THE NATIONAL PARTNERSHIP FOR THE HEALTH CARE SAFETY NET

MEDICAID WAIVERS
Section 1115 Delivery System Incentive Waivers

	CALIFORNIA	TEXAS	MASSACHUSETTS	NEW JERSEY	NEW YORK
Overview and Purpose	"DSRIP is a 5-year, federal pay-for-performance quality improvement initiative for the 21 public health care systems in California. The program strengthens care delivery throughout their entire health care systems and makes high-quality care more accessible and efficient for patients." [1]	"In December 2011, Texas received federal approval of an 1115 waiver that would preserve Upper Payment Limit (UPL) funding under a new methodology, but allow for managed care expansion to additional areas of the state... DSRIP Pool Payments are incentive payments to hospitals and other providers that develop programs or strategies to enhance access to health care, increase the quality of care, the cost-effectiveness of care provided and the health of the patients and families served."[2]	"[The Delivery System Transformation Initiatives (DSTI)] are designed to provide incentive payments to support investments in eligible safety net health care delivery systems for projects that will advance the triple aims of improving the quality of care, improving the health of populations and enhancing access to health care, and reducing the per-capita costs of health care. In addition, DSTI payments will support initiatives that promote payment reform and the movement away from fee-for-service payments toward alternative payment arrangements that reward high-quality, efficient, and integrated systems of care."[3]	"The Delivery System Reform Incentive Payment (DSRIP) Program is one component of the New Jersey's Comprehensive Medicaid Waiver as approved by the Centers for Medicare & Medicaid Services (CMS). DSRIP is a demonstration program designed to result in better care for individuals (including access to care, quality of care, health outcomes), better health for the population, and lower costs by transitioning hospital funding to a model where payment is contingent on achieving health improvement goals. "[4]	"The DSRIP program will promote community-level collaborations and focus on system reform, specifically a goal to achieve a 25 percent reduction in avoidable hospital use over five years. Safety net providers will be required to collaborate to implement innovative projects focusing on system transformation, clinical improvement and population health improvement. Single providers will be ineligible to apply. All DSRIP funds will be based on performance linked to achievement of project milestones."[5]
Demonstration Term	2010-2015	2011-2016	Originally 2011-2014; renewed in October 2014 through 2019, although funding will need to be negotiated for the final 2 years.[6]	2013-2018	2014-2015 (to be renewed for 5 years)
Participating Providers	21 safety net hospitals (15 county hospitals and 6 UCSF hospitals)	The state is geographically divided into 20 Regional Health Care Partnerships (RHPs). Together these include 300 provider entities:[7] ▪ 224 hospitals (public and private) ▪ 18 physician groups ▪ 38 community mental health centers ▪ 20 local health departments	7 safety net hospitals	All 63 acute care hospitals are eligible	Providers must apply as coalitions, referred to as "Performing Provider Systems." The state determined which entities (hospitals, health centers, nursing homes, adult care centers, assisted living, etc) qualified as safety net. Non-SN-qualifying providers can be included in the Performing Provider Systems but must receive 5% or less of the DSRIP payments.[8]

STATE SECTION 1115 MEDICAID INCENTIVE PROGRAMS

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Process For Provider Project/Plan Submission	Hospitals submitted a 5 year plan addressing all transformation categories below. Plans were approved by the state and CMS.[9]	RHPs must assess community needs and then develop 5-year plans that identify partners, projects, funding distribution, and metrics to demonstrate success. Plans are approved by the state and CMS.	Participating hospitals must design a 3 year plan describing the projects, population-focused objectives, and specific metrics. Funded projects must be new or significantly enhanced (avoiding duplication of federal funds).	Hospitals submit a 3.5 year plan that must be approved by the state and CMS.	Performing Provider Systems must conduct a community needs assessment and develop a plan to be selected by New York State.
Requirement for Collaboration	N/A	The 20 Regional Health Care Partnerships are collaborations anchored by a public hospital or local governmental entity that can provide the state match/ IGT payments. The waiver requires that the anchor be a public hospital where available.	N/A	N/A	All Performing Provider Systems must be coalitions of multiple entities. The Performing Provider Systems must establish a structure for collaboration, including a joint budget & funding distribution plan.
Learning Collaborative Component	Yes – Not Required	Yes – Not Required	Yes – Required	Yes – Not Required	Yes- required
Improvement Categories and Example Transformative Projects	Plans must include two projects addressing Category 1, two projects addressing Category 2, and two interventions from Category 4. Category 3 pertains to data collection. [10] ○ Categories 1 and 2: Infrastructure Development and Innovation and Redesign. *Examples*: • Expand primary care capacity • Expand medical homes • Primary care redesign • Implement LEAN process improvement • Improve the patient experience • Improve interpretation services	RHP plans must include projects from Categories 1 and 2, which are linked to outcomes in Category 3. The number of projects required in each RHP plan depends upon the size of the safety net population in its region.[11] ○ Category 1: Infrastructure Development. *Examples*: • Expand primary care capacity • Expand behavioral health capacity • Expand specialty care capacity • Expand quality improvement reporting system. ○ Category 2: Program Innovation and Redesign. Examples	Plans must include at least 5 projects, with at least one project in each of Categories 1, 2, and 3. ○ Category 1: Development of a Fully Integrated Delivery System ○ Category 2: Improve Health Outcomes and Quality ○ Category 3: Ability to Respond to Statewide Transformation to Value-Based Purchasing and to Accept Alternatives to Fee-for-Service Payments ○ Category 4: Population-Focused Improvements Examples of implemented projects include[12] : • Boston Medical Center's Re-Engineered Discharge Process (Project RED)	Hospitals create projects to address one of 8 chronic diseases. These projects must fall into Stages 1 and 2, "Infrastructure Development" and "Chronic Medical Condition Redesign and Management." The chronic diseases, with example Stage 1 and 2 projects, are: • Asthma: Hospital-based educator program • Behavioral Health: Integrated health home for the Seriously Mentally Ill • Cardiac Care: Care transitions model to reduce 30 day readmissions. • Substance Abuse: Hospital-Wide	Plans must include between 5 and 11 projects across the following domains.[13] ○ Domain 2: System transformation *Examples*: • Create integrated delivery systems • Increase PCMH certification (All included PC practices are expected to reach 2014 NCQA level 3 by the end of year 3) • Develop co-located primary care services in the ED department • Hospital-Home Care collaboration • Develop community-based health navigation settings ○ Domain 3: Clinical improvement

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	○ Category 4: Urgent improvement in care. Examples: • Sepsis detection and management • CLABSI Prevention • Surgical site infection prevention • Hospital-acquired ulcer prevention ○ Category 3: emphasizes building capacity for data on high-burden conditions. The waiver specifies a set of measures that the hospitals must begin to collect at different time points in the demonstration. However, funding is not linked to achieving specific outcomes on these measures.	• Enhance and expand PCMH • Expand chronic care management models • Redesign to Improve Patient Experience • Implement/expand care transitions programs • Integrate primary and behavioral healthcare ○ Category 3: Quality Improvements that can be demonstrated in 3 to 4 years (linked with Categories 1 and 2 projects). ○ Category 4: Requires participating hospitals to report on a specified set of measures (see Demonstration of Outcomes below).	• Cambridge Health Alliance (CHA) Patient-Centered Medical Home Initiative • Holyoke Medical Center's Health Information Exchange (HIE) • Lawrence General Hospital's Physician Hospital Organization (PHO) Initiative • Mercy Medical Center's Aligning Systems to Improve Health Outcomes & and Quality • Signature Healthcare Brockton Hospital's 360° Patient Care Management • Steward Carney Hospital's Community Health Worker Initiative	Screening for Substance Use Disorder • Diabetes: Diabetes Group Visits for Patients and Community Education • HIV/AIDS: Patient Centered Medical Home for Patients with HIV/AIDS • Obesity: After School Obesity Program • Pneumonia: Patients Receive Recommended Care for Community-Acquired Pneumonia ○ Stage 3 Quality Improvements: Project-specific measures to assess improvements due to Stages 1&2 projects. Includes process milestones and clinical targets. ○ Stage 4: Population Focused Improvements: Universal metrics selected by NJDOH.	*Examples:* • Behavioral health: Integration of primary care and behavioral health services • Cardiovascular health: Evidence based strategies for disease management • Diabetes care: • Asthma: Medication adherence • Palliative care: Integration into medical homes ○ Domain 4: Population-wide/ prevention. (Plans are asked to use County Health Assessment data in selecting a project) *Examples:* • Mental Health and Substance abuse: promote well-being in communities • Promote tobacco cessation • Prevent HIV and STDs • Reduce premature births
Demonstration of Outcomes	In their plans, hospitals state how they will measure outcomes, with respect to their Categories 1, 2, and 4 projects Process and clinical outcomes are included. *Examples*: • Improved diabetes management and outcomes • Improved chronic care outcomes • Reductions in readmissions	For Category 3, the RHP selects process measures and improvement targets that align with the projects. For Category 4, hospitals must report on specified measures in 5 domains: • Potentially preventable admissions (PPAs) • 30-day readmissions • Potentially preventable complications (PPCs) • Patient-centered	For Categories 1 through 3, the hospital must select process and improvement measures that align with project goals. Category 4 requires collection of population-based measures: a core set of measures that all hospitals report and additional measures of the hospital's choice. The hospitals submit semi-annual reports to MassHealth.	The state specified both the project-specific and population-focused metrics. The state will calculate measures based on claims data, while the hospital must report all other measures.	Milestones will be project-specific and set based on the project plans. Performing Provider Systems are evaluated collectively (rather than as individual provider organizations). The Performing Provider Systems will submit reports at least twice a year.[14]

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	• Number of patients experiencing sepsis The hospitals submit semi-annual and annual reports to receive funding.	healthcare, including patient satisfaction and medication management • Emergency department			
Funding	Up to $6.67 billion (including state and local funds) Local match provided through intergovernmental transfers.	The DSRIP pool is $11.4 billion.[15] Federal funding is through redirected UPL funds. Local match provided through intergovernmental transfers.	Original waiver: $668 million over 3 years. The non-federal share is funded through the safety net care pool. Renewal: $690.8 million over 3 years. The renewal added a potential cut in year three for the entire pool if hospitals do not collectively meet performance targets.	$666.4 million. This DSRIP incentive pool replaces the previous Hospital Relief Subsidy Fund.	$6.42 billion. The funding is from savings generated through NY's earlier Medicaid Redesign Team reforms.
Source For More Info On Transformation Project Options	DRSIP plans for each participating hospital	Options are detailed in the Regional Healthcare Partnership Planning Protocol	Section 1115 Demonstration Project Extension Request see p. 33	Hospital Planning Protocol, p. 12	NY DSRIP project toolkit, page 4

Notes: Kansas also has a DSRIP waiver which covers two hospitals. Further details on the Massachusetts renewal will be forthcoming when the Master DSTI plan becomes available.

SOURCES

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