

QUALITY INCENTIVE PAYMENT PROGRAM

Implement a **QIPP** for Medicaid Community Care Programs

The **Texas Medicaid program** serves thousands of older Texans and individuals with disabilities through its **Community Care programs**.



These **cost-effective programs** deliver services, such as attendant care, that promote independent living, and reduce emergency department visits, hospitalizations, readmissions, and nursing facility stays.

It is a fact - **Community Care programs reduce Medicaid cost.**

Unfortunately, Texas has **not created a sustainable rate structure** to support community-based care.



COMMUNITY CARE PROGRAMS ARE CHRONICALLY UNDERFUNDED

and unlike other Medicaid providers (i.e., hospitals and nursing facilities), are **unable to access quality incentive funds** that will increase access to quality care. As a result, Community Care program providers are reimbursed at **a rate that does not cover their cost.**



According to provider reimbursement rate tables published by HHSC, **rate increases of between 8.6 - 17.5% (estimated at \$1.1 billion All Funds)** are needed to fully fund allowable Medicaid costs during the 2022-23 biennium.



This **lack of funding** affects the ability of Community Care providers to deliver high quality care...

WE CAN DO BETTER.



A **promising model** for Community Care providers may be found in the highly successful **Texas Nursing Facility Quality Incentive Payment Program (NF QIPP)**.



Since inception of the NF QIPP in FY 2018, **HHSC has distributed approximately \$2.5 billion through this program** to eligible nursing facilities that meet requirements.

The program has no impact on state general revenue because non-state government owned (NSGO) nursing facilities provide the entire non-federal share of Medicaid funding through an intergovernmental transfer (IGT) of funds to the state, which are used to draw down federal Medicaid funds. **A similar QIPP model is needed for Community Care programs.**

RECOMMENDATIONS

THE LEGISLATURE SHOULD...

...require HHSC to **design a statewide voluntary QIPP** for Medicaid Community Care providers modeled after the Texas Nursing Facility QIPP.

WHY "QIPP"?

A Community Care QIPP is a **pay-for-performance program** that would incentivize providers to improve quality and obtain additional payments if they meet established quality metrics.



A QIPP would create a sustainable, long-term funding source for Community Care and allow the TX Legislature to target funding to providers who meet quality metrics, **thus improving care for thousands of individuals.**



A QIPP can produce cost savings by incentivizing measures that target the drivers of program cost (e.g., reducing emergency department admissions).



A Community Care QIPP would also provide an opportunity for HHSC to **lead the development of standardized metrics** needed to evaluate the quality of care provided in the community. These efforts could lay the groundwork for additional implementation of VBP agreements between managed care organizations (MCOs) and Community Care providers.

HHSC SHOULD TAKE THE FOLLOWING STEPS...

...in collaboration with Community Care providers and other stakeholders, during the 2022—23 biennium:



Develop the program design including selection of performance measures.



Develop a funding methodology, including budget, method of finance, & payment structure for awarding incentive payments.



Determine the required federal approvals needed for the proposed funding methodology.

(This may require Texas to take the national lead in engaging the federal government around the need for parity in quality programs between institutional and community settings.)

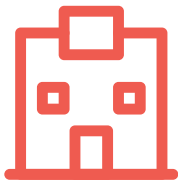
Submit a report to the Legislature on program design including goals and performance measures, and the funding methodology.



WHAT IS THE NURSING FACILITY(NF) QIPP?

A voluntary program that links **additional nursing facility payments** to performance on specific quality measures.

HOW DOES NF QIPP WORK?



A facility must either be a non-state government owned (**NSGO**) **nursing facility** or a **private facility** with an amount of Medicaid utilization that meets ***established criteria**.



HHSC directs QIPP funding to nursing facilities **through its MCO contracts** by adding amounts to the STAR+PLUS nursing facility per member per month capitation rates.



MCOs then make payments. The distribution of funds is based on each facility's performance on a set of defined quality metrics and # of Medicaid service days.

**For FY 2021, a private nursing facility may participate if at least 65% of their total service days were provided to Medicaid recipients.*

NF QIPP QUALITY MEASURES

(CMS N015.02; NHC 453)

Percent of high-risk long-stay residents with **pressure ulcers**, including unstageable ulcers.



(CMS N031.02; NHC 419)

Percent of residents who received **an antipsychotic medication**.



(CMS N035.02; NHC 451)

Percent of residents whose ability to move independently has **worsened**.



FUNDING

HOW IS NF QIPP FUNDED?

It is paid for with **Medicaid funds**, including a non-federal share that is used to draw down federal funds.

NSGO nursing facilities provide the entire non-federal share of Medicaid funding through an intergovernmental transfer (IGT) of funds to the state.

HOW MUCH FUNDING IS AVAILABLE?

The program has grown from providing approximately

\$400 M → **\$1.1 B**

In All Funds in **FY2018**
(program year one)

In All Funds in **FY2021**
(program year four)