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The logo for Healthier Washington, consisting of three white, slanted rectangular bars of varying lengths on the left side.

Healthier WASHINGTON

Delivery System Reform Incentive Payment (DSRIP) Program: “Funds Flow 101”

Technical Assistance Resource

April 2017

Presentation Goals

This presentation provides a high-level overview of DSRIP Program funding

- Federal Medicaid Demonstration Funding
- Delivery System Reform Incentive Payment (DSRIP) Program
- DSRIP Funding by Year and Stream
- Design Funds Milestones
- Earning DSRIP Incentives Process
- Sustainability Considerations

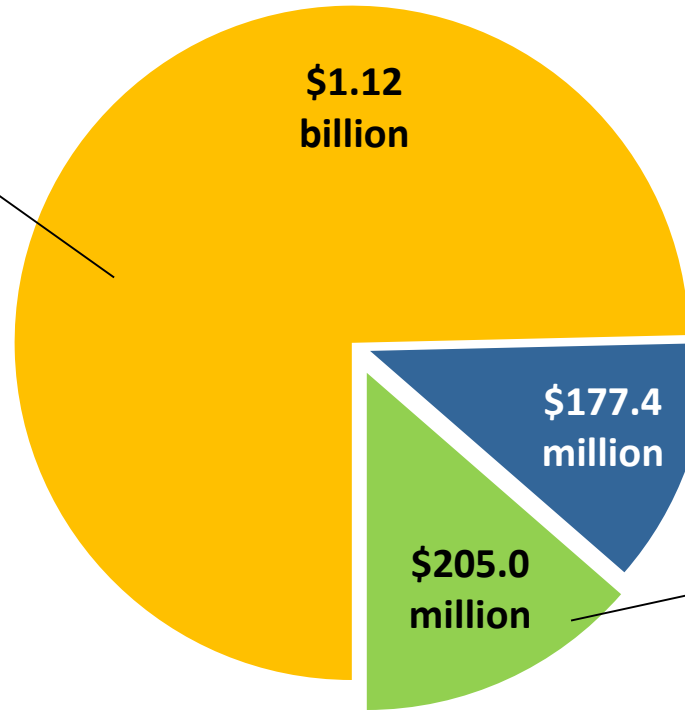
Federal Medicaid Demonstration Provides 5 Years of Funding

\$1.5 BILLION OVER 5 YEARS (2017 – 2021)

Initiative 1: Apple Health delivery system transformation investments to enable adoption of value-based purchasing (VBP):

- **Delivery System Reform Incentive Payment (DSRIP)**
- Projects to be coordinated by regional **Accountable Communities of Health (ACHs)**

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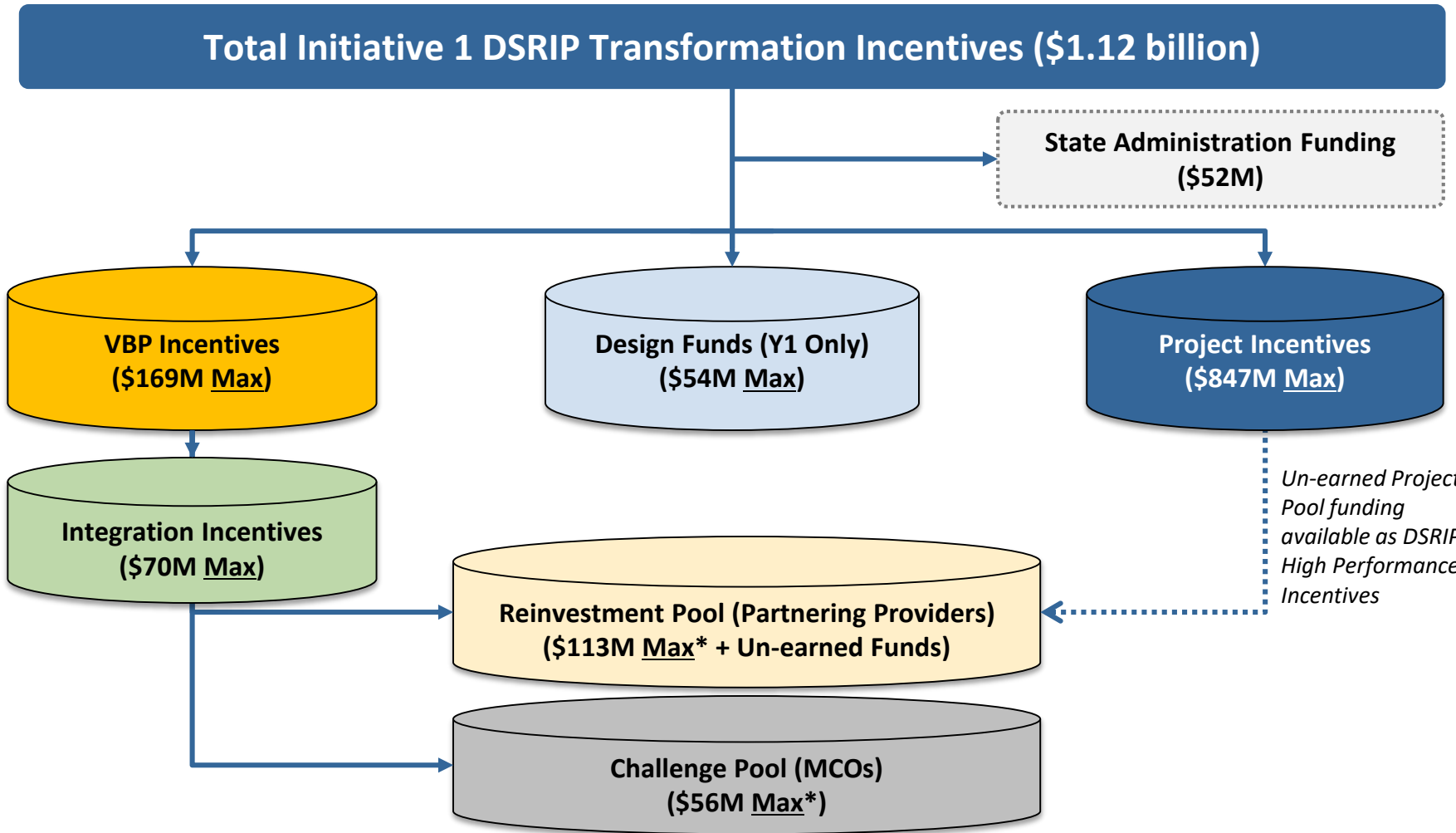


Initiative 2: Alternative options for long-term services and supports (LTSS) benefits and eligibility

Initiative 3: New “foundational community support services,” including housing and employment supports

Note: Investments are intended to be sustainable without additional federal support by the end of five years

DSRIP Program Structure: Transformation Incentives



Subject to Change: Under Negotiation with CMS

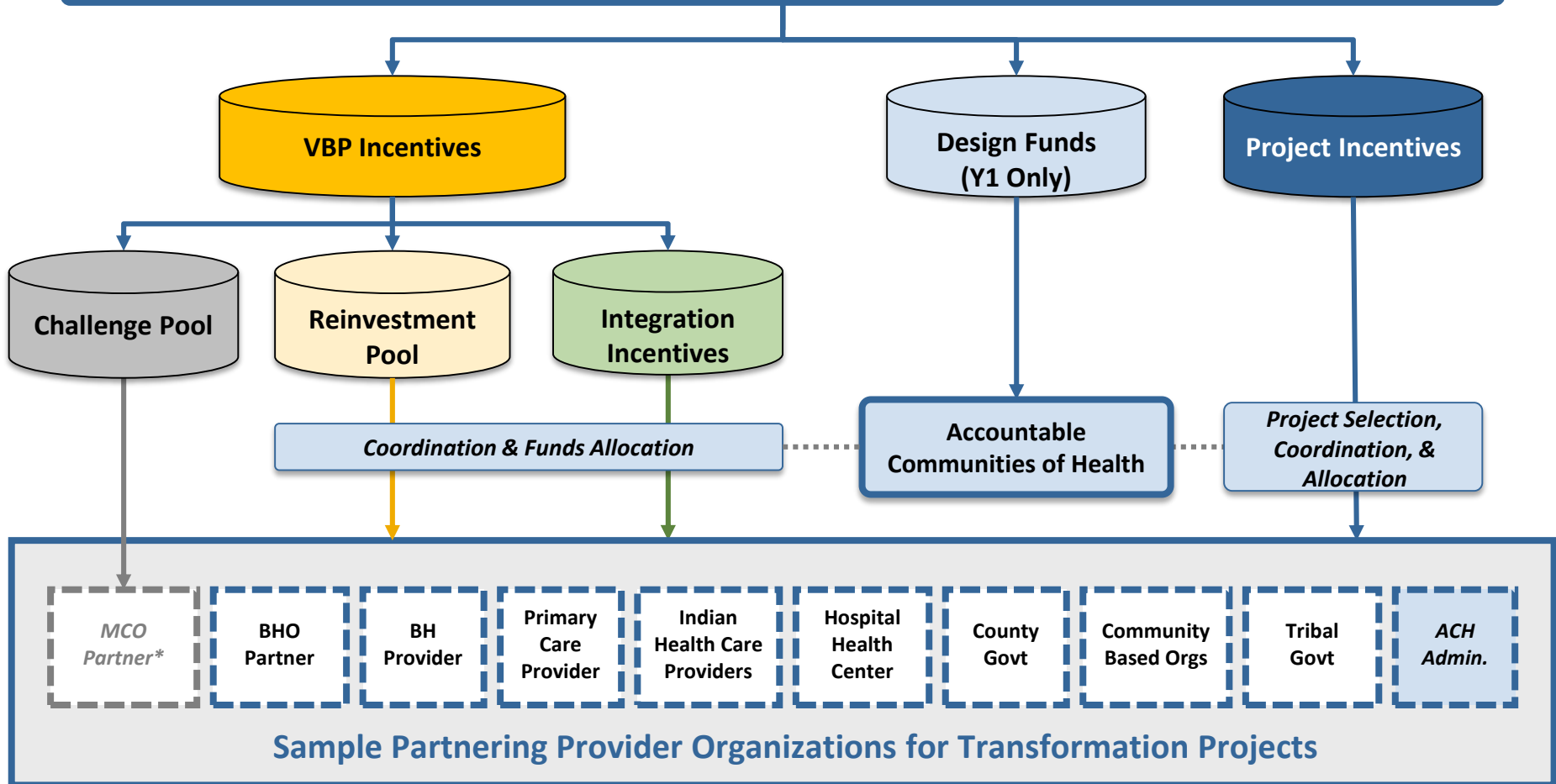
* Max only applicable if no regions secure Integration Incentives for integrated managed care; otherwise VBP incentive pool funds remaining after Integration Incentives will be distributed 1/3 to the Challenge Pool (for MCOs) and 2/3 for ACH-specified "Participating Providers"

Source: 1115 Waiver Special Terms and Conditions; Working DSRIP Funding and Mechanics Protocol; Discussion with HCA



DSRIP Funds Flow to ACHs & Partnering Providers

Total Initiative 1 DSRIP Transformation Incentives (\$1.12 billion)



* Note that though MCOs are critical project partners, they are only eligible for Challenge Pool funds



DSRIP Funding by Year and Funding Stream

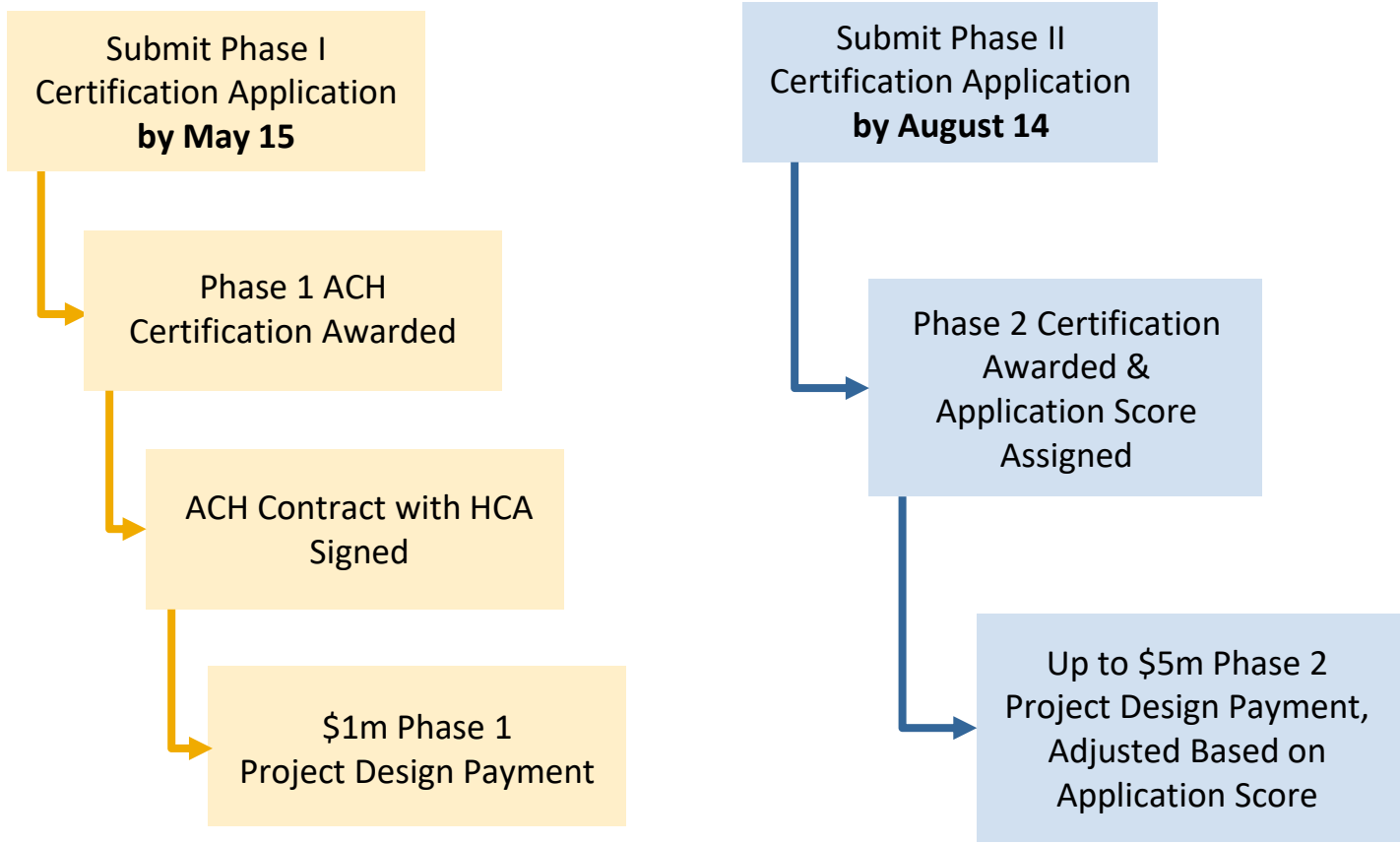
Funding Stream	Calendar Year – <u>Max Potential</u> Funding (\$m)					Total (\$m)
	2017	2018	2019	2020	2021	
State Administration	\$12	\$10.6	\$11	\$9	\$9.2	\$51.7
Design Funds	\$54					\$54
Project Incentives	\$138.2	\$192.9	\$188.9	\$175.1	\$151.8	\$846.9
VBP Incentives (Challenge, Reinvestment and Integration)	\$36.3	\$36.1	\$35.4	\$32.6	\$28.5	\$168.9

Key Takeaways:

- Design Funds will be distributed to each ACH based on their certification. Upon award of Phase 1 certification, each ACH will receive \$1 million in Design Funds. Up to \$5 million per ACH will be awarded based on the ACH's Phase 2 certification submission score.
- Project Pool funding in Year 1 is earned and adjusted based on the ACH's Project Plan application score. Project Pool funds for later years are adjusted based on progress and outcome performance.
- Integration Incentives are earned if all counties in the region submit a Letter of Intent before September 15, 2017, and/or launch an integrated care MCO by January 1, 2019.
- "Partnering Providers" can earn DSRIP High Performance and Value-Based Payment (VBP) incentives through the Reinvestment Pool. MCOs can earn VBP Incentives through the Challenge Pool.

2017 Design Funds Based on ACH Certification

2017	May	Jun	Jul	Aug	Sep	Oct
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* Pending DSHP claiming protocol process

Source: Working DS RIP Funding and Mechanics Protocol; Discussion with HCA

Subject to Change: Under Negotiation with CMS



Design Funds Are Intended to Support ACH Capacity

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Design Pool Funds are to be used to support ACH-level investments on **tools, technology and human resources** for coordination of Medicaid transformation projects.

Examples of potential Design Pool focus areas:



- **Development of an ACH Project Plan:** Convening meetings of partner organizations; reviewing data, clinical evidence, and research; drafting, reviewing, and revising a Project Plan
- **Support for community engagement efforts:** Holding community engagement meetings; facilitating participation of community stakeholders on ACH boards and committees
- **Support for tribal consultation:** Engaging and collaborating with tribes, including training of board members
- **Support for ACH administrative/project management infrastructure:** Supporting key ACH leadership roles (e.g., ACH Executive Director) and other support staff; hosting/maintaining ACH website
- **Support for ACH data capacity:** Supporting data-driven decision-making, including regional data collection, asset mapping, and analyzing State data
- **Health IT/Population health management:** Investments in EMR/electronic health record systems, registry capacity, and linkages to community-based care models
- **Capacity building for direct care or services provision workforce:** Recruiting/hiring, retention, and training of staff

Year 1 Project Incentives are Base on Project Plan

ACHs will earn their year 1 Project Incentive funds determined by baseline funds available adjusted by project plan application score. The ACH's Application Score, including number of projects selected, will directly impact the amount of their Year 1 Project Pool funds, with highest scoring ACHs securing additional funds (methodology in development)



ACH submits Project Plan Application on behalf of its partnering providers
October 23, 2017



Independent Assessor approves Project Plan application and assigns a score

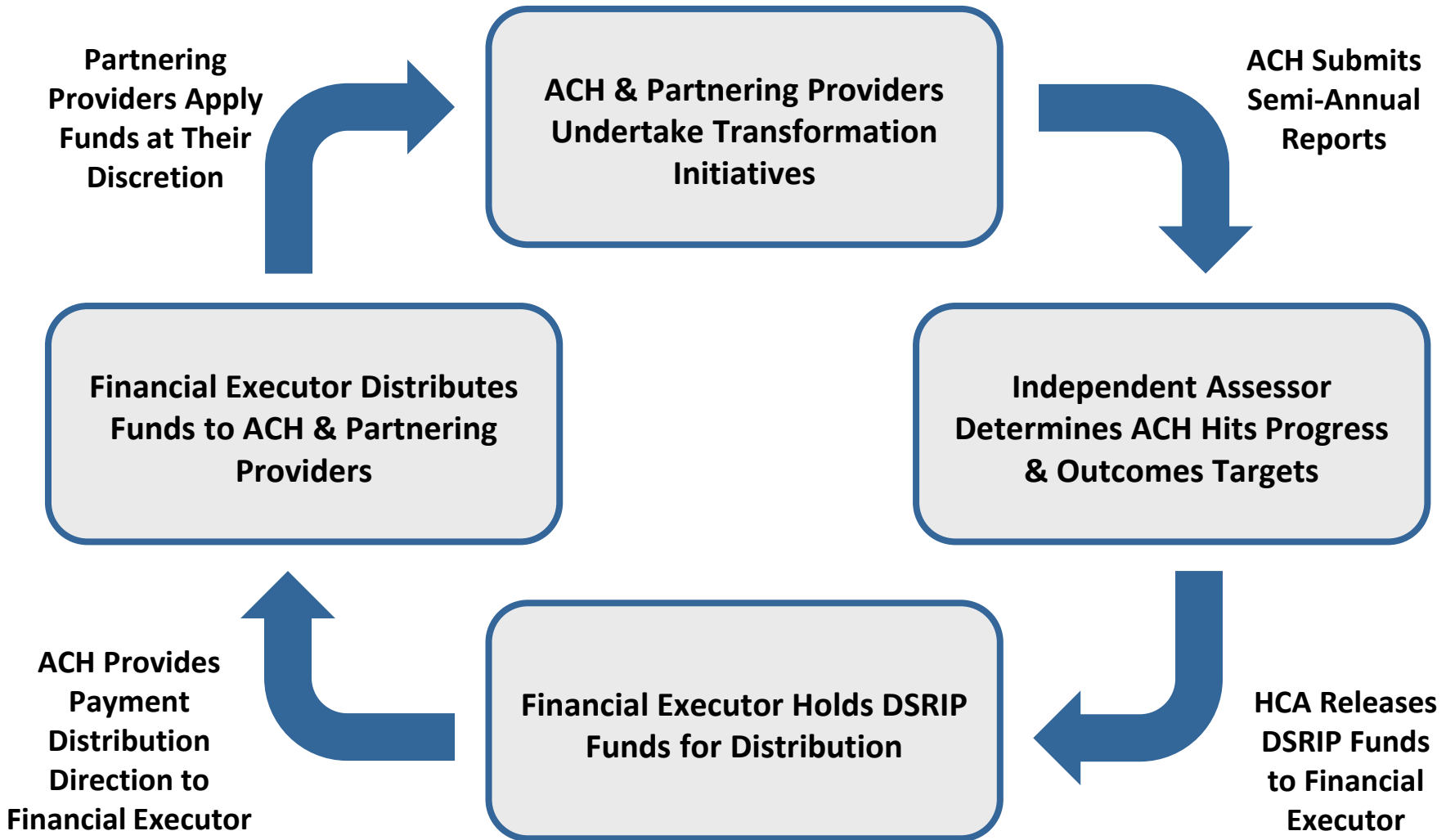


HCA calculates ACH adjusted DY 1 project incentive funds based on application score and releases funds to the Financial Executor



ACHs requests Financial Executor to release funds to its partnering providers per funds flow budget in Project Plan

DSRIP Project and VBP Incentives Earning Process



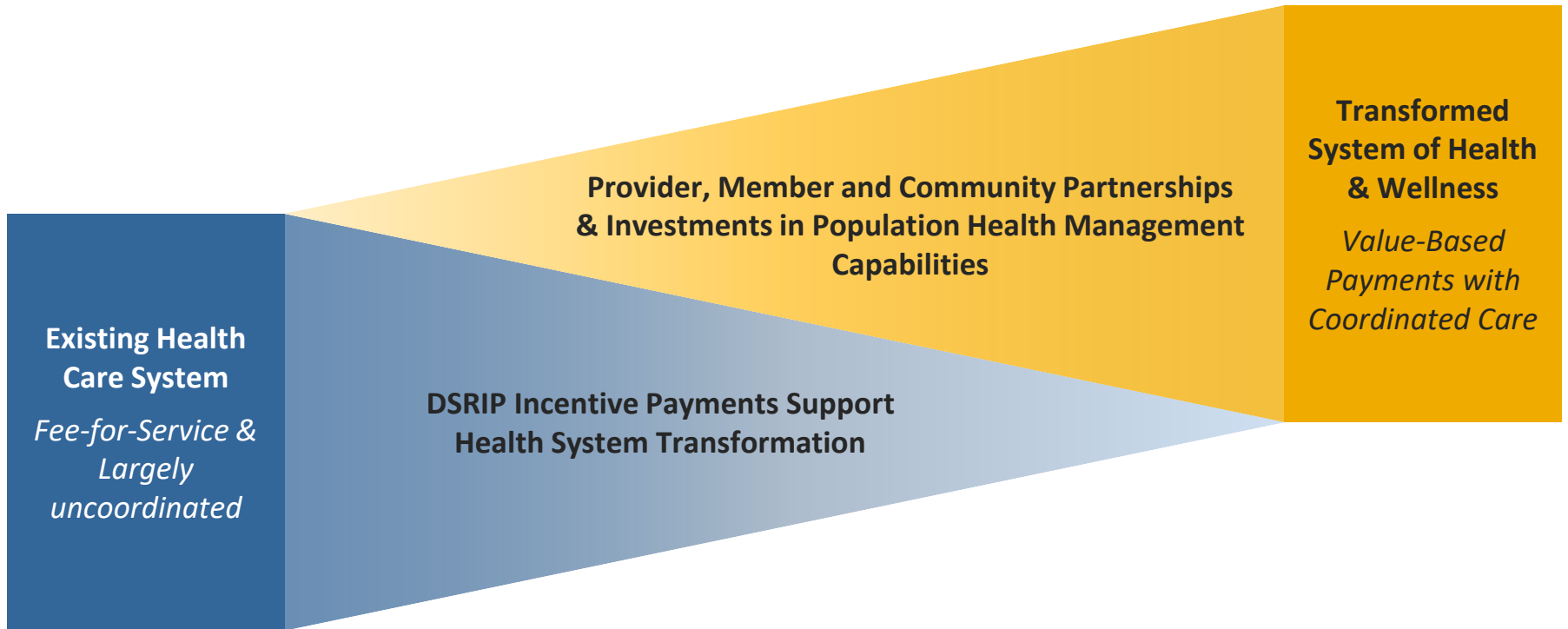
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Source: Working DSRIP Funding and Mechanics Protocol; Discussion with HCA

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Sustainability Requires Health System Transformation

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More to Come...

Several funds flow program design areas are still in development, including:

- **Design Funds:**
 - ACH Phase 2 Certification criteria
 - Phase 2 scoring methodology and application to Design Pool funding calculation
- **Year 1 Project Incentives:**
 - Project Plan review criteria
 - Project Plan scoring methodology and application to Y1 Project Pool funding calculation
- **Year 2 – 5 Project Incentives:**
 - Timing of progress metric stages
 - Measure weighting methodology
- **Integration Incentives:**
 - Funding distribution parameters
- **Reinvestment Pool:** Distribution methodology and spending parameters
- **Challenge Pool:** Distribution methodology and spending parameters

Please contact your Regional Coordinators with questions,
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