



City of San Antonio

Agenda Memorandum

File Number:15-4761

Agenda Item Number: 39.

Agenda Date: 9/17/2015

In Control: City Council A Session

DEPARTMENT: Health

DEPARTMENT HEAD: Dr. Vincent Nathan

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

1115 Medicaid Waiver Program - Demonstration Year 5

SUMMARY:

This Ordinance authorizes budgets, staffing complements and other related items in order to participate in the Medicaid 1115 Waiver Program for Demonstration Year 5 which begins October 1, 2015 and ends on September 30, 2016. The San Antonio Metropolitan Health District (Metro Health) requests approval of proposed budgets in a cumulative amount of approximately \$11,592,472.00 for six projects.

This ordinance will also authorize the Director of Metro Health to execute contract amendments pertaining to a) line item budget revisions authorized by the funding agency; b) modifications to the performance measures authorized by the funding agency and listed in the contracts so long as the terms of the amendment stay within the general parameters of the grant's intention; c) changes in State or Federal regulations mandated by the funding agency; and d) no cost extensions.

BACKGROUND INFORMATION:

During the 2011 legislative session, the Texas Health and Human Services Commission (HHSC) was directed to achieve cost savings by providing Medicaid through a managed care program throughout the state. HHSC worked with the Centers for Medicare and Medicaid Services (CMS) to achieve these goals by negotiating an agreement under Section 1115 of the Social Security Act, which provides flexibility for states to design Medicaid demonstration projects. In December 2011, CMS approved Texas' 1115 Medicaid Waiver. The program was funded for five federal fiscal years (October 1, 2011 to September 30, 2016) and created two new

funding pools for Texas valued at \$29 billion.

On January 31, 2013, City Council authorized the submission of six project proposals for consideration and funding through the new Delivery System Reform Incentive Payment (DSRIP) arm of the Waiver. DSRIP pool payments are available as incentive payments to hospitals and other providers for investments in delivery system reforms that increase access to healthcare, improve the quality of care, and enhance the health of patients and families served. Following criteria outlined by HHSC during the plan submission process as well as the region's list of community health priorities outlined in the Community Needs Assessments, Metro Health carefully selected projects in the following areas: diabetes prevention, children's oral health services, HIV and Syphilis prevention, breastfeeding promotion, teen pregnancy prevention and neighborhood health promotion.

All six projects were approved by HHSC for funding through two phases of approvals in April and September of 2013. Additionally, City Council authorized Metro Health to submit intergovernmental funding transfers to the DSRIP in a cumulative amount up to \$29,361,991.00, and accept \$72,754,933.00 from the program. The proposed budget falls within the amount previously authorized to accept.

In accordance with the waiver's terms and conditions, HHSC will submit an extension request to CMS no later than September 30, 2015 to extend Texas' 1115 Medicaid Waiver for an additional five year period through 2021.

ISSUE:

Metro Health is requesting City Council approve an ordinance authorizing proposed project budgets and personnel complements for six public health projects funded through the 1115 Medicaid Waiver. Approval of this Ordinance will allow Metro Health to continue making investments to improve health outcomes in the areas of diabetes, children's oral health, HIV and Syphilis, breastfeeding promotion, teen pregnancy and neighborhood health and engagement.

ALTERNATIVES:

Should City Council choose not to approve the proposed budgets and personnel complements, Metro Health will be unable to maintain compliance with the 1115 Medicaid Waiver program as administered through the Texas Health and Human Services Commission. Metro Health would have to forfeit incentive payments worth up to \$11,592,472.00 for demonstration year 5 due to the inability to complete required metrics within the six projects.

FISCAL IMPACT:

This Ordinance authorizes proposed program budgets in a cumulative amount of approximately \$11,592,472.00 and authorizes a total of 43 positions. The 1115 Medicaid Waiver program does not require a cash match; however, Metro Health is required to submit intergovernmental funding transfers to HHSC in order to draw down the federal incentive payments.

In addition, the General Fund will be required to provide funding mandated by the Texas Health and Human Services Commission for the Delivery System Reform Incentive Payment (DSRIP) Monitoring program of all 1115 Medicaid Waiver projects in the amount of approximately \$30,000.00.

RECOMMENDATION:

Staff recommends approval of proposed project budgets and personnel complements for Metro Health's participation in the 1115 Medicaid Waiver Program for Demonstration Year 5 which begins October 1, 2015 and ends on September 30, 2016. Authorization will allow Metro Health to make continued investments in six health priority areas for San Antonio and meet program goals and metrics.