TEACHING HOSPITALS of TEXAS

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Parkland Health & Hospital System
The University of Texas Southwestern Medical Center

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University Medical Center of El Paso

GALVESTON
The University of Texas Medical Branch

HOUSTON
Harris Health System
The University of Texas MD Anderson Cancer Center

LUBBOCK
UMC Health System of Lubbock

MIDLAND
Midland Health

ODESSA
Medical Center Health System

SAN ANTONIO
University Health System

TYLER
University of Texas Health Science Center at Tyler

GME Affiliate

RIO GRANDE VALLEY - EDINBURG
Doctors Hospital at Renaissance

September 25, 2020

House Committee on Human Services
Texas Capitol - E2.125
Austin, TX 78701

RE: Interim Charge - Health Care Access and Medicaid: Examine innovative approaches and delivery models to reduce health care costs for both patients and taxpayers, including policies that other states have implemented. Consider recommendations to implement such models. Study the impact that "direct care" health care models may have on Medicaid beneficiaries for acute care and mental health services, including potential cost savings and improvement in quality metrics. Examine efforts other states have made seeking to implement direct care models, particularly in Medicaid or in charitable health care delivery.

Chair Frank and Members of the Committee,

Thank you for the opportunity to provide information on the Interim Charge regarding Health Care Access and Medicaid. The Teaching Hospitals of Texas members include large public urban teaching hospitals and several affiliated non-profit health systems sharing three core commitments. They provide quality care to all, in particular vulnerable Texans; prepare for and provide trauma and disaster services and care; and support Texas' health care workforce and graduate medical education as well as clinical and delivery system research and transformation.

Texas is at a crucial junction for health care policy, vision, and financing. Texas' waiver successes and related community health infrastructures can be leveraged strategically. Texas can create health coverage within transformed, integrated community-based health systems with stronger incentives for cost management and improved quality of care. Developing Accountable Care Organization (ACO)-like community delivery system offers a solution to address the uninsured who may lose access to care with the loss of DSRIP funding and have lost care as a result of COVID-19, while providing the state with an opportunity to pilot new, flexibly-designed delivery models of care to reduce health care cost for patients and taxpayers. Under a waiver coverage program, current Medicaid restrictions, related managed care payment rules and limitations, and the challenges faced to shift from volume to value are no longer applicable. Texas will have more freedom to create a system that makes more sense.

Proposal:

THOT has proposed a community-based coverage option for the next phase of the waiver. Using available budget neutrality, local communities could choose to provide the non-federal share of funding to support an integrated, local system of care for Texans without insurance. Structured like a provider accountable care organization, these programs could pilot cost saving

models that incorporate personal responsibility while implementing policies that are patient centered. These integrated coverage programs could partner with community-based organizations and others to address social factors of health, improve health equity and access to care based on community priorities and care needs.

By leveraging Texas' DSRIP waiver successes in care innovation, coordination, and cost improvements and by supporting integrated systems of care and services for uninsured Texans currently funded through DSRIP, Texas can create a practical, sustainable, innovative path to health care transformation that is cost-effective, and improves quality of care for Texans and public health within our communities.

Current programs such as San Antonio's CareLink, Parkland's Patient Financial Assistance Program, Travis County's Community Care Collaborative, and similar coordinated care programs can provide the backbone for integrated community-based "Partnership" systems choosing to participate and provide funding.

This general ACO approach was recently supported in a July 2019 United States Department of Health and Human Services Inspector General report on ACOs, in which positive outcomes like improved management of complex and costly patients, improved quality, and increased patient engagement were highlighted.[1] The report also described use of increased primary care access, improved transitions between primary, specialty, hospital and skilled nursing care, and improvements in addressing both behavioral health and social determinants of health.

These lessons learned and innovations in Medicare could be applied to a community-based coverage option for the next phase of the waiver, ensuring uninsured currently served in DSRIP are not displaced. A community-based coverage option structured like an ACO could also provide an opportunity for Texas to test out new value-based payment models that address social determinants of health which are not currently allowed under traditional Medicaid.

We believe such community-based coverage options can unleash community providers to create improvements in quality, cost-effectiveness, access to care. We look forward to working with you and other interested stakeholders on this proposal, which was also shared with HHSC in their request for innovations to consider going forward in the Texas 1115 waiver.

Thank you for your consideration of these comments. Please let me know if you have any questions or we can be of assistance to the Committee.

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[1] https://oig.hhs.gov/oei/reports/oei-02-15-00451.pdf