



September 7 -1115 Waiver Update

In its letter to CMS, HHSC points out that CMS has requested information or sought agreement from the state “on matters that exceed CMS’ statutory authority,” and that HHSC sees no basis except for the size of the proposed CHIRP program, for not approving all Texas proposed programs. HHSC agrees to extend DSRIP, move forward with state directed payment programs in place in 2021 (UHRIP and QIPP), while HHSC and CMS work with “all due haste” on approval and implementation during 2022 of the programs approved by CMS in January, 2021. See update and link to HHSC information: <https://thotonline.org/thot-initiatives/transformation/>

DSRIP

- HHSC will continue DSRIP for an additional year with funding of \$2.49B. The process of approval will take 120 days after HHSC submission of a waiver amendment. Once approved, DSRIP funding will be available for performance within DY 11.
- HHSC will: amend DSRIP program rules; modify systems requirements for DSRIP payments; start communicating with DSRIP providers; and make DSRIP payments for the extension under current programmatic rule. Payments will be made in July 2022, January 2023, July 2023, and January 2024.
- HHSC and CMS will continue to work together on necessary flexibilities for demonstrating DSRIP achievement and determining payment due to the COVID-19 public health emergency.
- HHSC will propose health equity measures to be included in the Waiver amendment.

UHRIP

- Will continue at an estimated \$3.3 billion based on the reimbursement rate increases for each class as they existed in State Fiscal Year (SFY) 2021.
- CMS will grant approval of UHRIP shortly after the pre-print is submitted; with payments retroactive to September 1, 2021.
- UHRIP is higher than actual 2021 because of increased Medicaid caseload.

QIPP

- \$1.1 billion in estimated funding for 2022. Amounts were adjusted to pre- 2021 levels, which were lower in 2021 due to less utilization and lower occupancy. CMS will grant approval of QIPP retroactive to September 1, 2021.

Other State Directed Programs

- HHSC agrees to move forward with the temporary programs summarized above as it continues to negotiate on longer term funding through the programs previously approved by CMS in January: the Comprehensive Hospital Increased Reimbursement Program (CHIRP), Texas Incentives for Physicians and Professional Services (TIPPS), Directed-Payment Program for Behavioral Health Services (DPP for BHS), and Rural Access to Primary and Preventive Services (RAPPS).

Budget Neutrality

- HHSC’s negotiations on other programs will seek to have all programs (including other state directed programs) implemented and funded for at least a portion of the FY to allow for future budget neutrality to count those annualized programs in the state’s baseline.