



# Delivery System Reform Incentive Payment Context and Update

September 2015

---



## Transformation of Virginia's Medicaid Program

### Virginia is building on the following key reforms:

1. Enrolled 75% of individuals into **capitated managed care**
2. Over 55% of long-term services and support (LTSS) expenditures are for **home and community-based services**
3. Contracted with a Behavioral Health Services Administrator (**BHSA**) to provide enhanced care coordination, 24 hour crisis support, and to manage a network of quality providers
4. Launched **Commonwealth Coordinated Care** – a Medicare-Medicaid enrollee demonstration to integrate medical, behavioral health, and LTSS

## Lingering Limitations in the Payment and Delivery Systems

**Transformation is constrained by limitations in:**

Reimbursement and Incentives



shutterstock · 65516643

Delivery System



Especially for individuals accessing behavioral health and long-term services and supports



## Additional Transformations Underway

There are additional transformations underway that will improve how services and supports are delivered and reimbursed for Virginia Medicaid's most complex and vulnerable populations.

- 1 Managed Long-Term Services and Supports (**MLTSS**) – aligning with Medicare to transform care and enable individuals with the most complex and high-cost needs to thrive in the community
- 2 Comprehensive continuum of care that effectively treats the physical, behavioral, and mental dimensions of substance use disorder (**SUD**)

Also looking at how we can leverage the work of SIM



# A Third Opportunity – Delivery System Reform Incentive Payment (DSRIP)

## Where are we related to DSRIP?

**SIM Round II Grant Proposes to Explore DSRIP and Establishes Integrated Care Workgroups**



March

**SIM Integrated Care Groups Form to Develop Proposals to be Funded through SIM Round III**



March

**Led by VCHI, and in Partnership with DMAS, DSRIP Exploration Begins**



March

**CMS Announces no SIM Round III Funding Leaving Integrated Care Proposals with no Potential Funding**



Late April

**VCHI and Governor's Office Commit to Support Integrated Care Work and Transition DSRIP Effort to DMAS**



June

**DMAS Brings DSRIP into Agency Structure, Allocates Staff to Begin Organizing Waiver Strategy**



July - August

**DMAS Begins to Work with Other Agencies and Stakeholders to form Public Comment Process**



August – November



## Virginia's Plan for Comprehensive Federal Authority

### How does this all fit together?

Virginia seeks 1115 waiver authority to implement three key reform initiatives:

- 1 Managed Long-Term Services and Supports (**MLTSS**)
- 2 Comprehensive continuum of care for treatment of substance use disorder (**SUD**)
- 3 Delivery System Reform Incentive Payment (**DSRIP**) to accelerate transformation of these and other initiatives



## Delivery System Reform Incentive Payment Program: The Basics

### What is DSRIP?



Medicaid waiver to access federal dollars to invest in transformation of the Medicaid delivery system



DSRIPs are NOT grant programs, they are performance-based incentive programs. There is no DSRIP “application” from the federal government



CMS has approved seven DSRIP programs to date (CA, NM, TX, KS, NJ, MA, NY)

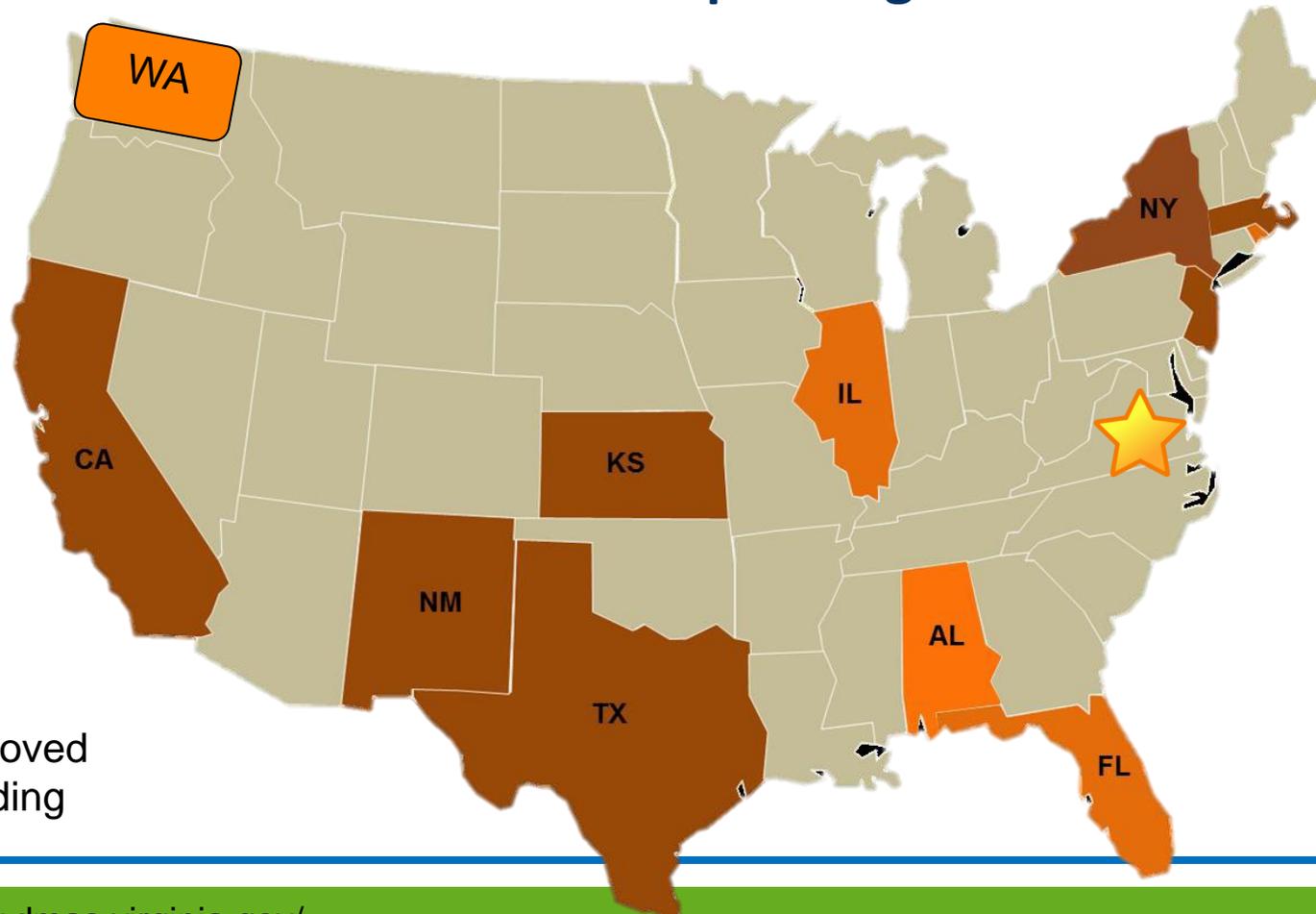


Helping states move from Fee-for-Service to Value-Based Reimbursement



## Approved or Pending DSRIP Programs

In addition to the seven states with approved DSRIP programs, there are five states in pending status





## Emerging DSRIP Trends from CMS

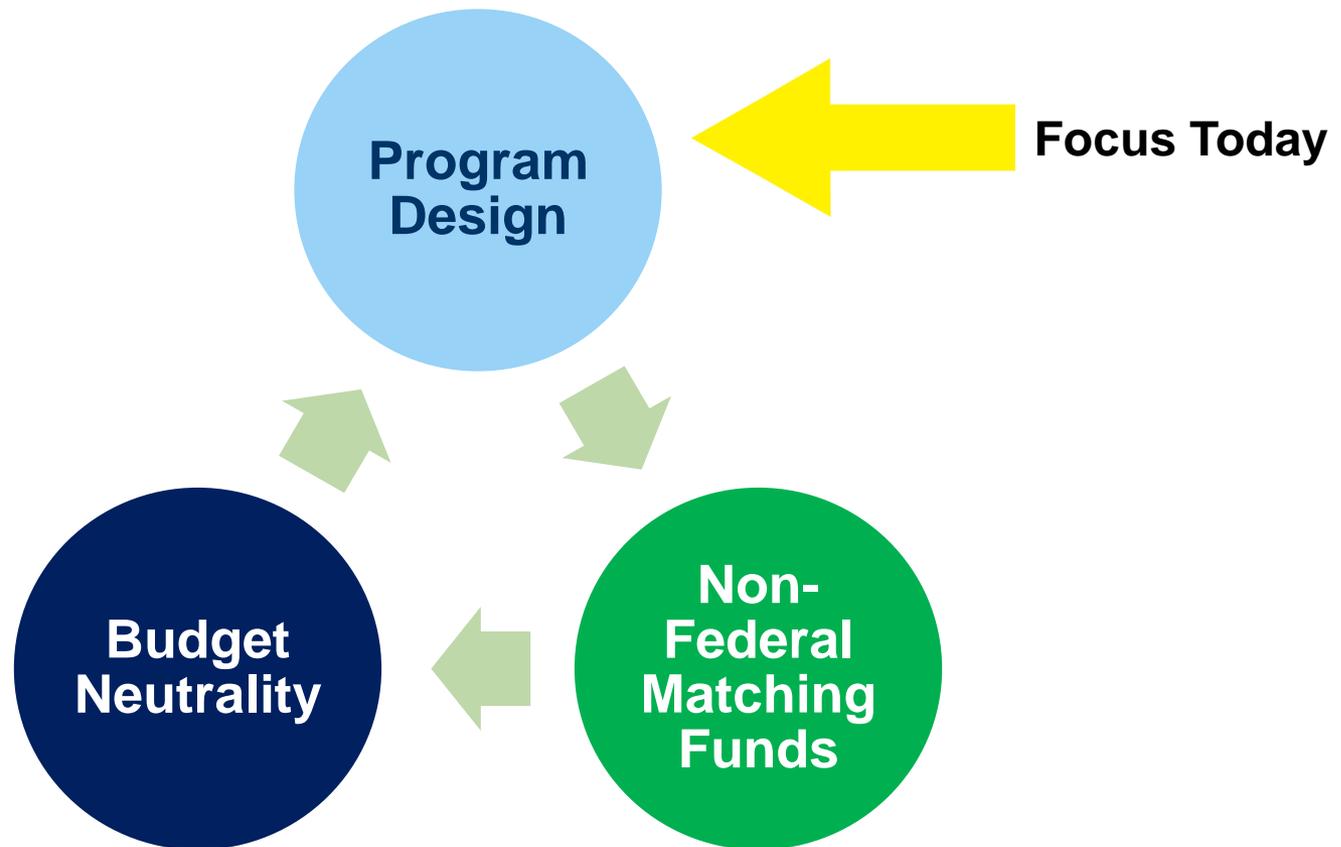
### Recent discussions with CMS regarding opportunities for Virginia have revealed:

- 1 Focus on provider readiness for Value-Based Payment
- 2 DSRIP program must be transformative within 5 years, demonstrate ability to become self-sustaining and eliminate the need for continued federal funding. Do NOT expect for this program to be renewed
- 3 As the program has grown and expanded, DSRIP programs have evolved across the nation
- 4 Expectations for the state to be a financial shareholder in the program



## Main Components of DSRIP Program

There are three main components of a DSRIP Program





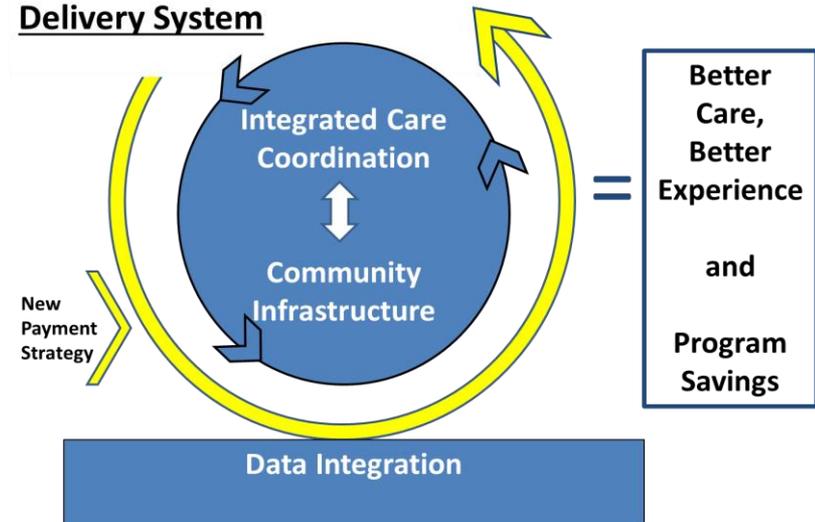
## Transforming Virginia's Medicaid Delivery System

In 5 years, Virginia envisions a Medicaid delivery system where high-value care is the norm and even the most medically complex enrollees with significant behavioral, physical, and developmental disabilities can live safely and thrive in the community

### Four Transformation Steps:

1. Integrate Service Delivery
2. Invest in Data Integration
3. Expand Community Capacity
4. Advance How DMAS Pays for Services

### Transforming Virginia's Delivery System





## Additional Resources

- DMAS Website ([www.dmas.virginia.gov](http://www.dmas.virginia.gov))
- TownHall ([www.townhall.virginia.gov](http://www.townhall.virginia.gov))
- Concept Paper
- Public Comment Period
- [DSRIP@dmas.virginia.gov](mailto:DSRIP@dmas.virginia.gov)