or regression discontinuity design) is considered to be a more robust quasi-experimental design than trend analysis or interrupted time series, that method is not feasible for this evaluation because the MMC expansion to additional populations and services was statewide and adequate comparison groups do not exist. Below is a description of the analytic strategies that will be used to examine the evaluation hypotheses.

Univariate and Bivariate Statistics

Descriptive statistics will examine results for selected measures for each year in the pre- and post-measurement timeframes. For example, bivariate analyses will be used to explore trends in beneficiaries' access to care, quality of care, etc. Three descriptive quantitative analysis methods will be used to examine health and health care outcomes: McNemar's chi-square, Mann-Whitney U Test, and Wilcoxon Signed Rank Test. These nonparametric tests are appropriate when data are categorical or continuous but do not meet the assumptions (e.g., normality) used by parametric tests. Parametric analyses (e.g., t-tests, etc.) may be used as appropriate.

Descriptive Trend Analysis

Descriptive trend analysis will be used if the recommended minimum measurement time points for ITS are not available (i.e., eight pre- and eight post-Demonstration measurement time points). Univariate or bivariate statistics will be calculated on the same population at two or more points in time to determine if a trend exists.

Interrupted Time Series

The ITS analysis uses aggregate data collected over equally spaced intervals before and after a policy change. A key assumption of ITS is that data trends before the policy change can be extrapolated to predict trends had the policy change not occurred. If MMC has an impact on an outcome of interest, the post-expansion trend will have a statistically significant slope that is different from the pre-expansion trend. When properly executed, ITS is a valuable method to evaluate the success, failure, or unintended consequences of health care policy on outcomes (Lagarde, 2012). However, given the serial nature of ITS data, autocorrelation, nonstationarity, and seasonality need to be considered. Failing to assess and correct for these factors can lead to biased results (Wagner, Soumerai, Zhang, &

Ross-Degnan, 2002). A key strength of ITS methodology is that a control site is not required, providing an alternate method of measuring the effect of an intervention "when randomization or identification of a comparison group are impractical" (Grimshaw, et al., 2003). Identifying comparison groups is not feasible due to the unique nature and statewide inclusion of the new MMC populations. The ITS method allows the target population to serve as its own comparison group in the pre/post analysis.

For outcome measures using ITS, the basic segmented regression model with one change point or intervention examines the relationship between the outcome of interest (Y_t) over time, before and after the policy change (e.g., population shifted from FFS to MMC or changed MMC programs):

$$Yt = \beta_0 + \beta_1 time + \beta_2 MMC\ expansion + \beta_3 postslope + \varepsilon_t$$

From the basic statistical model, β_0 reflects the baseline level of the outcome at the beginning of the pre-Demonstration timeframe; β_1 estimates the trend before MMC expansion; β_2 estimates the immediate impact of MMC expansion; and β_3 reflects the change in trend after MMC expansion. To ease interpretation, ITS results are presented as: baseline level, trend before MMC expansion, level change after MMC expansion, and trend after MMC expansion.

Pre and Post Time Periods for Interrupted Time Series

The pre and post time periods for the ITS analysis vary by program. A two-year baseline, or pre period, will be used to establish a monthly trend for the outcome of interest during the two years prior to the population's carve-in to MMC or change in MMC program. The post period will continue for five years, ending on September 30 of the fifth year to align with DY/FFY, subject to data availability. Specific pre and post periods for each MMC population are listed in Table 10.

Table 10. Pre and Post Periods for Medicaid Managed Care Interrupted Time Series Analysis

MMC Population	Pre Period	Post Period
Children's Medicaid Dental Services	March 1, 2010-February 29, 2012	March 1, 2012 – September 30, 2020
Nursing Facility	March 1, 2013 – February 28, 2015	March 1, 2015 – September 30, 2020
Former Foster Care Children Adoption Assistance Permanency Care Assistance Medicaid for Breast and Cervical Cancer	September 1, 2015-August 31, 2017	September 1, 2017 – September 30, 2022

Note. MMC=Medicaid managed care, pre period establishes baseline two years prior to MMC carve-in or shift in MMC program, post period starts with MMC carve-in or shift in MMC program.

MMC Methodological Limitations

Due to the statewide implementation of Texas' Demonstration, the MMC evaluation is limited by the lack of true comparison groups. All Medicaid clients in the state are subject to participation in the Demonstration. As a result, comparisons can only be made among beneficiaries; therefore while a pre/post evaluation design or comparison to baseline may suggest improvements in outcomes due to the Demonstration, associations do not imply causality.

While population-level data for the MMC evaluation is a strength of this evaluation, the reliance on administrative claims and encounters can be a limitation. These data have been designed and collected for billing purposes, but are used in the evaluation to determine changes in access to and quality of care. However, most of the selected measures are validated and widely used for this purpose. While administrative data might be able to identify key cases and statistical trends, they are usually limited in providing finer detailed health or health behavior information. Additionally, the use of population-level data precludes the use of significance testing since probability sampling and sampling error do not apply to measurements of difference at the population level. The effect size of measured differences represent true differences, though they may or may not correspond to meaningful changes at the program level.

Finally, data lags pose a challenge in measuring and reporting any change in a timely manner (Schoenberg, Heider, Rosenthal, Schwartz, & Kaye, 2015). Data lags specifically impact the MMC (6-9 months lag) component of the Demonstration.

Overall Demonstration Evaluation Methods

A mixed methods approach will be used to evaluate three hypotheses specific to the Overall Demonstration. Sections following this overview provide more detail regarding the proposed measures, study populations, data sources/data collection methods, and proposed analytic methods.

Overall Demonstration Proposed Measures

A measure, or a series of measures, has been selected or developed to operationalize each hypothesis. Table 11 provides an overview of Overall Demonstration-specific hypotheses aligned with their respective measures. Specific details regarding each of the proposed measures can be found in Appendix C: Detailed Tables.

Table 11.Overall Demonstration Evaluation Design Overview

Evaluation Hypothesis	Measure(s)	Study Population	Data Source(s) or Data Collection Method(s)	Analytic Methods
Evaluation Question 4: Did the Demonstration impact the development and implementation of quality-based payment systems in Texas Medicaid?				
4.1 The Demonstration will result in the development and/or implementation of a variety of APMs in Texas Medicaid.	4.1.1 APMs (planned and/or implemented) 4.1.2 Perceived barriers to developing and/or implementing APMs 4.1.3 Perceived benefits to developing/ implementing APMs	• MCOs • DSRIP performing providers	• MCO APM reporting tool • APM survey	• Content analysis • Descriptive statistics, as applicable • Thematic content analysis

Evaluation Hypothesis	Measure(s)	Study Population	Data Source(s) or Data Collection Method(s)	Analytic Methods
Evaluation Question 5: Did the Demonstration transform the health care system for the MLIU population in Texas?				
5.1 The Demonstration will result in a reduction of potentially preventable ED use for the MLIU population.	5.1.1 Rate of potentially preventable ED use	• MLIU individuals	• Texas Emergency Department Data from THCIC	• Interrupted time series
5. 2 The Demonstration will result in overall cost savings as compared to the Medicaid program without the Demonstration, as shown in the budget neutrality calculation.	5.2.1 Demonstration cost growth rate	• MLIU individuals	• Demonstration Budget Neutrality Worksheet	• Descriptive trend analysis

Note. APM=Alternative payment model, MCO=Managed care organization, DSRIP=Delivery System Reform Incentive Payment, MLIU=Medicaid and low-income uninsured, ED=Emergency department, THCIC= Texas Health Care Information Collection.

Overall Demonstration Study Populations

Each hypothesis in this section has a unique study population described here.

- **DSRIP Performing Providers** – Providers who are eligible to receive DSRIP incentive payments must have a current Medicaid provider identification number. Performing providers include hospitals, CMHCs, LHDs, and physician practices. Performing providers are responsible for: 1) implementing Core Activities to achieve the Category C Measure Bundles and Measures; and 2) measuring, reporting, and improving performance on the Category C Measures and Measure Bundles.

- **Managed Care Organizations (MCOs) –** The health plans contracted with HHSC to administer Medicaid services through a network of contracted providers for the Medicaid clients enrolled in their plan.

- **Medicaid and Low-Income Uninsured (MLIU) Individuals**– The number of MLIU individuals served by the performing provider during the DY. The MLIU are a subset of the total patient population by provider, which are the total number of individuals served in a provider

Overall Demonstration Data Sources and Collection Plan

The evaluation will include multiple sources and forms of qualitative and quantitative data and research methods to comprehensively evaluate the Overall Demonstration. These data include both primary and secondary data sources as described here.

Overall Demonstration Primary Data Sources

- **Alternative Payment Model (APM) Survey** - The DSRIP performing providers and MCOs will be surveyed regarding their experience planning and implementing APMs. This survey will be developed by the external evaluator but should include questions to address Evaluation Question 4 and related hypotheses in Table 11. In lieu of a stand-alone survey, external evaluators and HHSC may agree to include questions related to these hypotheses on existing reporting tools, such as the MCO APM Reporting Tool, DSRIP Annual Reporting, and/or RHP plan updates.

Overall Demonstration Secondary Data Sources

- **Budget Neutrality Worksheet –** HHSC and CMS work together to determine the total cost of the Demonstration. "Without waiver" costs are projections based on what the services provided would cost without the Demonstration. The "with waiver" calculations are made for all years of the Demonstration, basing past years are on actual costs and projecting future years.

- **Managed Care Organization (MCO) Alternative Payment Model (APM) Reporting Tool** - Starting September 1, 2018, MCOs will be required to report on their APM activity, both implemented and planned. Information from this tool will be used to learn about the types of APMs implemented throughout the Medicaid program in Texas.

- **Texas Emergency Department Data** - The Texas Department of State Health Services (DSHS) Health Care Information Collection (THCIC) began collecting ED data from hospitals on January 1, 2015, and is available starting with ED visits in 2016. The Texas Emergency Department data set includes individual-level data for inpatient and outpatient visits involving the ED.

Overall Demonstration Proposed Analytic Methods

The qualitative and quantitative analytic methods proposed for the overall Demonstration evaluation are described below.

Overall Demonstration Qualitative Analysis

Content Analysis

Through content analysis, documents (i.e., MCO APM reporting tool) will be systematically examined to extract descriptive data that can be quantified (Vaismoradi, Turunen, & Bondas, 2013) in a structured dataset. This method will be used to identify the types of APMs MCOs have with MMC providers Once the documents have been reviewed and extracted data categorized, descriptive statistics specific to the type of APM, provider type participating in the APM, etc. will be calculated.

Thematic Content Analysis

Thematic content analysis will be used to evaluate responses to any open-ended questions related to APM planning and/or implementation and perceived barriers/benefits to their development and implementation in Texas Medicaid. These questions may be included on the APM survey or other reporting documents as described in the Overall Demonstration data sources sections. Thematic content analysis will be used to analyze and interpret responses for emerging themes among DSRIP performing providers and MCOs. Through this method, documents are coded, and then codes are grouped together using inductive or deductive reasoning as themes among codes consistently emerge (Vaismoradi, Turunen, & Bondas, 2013).

Overall Demonstration Quantitative Analysis

Quantitative methods will also be used to evaluate the overall Demonstration. Below is a description of the analytic strategies that will be used to examine the evaluation hypotheses.

Univariate and Bivariate Statistics

Descriptive statistics will examine results for selected measures for each year in the pre- and post-measurement timeframes. For example, bivariate analyses will be used to explore trends in beneficiaries' access to care, quality of care, etc. Three descriptive quantitative analysis methods will be used to examine health and health care outcomes: McNemar's chi-square, Mann-Whitney U Test, and Wilcoxon Signed Rank Test. These nonparametric tests are appropriate when data are categorical or continuous but do not meet the assumptions (e.g., normality) used by parametric tests. Parametric analyses (e.g., t-tests, etc.) may be used as appropriate.

Descriptive Trend Analysis

Descriptive trend analysis will be used if the recommended minimum measurement time points for ITS are not available (i.e., eight pre- and eight post-Demonstration measurement time points) or this method is inappropriate for the data available. Univariate or bivariate statistics will be calculated on the same population at two or more points in time to determine if a trend exists.

Interrupted Time Series

The ITS analysis uses aggregate data collected over equally spaced intervals before and after a policy change. A key assumption of ITS is that data trends before the policy change can be extrapolated to predict trends had the policy change not occurred. If the Demonstration has an impact on an outcome of interest, the post-expansion trend will have a statistically significant slope that is different from the pre-expansion trend. When properly executed, ITS is a valuable method to evaluate the success, failure, or unintended consequences of health care policy on outcomes (Lagarde, 2012). However, given the serial nature of ITS data, autocorrelation, nonstationarity, and seasonality need to be considered. Failing to assess and correct for these factors can lead to biased results (Wagner, Soumerai, Zhang, & Ross-Degnan, 2002). A key strength of ITS methodology is that a control site is not required, providing an alternate method of measuring the effect of an intervention "when randomization or identification of a comparison group are impractical" (Grimshaw, et al., 2003). Identifying comparison groups is not feasible due to the unique nature and statewide implementation of the Demonstration. The ITS method allows the target population to serve as its own comparison group in the pre/post analysis.

For outcome measures using ITS, the basic segmented regression model with one change point or intervention examines the relationship between the outcome of interest (Y_t) over time, before and after the policy change (e.g., specific DSRIP projects shifted to core activities):

$$Yt = \beta_0 + \beta_1 time + \beta_2 MMC\ expansion + \beta_3 postslope + \varepsilon_t$$

From the basic statistical model, β_0 reflects the baseline level of the outcome at the beginning of the baseline period before the Demonstration was renewed; β_1 estimates the trend before the Demonstration was renewed; β_2 estimates the immediate impact of the Demonstration renewal; and β_3 reflects the change in trend after the Demonstration was renewed. To ease interpretation, ITS results are presented as: baseline level, trend before Demonstration renewal, level change after Demonstration renewal, and trend after Demonstration renewal.

Pre and Post Time Periods for Interrupted Time Series

The pre and post time periods for the ITS analysis include a two-year baseline, or pre period, established during the two years prior to the Demonstration renewal. The post period will continue for five years, depending on availability of the data (Table 10).

Overall Demonstration Methodological Limitations

There are several limitations to evaluating the overall Demonstration. First, given the statewide, multifaceted nature of the Demonstration, no valid comparison groups are available to compare outcomes under the conditions of the Demonstration to outcomes under baseline conditions. The proposed APM evaluation uses a newly-developed MCO APM Reporting Tool. While this tool underwent thorough review and vetting during its development, it has not yet been used so the quality and consistency of the self-reported MCO data is unknown at this time. Provider-level data gathered for the APM analysis will also be self-reported data.

Use of the Texas Emergency Department Data from THCIC is a strength of the Overall Demonstration evaluation since it contains individual-level data for Medicaid and uninsured individuals in Texas, but data are only available as of 2016. This allows for a pre/post comparison of ED outcomes before and after the Demonstration renewal (the focus of this evaluation), but does not allow for a comparison of outcomes earlier in the initial approval period or before the Demonstration began in FFY 2012.

Finally, the Budget Neutrality Worksheet includes actual Demonstration costs for years in which data are available ("with waiver'), but the "without waiver" costs are projections, as demonstrated by budget neutrality. While these simulated costs allow for a comparison of costs under Demonstration and non-Demonstration conditions, actual costs had the Demonstration not been implemented cannot be determined.

More broadly, the evaluation faces threats to internal validity from history and maturation. As noted, the Demonstration involves simultaneous implementation of multiple state efforts to address improvements in DSRIP/UC/MMC. These concurrent changes to the baseline conditions make it difficult to isolate the effect of one component, let alone determine which strategy is most successful.

Maturation threats resulting from concurrent changes to economic, environmental (e.g., Hurricane Harvey), or demographic factors also present problems for causal inference.

Data Quality and Validation

The DSRIP reporting data is subject to compliance monitoring, the primary purpose of which is to validate data submitted by performing providers that serves as the basis of their DSRIP payments. As part of the approval of the DSRIP program, CMS required HHSC to contract with an independent assessor (also known as the compliance monitor) by the end of 2014, to conduct a transparent review of all RHPs established under DSRIP. The compliance monitor also performed additional reviews of the DSRIP projects to validate performance data reported by providers. With the extension of the waiver for the next several years, HHSC will continue to contract with a compliance monitor to validate provider performance data that serves as the basis for DSRIP payments. This validation includes a review of health outcomes and the population impact. Additionally, the compliance monitor may assist with other items as required by CMS during waiver negotiations. DSRIP performing providers are randomly selected for compliance monitoring and each has been selected at least once since the initiation of the DSRIP program.

The MMC encounter data have been processed by TMHP since January 1, 2004. TMHP performs internal edits for data quality and completeness. There is a six-month time lag for claims and encounter data. Prior analyses with Texas data showed that, on average, over 96 percent of the claims and encounters are complete by that time period.

Special Methodological Considerations

Given the Demonstration is a waiver renewal, Texas seeks to reduce evaluation reporting for MMC programs and populations now considered to be standard Medicaid policy that were rigorously evaluated and found to be successful (i.e., STAR and STAR+PLUS expansion to new SDAs). Additional results from the previous evaluation also found RHPs were successfully formed and DSRIP implemented (Texas Health and Human Services Commission, 2017). Therefore, this Evaluation Design Plan focuses on the CMS priority policy area of DSRIP (United States Government Accountability Office, 2018), continued evaluation of UC, and new MMC populations.

The Demonstration proposes to affect dynamic change throughout the health care delivery system for the MLIU population and providers in Texas. Systemic change does not occur quickly, and can rarely be measured immediately when it does happen (Rose, 2001). Additionally, modifications to Demonstration operations and reporting present challenges to measuring changes in outcomes over time. Finally, data lags pose a challenge to measuring and reporting any change in a timely manner (Schoenberg, Heider, Rosenthal, Schwartz, & Kaye, 2015). Data lags specifically impact the UC (two-year lag) and the MMC (6-9 months lag) components of the Demonstration.

The evaluation of DSRIP involves several limitations, depending on the data source and analytic strategy. With regard to DSRIP provider reporting data, though DSRIP providers report the number of unique individuals served through their projects (DY2-6) and within their provider system (DY7-10), these counts are unique only at the performing provider level and cannot be aggregated across providers to enumerate the entire DSRIP population. It is unknown how many clients may participate in DSRIP activities implemented by multiple DSRIP performing providers. Additionally, DSRIP activities are intended to serve MLIU individuals, but 1) services are not limited to this population, and 2) it is not possible to link Medicaid clients with utilization of specific DSRIP services. Additionally, the change in reporting from project-level Category 1-4 reporting to provider-level Category A-D reporting means there is a lack of continuity in outcomes reporting, resulting in instrumentation threats to internal validity. While HLM is proposed to evaluate the DSRIP program, there may be insufficient Category C outcome data for these analyses.

Evaluating individual-level DSRIP outcomes through encounter data also involves several drawbacks, including lack of data on the uninsured population and possible contamination of the treatment effect. Notably, the comparison group of non-DSRIP providers may have similar, non-DSRIP initiatives focused on the outcome of interest (e.g., diabetes control), which may dilute the treatment effect of DSRIP. It is also possible that some clients may receive care from both DSRIP and non-DSRIP providers, raising the possibility of individuals who are in both the treatment and comparison groups simultaneously.

Due to the statewide implementation of Texas' Demonstration, the MMC evaluation is limited by the lack of true comparison groups. All Medicaid clients in the state are subject to participation in the Demonstration. As a result, comparisons can only be made among beneficiaries; therefore while a pre/post evaluation design or

comparison to baseline may suggest improvements in outcomes due to the Demonstration, associations do not imply causality.

The staggered expansion of DSRIP activities and MMC statewide, including geographic variations in implementation, present challenges for rigorous evaluation. Many components of the detailed evaluation design plan will need to be deferred until after additional DSRIP deliverables are available (Transition Plan STC 37 due October 1, 2019 and DSRIP protocols for DY9-10 due July 31, 2019). Additional amendments to STCs may require updates to the evaluation plan (STC 7(g)). Any changes will be reflected in STC Attachment S (Evaluation Design) tracking document (Appendix A: Document History Log).

While population-level data for the MMC evaluation is a strength of this evaluation, the reliance on administrative claims and encounters can be a limitation. These data have been designed and collected for billing purposes, but are used to determine changes in access to and quality of care. However, most of the selected measures are validated and widely used for this purpose. While administrative data might be able to identify key cases and statistical trends, they are usually limited in providing finer detailed health or health behavior information. Additionally, the use of population-level data precludes the use of significance testing since probability sampling and sampling error do not apply to measurements of difference at the population level. The effect size of measured differences represent true differences, though they may or may not correspond to meaningful changes at the program level. Finally, history and maturation pose threats to the internal validity of the evaluation. Most notably, the Demonstration involves simultaneous implementation of multiple state efforts to address improvements in DSRIP/UC/MMC. These concurrent changes to the baseline conditions make it difficult to isolate the effect of one component, let alone determine which strategy is most successful. Maturation threats resulting from concurrent changes to economic, environmental (e.g., Hurricane Harvey), or demographic factors also present problems for causal inference.

Communication, Dissemination, and Reporting

The Interim and Summative Evaluation reports will be produced in alignment with the Attachment P of the STCs, *Preparing the Evaluation Report,* and the schedule of deliverables listed in the timeline (Table 12).

After the Interim Evaluation report is submitted, we will revisit the evaluation questions in the evaluation design plan to determine their relevance with respect to the Summative Evaluation. If revisions are necessary, we will work collaboratively with HHSC, CMS, and consider other stakeholder feedback to ensure the evaluation questions will provide meaningful information regarding the impact of the Demonstration.

Table 12. Schedule of Evaluation Deliverables

Deliverable	Date
STCs approved for the 1115(a) Waiver renewal	December 21, 2017
HHSC submits draft Evaluation Design Plan to CMS for comments and posts to the state's Demonstration website (no later than 120 calendar days after approval of demonstration extension)	April 19, 2018
HHSC received comments from CMS (no later than 60 business days of receipt of draft Evaluation Design Plan)	May 10, 2018
HHSC submits revised Evaluation Design (no later than 60 calendar days of receipt of CMS comments) and posts to the state's Demonstration website	July 9, 2018
HHSC procures an independent evaluator	By September 1,2019
HHSC submits draft Interim Evaluation Report to CMS for comment	September 30, 2021
HHSC receives comments from CMS (within 60 business days)	By December 29, 2021
HHSC submits final Interim Evaluation Report to CMS (within 60 calendar days of receipt of comments)	By March 28, 2022
HHSC submits draft Final Evaluation Report to CMS for comment	March 30, 2024
HHSC receives comments from CMS (within 60 business days)	By June 24, 2024
HHSC submits Final Evaluation Report to CMS (within 60 calendar days of receipt of comments)	By September 18, 2024

Note. STC=Special Terms and Conditions, HHSC=Health and Human Services Commission, CMS=Centers for Medicare and Medicaid Services.

State Presentations for the Centers for Medicare and Medicaid Services (CMS)

As specified in STC 71, if requested by CMS, Texas will participate in discussions with and/or present to CMS the Evaluation Design plan and/or evaluation findings.

Public Access

Texas shall post final versions of the Evaluation Design Plan, Interim Evaluation Report, and Summative Evaluation Report on the state's DSRIP website within 30 days of approval by CMS (STC 72).

Additional Publications and Presentations

Attachment O to the STCs, *Developing the Evaluation Design,* endorses dissemination of 1115(a) Demonstration evaluation findings on "what is or is not working and why," Texas proposes a protocol for communicating evaluation publications and presentations incorporating direction from CMS STC 73. Texas HHSC CADS Evaluation will make every effort to provide CMS ten (10) business days to review and comment on manuscripts and presentations submitted to a journal, or conference for consideration of publication or acceptance for presentation, respectively. Although STC 73 also refers to 'contractors and any third party directly connected to the demonstration,' HHSC CADS can only impose this requirement for CMS review on CADS evaluators and evaluation contractors, not other parties involved with the Demonstration in other ways (i.e., DSRIP performing providers).

Additionally, all peer-reviewed and non-peer-reviewed publications and presentations will be listed as an appendix in the Interim and Summative Evaluation Reports.

Appendix A: Document History Log

Table A1. Document History Log

Status[1]	Document Revision[2]	Effective Date	Description[3]
Baseline	n/a	April 20,2018	Initial version of STC Attachment S: "Evaluation Design Plan "
Revision	2.1	July 9, 2018	Updated based on CMS feedback received May 10, 2018

Note. STC=Special Terms and Conditions, CMS=Centers for Medicare and Medicaid Services.

[1] Status should be represented as "Baseline" for initial issuances, "Revision" for changes to the Baseline version, and "Cancellation" for withdrawn versions.

[2] Revisions should be numbered according to the version of the issuance and sequential number of the revision - e.g., "1.2" refers to the first version of the document and the second revision.

[3] Brief description of the changes to the document made in the revision.

Appendix B: Independent Evaluator and Budget

The Special Terms and Conditions (STCs) state the Demonstration evaluation must be conducted by an independent evaluator. To meet this requirement, Health and Human Services Commission (HHSC) will identify and contract with an independent external evaluator.

External Independent Evaluator

Required Qualifications

HHSC will select an independent evaluator with the expertise, experience, and impartiality to conduct a scientifically rigorous program evaluation meeting all requirements specified in the STCs, including the skills needed to examine measures in Appendix C, and meet deadlines in table 5 (Schedule of Evaluation Deliverables). Required qualifications and experience include multi-disciplinary health services research skills and experience; an understanding of and experience with the Medicaid program; familiarity with Texas HHSC programs and populations; and experience conducting complex, multi-faced evaluations of large, multi-site health and/or social services programs.

Potential evaluation entities will be assessed on their relevant work experience, staff expertise, data management and analytic capacity, experience working with state agency program and research staff, proposed resource levels and availability of key staff, track record of related publications in peer-reviewed journals, and the overall quality of their proposal. Proposed deliverables must meet all standards of leading academic institutions and academic journal peer review. In the process of identifying, selecting, and contracting with an independent external evaluator, Texas will act appropriately to prevent a conflict of interest with the independent external evaluator, including the requirement to sign a declaration of "No Conflict of Interest."

HHSC will pursue a contract to secure independent evaluation services from a Texas university. The contracting process includes development of a project proposal and quote request specifying the Scope of Work, vendor qualifications, vendor requirements, timelines, milestones, and cost estimate template. The cost estimate template will include a breakdown of costs for staffing, fringe benefit, travel, equipment and supplies, data collection, other administrative, and indirect costs.

The project proposal and quote request is sent to the list of Texas universities allowing 30 calendar days for response. A team of reviewers at HHSC will be identified prior to the submission deadline of proposals. Each proposal submitted in response to the request will be reviewed by the HHSC team of reviewers. Respondents with the best proposal and value are identified by the team. HHSC will make a final decision for contract award based on the strength of the overall proposal and the abilities of the external entity to satisfy the requirements of the project proposal and quote request and conduct the independent evaluation in the timeframe required. The contracting process begins once a university is selected.

The timeframe for soliciting and contracting for an independent evaluator is 6-12 months from the date an Evaluation Design Plan is approved by the Centers for Medicare and Medicaid Services (CMS).

Evaluation Budget

As required by CMS in Attachment O of the STCs, Section F(2), the proposed budget shell includes: total estimated cost, estimated staff, administrative, and other costs for all aspects of the evaluation. The total budget for the external independent evaluator is estimated to be approximately $6 million for five years (September 1, 2019 through August 31, 2024)[4], but the final budget will not be available until the external evaluator is selected. The estimated budget amount will cover all evaluation expenses, including salary, fringe, administrative costs, other direct costs such as travel for data collection, conference calls, as well as indirect costs and those related to quantitative and qualitative data collection and analysis, and report development.

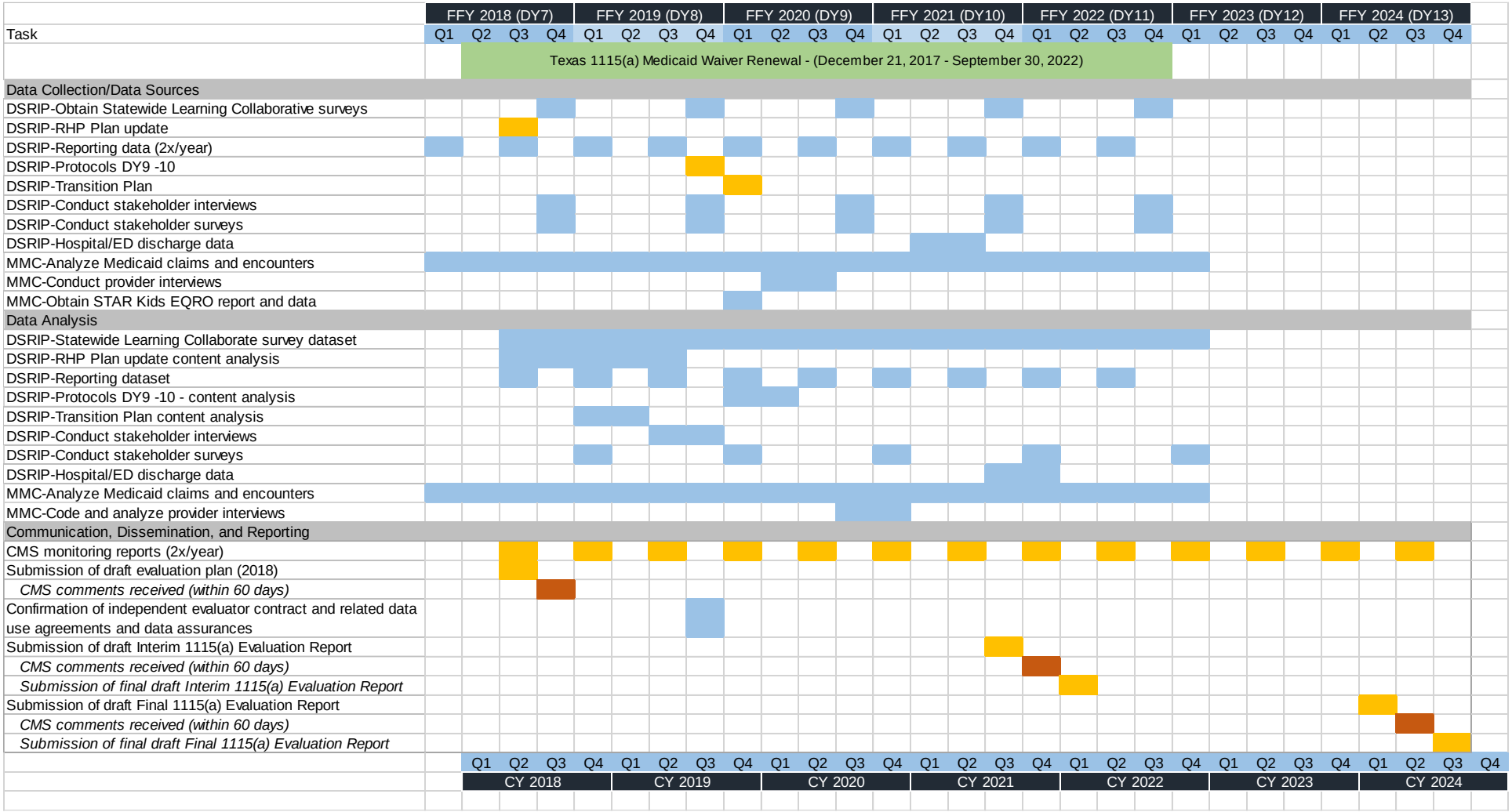
As part of the contracting process, potential contractors will populate the budget shell (Table B1).

[4] The external evaluator timeframe, September 1, 2019 through August 31, 2024, is based on the time needed for the Centers for Medicare and Medicaid Services (CMS) to approve the Evaluation Design Plan and to contract with an External Evaluator. The contract timeframe extends through CMS approval of the final Summative Evaluation Report, allowing time for External Evaluators to address any CMS comments/questions.

Table B1. Proposed Evaluation Budget

Category	Total Cost
Personnel	
Fringe	
Travel	
Indirect Costs	
Data Collection	
Equipment/Supplies	
Other Administrative Costs	
TOTAL EVALUATION COST	

Table B2. Estimated Evaluation Timeline and Major Milestones



Note. FFY=Federal fiscal year, October 1-September 30; DY=Demonstration year, October 1-September 30; Q1=October, November, and December; Q2=January, February, and March; Q3=April, May, and June; Q4=July, August, and September; DSRIP=Delivery System Reform Incentive Payment;

RHP=Regional Healthcare Partnership; ED=Emergency department; MMC=Medicaid managed care; STAR Kids=MMC program for disabled through 20 years; EQRO=External quality review organization; CMS=Centers for Medicare and Medicaid Services; CY=Calendar year.

Appendix C: Detailed Tables

Evaluation Question 1: ***Did the Delivery System Reform Incentive Payment (DSRIP) program incentivize changes to transform the health care system for the Medicaid and low-income uninsured (MLIU) population in Texas?***

Hypothesis 1.1: DSRIP incentivized changes to the health care system that maintained or increased collaboration among providers.

Measure 1.1.1	Type of collaboration
Definition	Ties, or collaborative relationships between organizations will be classified as: any collaboration, joint service delivery, resource sharing, data sharing, DSRIP learning collaborative, or HIE participation.
Study Population	• DSRIP performing providers
Measure Steward or Source	N/A
Technical Specifications	Ties identified will be categorized into all applicable categories: • Joint service delivery - working with another organization to provide services to patients • Resource sharing - two organizations share tangible resources (i.e., office space) • Data sharing - two organizations have a formal data sharing agreement to share patient data • DSRIP learning collaborative - two organizations attend the same DSRIP learning collaborative • HIE membership • Any collaboration - working with another organization in any capacity
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting (sampling frame) • Social network analysis survey • Learning collaborative reporting, if necessary
Comparison Group(s)/ Subgroup(s)	• RHP subgroups • DSRIP performing provider status subgroups
Analytic Methods	• Social network analysis • Descriptive statistics, including trend analysis with DY2-5 data, if possible
Benchmark	None

Note. DSRIP=Delivery System Reform Incentive Payment; HIE=Health information exchange; RHP=Regional Healthcare Partnership; DY=Demonstration year, October 1-September 30.

Measure 1.1.2	Number of ties
Definition	Count of ties, or collaborative relationships, between organizations
Study Population	• DSRIP performing providers
Measure Steward or Source	N/A
Technical Specifications	If an organization indicates it collaborates with another organization, this tie is counted. The collaboration does not necessarily need to be confirmed by the other organization. Unconfirmed (one-way, identified by one organization) and confirmed ties (ties identified by both organizations) are counted as one tie.
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting (sampling frame) • Social network analysis survey
Comparison Group(s)/ Subgroup(s)	• RHP subgroups • DSRIP performing provider status subgroup
Analytic Methods	• Social network analysis • Descriptive statistics, including trend analysis with DY2-5 data, if possible
Benchmark	None

Note. DSRIP=Delivery System Reform Incentive Payment; RHP=Regional Healthcare Partnership; DY=Demonstration year, October 1-September 30.

Measure 1.1.3	Strength of ties (multiplexity)
Definition	Indicated by the number of ties between two organizations. Organizations can have up to five types of ties between one another: joint service delivery, resource sharing, data sharing, DSRIP learning collaborative, and/or HIE membership. The greater number of types of ties between the pair, the stronger the tie.
Study Population	• DSRIP performing providers
Measure Steward or Source	N/A
Technical Specifications	The count of the types of ties shared by two organizations is the strength of the tie. For example, if two organizations share one type of tie, the strength of the tie is 1; if they share two types of ties, the strength of the tie is 2, etc.
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting (sampling frame) • Social network analysis survey
Comparison Group(s)/ Subgroup(s)	• RHP subgroups • DSRIP performing provider status subgroup
Analytic Methods	• Social network analysis • Descriptive statistics, including trend analysis with DY2-5 data, if possible
Benchmark	None

Note. DSRIP=Delivery System Reform Incentive Payment; HIE=Health information exchange; RHP=Regional Healthcare Partnership; DY=Demonstration year, October 1-September 30.

Measure 1.1.4	Density
Definition	The proportion of ties that exist among the ties that are possible. If all organizations in a network share ties (indicate they work together) the density of ties in the network is 100%.
Study Population	• DSRIP performing providers
Measure Steward or Source	N/A
Technical Specifications	Calculated as a percent: **Numerator:** Number of ties that exist among organizations (regardless of strength of the ties) **Denominator:** Total number of ties possible within the network among DSRIP performing providers **Density:** (numerator / denominator) * 100
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting (sampling frame) • Social network analysis survey
Comparison Group(s)/ Subgroup(s)	• RHP subgroups • DSRIP performing provider status subgroup
Analytic Methods	• Social network analysis • Descriptive statistics, including trend analysis with DY2-5 data, if possible
Benchmark	None

Note. DSRIP=Delivery System Reform Incentive Payment; RHP=Regional Healthcare Partnership; DY=Demonstration year, October 1-September 30.

Measure 1.1.5	Centralization
Definition	The degree to which ties are concentrated, or centered on one or more organizations in the network.
Study Population	• DSRIP performing providers
Measure Steward or Source	N/A
Technical Specifications	Network centralization is calculated using degree centrality for each individual node in the network: Numerator: Sum of differences between each node's centrality and the centrality of the most central node Denominator: Maximum number of ties possible in the network Centralization: (numerator / denominator)
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting (sampling frame) • Social network analysis survey
Comparison Group(s)/ Subgroup(s)	• RHP subgroups • DSRIP performing provider status subgroups
Analytic Methods	• Social network analysis • Descriptive statistics, including trend analysis with DY2-5 data, if possible
Benchmark	None

Note. DSRIP=Delivery System Reform Incentive Payment; RHP=Regional Healthcare Partnership; DY=Demonstration year, October 1-September 30.

Measure 1.1.6	Attitude toward collaboration
Definition	How positively or negatively an organization views collaboration with other organizations.
Study Population	• DSRIP performing providers
Measure Steward or Source	None
Technical Specifications	Organizations participating in the structured interview for the social network analysis will be asked questions indicating how they feel about collaborating with other RHP member and non-member organizations. Attitudes toward collaboration will be measured on a Likert-type scale (1-5). Organizations will also be given the opportunity to provide additional comments regarding collaboration (open-ended).
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting (sampling frame) • Social network analysis survey
Comparison Group(s)/ Subgroup(s)	• RHP subgroups • DSRIP performing providers status subgroups
Analytic Methods	• Descriptive statistics, including trend analysis with DY2-5 data, if possible • Thematic content analysis (open-ended responses)
Benchmark	None

Note. DSRIP=Delivery System Reform Incentive Payment; RHP=Regional Healthcare Partnership; DY=Demonstration year, October 1-September 30.

Measure 1.1.7	Health information exchange membership
Definition	DSRIP performing providers who belong to HIE(s). DSRIP performing providers will be classified as HIE members or non-members, as well as the number of HIEs to which they belong.
Study Population	• DSRIP performing providers
Measure Steward or Source	None
Technical Specifications	DSRIP performing providers will be asked to report membership in HIE(s). They will be asked to report the name of the HIE(s) to which they belong.
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting
Comparison Group(s)/ Subgroup(s)	• RHP subgroups
Analytic Methods	• Descriptive statistics
Benchmark	None

Note. DSRIP=Delivery System Reform Incentive Payment, HIE=Health information exchange, RHP=Regional Healthcare Partnership.

Measure 1.1.8	Use of health information exchange data for Delivery System Reform Incentive Payment reporting
Definition	DSRIP performing providers who use information from HIEs in their DSRIP reporting.
Study Population	• DSRIP performing providers
Measure Steward or Source	None
Technical Specifications	DSRIP performing providers will be asked to provide the source of information used in DSRIP reporting, for both numerators and denominators, where appropriate. Data sources may include, but are not limited to: electronic health records, claims data, HIE, etc. **Numerator:** Number of providers using HIE as a data source for at least one measure **Denominator:** Number of DSRIP performing providers submitting reporting for Category A-D **Use of HIE data (%):** (numerator / denominator) * 100
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting
Comparison Group(s)/ Subgroup(s)	• RHP subgroups
Analytic Methods	• Descriptive statistics
Benchmark	None

Note. DSRIP=Delivery System Reform Incentive Payment, HIE=Health information exchange, RHP=Regional Healthcare Partnership.

Hypothesis 1.2: DSRIP incentivized performing providers to improve continuity, quality, and cost of care for Medicaid clients with Diabetes.

Measure 1.2.1	New patient to existing patient ratio
Definition	The ratio of new to established patient visits per provider per year
Study Population	• DSRIP and non-DSRIP providers of MMC clients with diabetes
Measure Steward or Source	• N/A
Technical Specifications	• Obtain encounter data for MMC clients with diabetes • Using CPT codes for new (99201-99205) vs. established (99211-99215) client visits, determine the number of each type of visit per provider per FFY • Calculate ratio of new to existing patients per provider by for the pre and post periods • Calculate ratio of new to existing patients per provider by for clients visiting DSRIP providers and non-DSRIP providers
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• Medicaid encounter data
Comparison Group(s)/ Subgroup(s)	• RHP and/or RHP tier • Race/ethnicity

Analytic Methods	• Difference-in-difference comparison between Medicaid clients seen by a DSRIP performing providers versus non-DSRIP providers
	  ○ Proposed pre-period: DY4
	  ○ Proposed post-period: DY8

Benchmark	None

Note. DSRIP=Delivery System Reform Incentive Payment; MMC=Medicaid managed care; CPT=Current Procedural Terminology; FFY=Federal fiscal year, October 1-September 30; RHP=Regional Healthcare Partnership; DY=Demonstration year, October 1-September 30.

Measure 1.2.2	Diabetes Poor Control
Definition	Individuals with diabetes with an HbA1c of > 9.0
Target Population(s)	• Medicaid clients with a diagnosis of diabetes
Measure Steward or Source	NCQA (HEDIS® measure: HbA1c poor control (>9.0%))
Technical Specifications	Clients with diabetes have a diagnosis according to the HEDIS® Value Set: Diabetes Apply HEDIS® Value Sets related to HbA1c to the most recent HbA1c measure for each client to determine if diabetes is poorly controlled (HbA1c>9.0%)
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible).
Data Source(s)/ Data Collection Method(s)	• Medicaid encounter data
Comparison Group(s)/ Subgroup(s)	• RHP and/or RHP tier • Race/ethnicity

Analytic Method(s)	• Difference-in-difference comparison between Medicaid clients seen by a DSRIP performing providers versus non-DSRIP providers
	  ○ Proposed pre-period: DY4
	  ○ Proposed post-period: DY8

Benchmark	• 2017 national rate for HEDIS® HbA1c poor control: ○ National HMO average: 41.12

Note. HbA1c=Hemoglobin A1c; NCQA=National Committee for Quality Assurance; HEDIS®=Healthcare Effectiveness Data and Information Set; RHP=Regional Healthcare Partnership; DSRIP=Delivery System Reform Incentive Payment; DY=Demonstration year, October 1-September 30.

Measure 1.2.3	Emergency Department Visits for Diabetes
Definition	ED visits with a primary or secondary diagnosis of diabetes
Target Population(s)	• Medicaid clients with a diagnosis of diabetes
Measure Steward or Source	Based on DSRIP Measure Bundle Protocol, Measure A1-508 NYU Wagner https://wagner.nyu.edu/faculty/billings/acs-algorithm
Technical Specifications	Clients with diabetes have a diagnosis according to the HEDIS® Value Set: Diabetes Number of ED visits with a primary or secondary diagnosis of diabetes per 1,000 clients during the measurement period
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible).
Data Source(s)/ Data Collection Method(s)	• Medicaid encounter data
Comparison Group(s)/ Subgroup(s)	• RHP and/or RHP tier • Race/ethnicity

Analytic Method(s)	• Difference-in-difference comparison of rate of ED visits for diabetes between Medicaid clients seen by a DSRIP performing provider versus non-DSRIP providers
	  ○ Proposed pre-period: DY4
	  ○ Proposed post-period: DY8

Benchmark	• None

Note. ED=Emergency Department; DSRIP=Delivery System Reform Incentive Payment; NYU=New York University; HEDIS®=Healthcare Effectiveness Data and Information Set; RHP=Regional Healthcare Partnership; DY=Demonstration year, October 1-September 30.

Measure 1.2.4	Cost of Care
Definition	Cost of care for Medicaid clients with diabetes
Target Population(s)	• Medicaid clients with a diagnosis of diabetes
Measure Steward or Source	N/A
Technical Specifications	Clients with diabetes have a diagnosis according to the HEDIS® Value Set: Diabetes Cost of care based on all encounters data for each client with diabetes during the measurement period
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible).
Data Source(s)/ Data Collection Method(s)	• Medicaid encounter data • Medicaid enrollment file
Comparison Group(s)/ Subgroup(s)	• RHP and/or RHP tier • Race/ethnicity

Analytic Method(s)	• Difference-in-difference comparison of cost of care for Medicaid clients with diabetes seen by a DSRIP performing provider versus those seen by non-DSRIP providers
	  ○ Proposed pre-period: DY4
	  ○ Proposed post-period: DY8

Benchmark	• None

Note. HEDIS®=Healthcare Effectiveness Data and Information Set; RHP=Regional Healthcare Partnership; DSRIP=Delivery System Reform Incentive Payment; DY=Demonstration year, October 1-September 30.

Hypothesis 1.3: DSRIP incentivized performing providers to improve quality-related outcomes, specified as Category C population-based clinical outcome measures.

Measure 1.3.1	Rate of emergency department visits for diabetes (A1-508*)
Definition	The rate of ED utilization for preventable diabetes conditions or complications. This is a Category C measure in the measure bundle, A1: Improved Chronic Disease Management: Diabetes Care.
Target Population(s)	• MLIU sub-populations identified in DSRIP performing provider systems (adults with diabetes)
Measure Steward or Source	NYU Wagner https://wagner.nyu.edu/faculty/billings/acs-algorithm
Technical Specifications	Following DSRIP Category C Measure Specifications, performing providers will report the numerator and denominator necessary to calculate the rate of ED visits for diabetes among the attributed target population in their provider system: **Numerator:** Total number of ED visits with a primary or secondary diagnosis of diabetes (E101, E131, E110, E130, E10641, E11641, E106, E116, E108, E118, E109, E119) **Denominator:** DSRIP attributed target population for the provider system **Rate:** (numerator / denominator) * 100
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting: Provider reported rate • RHP plan update: Provider and RHP characteristics for HLM model • DSRIP administrative data: Provider and RHP characteristics for HLM model
Comparison Group(s)/ Subgroup(s)	• RHP subgroups
Analytic Method(s)	• Descriptive trend analysis ○ Paired t-test or Wilcoxon signed-rank test • Hierarchical linear modeling or growth curve modeling, if feasible
Benchmark	• Baseline established CY17 • DY7 goal of 2.5% improvement over baseline • DY8 goal of 10% improvement over baseline

Note. ED=Emergency department; MLIU=Medicaid and low-income uninsured; NYU=New York University; DSRIP=Delivery System Reform Incentive Payment; RHP=Regional Healthcare Partnership; HLM=Hierarchical linear model; CY=Calendar year; DY=Demonstration year, October 1-September 30.

*Selected Category C measure from the Measure Bundle Protocol (Texas Health and Human Services Commission, 2018).

Measure 1.3.2	Rate of emergency department visits for congestive heart failure, angina, and hypertension (A2-509*)
Definition	The rate of ED utilization for CHF, angina, and hypertension. This is a Category C measure in the measure bundle, A2: Improved Chronic Disease Management: Heart Disease.
Study Population	• MLIU sub-populations identified in DSRIP performing provider systems (adults with heart disease)
Measure Steward or Source	NYU Wagner https://wagner.nyu.edu/faculty/billings/acs-algorithm
Technical Specifications	Following DSRIP Category C Measure Specifications, performing providers will report the numerator and denominator necessary to calculate the rate of ED visits for CHF, angina, and hypertension among the attributed target population in their provider system: **Numerator:** Total number of ED visits with a primary or secondary diagnosis of heart failure and pulmonary edema (I50, I110, J810), hypertension (I10, I119), or angina (I20, I240, I248, I249) **Denominator:** DSRIP attributed target population for the provider system **Rate:** (numerator / denominator) * 100
Exclusion Criteria	Numerator exclusions: • Heart failure/pulmonary edema and hypertension: Exclude cases with a surgical procedure starting with 02 • Angina: Exclude cases with a surgical procedure starting with 0 or 1
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting: Provider reported rate • RHP plan update: Provider and RHP characteristics for HLM model • DSRIP administrative data: Provider and RHP characteristics for HLM model
Comparison Group(s)/ Subgroup(s)	• RHP subgroups
Analytic Methods	• Descriptive trend analysis ○ Paired t-test or Wilcoxon signed-rank test • Hierarchical linear modeling or growth curve modeling, if feasible
Benchmark	Improvement over self • Baseline established CY17

	• DY7 goal of 2.5% improvement over baseline • DY8 goal of 10% improvement over baseline

Note. ED=Emergency department; CHF=Congestive heart failure; MLIU=Medicaid and low-income uninsured; DSRIP=Delivery System Reform Incentive Payment; NYU=New York University; RHP=Regional Healthcare Partnership; HLM=Hierarchical linear model; CY=Calendar year; DY=Demonstration year, October 1-September 30.
*Selected Category C measure from the Measure Bundle Protocol (Texas Health and Human Services Commission, 2018).

Measure 1.3.3	**Rates of emergency department visits for behavioral health and substance abuse (H2-510 / L1-387 / M1-387*)**
Definition	The rates of ED utilization for BH and SA conditions (reported as two separate rates). This is a Category C measure in the measure bundle, H2: Behavioral health and appropriate utilization, LHD measure L1-387, and CMHC measure M1-387.
Study Population	• MLIU sub-populations identified in DSRIP performing provider systems (individuals with SMI)
Measure Steward or Source	HHSC-developed for DSRIP Measure Bundle Protocol DY7-10
Technical Specifications	Following DSRIP Category C Measure Specifications, performing providers will report the numerator and denominator necessary to calculate the rates of ED visits for each BH and SA conditions among the attributed target population in their provider system: **Rate 1 Numerator:** Total number of ED visits with a primary or secondary diagnosis of behavioral health conditions: • F20-F29 Schizophrenia, schizotypal, delusional, and other non-mood psychotic disorders • F30-F39 Mood [affective] disorders • F40-F48 Anxiety, dissociative, stress-related, somatoform and other nonpsychotic mental disorders • F60-F69 Disorders of adult personality and behavior **Rate 2 Numerator:** Total number of ED visits with a primary or secondary diagnosis of substance abuse: • F10-F16, F18 - F19 Mental and behavioral disorders due to psychoactive substance use **Denominator (hospitals and physician practices):** DSRIP attributed target population for the provider system **Denominator (LHDs, CMHCs):** Either total number of ED visits for individuals 18 years or older during the measurement period OR DSRIP attributed target population for the provider system

	Rate: (numerator / denominator) * 100
Exclusion Criteria	Rate 2 numerator excludes nicotine
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting: Provider reported rate • RHP plan update: Provider and RHP characteristics for HLM model • DSRIP administrative data: Provider and RHP characteristics for HLM model
Comparison Group(s)/ Subgroup(s)	• RHP subgroups
Analytic Methods	• Descriptive trend analysis ○ Paired t-test or Wilcoxon signed-rank test • Hierarchical linear modeling or growth curve modeling, if feasible
Benchmark	• Baseline established CY17 • DY7 goal of 2.5% improvement over baseline • DY8 goal of 10% improvement over baseline

Note. ED=Emergency department; BH=Behavioral health; SA=Substance abuse; LHD=Local health department; CMHC=Community mental health clinic; MLIU=Medicaid and low-income uninsured; DSRIP=Delivery System Reform Incentive Payment; SMI=Serious mental illness; HHSC=Health and Human Services Commission; DY=Demonstration year, October 1-September 30; RHP=Regional Healthcare Partnership; HLM=Hierarchical linear modeling; CY=Calendar year.
*Selected Category C measures from the Measure Bundle Protocol (Texas Health and Human Services Commission, 2018).

Measure 1.3.4	**Prevention Quality Indicator 91: Adult acute composite indicator (C1-502*)**
Definition	The PQI composite measure of acute conditions per 100,000 adult population. Includes admissions with a principal diagnosis of one of the following conditions: dehydration, bacterial pneumonia, or urinary tract infection. This is a Category C measure in the measure bundle, C1: Primary Care Prevention - Healthy Texans.
Study Population	• MLIU sub-populations identified in DSRIP performing provider systems (adults)
Measure Steward or Source	AHRQ https://www.qualityindicators.ahrq.gov/Modules/PQI_TechSpec_ICD10_v70.aspx
Technical Specifications	This measure was developed by the AHRQ. Performing providers will report the numerator and denominator necessary to calculate this adult composite measure: **Numerator:** Number of discharges for clients 18 years and older in DSRIP attributed target population for the provider system, that meet the inclusion and exclusion rules for the numerator in any of the following PQIs: • PQI #10 Dehydration Admission Rate

	• PQI #11 Bacterial Pneumonia Admission Rate • PQI #12 Urinary Tract Infection Admission Rate Discharges are only counted once in the numerator, even if they qualify for more than one PQI listed above. **Denominator:** DSRIP attributed target population for the provider system (18 years and older) **Rate:** (numerator / denominator) * 100
Exclusion Criteria	Numerator excludes obstetric discharges, along with specific exclusion criteria listed in the PQI 10, 11, and 12 specifications
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting: Provider reported rate • RHP plan update: Provider and RHP characteristics for HLM model • DSRIP administrative data: Provider and RHP characteristics for HLM model
Comparison Group(s)/ Subgroup(s)	• RHP subgroups
Analytic Methods	• Descriptive trend analysis ○ Paired t-test or Wilcoxon signed-rank test • Hierarchical linear modeling or growth curve modeling, if feasible
Benchmark	• Baseline established CY17 • DY7 goal of 2.5% improvement over baseline • DY8 goal of 10% improvement over baseline

Note. PQI=Prevention Quality Indicator; MLIU=Medicaid and low-income uninsured; DSRIP=Delivery System Reform Incentive Payment; AHRQ=Agency for Healthcare Research and Quality; RHP=Regional Healthcare Partnership; HLM=Hierarchical linear model; CY=Calendar year; DY=Demonstration year, October 1-September 30.
*Selected Category C measure from the Measure Bundle Protocol (Texas Health and Human Services Commission, 2018).

Measure 1.3.5	Pediatric Quality Indicator 91: Child acute composite indicator (D1-503*)
Definition	The PDI composite of acute conditions per 100,000 population, ages 3 months through 17 years. Includes admissions for gastroenteritis or urinary tract infection. This is a Category C measure in the measure bundle, D1: Pediatric Primary Care.
Study Population	• MLIU sub-populations identified in DSRIP performing provider systems (Children 3 months through 17 years)
Measure Steward or Source	AHRQ https://www.qualityindicators.ahrq.gov/Modules/PDI_TechSpec_ICD10_v70.aspx
Technical Specifications	The PDI 91 composite measure was developed by AHRQ. Performing providers will report the numerator and

	denominator necessary to calculate this pediatric composite measure: **Numerator:** Number of discharges for clients 3 months through 17 years, that meet the inclusion and exclusion rules for the numerator in any of the following PDIs: • PDI 16 Gastroenteritis Admission Rate • PDI 18 Urinary Tract Infection Admission Rate Discharges are only counted once in the numerator, even if they qualify for more than one PDI listed above. **Denominator:** DSRIP attributed target population for the provider system (3 months through 17 years) **Rate:** (numerator / denominator) * 100
Exclusion Criteria	See measure source for specific inclusion and exclusion criteria.
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting: Provider reported rate • RHP plan update: Provider and RHP characteristics for HLM model • DSRIP administrative data: Provider and RHP characteristics for HLM model
Comparison Group(s)/ Subgroup(s)	• RHP subgroups
Analytic Methods	• Descriptive trend analysis ○ Paired t-test or Wilcoxon signed-rank test • Hierarchical linear modeling or growth curve modeling, if feasible
Benchmark	• Baseline established CY17 • DY7 goal of 2.5% improvement over baseline • DY8 goal of 10% improvement over baseline

Note. PDI=Pediatric Quality Indicator; MLIU=Medicaid and low-income uninsured; DSRIP=Delivery System Reform Incentive Payment; AHRQ=Agency for Healthcare Research and Quality; RHP=Regional Healthcare Partnership; HLM=Hierarchical linear model; CY=Calendar year; DY=Demonstration year, October 1-September 30.
*Selected Category C measure from the Measure Bundle Protocol (Texas Health and Human Services Commission, 2018).

Hypothesis 1.4: DSRIP transformed the health care system, resulting in improvements in population health, as specified as DSRIP Category D outcomes.

Measure 1.4.1	Potentially preventable admissions (PPA)*
Definition	PPAs are facility admissions that may have resulted from the lack of adequate access to care or ambulatory care coordination. This measure is 1 of 4 in the Category D Hospital Statewide Reporting Measure Bundle specified in the Measure Bundle Protocol.
Study Population	• DSRIP performing providers
Measure Steward or Source	• 3M
Technical Specifications	Hospital admissions for any of the following ambulatory care sensitive conditions: congestive heart failure, diabetes, behavioral health/substance abuse, chronic obstructive pulmonary disease, adult asthma, pediatric asthma, angina and coronary artery disease, hypertension, cellulitis, respiratory infection, pulmonary edema and respiratory failure, and other. The EQRO will use 3M software** to calculate this ratio for each eligible DSRIP performing provider system. Following this proprietary protocol, APR-DRGs and Severity of Illness are assigned to each admission. If an admission is categorized as potentially preventable, it is assigned a relative weight based on resource utilization. PPA risk is then adjusted by CRG. **Ratio:** Actual PPA weight / Expected PPA weight
Exclusion Criteria	Specified in 3M technical specifications used by the EQRO
Data Source(s)	• Medicaid encounter data
Comparison Group(s)/ Subgroup(s)	• RHP and/or RHP tier
Analysis Methods	• Descriptive trend analysis of mean PPA ratio for DY7-DY11 ○ Paired t-test or Wilcoxon signed-rank test
Benchmark	HHSC benchmark for STAR and STAR+PLUS programs Actual/Expected rate < 0.9

Note. PPA=Potentially preventable admission; DSRIP=Delivery System Reform Incentive Payment; APR-DRG=All Patient-Refined Diagnosis-Related Groups; CRG=Clinical Risk Group; EQRO=External quality review organization; RHP=Regional Healthcare Partnership; DY=Demonstration year, October 1-September 30; HHSC=Health and Human Services Commission.
*Selected Category D measure from the Measure Bundle Protocol (Texas Health and Human Services Commission, 2018).
**2016 Technical Notes available through the Texas Healthcare Learning Collaborative Portal: https://thlcportal.com/resources/

Measure 1.4.2	Potentially preventable readmissions (PPR)*
Definition	PPRs occur when an individual returns to the hospital within the specified readmission time interval for a specific condition that is clinically related to the initial hospital admission. This measure is 1 of 4 in the Category D Hospital Statewide Reporting Measure Bundle specified in the Measure Bundle Protocol.
Study Population	• DSRIP performing providers
Measure Steward or Source	• 3M
Technical Specifications	Hospital readmissions for any of the following conditions within a specified timeframe may qualify as a PPR: Congestive heart failure, diabetes, behavioral health/substance abuse, chronic obstructive pulmonary disease, cerebrovascular accident, adult asthma, pediatric asthma, acute myocardial infarction, angina and coronary artery disease, hypertension, cellulitis, renal failure, Cesarean delivery, sepsis, and others The EQRO will use 3M software** to calculate this measure for each eligible DSRIP performing provider system. Following this proprietary protocol, APR-DRGs and Severity of Illness are assigned to each readmission. Clinically-related potentially preventable readmissions are assigned relative weight based on resource utilization. PPRs that are related to the same initial admission are considered to be part of the same "readmission chain." PPRs are then weighted according to the state norm. **Ratio:** Actual PPR weight / Expected PPR weight
Exclusion Criteria	Specified in 3M technical specifications used by the EQRO
Data Source(s)/ Data Collection Method(s)	• Medicaid encounter data
Comparison Group(s)/ Subgroup(s)	• RHP and/or RHP tier
Analytic Methods	• Descriptive trend analysis for mean of PPR ratio for DY7-DY11 ○ Paired t-test or Wilcoxon signed-rank test
Benchmark	HHSC benchmark for STAR and STAR+PLUS programs Actual/Expected rate < 0.9

Note. PPR=Potentially preventable readmission; DSRIP=Delivery System Reform Incentive Payment; EQRO=External quality review organization; APR-DRG=All Patient-Refined Diagnosis-Related Groups; RHP=Regional Healthcare Partnership; DY=Demonstration year, October 1-September 30; HHSC=Health and Human Services Commission.

*Selected Category D measure from the Measure Bundle Protocol (Texas Health and Human Services Commission, 2018).
**2016 Technical Notes available through the Texas Healthcare Learning Collaborative Portal: https://thlcportal.com/resources/

Measure 1.4.3	Potentially preventable complications (PPC)*
Definition	PPCs are in-hospital complications that are not present on admission, but result from treatment during the inpatient stay. This measure is 1 of 4 in the Category D Hospital Statewide Reporting Measure Bundle specified in the Measure Bundle Protocol.
Study Population	• DSRIP performing providers
Measure Steward or Source	• 3M
Technical Specifications	Complications that develop in the hospital, depending on risk assessment upon admission, due to the following conditions may qualify as PPCs: renal failure without dialysis; urinary tract infection; clostridium difficile colitis; encephalopathy; shock; pneumonia and other lung infections; acute pulmonary edema and respiratory failure without ventilation; stroke and intracranial hemorrhage; post hemorrhagic and other acute anemia with transfusion; venous thrombosis; ventricular fibrillation/cardiac arrest; major gastrointestinal complications without transfusion or significant bleeding; other complications of medical care; moderate infections; inflammation and other complications of devices, implants or grafts except vascular infection; post-operative hemorrhage and hematoma without hemorrhage control procedure or I&D procedure, septicemia and severe infections; acute pulmonary edema and respiratory failure with ventilation; post-operative infection and deep wound disruption without procedure; or infections due to central venous catheters The EQRO will use 3M software** to calculate this measure for each eligible DSRIP performing provider system. Following the proprietary protocol, APR-DRGs are assigned to each admission. Eligible admissions are then HCUP Relative PPC weights are assigned based on national resource utilization data. A state norm based on APR-DRGs and Severity of Illness is applied to each admission. **Ratio:** Actual PPC weight / Expected PPC weight
Exclusion Criteria	Specified in 3M technical specifications used by the EQRO

Data Source(s)/ Data Collection Method(s)	• Medicaid encounter data
Comparison Group(s)/ Subgroup(s)	• RHP and/or RHP tier
Analytic Methods	• Descriptive trend analysis of mean PPC ratio DY7-DY11 ○ Paired t-test or Wilcoxon signed-rank test
Benchmark	HHSC benchmark for STAR and STAR+PLUS programs Actual/Expected rate < 0.9

Note. PPC=Potentially preventable complication; DSRIP=Delivery System Reform Incentive Payment; EQRO=External quality review organization; APR-DRGs=All Patient-Refined Diagnosis-Related Groups; HCUP=Healthcare Cost and Utilization Project; RHP=Regional Healthcare Partnership; DY=Demonstration year, October 1-September 30; HHSC=Health and Human Services Commission.
*Selected Category D measure from the Measure Bundle Protocol (Texas Health and Human Services Commission, 2018).
**2016 Technical Notes available through the Texas Healthcare Learning Collaborative Portal: https://thlcportal.com/resources/

Measure 1.4.4	Potentially preventable emergency department visits (PPV)*
Definition	PPVs occur when emergency treatment is provided for a condition that could have been treated or prevented by a physician or other health care provider in a nonemergency setting. This measure is 1 of 4 in the Category D Hospital Statewide Reporting Measure Bundle specified in the Measure Bundle Protocol.
Study Population	• DSRIP performing providers
Measure Steward or Source	• 3M
Technical Specifications	ED visits for the following conditions may be considered PPVs: skin and integumentary system; breast; musculoskeletal system; respiratory system; cardiovascular system; hematologic, lymphatic and endocrine; gastrointestinal; genitourinary system; male reproductive system; female reproductive system; neurologic system; ophthalmologic system; otolaryngologic system; radiologic procedures; rehabilitation; mental illness and substance abuse therapies; nuclear medicine; radiation oncology; or dental procedures The EQRO will use 3M software** to calculate this measure for each eligible DSRIP performing provider system. Following this proprietary protocol, ED visits are assigned to a primary EAPG to determine the potentially preventable status. Each ED visit is then assigned a relative weight based on national resource utilization. PPVs are then risk-adjusted using a state-level norm PPV weight or each CRG category. **Ratio:** Actual PPV weight / Expected PPV weight
Exclusion Criteria	Specified in 3M technical specifications used by the EQRO
Data Source(s)	• Medicaid encounter data
Comparison Group(s)/ Subgroup(s)	• RHP and/or RHP tier
Analytic Methods	• Descriptive trend analysis for mean of PPV ratio for DY7-DY11 ○ Paired t-test or Wilcoxon signed-rank test
Benchmark	Actual/Expected rate < 0.9 HHSC benchmark for STAR and STAR+PLUS programs

Note. PPV=Potentially preventable emergency department visit; DSRIP=Delivery System Reform Incentive Payment; EQRO=External quality review organization; ED=Emergency department; EAPG=Enhanced Ambulatory Patient Groups; CRG=Clinical Risk Group; RHP=Regional Healthcare Partnership; DY=Demonstration year, October 1-September 30; HHSC=Health and Human Services Commission.

*Selected Category D measure from the Measure Bundle Protocol (Texas Health and Human Services Commission, 2018).
**2016 Technical Notes available through the Texas Healthcare Learning Collaborative Portal: https://thlcportal.com/resources/

Measure 1.4.5	Category D-related activities
Definition	Performing provider activities impacting population health, as indicated by Category D measures.
Study Population	• DSRIP performing providers
Measure Steward or Source	N/A
Technical Specifications	Category D outcomes (as calculated by the EQRO) will be sent to DSRIP performing providers who will answer qualitative questions about their specific outcomes and related activities.
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• DSRIP reporting
Comparison Group(s)/ Subgroup(s)	• RHP subgroup
Analytic Methods	• Thematic content analysis • Descriptive statistics, if feasible
Benchmark	None

Note. DSRIP=Delivery System Reform Incentive Payment, EQRO=External quality review organization, RHP=Regional Healthcare Partnership.

Evaluation Question 2*: Did the Demonstration impact unreimbursed costs associated with the provision of care to the MLIU population for Uncompensated Care (UC) providers?*

Hypothesis 2.1: The percentage of UC costs reimbursed through UC payments for each type of UC (overall, Medicaid shortfall, uninsured shortfall) will decrease throughout Demonstration Year (DY) 1-8 of the Demonstration.

Measure 2.1.1	UC Costs Reimbursed (percentage)
Definition	The percentage of UC costs reimbursed through UC payments by type (Medicaid shortfall, uninsured shortfall, and provider and pharmacy costs)
Study Population	• Providers reporting UC costs
Measure Steward or Source	• N/A
Technical Specifications	For each UC provider, use the DSH/UC application to determine the annual UC costs and payments overall and by type (Medicaid shortfall, uninsured shortfall, and the provider and pharmacy costs). **Numerator:** UC payment received for a given year **Denominator:** UC costs for a given year **Percentage:** (numerator / denominator) * 100
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• DSH/UC application
Comparison Group(s)/ Subgroup(s)	• Provider type • RHP and/or RHP tier • RUCC classification
Analytic Methods	• Descriptive trend analysis for mean of UC percentage reimbursed for DY1-DY8* ○ Paired t-test or Wilcoxon signed-rank test
Benchmark	None

Note. UC=Uncompensated Care; DSH=Disproportionate share hospital; RHP=Regional Healthcare Partnership; RUCC=Rural-Urban Continuum Codes; DY=Demonstration year, October 1-September 30.

*Negotiations are ongoing (as of July 2018) to revise the UC program. Upon establishment of new UC rules, it will be determined whether it is appropriate to continue this analysis for DY9-DY11.

Hypothesis 2.2: The UC cost growth rate will slow over time for hospitals participating in the Demonstration.

Measure 2.2.1	Uncompensated Care Cost Growth Rate
Definition	Year-over-year growth rate (%) for UC costs reported by hospitals on the DSH/UC reporting tool
Study Population	• Hospitals reporting UC costs
Measure Steward or Source	N/A
Technical Specifications	For each hospital, use the DSH/UC application to determine the annual UC costs, consisting of the Medicaid shortfall, uninsured shortfall, and the provider and pharmacy costs. **Numerator:** Year 2 UC costs reported - Year 1 UC costs reported **Denominator:** Year 1 UC costs reported **Rate:** (numerator / denominator) * 100
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• DSH/UC application
Comparison Group(s)/ Subgroup(s)	• Hospital type subgroups • RHP and/or RHP tier • RUCC classification subgroups
Analytic Methods	• Multiple linear regression or growth curve modeling testing for trend over time in annual UC growth rate while controlling for hospital characteristics (e.g., type, bed count, case mix, etc.), regional/county-level characteristics (e.g., RUCC code, RHP tier, Rider 38 status, etc.), and other relevant factors (e.g., inflation, economic shocks, etc.)
Benchmark	None

Note. UC=Uncompensated Care, DSH=Disproportionate share hospital, RHP=Regional Healthcare Partnership, RUCC=Rural-Urban Continuum Codes.

Evaluation Question 3: ***Did the expansion of the Medicaid managed care (MMC) health care delivery model to additional populations and services improve health care (including access to care, care coordination, quality of care, and health outcomes) for MMC clients?***

The pre and post periods for proposed interrupted time series (ITS) analyses are listed in Table by MMC population, unless otherwise specified in the detailed table for a specific measure.

Table C1. Pre and Post Periods for Medicaid Managed Care Interrupted Time Series Analysis

MMC Population	Pre Period	Post Period
Children's Medicaid Dental Services	March 1, 2010-February 29, 2012	March 1, 2012 – September 30, 2020
Nursing Facility	March 1, 2013 – February 28, 2015	March 1, 2015 – September 30, 2020
Former Foster Care Children	September 1, 2015-August 31, 2017	September 1, 2017 – September 30, 2022
Adoption Assistance		
Permanency Care Assistance		
Medicaid for Breast and Cervical Cancer		

Note. MMC=Medicaid managed care, pre period establishes baseline two years prior to MMC carve-in or shift in MMC program, post period starts with MMC carve-in or shift in MMC program.

Hypothesis 3.1: Access to care will improve among clients whose Medicaid benefits shift from fee-for-service (FFS) to a MMC health care delivery model.

Measure 3.1.1	Centers for Medicare and Medicaid Services Child Core Measure: Percentage of eligibles who received preventative dental services (PDENT-CH)
Definition	The CMS PDENT-CH measures the percent of members aged 0 to 20 years who received at least one preventive dental service during the reporting period.
Study Population(s)	CMDS
Measure Steward or Source	CMS
Technical Specifications	Claims and encounters will be used to determine the numerator and denominator to calculate the CMS-PDENT-CH measure by month or quarter. **Numerator:** Unduplicated number of clients receiving at least one preventive dental service by or under the supervision of a dentist as defined by HCPCS codes D1000 - D1999 (or equivalent CDT codes/CPT codes) **Denominator:** Total unduplicated number of clients ages 0 to 20 years who have been continuously enrolled in the Children's Medicaid Dental program. **Monthly or quarterly rate:** (Numerator / denominator)
Exclusion Criteria	Members not enrolled in a DMO
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files
Comparison Group(s)/ Subgroup(s)	• Pre-DMO (FFS) to post-DMO • SDA • Client demographics (age, sex, race/ethnicity)
Analytic Methods	• Interrupted time series analysis
Benchmark	None

Note. CMS=Centers for Medicare and Medicaid Services; PDENT-CH=Percent of clients receiving preventative dental services; CMDS=Children's Medicaid Dental Services DMO=Dental maintenance organization; FFY=Federal fiscal year, October 1-September 30; FFS=Fee-for-service; HCPCS=Healthcare Common Procedure Coding System Level II; CDT=Current Dental Terminology; CPT=Current Procedural Terminology; MMC=Medicaid managed care; SDA=Service delivery area.

Measure 3.1.2	Healthcare Effectiveness Data and Information Set Adult access to preventive/ambulatory health service (HEDIS® AAP)
Definition	The HEDIS® AAP measures adult access to preventive/ambulatory health services measures members who had an ambulatory or preventive care visit in the past year.
Study Population(s)	• FFCC • MBCC • NF
Measure Steward or Source	NCQA
Technical Specifications	2016 HEDIS® technical specifications will be used to calculate the AAP measure for MBCC and FFCC clients, with minor modifications to better align with the Demonstration: • To be consistent with DY, FFY will be used as the measurement year, instead of calendar year, making September 30, the anchor date. • The definition of PCP was defined according to the PCP provider types and provider specialty codes outlined in the MAXIMUS *Medicaid Managed Care and CHIP Joint Interface Plan EB 724* (2017). • For consistency, 2016 HEDIS® technical specifications, including value sets, will be used throughout the measurement period (FFY 2015 - 2022) • Monthly or quarterly rate:(Number of clients with an ambulatory visit per number of eligible clients)
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible).
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files
Comparison Group(s)/ Subgroup(s)	• Pre/post comparison • SDA • Client demographics (age, sex, race/ethnicity) • Stratification will include salient provider and service types
Analytic Methods	• Interrupted time series analysis

Benchmark	2016 State Rate* for AAP
	• STAR
	  ○ Overall 85.67
	  ○ 20-44 years 85.19
	  ○ 45-64 years 89.22
	• STAR+PLUS
	  ○ Overall 85.00

	○ 20-44 years 78.47 ○ 45-64 years 89.89 ○ 65+ years 90.03

Note. HEDIS®= Healthcare Effectiveness Data and Information Set; AAP=Adult access to preventive/ambulatory health services; FFCC=Former Foster Care Children; MBCC=Medicaid for Breast and Cervical Cancer; NF=Nursing Facility; NCQA=National Committee for Quality Assurance; DY=Demonstration year, October 1-September 30; FFY=Federal fiscal year, October 1-September 30; PCP=Primary care provider; CHIP=Children's Health Insurance Plan; SDA=Service delivery area; FFS=Fee-for-service; MMC=Medicaid managed care.
*Texas Healthcare Learning Collaborative Portal: https://thlcportal.com/qoc/medical

Measure 3.1.3	**Healthcare Effectiveness Data and Information Set Children and adolescent access to primary care services (HEDIS® CAP)**
Definition	HEDIS® CAP measures the percentage of members 12 months – 19 years of age who had a visit with a PCP during the measurement year
Study Population(s)	• AA • PCA
Measure Steward or Source	NCQA
Technical Specifications	2016 HEDIS® technical specifications will be used to calculate the CAP measure for AA and PCA clients, with minor modifications to better align with the Demonstration: • To be consistent with DY, FFY will be used as the measurement year, instead of the calendar year, making September 30, the anchor date. • PCP defined according to the MAXIMUS *Medicaid Managed Care and CHIP Joint Interface Plan EB 724* (2017) • Continuous enrollment as defined by HEDIS® may be modified to better align with enrollment patterns for study populations • For consistency, 2016 HEDIS® technical specifications, including value sets, will be used throughout the measurement period. • Monthly or quarterly rate: (Number of clients with a PCP visit per number of eligible clients)
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files
Comparison Group(s)/ Subgroup(s)	• Pre/post comparison • SDA • Client demographics (age, sex, race/ethnicity)

	• Stratification will include salient provider and service types
Analytic Methods	• Interrupted time series analysis
Benchmark	2016 state rate* for CAP in STAR: ○ Overall 91.74 ○ 12-24 months 96.42 ○ 25 months – 6 years 89.18 ○ 7-11 years 93.24

Note. HEDIS®=Healthcare Effectiveness Data and Information Set; CAP=Children and adolescent access to primary care services; PCP=Primary care provider; AA=Adoption Assistance; PCA=Permanency Care Assistance; NCQA=National Committee for Quality Assurance; DY=Demonstration year, October 1-September 30; FFY=Federal fiscal year, October 1-September 30; CHIP=Children's Health Insurance Plan; FFS=Fee-for-service; MMC=Medicaid managed care; SDA=Service delivery area.

*Texas Healthcare Learning Collaborative Portal: https://thlcportal.com/qoc/medical

Measure 3.1.4	Centers for Medicare and Medicaid Services Child Core Measure: Screening for depression and follow-up plan (CDF-CH/AD)
Definition	The CMS CDF-CH/AD measures the percentage of members aged 12 years and older screened for clinical depression on the date of the encounter using an age appropriate standardized depression screening tool and, if positive, having a follow-up plan documented on the date of the positive screening (CMS Core Measure).
Measure Steward or Source	• CMS
Study Population(s)	• NF • FFCC • AA • PCA • MBCC
Technical Specifications	Adapting the CMS measure specifications for 2017, claims and encounter data will be used to determine the numerator and denominator to calculate the CDF-CH/AD measure by month or quarter. Exclusion criteria will be applied to the extent possible using claims and encounter data. **Numerator:** Clients screened for clinical depression using a standardized tool and having depression, and having a follow-up plan documented (G8431) on the same day as a positive or negative screen result (G8510). **Denominator:** Number of clients (12 – 64 years of age) with an outpatient visit for behavioral health. **Monthly or quarterly rate:** (Numerator / denominator)
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible) Denominator exclusion criteria: Active diagnosis of depression or bipolar disorder.
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files
Comparison Group(s)/ Subgroup(s)	• Pre/post comparison • SDA • Client demographics (age, sex, race/ethnicity)
Analytic Methods	• Interrupted time series analysis
Benchmark	Not available

Note. CDF-CH/AD=Screening for depression and follow-up plan for children and adults; CMS=Centers for Medicare and Medicaid Services; AA=Adoption Assistance; PCA=Permanency Care Assistance; FFCC=Former Foster Care Youth; MBCC=Medicaid for Breast and Cervical Cancer; NF=Nursing Facility Assistance; FFY=Federal fiscal year, October 1-September 30; FFS=Fee-for-service; MMC=Medicaid managed care; SDA=Service delivery area.

https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/Downloads/MSSP-QM-Benchmarks-2016.pdf

Measure 3.1.5	Utilization of pharmacy benefits
Definition	Drug utilization measures of adherence will quantify the extent of medication use.
Study Population(s)	• NF • FFCC • AA • PCA • MBCC
Measure Steward or Source	PQRS
Technical Specifications	Population-level measures of adherence (i.e., MPR and PDC) will be calculated. MPR is the ratio of the number of total days' supply in a measurement period divided by the time between the last prescription date plus days' supply and the first prescription date. Monthly or quarterly ratios will be calculated. PDC is the number of "covered" days in measurement period divided by the number of days in measurement period. Monthly or quarterly rates will be calculated.
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible)
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files • Member-level pharmacy data
Comparison Group(s)/ Subgroup(s)	• Pre-MMC policy change to post-MMC policy change • SDA • Client demographics (age, sex, race/ethnicity) • Salient drug classes
Analytic Methods	• Interrupted time series analysis
Benchmark	2016 PQRS Measure: PDC ≥0.8 (Based on PQRS measure: Adherence to Antipsychotic Medications for Individuals with Schizophrenia)

Note. NF=Nursing facility, FFCC=Former Foster Care Children, AA=Adoption Assistance, PCA=Permanency Care Assistance, MBCC=Medicaid for Breast and Cervical Cancer, PQRS=Physician Quality Reporting System, MPR=Medication possession ratio, PDC=Proportion of days covered, FFS=Fee-for-service, MMC=Medicaid managed care, SDA=Service delivery area.
* https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/2016_Physician_Quality_Reporting_System.html

Hypothesis 3.2: Care coordination will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.

Measure 3.2.1	Rate of service coordination utilization
Definition	Service coordination is an ongoing process to identify client needs, connect them with other providers to obtain necessary services, and follow-up to ensure needs are met.
Study Population(s)	• NF • FFCC • MBCC
Measure Steward or Source	N/A
Technical Specifications	**Numerator:** Paid and partially paid encounters of procedure codes for service coordination: T1017 (face-to-face interaction, modifier U1) and T1017 (telephone interaction, no modifier). These contacts must be documented in the client's record, but are not submitted as claims to Medicaid if they took place outside of the presence of the client or the client's parent or routine caregivers. **Denominator:** Number of clients within the reporting period **Monthly or quarterly rate:** (Numerator / denominator)
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible)
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files
Comparison Group(s)/ Subgroup(s)	• Pre/post comparison • SDA • Client demographics (age, sex, race/ethnicity) • Stratification will include salient provider and service types
Analytic Methods	• Interrupted time series analysis
Benchmark	None

Note. NF=Nursing Facility, FFCC=Former Foster Care Children, MBCC=Medicaid for Breast and Cervical Cancer, FFS=Fee-for-service; MMC=Medicaid managed care; SDA=Service delivery area.

Measure 3.2.2	Rate of clients with Serious Persistent Mental Illness receiving Targeted Case Management
Definition	This rate indicates the level of utilization of targeted case management among clients with SPMI during the measurement year.
Study Population(s)	• FFCC • AA • PCA
Measure Steward or Source	N/A
Technical Specifications	**Numerator:** Clients who met the HHSC SPMI criteria who received targeted case management services: T1017 (face-to-face interaction, modifier U1) and T1017 (telephone interaction, no modifier) during the measurement year **Denominator:** Clients diagnosed with HHSC-defined SPMI (Adults with "schizophrenia, major depression, bipolar disorder, or other severely disabling mental order," and "children and adolescents ages 3 through 17 years with a diagnosis of a mental illness or who exhibit a serious emotional disturbance.") **Monthly or quarterly rate:** (Numerator / denominator)
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible)
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files
Comparison Group(s)/ Subgroup(s)	• Pre/post comparison • SDA • Client demographics (age, sex, race/ethnicity) • Stratification will include salient provider and service types
Analytic Methods	• Interrupted time series analysis
Benchmark	None

Note. SPMI=Serious and persistent mental illness, FFCC=Former Foster Care Children, AA=Adoption Assistance, PCA=Permanency Care Assistance, HHSC=Health and Human Services Commission, FFS=Fee-for-service, MMC=Medicaid managed care, SDA=Service delivery area.

Hypothesis 3.3: Quality of care will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.

Measure 3.3.1	Antidepressant Medication Management (HEDIS® AMM)
Definition	The percentage of clients 18 years and older who were treated with antidepressant medication, had a diagnosis of major depression and who remained on antidepressant medication treatment.
Study Population(s)	• NF • FFCC
Measure Steward or Source	NCQA
Technical Specifications	Using Medicaid claims and encounter data, two rates are reported: **Numerators:** 1. Effective Acute Phase Treatment – The percentage of clients who remained on an antidepressant medication for at least 84 days (12 weeks) (calculated quarterly). 2. Effective Continuous Phase Treatment. The percentage of clients who remained on an antidepressant medication at least 180 days (6 months) (calculated semi-annually). **Denominator:** Clients 18 years and older meeting HEDIS-specified inclusion criteria related to major depression, negative medication history, and continuous enrollment requirements. 2016 HEDIS® technical specifications will be used to calculate the AMM measure, with some minor modifications to better align with the Demonstration: 1. To be consistent with DY, FFY will be used as the measurement year, instead of the calendar year, making September 30, the anchor date. 2. The intake period will begin on February 1 of the year prior to the measurement year and continue until January 31 of the measurement year 3. Continuous enrollment as defined by HEDIS® may be modified to better align with enrollment patterns for target populations 4. For consistency, 2016 HEDIS® technical specifications, including value sets, will be used throughout the measurement period

Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible)
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files
Comparison Group(s)/ Subgroup(s)	• Pre/post comparison • SDA • Client demographics (age, sex, race/ethnicity)
Analytic Methods	• Interrupted time series analysis, if feasible
Benchmark	2016 state rates* for AMM (acute rate, continuous rate): • STAR 46.79, 29.59 • STAR Health 42.65, 30.88 • STAR Kids not available • STAR+PLUS 47.19, 33.33

Note. HEDIS®=Healthcare Effectiveness Data and Information System; AMM=Antidepressant Medication Management; NF=Nursing Facility; FFCC=Former Foster Care Children; NCQA=National Committee on Quality Assurance; DY=Demonstration year, October 1-September 30; FFS=Fee-for-service; FFY=Federal fiscal year, October 1-September 30; MMC=Medicaid managed care; SDA=Service delivery area.

*Texas Healthcare Learning Collaborative Portal: https://thlcportal.com/qoc/medical

Measure 3.3.2	Use of first-line psychosocial care for children and adolescents on antipsychotics (HEDIS® APP)
Definition	The HEDIS® APP measures the percentage of children and adolescents 1-17 years of age who had a new prescription for an antipsychotic medication and had documentation of psychosocial care as first-line treatment.
Study Population(s)	• FFCC • AA • PCA
Measure Steward or Source	NCQA
Technical Specifications	2016 HEDIS® technical specifications will be used to calculate the APP measure monthly or quarterly, with some minor modifications to better align with the Demonstration: • To be consistent with DY, FFY will be used as the measurement year, instead of the calendar year, making September 30, the anchor date. • For consistency, 2016 HEDIS® technical specifications, including value sets, will be used throughout the measurement period
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible)
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files • Member-level pharmacy data
Comparison Group(s)/ Subgroup(s)	• Pre/post comparison • SDA • Client demographics (age, sex, race/ethnicity) • Stratification will include salient provider and service types
Analytic Methods	• Interrupted time series analysis

Benchmark	• 2016 State Rate* for APP in STAR Health:
	  ○ Overall 89.85
	  ○ 1-5 years 83.33
	  ○ 6-11 years 91.27
	  ○ 12-17 years 89.49

Note. HEDIS®= Healthcare Effectiveness Data and Information Set; AMR=Asthma Medication Ratio; FFCC=Former Foster Care Children; AA=Adoption Assistance; PCA=Permanency Care Assistance; NCQA=National Committee for Quality Assurance; DY=Demonstration year, October 1-September 30; FFY=Federal fiscal year, October 1-September 30; FFS=Fee-for-service; MMC=Medicaid managed care; SDA=Service delivery area.

*Texas Healthcare Learning Collaborative Portal: https://thlcportal.com/qoc/medical

Measure 3.3.3	Percent of Medicaid for Breast and Cervical Cancer clients receiving recommended treatment
Definition	Percentage of MBCC clients receiving recommended treatment according to patient subgroup. Percentage of female patients aged 18 years and older with Stage IC through IIIC, ER or PR positive breast cancer who were prescribed tamoxifen or AI during the measurement period.
Study Population(s)	• MBCC
Measure Steward or Source	N/A
Technical Specifications	**Numerator:** Female clients diagnosed with Stage IC through IIIC ER or PR positive breast cancer prescribed tamoxifen or AI during the measurement year **Denominator:** Female clients diagnosed with Stage IC through IIIC ER or PR positive breast cancer **Monthly or quarterly rate:** (Numerator / denominator) * 100
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible).
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter • Member-level enrollment files
Comparison Group(s)/ Subgroup(s)	• Pre/post comparison • SDA • Client demographics (age, race/ethnicity) • Stratification will include salient provider and service types
Analytic Methods	• Interrupted time series analysis
Benchmark	None

Note. MBCC=Medicaid for Breast and Cervical Cancer; ER=Estrogen receptor; PR=Progesterone receptor; AI=Aromatase inhibitor; ICD-10=International Classification of Diseases, 10th Revision, Clinical Modification; FFS=Fee-for-service; MMC=Medicaid managed care; SDA=Service delivery area.

Measure 3.3.4	Behavior Modification
Definition	Percentage of NF clients on psychotropic medication with behavior modifications included in their care plan
Study Population(s)	• NF
Measure Steward or Source	N/A
Technical Specifications	Nursing Facility Quality Review (NFQR)* Psychotropic Medication Measure: • Residents with an active prescription for a psychotropic medication, and whose care plan included behavior modification interventions to address specific behaviors for which the medications were prescribed
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible)
Data Source(s)/ Data Collection Method(s)	• Nursing Facility Quality Review – A biannual survey conducted among nursing facility residents in Texas since 2002, but this question was added in 2015
Comparison Group(s)/ Subgroup(s)	• Client demographics (age, sex, race/ethnicity, length of stay)
Analytic Methods	• Descriptive trend analysis
Benchmark	None

Note. NF=Nursing Facility, NFQR=Nursing Facility Quality Review.

*Synopsis and most recent report available here: https://hhs.texas.gov/reports/2017/06/nursing-facility-quality-review-nfqr-2015

Hypothesis 3.4: Health and health care outcomes will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.

Measure 3.4.1	**Centers for Medicare and Medicaid Services Child Core Measure: Children who have dental decay or cavities**
Definition	Percentage of children, age 0-20 years, who have had tooth decay or cavities during the measurement period (CMS Core Child Measure).
Study Population(s)	CMDS
Measure Steward or Source	**CMS**
Technical Specifications	**Numerator:** CMDS clients who had a cavity or decayed teeth. **Denominator:** CMDS clients with face-to-face interaction, office visit, established office visit, or initial office visits **Monthly or quarterly rate:** (Numerator / denominator) * 100
Exclusion Criteria	Members not enrolled in a DMO
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files
Comparison Group(s)/ Subgroup(s)	• Pre/post comparison • SDA • Client demographics (age, sex, race/ethnicity)
Analytic Methods	• Interrupted time series analysis
Benchmark	CMS Performance Year 2016 Benchmark: 1.65%, SD 3.24%

Note. CMS=Centers for Medicare and Medicaid Services, CMDS=Children's Medicaid Dental Services, DMO=Dental maintenance organization, FFS=Fee-for-service, MMC=Medicaid managed care, SDA=Service delivery area.

*Benchmarks for Measures Included in the Performance Year 2016 Quality and Resource Use Reports: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/Downloads/PY2016-Prior-Year-Benchmarks.pdf

Measure 3.4.2	Pressure Ulcers
Definition	Rate of pressure ulcers
Study Population(s)	NF
Measure Steward or Source	N/A
Technical Specifications	**Numerator:** Number of pressure ulcers among NF clients **Denominator:** NF member months **Monthly or quarterly rate:** Number of pressure ulcers per 1,000 member months
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible).
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files
Comparison Group(s)/ Subgroup(s)	• Pre/post comparison • SDA • Stage of ulcer • Client demographics (age, sex, race/ethnicity)
Analytic Methods	• Interrupted time series analysis
Benchmark	None

Note. NF=Nursing Facility, FFS=Fee-for-service, MMC=Medicaid managed care, SDA=Service delivery area.

Measure 3.4.3	Symptoms of Depression
Definition	NF residents with improvement in depressive symptoms with treatment
Study Population(s)	• NF
Measure Steward or Source	N/A
Technical Specifications	Nursing Facility Quality Review (NFQR)* Depression Measures: • Percentage of clients diagnosed with depression who report an improvement in depressive symptoms with treatment
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible)
Data Source(s)/ Data Collection Method(s)	• Nursing Facility Quality Review – A biannual survey conducted among nursing facility residents in Texas since 2002

Comparison Group(s)/ Subgroup(s)	• Pre/post comparison
	  ○ Pre: 2009 – 2014
	  ○ Post: 2015-2022
	• Client demographics (age, sex, race/ethnicity, length of stay)

Analytic Methods	• Descriptive trend analysis
Benchmark	None

Note. NF=Nursing Facility, NFQR=Nursing Facility Quality Review.

*Synopsis and most recent report available here: https://hhs.texas.gov/reports/2017/06/nursing-facility-quality-review-nfqr-2015

Measure 3.4.4	Potentially preventable admissions (PPA)
Definition	The PPA measures the rate of hospital admissions for ambulatory care sensitive conditions among eligible members.
Study Population(s)	• AA • PCA • FFCC • MBCC • NF
Measure Steward or Source	3M
Technical Specifications	Using 3M software, claims and encounter data will be used to identify "facility admissions that may have resulted from the lack of adequate access to care or ambulatory care coordination."* **Monthly or quarterly rate:** Number of PPAs per 1,000 member months
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible)
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files
Comparison Group(s)/ Subgroup(s)	• Pre/post comparison • SDA • Client demographics (age, sex, race/ethnicity) • Stratification will include salient provider and service types
Analytic Methods	• Interrupted time series analysis

Benchmark	• 2016 State Rate* for PPA:
	  ○ STAR 0.31
	  ○ STAR Health 1.86
	  ○ STAR Kids 1.84
	  ○ STAR+PLUS 7.99
	  ○ FFS 1.26

Note. PPA=Potentially preventable admission, MBCC=Medicaid for Breast and Cervical Cancer, FFCC=Former Foster Care Children, AA=Adoption Assistance, PCA=Permanency Care Assistance, NF=Nursing facility, FFS=Fee-for-service, MMC=Medicaid managed care, SDA=Service delivery area.
*Texas Healthcare Learning Collaborative Portal: https://thlcportal.com/qoc/medical

Measure 3.4.5	Potentially preventable emergency department visits (PPV)
Definition	A PPV is an emergency treatment for a condition that could have been treated or prevented by a physician or other health care provider in a nonemergency setting, also known as a potentially preventable ED visit.
Study Population(s)	• AA • PCA • FFCC • MBCC • NF
Measure Steward or Source	3M
Technical Specifications	Using 3M software, claims and encounter data will be used to identify emergency department "encounters that may have resulted from the lack of adequate access to care or ambulatory care coordination."* **Monthly or quarterly rate:** Number of PPVs per 1,000 member months
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible)
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files
Comparison Group(s)/ Subgroup(s)	• Pre/post comparison • SDA • Client demographics (age, sex, race/ethnicity) • Stratification will include salient provider and service types
Analytic Methods	• Interrupted time series analysis

Benchmark	• 2016 State Rate* for PPV:
	  ○ STAR 9.59
	  ○ STAR Health 11.82
	  ○ STAR Kids 10.10
	  ○ STAR+PLUS 26.60
	  ○ FFS 9.16

Note. PPV=Potentially preventable emergency department visit, ED=Emergency department, MBCC=Medicaid for Breast and Cervical Cancer, FFCC=Former Foster Care Children, AA=Adoption Assistance, PCA=Permanency Care Assistance, NF=Nursing facility, FFS=Fee-for-service, MMC=Medicaid managed care, SDA=Service delivery area.

*Texas Healthcare Learning Collaborative Portal: https://thlcportal.com/qoc/medical

Measure 3.4.6	Rate of emergency department visits for behavioral health or substance abuse (H2-510*)
Definition	The rates of ED utilization for BH and SA conditions. This is a Category C measure in the measure bundle, H2: Behavioral health and appropriate utilization.
Study Population(s)	• MBCC • FFCC • AA • PCA • NF
Measure Steward or Source	HHSC-developed for DSRIP Measure Bundle Protocol DY7-10
Technical Specifications	**Rate 1 Numerator**: Total number of ED visits with a primary or secondary diagnosis of BH conditions: • F20-F29 Schizophrenia, schizotypal, delusional, and other non-mood psychotic disorders • F30-F39 Mood [affective] disorders • F40-F48 Anxiety, dissociative, stress-related, somatoform and other nonpsychotic mental disorders • F60-F69 Disorders of adult personality and behavior **Rate 2 Numerator:** Total number of ED visits with a primary or secondary diagnosis of SA: • F10-F16, F18 - F19 Mental and behavioral disorders due to psychoactive substance use **Denominator:** Number of clients in study population **Monthly or quarterly rate:** Number of ED visits for BH or SA per 1,000 member months
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible)
Data Source(s)/ Data Collection Method(s)	• FFS claims and MMC encounter data • Member-level enrollment files
Comparison Group(s)/ Subgroup(s)	• Pre/post comparison • SDA • Client demographics (age, sex, race/ethnicity) • Stratification will include salient provider and service types
Analytic Methods	• Descriptive trend analysis • Interrupted time series analysis
Benchmark	Performance against self as defined in the HHSC Uniform Managed Care Manual.** According to this standard, any year-to-year change between -2.99% and 2.99% is considered consistent with the year before. Any change of +/-3.00% or greater indicates a change in the rate from the previous year.

Note. ED=Emergency department; BH=Behavioral health; SA=Substance abuse; MBCC=Medicaid for Breast and Cervical Cancer; FFCC=Former Foster Care Children; AA=Adoption Assistance; PCA=Permanency Care Assistance; NF=Nursing facility; HHSC=Health and Human Services Commission; DSRIP=Delivery System Reform Incentive Payment; DY=Demonstration year, October 1-September 30; SMI=Serious mental illness; FFS=Fee-for-service; MMC=Medicaid managed care; SDA=Service delivery area.
*Selected Category C measures from the Measure Bundle Protocol (Texas Health and Human Services Commission, 2018).
** https://hhs.texas.gov/sites/default/files/documents/laws-regulations/handbooks/umcm/6-2-14.pdf

Hypothesis 3.5: Client satisfaction will improve among clients whose Medicaid benefits shift from FFS to a MMC health care delivery model.

Measure 3.5.1	Client Satisfaction - NF
Definition	Self-reported client satisfaction with nursing facility
Study Population(s)	• NF
Measure Steward or Source	N/A
Technical Specifications	NFQR Satisfaction Measures: • Level of satisfaction with experience in nursing facility • Level of satisfaction with health care services received • Participation in care plan meeting • Concerns the facility did not address
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible)
Data Source(s)/ Data Collection Method(s)	• NFQR – A biannual survey conducted among nursing facility residents in Texas since 2002

Comparison Group(s)/ Subgroup(s)	• Pre/post comparison
	  ○ Pre: 2009 – 2014
	  ○ Post: 2015 – 2022
	• Client demographics (age, sex, race/ethnicity, length of stay)

Analytic Methods	• Descriptive trend analysis
Benchmark	None

Note. NF=Nursing Facility, NFQR=Nursing Facility Quality Review.

Measure 3.5.2	Client Satisfaction - CAHPS
Definition	Self-reported client satisfaction with their MMC health plan (caregivers will report on behalf of children 17 years and younger).
Study Population(s)	• AA • PCA • MBCC
Measure Steward or Source	AHRQ (for CAHPS Health Plan Survey – Adult, Child)
Technical Specifications	Following AHRQ technical specification for administration of the CAHPS Health Plan Survey*, Texas' EQRO will include a sample of each study population in scheduled survey administration to the STAR (child, adult) and STAR+PLUS populations. Survey schedule: • 2019: STAR children • 2020: STAR adults, STAR+PLUS • 2021: STAR children • 2011: STAR adults, STAR+PLUS (if data is available for analysis for final report)
Exclusion Criteria	STAR+PLUS eligible members 65 years and older Medicare/Medicaid (dual eligible)
Data Source(s)/ Data Collection Method(s)	• CAHPS Health Plan Survey, Child (AA, PCA) • CAHPS Health Plan Survey, Adult (MBCC)
Comparison Group(s)/ Subgroup(s)	• Client demographics (age, sex, race/ethnicity), if available
Analytic Methods	• Descriptive trend analysis
Benchmark	

Note. CAHPS=Consumer Assessment of Healthcare Providers and Systems, MMC=Medicaid managed care, AA=Adoption Assistance, PCA=Permanency Care Assistance, MBCC=Medicaid for Breast and Cervical Cancer, AHRQ=Agency for Healthcare Quality and Research, EQRO=External quality review organization.

*CAHPS Health Plan Survey – Agency for Health Care Research and Quality: https://www.ahrq.gov/cahps/surveys-guidance/hp/index.html

Evaluation Question 4: ***Did the Demonstration impact the development and implementation of quality-based payment systems in Texas Medicaid?***

Hypothesis 4.1: The Demonstration will result in the development and/or implementation of a variety of alternative payment models (APMs) in Texas Medicaid.

Measure 4.1.1	Alternative payment models
Definition	APMs planned or implemented by MCOs and providers. CMS defines APMs as a payment approach that gives added incentive payments to provide high-quality and cost-efficient care.*
Study Population(s)	• Managed Care Organizations
Measure Steward or Source	N/A
Technical Specifications	Various APMs and/or other quality-based payment systems will be identified, categorized, and enumerated to the extent possible, based on characteristics including but not limited to: Type of APM, APM framework category, level of financial risk for plan and providers, STAR product, SDA, provider service type, estimated number of members impacted by APM, claims paid, incentives paid and disincentives applied.
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• MMC APM reporting tool
Comparison Group(s)/ Subgroup(s)	Subgroups may include: • MCO size • SDA • RHP, if possible • Type of provider in APM
Analytic Methods	• Content analysis • Descriptive statistics, as applicable
Benchmark	None

Note. APM=Alternate payment model, MCO=Managed care organization, CMS=Centers for Medicare and Medicaid Services, DSRIP=Delivery System Reform Incentive Payment, MMC=Medicaid managed care, SDA=Service delivery area, RHP=Regional Healthcare Partnership.
* CMS: https://qpp.cms.gov/apms/overview

Measure 4.1.2	Perceived barriers to developing and/or implementing alternative payment models
Definition	MCO and DSRIP provider-identified challenges, or perceived barriers, experienced in developing and/or implementing APMs or other quality-based payment systems within the Texas MMC health care service delivery model.
Study Population(s)	• DSRIP performing providers • MCOs
Measure Steward or Source	N/A
Technical Specifications	Perceived barriers to the development and/or implementation of APMs and other quality-based payment systems will be identified and categorized or grouped by theme.
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	Possible data sources include: • APM survey (to be developed by external evaluator) • DSRIP reporting (if used to obtain APM information in lieu of a separate survey) • Other documents, as available (e.g., MCO APM reporting tool could include additional questions in lieu of separate survey)
Comparison Group(s)/ Subgroup(s)	Subgroups may include: • MCO size • SDA • RHP • Provider type
Analytic Methods	• Thematic content analysis
Benchmark	None

Note. MCO=Managed care organization, DSRIP=Delivery System Reform Incentive Payment, APM=Alternate payment model, MMC=Medicaid managed care, SDA=Service delivery area, RHP=Regional Healthcare Partnership.

Measure 4.1.3	Perceived benefits to developing and/or implementing alternative payment models
Definition	MCO and DSRIP provider-identified benefits, or perceived positive aspects, of developing and/or implementing APMs within the Texas MMC health care service delivery model
Study Population(s)	• DSRIP performing providers • MCOs
Measure Steward or Source	N/A
Technical Specifications	Perceived benefits of the development and/or implementation of APMs and other quality-based payment systems will be identified and categorized or grouped by theme.
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	Possible data sources include: • APM survey (to be developed by external evaluator) • DSRIP reporting (if used to obtain APM information in lieu of a separate survey) • Other documents, as available (e.g., MCO APM reporting tool could include additional questions in lieu of separate survey)
Comparison Group(s)/ Subgroup(s)	Subgroups may include: • MCO size • SDA • RHP • Provider type
Analytic Methods	• Thematic content analysis
Benchmark	None

Note. MCO=Managed care organization, DSRIP=Delivery System Reform Incentive Payment, APM=Alternate payment model, MMC=Medicaid managed care, SDA=Service delivery area, RHP=Regional Healthcare Partnership.

Evaluation Question 5: ***Did the Demonstration transform the health care system for the MLIU population in Texas?***

Hypothesis 5.1: The Demonstration will result in a reduction of potentially preventable ED use for the MLIU population.

Measure 5.1.1	**Rate of potentially preventable emergency department use (PPV)**
Definition	A PPV is an emergency treatment for a condition that could have been treated or prevented by a physician or other health care provider in a nonemergency setting, also known as a potentially preventable ED visit.
Study Population(s)	MLIU individuals
Measure Steward or Source	3M
Technical Specifications	Using 3M software, Texas Emergency Department Data will be used to identify ED "encounters that may have resulted from the lack of adequate access to care or ambulatory care coordination."* **Monthly or quarterly rate:** (Numerator / denominator) * 100
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• THCIC - Emergency Department Research Data File

Comparison Group(s)/ Subgroup(s)	• Pre/post comparison (depending on data availability)
	  ○ Pre: 2016-2017 (pre-Demonstration renewal)
	  ○ Post: 2018-2022 (post-Demonstration renewal)
	• RHP and/or RHP tier
	• SDA
	• Payer type

Analytic Methods	• Interrupted time series
Benchmark	2016 State Rate* for count of PPVs (cannot be used for direct comparison as state rates are based on Medicaid-only population): At-risk ED visits / PPV Count STAR: 1,518,816 / 1,049,809 STAR Health: 20,907 / 14,907 STAR Kids: 15,683 / 10,698 STAR+PLUS: 317,732 / 239,408 FFS: 222,203 / 144,335

Note. PPV=Potentially preventable emergency department visit, ED=Emergency department, THCIC=Texas Health Care Information Collection, RHP=Regional Healthcare Partnership, SDA=Service delivery area.

*Texas Healthcare Learning Collaborative Portal: https://thlcportal.com/qoc/medical

Hypothesis 5.2: The Demonstration will result in overall cost savings compared to the Medicaid program without the Demonstration, as shown in the budget neutrality calculation.

Measure 5.2.1	Growth Rate of Demonstration Costs
Definition	The annual growth rate of the overall costs of the Demonstration as reported on the budget neutrality worksheet
Study Population(s)	MLIU individuals
Measure Steward or Source	N/A
Technical Specifications	Using total summary amounts reported in the Budget Neutrality Worksheet, annual growth rate of costs (actual or projected) will be compared over time: • Total WOW versus WW expenditures **Numerator:** (Annual waiver costs reported for DY_t) - (Annual waiver costs reported for DY_{t-1}) **Denominator:** Annual waiver costs reported for DY_t **Annual growth rate:** (Numerator / denominator) * 100
Exclusion Criteria	None
Data Source(s)/ Data Collection Method(s)	• HHSC Budget Neutrality Worksheet
Comparison Group(s)/ Subgroup(s)	• Overall costs WW versus costs WOW • Medicaid population
Analytic Methods	• Descriptive trend analysis comparing annual WOW growth rate to annual WW growth rate
Benchmark	WW costs are required to remain at or below WOW costs

Note. MLIU=Medicaid and Low-Income Individuals; WOW=Without waiver; WW=With waiver; DY=Demonstration Year, October 1-September 30; HHSC=Health and Human Services Commission.

Appendix D: List of Acronyms

Acronym	Full Name
AA	Adoption Assistance
AAP	Adult Access to Preventive/Ambulatory Health Services
AHRQ	Agency for Healthcare Research and Quality
APM	Alternate Payment Model
BH	Behavioral Health
CADS	Center for Analytics and Decision Support
CAP	Children and Adolescents' Access to Primary Care
CHF	Congestive Heart Failure
CHIP	Children's Health Insurance Program
CMHC	Community Mental Health Center
CMS	Centers for Medicare and Medicaid Services
CPT	Current Procedural Terminology
CY	Calendar Year
DMO	Dental Maintenance Organization
DSH	Disproportionate Share Hospital
DSHS	Texas Department of State Health Services
DSRIP	Delivery System Reform Incentive Payment
DY	Demonstration Year

ED	Emergency Department
EQRO	External Quality Review Organization
FFCC	Former Foster Care Children
FFS	Fee-for-Service
FFY	Federal Fiscal Year
HEDIS®	Healthcare Effectiveness Data and Information Set
HHSC	Texas Health and Human Services Commission
HIE	Health Information Exchange
HLM	Hierarchical Linear Modeling
ICD-10-CM	International Classification of Diseases, 10th Revision, Clinical Modification
ITS	Interrupted Time Series
LHD	Local Health Department
MBCC	Medicaid for Breast and Cervical Cancer
MCO	Managed Care Organization
MLIU	Medicaid and Low-Income Uninsured
MMC	Medicaid Managed Care
NCQA	National Committee for Quality Assurance
NF	Nursing Facility
PCA	Permanency Care Assistance
PCCM	Primary Care Case Management
PCP	Primary Care Provider

PPA	Potentially Preventable Admission
PPC	Potentially Preventable Complication
PPR	Potentially Preventable Readmission
PPV	Potentially Preventable Emergency Department Visits
PQI	Prevention Quality Indicator
Q1-Q4	Quarter 1 - Quarter 4
RHP	Regional Healthcare Partnership
RUCC	Rural-Urban Continuum Codes
SA	Substance Abuse
SDA	Service Delivery Area
SMI	Serious Mental Illness
SPMI	Serious and Persistent Mental Illness
STC	Special Terms and Conditions
THCIC	Texas Health Care Information Collection
TMHP	Texas Medicaid and Healthcare Partnership
UC	Uncompensated Care
UPL	Upper Payment Limit

Appendix E: References

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