



# City of San Antonio

## Agenda Memorandum

**File Number:** 16-4737

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**Agenda Item Number:** 11B.

**Agenda Date:** 9/8/2016

**In Control:** City Council A Session

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**DEPARTMENT:** HEALTH

**DEPARTMENT HEAD:** Dr. Vincent R. Nathan

**COUNCIL DISTRICTS IMPACTED:** City- Wide

**SUBJECT:**

Authorizing Continued Participation in the 1115 Waiver Extension Period

**SUMMARY:**

Consideration of the following items relating to the San Antonio Metropolitan Health District's continued participation in the Medicaid 1115 (a) Demonstration Waiver Program known as the "Texas Healthcare Transformation and Quality Improvement Program" (the Program) for a period beginning October 1, 2016 through December 31, 2017:

- A. An Ordinance authorizing the San Antonio Metropolitan Health District to continue implementation of the Medicaid 1115(a) Demonstration Waiver Program-Diabetes Prevention and Management Project for a period beginning October 1, 2016 through December 31, 2017, submit intergovernmental transfers (IGT) in a cumulative amount up to \$1,307,021.70, accept reimbursement of the IGT and additional acceptance of up to \$1,741,780.98 from the Program, for total cash payments of \$3,048,802.68 and authorizing a proposed project budget and staffing complement.
- B. An Ordinance authorizing the San Antonio Metropolitan Health District to continue implementation of the Medicaid 1115(a) Demonstration Waiver Program-School Based Oral Health Project for a period beginning October 1, 2016 through December 31, 2017, submit intergovernmental transfers (IGT) in a cumulative amount up to \$1,058,073.47, accept reimbursement of the IGT and additional acceptance of up to \$1,410,024.21 from the Program, for total cash payments of \$2,468,097.68 and authorizing a proposed project budget and staffing complement.
- C. An Ordinance authorizing the San Antonio Metropolitan Health District to continue implementation of the Medicaid 1115(a) Demonstration Waiver Program-HIV and Syphilis Prevention and Screening Project

for a period beginning October 1, 2016 through December 31, 2017, submit intergovernmental transfers (IGT) in a cumulative amount up to \$1,062,904.92, accept reimbursement of the IGT and additional acceptance of up to \$1,416,462.76 from the Program, for total cash payments of \$2,479,367.68 and authorizing a proposed project budget and staffing complement.

- D. An Ordinance authorizing the San Antonio Metropolitan Health District to continue implementation of the Medicaid 1115(a) Demonstration Waiver Program-Baby Café Breastfeeding Promotion Project for a period beginning October 1, 2016 through December 31, 2017, submit intergovernmental transfers (IGT) in a cumulative amount up to \$1,088,328.10, accept reimbursement of the IGT and additional acceptance of up to \$1,450,342.54 from the Program, for total cash payments of \$2,538,670.64 and authorizing a proposed project budget and staffing complement.
- E. An Ordinance authorizing the San Antonio Metropolitan Health District to continue implementation of the Medicaid 1115(a) Demonstration Waiver Program-Teen Pregnancy Prevention Project for a period beginning October 1, 2016 through December 31, 2017, submit intergovernmental transfers (IGT) in a cumulative amount up to \$2,223,617.02, accept reimbursement of the IGT and additional acceptance of up to \$2,963,266.62 from the Program, for total cash payments of \$5,186,883.64 and authorizing a proposed project budget and staffing complement.
- F. An Ordinance authorizing the San Antonio Metropolitan Health District to continue implementation of the Medicaid 1115(a) Demonstration Waiver Program-Healthy Neighborhoods Project for a period beginning October 1, 2016 through December 31, 2017, submit intergovernmental transfers (IGT) in a cumulative amount up to \$1,804,918.60, accept reimbursement of the IGT and additional acceptance of up to \$2,405,295.08 from the Program, for total cash payments of \$4,210,213.68 and authorizing a proposed project budget and staffing complement.
- G. An Ordinance authorizing the submission of a one-time intergovernmental transfer (IGT) in an amount not to exceed \$40,000.00 to the Medicaid 1115(a) Demonstration Waiver Program for monitoring and compliance and authorizing a proposed operational budget for critical infrastructure support and general operational and program sustainability planning needs for the six Medicaid 1115 (a) Demonstration Waiver projects for a total amount not to exceed \$4,061,254.19.

These Ordinances will authorize The San Antonio Metropolitan Health District's (Metro Health's) continued participation in the Texas Healthcare Transformation and Quality Improvement Program or "1115 Medicaid Waiver Program", continued implementation of six public health projects, proposed program and operational budgets, staffing complements, and other related items in order to participate in the 1115 Medicaid Waiver program for a period beginning October 1, 2016 and ending December 31, 2017. Metro Health's participation in the 1115 Medicaid Waiver program serves a legitimate public purpose in that this funding will support improved health outcomes in Bexar County in six key areas. This action also authorizes other related items in order to participate in the program to include, incidental expenditures for program participants. The six projects requested to move forward are as follows:

- 1) Diabetes prevention and management project
- 2) Children's school based oral health project
- 3) HIV and Syphilis prevention and screening project
- 4) Baby Café breastfeeding promotion project
- 5) Teen Pregnancy prevention project; and
- 6) Healthy Neighborhoods project

**BACKGROUND INFORMATION:**

On January 31, 2013, City Council authorized the submission of six project proposals for consideration and funding as part of the “Texas Healthcare Transformation and Quality Improvement Program” or “1115 Medicaid Waiver Program”. The 1115 Medicaid Waiver created two new funding pools in Texas for Uncompensated Care reimbursement for hospitals and a Delivery System Reform Incentive Payment (DSRIP) pool program. The DSRIP program provides incentive payments for hospitals and other providers who make investments in delivery system reforms that increase access to healthcare, improve the quality of care, and enhance population health. All six projects were approved by the Health and Human Services Commission (HHSC) for funding through the DSRIP pool in two phases of approvals in April and September of 2013. Projects submitted focused on innovative intervention strategies to improve health outcomes in Bexar County in the following areas: diabetes prevention, children’s oral health services, HIV and Syphilis prevention, breastfeeding promotion, teen pregnancy prevention and neighborhood health promotion.

With the initial demonstration period coming to an end on September 30, 2016, HHSC submitted a request to the Centers for Medicare and Medicaid Services (CMS) for a 15 month extension period to continue both the Uncompensated Care (UC) and DSRIP programs and allow additional time for continued negotiations regarding a full five year renewal of the 1115 Medicaid Waiver program. CMS approved the 15 month extension period on May 2, 2016.

Therefore, Metro Health requests City Council authorization for Metro Health to continue its participation in the 1115 Medicaid Waiver program and submit intergovernmental funding transfers to the Program and receive reimbursement of submitted IGT and accept incentive payments for achieving milestone requirements set forth in the extension period as outlined in the table below:

Project	Total Project Valuation	IGT Required	Net Incentive Payment
Diabetes prevention and management	\$3,048,802.68	\$1,307,021.70	\$1,741,780.98
Children’s school based oral health	\$2,468,097.68	\$1,058,073.47	\$1,410,024.21
HIV and Syphilis prevention and screening	\$2,479,367.68	\$1,062,904.92	\$1,416,462.76
Baby Café breastfeeding promotion	\$2,538,670.64	\$1,088,328.10	\$1,450,342.54
Teen pregnancy prevention	\$5,186,883.64	\$2,223,617.02	\$2,963,266.62
Healthy Neighborhoods	\$4,210,213.68	\$1,804,918.60	\$2,405,295.08
<b>TOTAL FY2017 Budget</b>			<b>\$11,387,172.19</b>

Approximately, 37.5% of each project’s incentive payment will be consolidated into one departmental operational budget to support general operational and sustainability planning needs to include advertising and marketing, information technology, HIPAA compliance, fiscal management and ongoing program evaluation

for quality improvement. Metro Health is required to submit a one-time IGT payment of up to \$40,000.00 to cover costs associated with the 1115 Medicaid Waiver monitoring and compliance.

**ISSUE:**

CMS recently approved a 15 month extension of the 1115 Medicaid Waiver in Texas that will coincide with the end of the initial demonstration period on September 30, 2016. During the extension period, CMS and HHSC will continue negotiations regarding a full five-year extension of the Waiver. Therefore, Metro Health seeks City Council authorization to continue its participation in the Program during the extension period beginning October 1, 2016.

**ALTERNATIVES:**

If Metro Health is not authorized to participate in the 1115 Medicaid Waiver Program extension period and continue implementation of each of these projects, Metro Health will forgo the opportunity to gain access to approximately \$11,387,172.19 to support the continuation of six projects implementing innovative intervention strategies to improve public health in Bexar County. If one or more projects are not authorized to continue, the department will forfeit the incentive pay funds available for the project(s). Funding allocations for each project would revert back to HHSC for possible redistribution to remaining providers at a later date. Those funds would also no longer be available for future years of the 1115 Medicaid Waiver should CMS and HHSC come to an agreement to extend the Waiver in Texas for an additional five years.

**FISCAL IMPACT:**

Metro Health has been allocated up to \$19,932,036.00 representing a combination of Intergovernmental Transfer (IGT) and federal incentive payments over the first 12 months of the extension as outlined in the table above. Over this period, Metro Health must deliver a total of \$8,584,863.81 in biannual IGT increments to draw down the federal incentive payments. Up to \$8,544,863.81 in IGT will return to its originating funding source (General Fund), as it is not required to be used for the Program. The remaining IGT amount of up to \$40,000.00 will be kept by HHSC to cover the costs associated with the 1115 Medicaid Waiver monitoring and compliance program for all six projects. Metro Health will use the remaining \$11,387,172.19 in federal incentive payments to fund 6 areas of urgent need as detailed in the Program.

The federal incentive payments are for the continuation of projects consistent with HHSC program guidance and may not be used to supplant existing programs or projects. They may not be used to replace existing general funded activities or programs. Funding is provided based on a proposed value of the projects and the expected potential benefit to the Medicaid, low-income and uninsured population and will also be dependent on successful completion of performance and outcome milestones and metrics.

**RECOMMENDATION:**

Metro Health staff requests City Council approve Ordinances A through G authorizing Metro Health to continue participation in the Texas Healthcare Transformation and Quality Improvement Program during the 15 month extension period and continue implementation of the following six projects:

- 1) Diabetes prevention and management project
- 2) Children’s school based oral health project
- 3) HIV and Syphilis prevention and screening project

- 4) Baby Café breastfeeding promotion project
- 5) Teen Pregnancy prevention project; and
- 6) Healthy Neighborhoods project

In addition, the department seeks authorization to submit intergovernmental funding transfers, and approve program and operational budgets, staffing complements and other related items to participate in the 1115 Medicaid Waiver Program.