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“Delivery System Reform Incentive Payments: A New  
Feature in KanCare”

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Delivery System Reform Incentive Payment  
Pool (DSRIP)  
April 26, 2013

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# Overview- What is DSRIP?

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- The Kansas DSRIP pool was created through the approval of the Section 1115 Demonstration Waiver for the KanCare program.
- The pool allows certain hospitals to receive payments from Kansas Medicaid for participating in reform projects which benefit the health care delivery system widely.
- The payments are tied to meeting specific project milestones over the five-year demonstration period.

# Overview- What is DSRIP?

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- Two hospitals are currently eligible to participate in the DSRIP project:
  - The University of Kansas Hospital (KUH)
  - Children's Mercy Hospital
- These hospitals are eligible due to their status as a Large Public Teaching or Border City Children's Hospital.
- Payments to the hospitals will be funded by state funds, intergovernmental transfers, and federal funds—the same sources as their previous supplement payments

# How is DSRIP Different?

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- The Medicaid program's Section 1115 Demonstration Waiver created a new hospital payment system known as the Safety Net Care Pool.
- This pool converted existing funds into a new system of reimbursement.
- The Safety Net Care Pool is, in turn, comprised of two smaller payment pools:
  - Uncompensated Care (UC) Pool
  - Delivery System Reform Incentive Payment (DSRIP) Pool

# How is DSRIP Different?

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- The UC Pool includes 56 hospitals across the state.
- Fifty-four (54) of these hospitals are eligible for the UC Pool due to their inclusion in the Health Care Access Improvement Program (HCAIP)
  - These hospitals receive 100% of their Safety Net Care Pool funds from the UC Pool.
  - Payments are based on uncompensated care costs.
- The remaining two hospitals (KUH and Children's Mercy) have their payments split between the UC Pool and the DSRIP Pool

# How is DSRIP Different?

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- The proportion of payments that KUH and Children's Mercy receive from the UC Pool decreases over the 5 year demonstration period and a greater portion is tied to the DSRIP Pool.
- Unlike UC Pool payments, payments from the DSRIP Pool are tied to each hospital completing approved projects and meeting associated project metrics.
- If metrics are not met for any given demonstration year, the hospitals will forfeit a portion of their DSRIP payments.

# DSRIP Goals

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- The Special Terms and Conditions (STCs) of the 1115 Demonstration Waiver outline the three-part aim of the DSRIP Pool
  - Better care for individuals;
  - Better health for the population; and
  - Lower cost through improvement
- DSRIP is intended to support participating hospitals' efforts to enhance access and quality care

# DSRIP Requirements

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The State Medicaid Program must do the following:

- Identify project focus areas for the DSRIP Pool
  - Focus areas were submitted to the federal Centers for Medicare and Medicaid Services (CMS) on 3-29-13
- Develop DSRIP Planning Protocol and Funding Mechanics Protocol which will serve as guiding documents for the DSRIP program
- Develop performance indicators to serve as reporting measures for each participating hospital

# DSRIP Requirements

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Each hospital must do the following:

- Implement new, or significantly enhance existing, health care initiatives. Activities must be responsive to the needs of the populations and communities served by the hospital.
- Select at least two projects that fit within the focus areas produced by the State
- Develop a hospital DSRIP plan for approval by CMS that is consistent with the hospital's goals and DSRIP protocols

# DSRIP Requirements

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Each hospital must do the following:

- Report on categorical project milestones each year
- Milestones include measures related to:
  - Infrastructure-Year one
  - Process-Year two
  - Quality and outcomes-Year three
  - Population focused improvements-Year four.
- Population-focused milestones will be set by the State and will be common across both hospitals.

# Definitions

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- Focus Areas- List that defines program emphasis and targets care improvements--based on needs and state public health initiatives
- Protocols- Governing documents that define DSRIP program requirements—produced by KDHE
- Projects- Actual programs and/or interventions the participating hospitals will implement- completed by hospitals
- Plans- (Hospital plans) Detail the goals, scope, and metrics of hospital projects—submitted by hospitals for approval by State and CMS

# Texas Example

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## **Overall Goal (focus area):**

- Increase, Expand, and Enhance Oral Health Services

## **Project goals:**

- Close gaps/disparities in access to dental care services
- **Enhance the quality of dental care**
- Increase and enhance dental workforce
- Redistribute and retain dental workforce to/in underserved areas

# Texas Example

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## Year 1:

### Milestones & Measures related to Infrastructure

#### Milestone:

- Implement/expand alternative dental care delivery systems to underserved populations

#### Measures:

- Implement/expand a mobile dental clinic program with an affiliated fixed-site dental clinic location
- Develop tele-dentistry infrastructure
- Implement or expand school-based sealant program
- Implement program to increase dental services to individuals in longterm care facilities, intermediate care facilities, nursing homes, the elderly, and/or individuals with special needs

# Texas Example

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## Year 2:

### Milestones & Measures related to Process

#### Milestone:

- Participate in at least bi-weekly meetings, conference calls, or webinars with other providers to promote collaborative learning around shared or similar projects. Participation should include:
  - Sharing challenges and any solutions
  - Sharing results and quantitative progress on new improvements the provider is testing
  - Identifying a new improvement and public commitment to testing it in the week to come

#### Measures:

- Number of bi-weekly meetings, conference calls or webinars organized by the DSRIP that the provider participated in
- Share challenges and solutions successfully during this bi-weekly interaction

# Texas Example

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## Year 3:

## Milestones & Measures related to Quality and Outcomes

### Milestone:

- Increased preventive services and oral health in children

### Measures:

- Percentage of children age 6-9 with a dental sealant on a permanent first molar tooth
- Percentage of children with untreated dental caries
- Percentage of children age 0-6 that have received at least one fluoride varnish application during the measurement period
- Percentage of children with urgent dental care needs

# Texas Example

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## Year 4:

### Population-Focused Improvements

#### Milestone:

- Hospitals must report on five required domains for population health. Texas also identified some additional (optional) domains that could be incorporated into the hospitals' overall evaluation.

#### Measures:

The required reporting domains include:

- Potentially preventable admissions (PPAs)
- 30-day readmissions
- Potentially preventable complications (PPCs)
- Patient-centered healthcare, including patient satisfaction and medication management
- Emergency department (admission decision time for transfers)

# Program Timeline

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January-March 2013

- State gathers input on DSRIP focus areas

March 29, 2013

- List of proposed focus areas submitted to CMS from the State

April-May 2013

- State develops and seeks public input on DSRIP protocols

May 31, 2013

- Protocol drafts are due to CMS

# Program Timeline

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July 31, 2013

- Final approval of protocols by CMS

September 30, 2013

- Hospital plans due to CMS

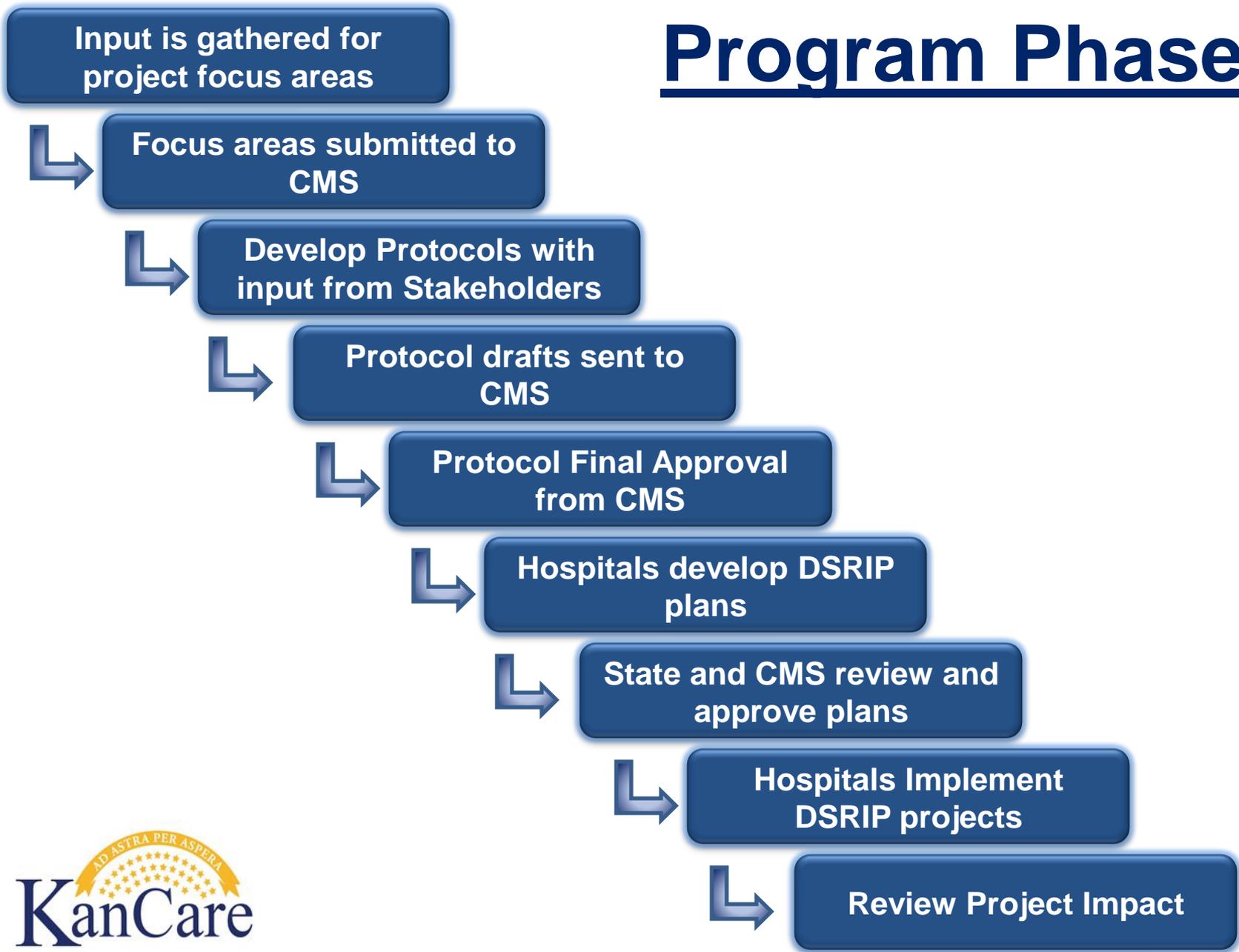
December 31, 2013

- Final approval of plans by CMS

2014-2017

- Hospitals implement DSRIP projects

# Program Phases



# Focus Areas

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- The first step in developing the DSRIP program was to decide the focus areas for DSRIP projects
- To create DSRIP focus areas, the DSRIP project team (which includes state and hospital staff) wanted to utilize the efforts of the Healthy Kansans 2020 Steering Committee
- Each of the proposed focus areas is a translation of the HK2020 priority strategies
- Although not every priority strategy is reflected as a focus area, we tried to include as many of these priority strategies as possible and practical

# Focus Areas

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## Proposed Focus Areas:

- Increase access to services, including primary care and preventive services
- Increase the effective and efficient use of population health management through health information technology (HIT)
- Increase integration of the health care delivery system, including medical, behavioral health, and social services.
- Promote physical activity through encouraging and marketing the benefits of physical activity and expanding access and opportunities for physical activity

# Focus Areas

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## Proposed Focus Areas:

- Improve health literacy, including nutrition education and tobacco use prevention and control
- Expand health and wellness programs and develop incentives for participation in these programs
- Expand chronic and complex care management models
- Promote healthy communities, including access to clean air and water and healthy food and lifestyle choices

Question 1:

Do you believe the selected focus areas are appropriate for the DSRIP program?

Question 2:

Are there focus areas you are particularly interested in seeing the hospitals utilize when designing their projects?

# DSRIP Protocols

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- Elements of the Planning/Funding and Mechanics Protocols Include:
  - Outline community needs and goals/outcomes that we want to achieve with DSRIP
  - Describe the projects that hospitals may select from for their DSRIP programs
  - Describe the State's plan to evaluate hospital DSRIP plans
  - Specify a review process and timeline to evaluate hospital progress on meeting DSRIP metrics
  - Other CMS-specified requirements

# Goals and Community Needs

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- The DSRIP program will build upon the work completed by the Healthy Kansans 2020 Steering Committee—a collaborative, strategic planning effort aimed at identifying and adopting health priorities that will improve the health of all Kansans
- The Healthy Kansas 2020 Steering Committee identified the following three cross-cutting themes:
  - Healthy Living
  - Healthy Communities
  - Access to Services

## Question 3:

Kansas is fortunate to have the ability to build upon the work of our public health partners. Are there additional goals and community needs that you would like to see incorporated into the DSRIP program?

# Evaluation of Hospital Plans

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- KDHE members of the DSRIP Project Team will review the Hospital DSRIP Plans
- Dr. Robert Moser, Secretary of KDHE, will have final approval for the State
- Plans are due to KDHE by August 1, 2013
- Plans may need to be revised depending upon changes CMS requires KDHE to make to the DSRIP Protocols

# Hospital Plan Review Criteria

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- Plan is in specified format and contains all required elements and is consistent with 1115 waiver Special Terms and Condition (STC) 69
- All projects clearly identify Category 1, 2 and 3 milestones, as described in STC 69 (c)(i-iii)
- All projects clearly identify the population-focused health improvement measures (Category 4) to be reported

# Hospital Plan Review Criteria

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- Amount and distribution of funding is in accordance with STC 69 (g)(iii) , STC 70 and requirements of the Funding and Mechanics Protocol
- Proposed projects are new or significantly enhance existing health care initiatives and do not duplicate other CMS and HHS funded initiatives in which the hospital participates
- Plan and all of the projects proposed are consistent with the overall goals of the DSRIP program

Question 5:

What do you think of the hospital plan review process and criteria?

Question 6:

Are there additional elements the State should consider in our review of the hospital plans?

# Overall DSRIP Evaluation Plan

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- Assess the impact of UC (uncompensated care) Pool payments on utilization and/or outcomes of care for Medicaid consumers
- Assess whether the hospitals were able to show statistically significant improvements on measures within Categories 1 through 3
- Assess degrees of improvement on measures within Category 4

# Overall DSRIP Evaluation Plan

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- Assess correlations between health care delivery system and access reform measures and quality of care delivered by participating providers
- Assess the impact of DSRIP on short term and long term per capita costs of health care
- Assess the degree of improvement achieved in comparison to the amount of paid incentives
- (If possible, may conduct comparisons to control group hospitals that did not participate in DSRIP related improvement efforts)

# Metric Progress Review Process

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- DSRIP Hospitals will submit semi- annual and annual progress report cards.
- The report cards will detail information regarding hospitals' progress in meeting Category 1-4 metrics through their projects
- Reports will be certified by state and CMS to ensure hospitals have met the approved metrics.
- DSRIP payments are tied to hospitals completing specific project milestones and metrics over the five-year demonstration period.

# Feedback

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Question 7:

Are there other elements you would like to see included in our overall evaluation of DSRIP?

Question 8:

Do you have suggestions for category 4 milestones or metrics that would be valuable to the Kansas delivery system?

# Feedback

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Please submit any other questions or feedback you have using your question function.

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**Thank you.**