



To: Bill Bilyeu
From: Leigh Hornsby, RHP-18 Project Team, Public Information Associates
Date: March 11, 2013
Re: DY 1 DSRIP

The Texas Health and Human Services Commission (HHSC) submitted the Regional Healthcare Partnership (RHP) 18 plan to the Centers for Medicare and Medicaid Services (CMS) on Wednesday, March 6.

CMS will have 45 days to review the plan and report back to the state with approval, denial and/or additional edits required for project implementation. We would expect to have 30 days to make requested revisions. All anchors expect for each valuation component to be closely reviewed.

Based on the amount of project allocations, Collin County, as RHP-18 anchor, has an opportunity to seek Delivery System Reform Incentive Payments (DSRIP) DY 1 funding. DY 1 is a reflection of 2012 Uncompensated Care (UC) and DSRIP.

Based on the total amount of allocations and Intergovernmental Transfer (IGT) funding formulas, Collin County is eligible to receive an estimated \$1,219,042 DY 1 DSRIP, based on available IGT. In order to capture this amount, Collin County would need to submit an estimated \$509,316 in IGT to HHSC. (I am attaching the funding matrix returned to us from HHSC.)

For RHP-18, the DY 1 IGT estimated due date is March 22 with payment (back to the county) expected on April 30.

It is important to note that these amounts are estimates and could change if any RHP-18 projects are removed by CMS, pulled by providers or if the plan is not approved by CMS. In addition, performing providers may access DY 1 DSRIP. HHSC stated that a project that is not approved by CMS will be required to refund the DY 1 allocation. CMS hopes to work through any issues with providers. It is believed a similar circumstance would hold true for Anchoring entities, however I do not have documentation.

According to the Texas DSRIP Program Funding and Mechanics Protocol (page 17), all anchoring entities not approved in full by CMS shall be at risk for recoupment of their entire DY 1 incentive payment. The state could recoup the DY 1 payment from all eligible entities in the affected RHP.

I submitted additional clarification questions to HHSC regarding this matter and am currently awaiting responses. Meanwhile, this is background information:

- Submission of a state-approved RHP plan to CMS serves as the basis for the full DY 1 presumptive payment to that RHP's performing providers and anchoring entity. (Details are in an attached document . Please note Section VI "Disbursement of DSRIP Funds.")
- HHSC's submission of an RHP plan to CMS triggers the DY 1 DSRIP funding availability even though CMS has not yet approved projects.

- An anchoring entity that begins participation in DSRIP in DY 2 and has a current Medicaid provider identification number is eligible to receive a DY 1 DSRIP payment. Therefore, the anchoring entity must be a Medicaid provider. If an anchoring entity is not a Medicaid provider, the DY 1 DSRIP will be reallocated to eligible performing providers.
- I am unaware of funding limitations imposed on anchors that receive DY 1 DSRIP.

DY 1 DSRIP is for work associated with RHP plan development. This is separate from the possible 50-percent reimbursement of RHP administrative costs. We submitted our first year of administration activities and costs to HHSC. The information we provided is being used to develop a contract/MOU between the state and anchors to claim administrative costs. It does not work as reimbursements for 50-percent as originally anticipated. Instead, it is more like UC and DSRIP payments where the anchor submits a 50-percent local match to pull down the other 50-percent federal match. The full payment, both the local match and federal match, would be paid to the anchors. We expect for administration cost IGT to be requested in the fourth quarter of 2013.

As you know, process information changes frequently, especially as CMS continues to review RHP plans. I will notify you of any additional, substantial changes.

###