



**National Delivery System Reform Incentive
Payment Program (DSRIP) Trends &
Implications for California**

September 2014

What is DSRIP?

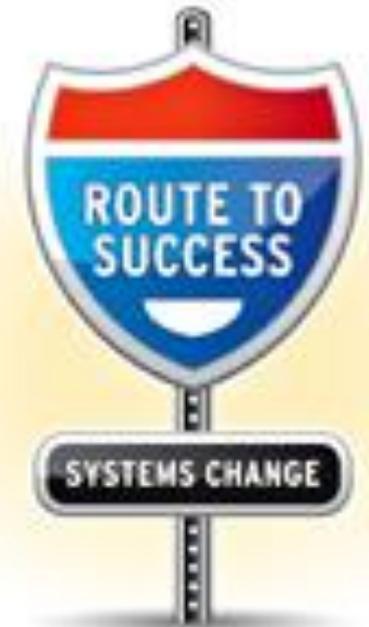
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A new-ish Medicaid effort operated under a Section 1115 Medicaid waiver program that provides provider financial incentives to:

- Support delivery systems changes to meet the triple aim;
- Address gaps in care delivery;
- Improve hospital operations; and,
- Increase care capacity.

States use federal dollars with a match.

Budget Neutrality rules apply.



There is no definition, but DSRIPs seem to share certain traits.

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Patient Centered

- Better patient care & experience through a more efficient, patient-centered and coordinated system.

Transparent

- Decision-making process takes place in the public eye, ensuring processes are clear and aligned across providers.

Collaborative

- Collaborative process reflects the needs of the communities and inputs of stakeholders.

Accountable

- Providers are held to common performance standards, deliverables and timelines.

Value Driven

- Focus on increasing value to patients, community, payers and other stakeholders.

Better Health. Better Outcomes. Reduced Costs.

DSRIP Means New Effort

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DSRIP is new work for better outcomes.

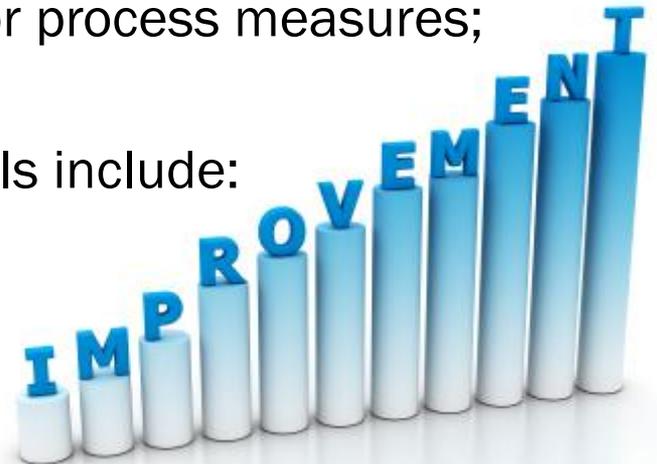
- Medicaid has a long history of providing supplemental payments for volume of care.
- The entire point of DSRIP is to move past notions of a federal subsidy (like DSH).

Progressive Milestones

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DSRIP is fundamentally an incentive payment model. FFS and managed care payments still happen. DSRIP plans have:

- Incentive payments for meeting relative progress measurements, growing more difficult overtime.
- Some states allow partial recognition for partial achievement; others do not.
- Payments in early years are generally for process measures; outcome measures in later years.
- Beyond improved health outcomes, goals include:
 - Better IT integration
 - Provider integration
 - State Department integration



DSRIP Finance Framework (NY)



DSRIP States (Implemented)*

	CA	MA	TX	KS	NM	NJ	NY
Program Participants:	Public	Public & Private Providers					
<i>Hospitals Only</i>	X	X		X	X		
<i>Health Care Service Providers</i>			X			X**	
<i>Health & Social Service Providers</i>							X
Standardization:							
<i>Menu of Projects</i>	X	X	X			X	X
<i>Shared Metrics & Milestones</i>	Some		X			X	X
Projects Developed for:							
<i>Individual Providers</i>	X	X	X	X	X	X	X
<i>Groups of Providers</i>			X				X
Tie to Other State or CMS Goals:							
<i>Public Health Measures</i>						X	X
<i>Payment Reform</i>		X					X***
Approved:	Nov 2010	Dec 2011	Dec 2011	Dec 2012	Jul 2013	Aug 2013	Feb 2014

* Arizona's program was never implemented. Florida and Oregon operate DSRIP-like programs, but don't seem to be considered full DSRIP by CMS.

** New Jersey hospitals encouraged (not required) to work with downstream providers and share payments.

*** New York has a linked statewide 25% reduction in avoidable hospitalization goal that reduces all provider payments if the entire state does not reach that goal.



DSRIP: Smaller Programs

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Smaller programs include:

- **Kansas** – limited program involving 2 safety net hospitals, limited standardization of metrics and milestones
- **Massachusetts** – limited program involving 7 public and private safety net hospitals; limited standardization of metrics or projects; a significant focus on payment reform or alternative payment strategies
- **New Mexico** – limited to sole community providers and state teaching hospitals; protocols still in development but each provider has own set of projects

DSRIP: Larger Programs

There are currently seven states total implementing a DSRIP program:

- **California** – 21 public hospitals generally in large, urban counties; limited standardization of metrics or projects
- **New Jersey** – 63 hospitals, however hospitals “strongly” encouraged to work in partnership with other providers; highly tailored menu set of projects & metrics; providers asked to choose a public health goal that all projects had to be linked to
- **New York** – broad program involving a large number of collaborations (40+) including social service providers, very tailored menu set, statewide goal of reducing avoidable hospitalization by 25%
- **Texas** – broad program involving 20+ regional groups, menu of projects still broad but attempt to standardize metrics and milestones

Comparison of DSRIP CA, TX & NY

	California	Texas	New York
Program Title	Delivery System Reform Incentive Program (DSRIP)	Delivery System Reform Incentive Pool (DSRIP)	Delivery System Reform Incentive Payment (DSRIP) Program
Waiver Approved	November 2010	December 2011	February 2014
CMS Approval of DSRIP Framework	March 2011	Sept 2012	Protocols still in development
CMS Approval of Individual Plans	March 2011	June 2013	Jan-Mar 2014
Duration	5 Years	5 Years	5.5 Years
Federal Funding Available	\$3.3B	\$5.7B	\$6.9B
Participating Entities	21 Public Hospitals	20 Regional Healthcare Partnerships (330 public & private providers)	20-40 Performing Provider Systems (thousands of public & private providers)
DSRIP Category Title	<ol style="list-style-type: none"> Infrastructure Development Innovation and Redesign Population-Focused Improvement Urgent Improvement in Care LIHP HIV Transition 	<ol style="list-style-type: none"> Infrastructure Development Program Innovation and Redesign Population-Focused Improvement Urgent Improvement in Care 	<ol style="list-style-type: none"> Overall Project Progress System Transformation Clinical Improvements Population-Wide Strategy Implementation
Project Menu Size	298 Milestones	1,322 Projects, varying milestones	44 Projects with specific milestones

DSRIP: Changing Role?

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“Originally, DSRIP initiatives were more narrowly focused on funding for safety net hospitals and often grew out of negotiations between states and HHS over the appropriate way to finance hospital care.

Now, however, they increasingly are being used to promote a far more sweeping set of payment and delivery system reforms.”

Kaiser Family Foundation, October 2014

How Does NY DSRIP Work?

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“Performing Provider Systems” go through a number of steps to implement DSRIP:

- NYS established targeted programs with a menu of projects.
- One provider in each region (PPS) is designated as the lead; regions can overlap.
- Participating providers select projects off the menu.
- DSRIP plans have progressively difficult milestones.
- Providers work to achieve the milestones, taking on the risk of missing the milestone.
- There must be a source of permissible funds to match federal dollars.

Broad Trends in DSRIP Programs

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CMS generally has moved towards:

- Narrower menu of projects with pre-approved metrics and milestones.
- Collaboration with, and inclusion of, a broad range of providers, including social service providers.
- Stretch goals.
 - DSRIP accountability bar is being set higher in each state.
 - DSRIP goal is statewide payment reform.
- More upfront planning—with CMS planning funds.
- Standardized and streamlined data reporting.



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