



Travis County Commissioners Court Agenda Request

Meeting Date: June 28, 2012 Work Session

Prepared By/Phone Number: Prema Gregerson, Assistant County Attorney, 854-9224

Elected/Appointed Official/Dept. Head: Patricia A. Young Brown, President and CEO, Travis County Healthcare District d/b/a Central Health

Commissioners Court Sponsor: Judge Biscoe

AGENDA LANGUAGE:

RECEIVE AND DISCUSS:

- A) AN UPDATE FROM CENTRAL HEALTH ON CURRENT INITIATIVES; AND
- B) AN UPDATE FROM HEALTH AND HUMAN SERVICES AND CENTRAL HEALTH ON THE 1115 MEDICAID WAIVER.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

- Central Health Overview-Update
- Letter of Intent between Central Health and Seton
- 1115 Overview
- 1115 Waiver Terminology

A PowerPoint presentation is forthcoming.

STAFF RECOMMENDATIONS:

N/A

ISSUES AND OPPORTUNITIES:

N/A

FISCAL IMPACT AND SOURCE OF FUNDING:

N/A

REQUIRED AUTHORIZATIONS:

N/A

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.



CENTRAL HEALTH

Central Health

Overview-Update
June 2012



About Central Health

Created by voters in 2004

as the Travis County Hospital District; renamed in 2009

Supported by Travis County taxpayers

Governed by nine-member Board of Managers

*appointed by Austin City Council and
Travis County Commissioners Court*



What does Central Health do?

We fund and guide
direct health care
services for thousands
of people in Travis
County

We plan and develop
innovative programs
to achieve our mission
and advance our
community's shared
vision



Our Shared Vision

Central Texas is a model healthy community.

Our Mission

**Central Health creates access to healthcare
for those who need it most.**



Achieving our Mission

We provide care when you need it most.

We match people with care.

We fill gaps in care.

We provide care where it belongs.

We keep all of Travis County healthy.



Care When You Need it Most



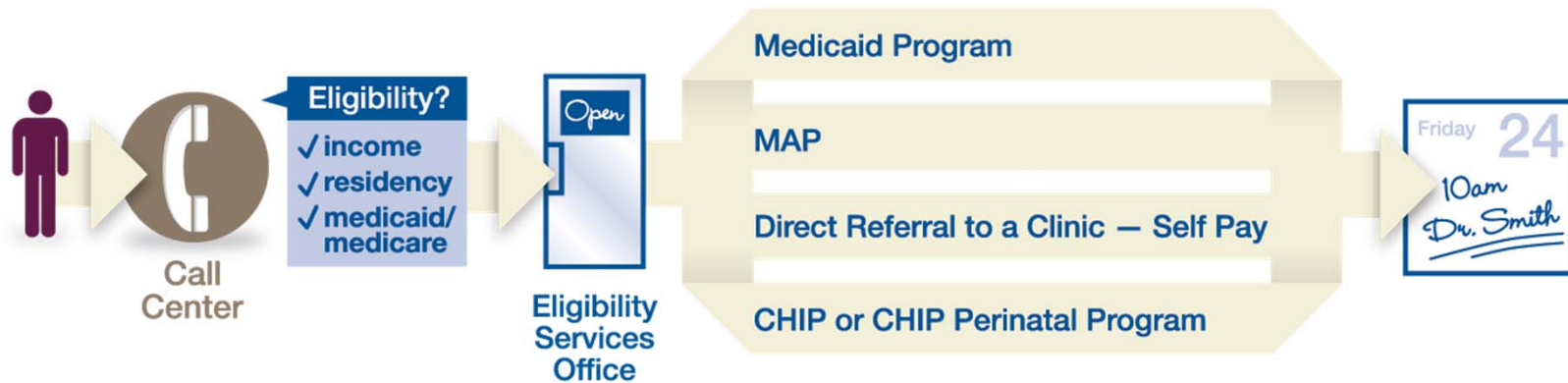
Central Health owns University Medical Center Brackenridge (UMCB), home to the highest level of trauma care available in Central Texas.

UMCB was in 2009 certified as an adult Level 1 Trauma Center serving an 11-county region.



Matching People With Care

Central Health's one-stop call center connects people to the care they need and helps the entire healthcare system function more efficiently.



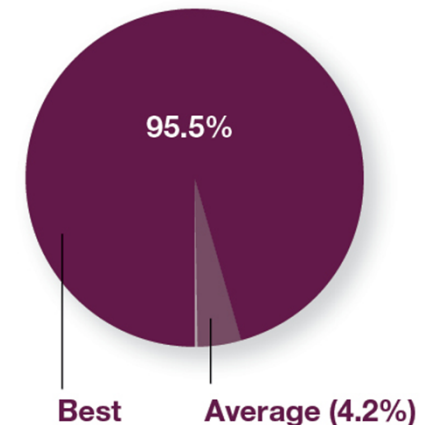


Matching People With Care

Our call center handles nearly 100,000 calls a year, connecting patients with a network of two dozen clinics and health centers and more than 500 individual providers.

Call Center Satisfaction Survey

“What was your overall impression of our service?”

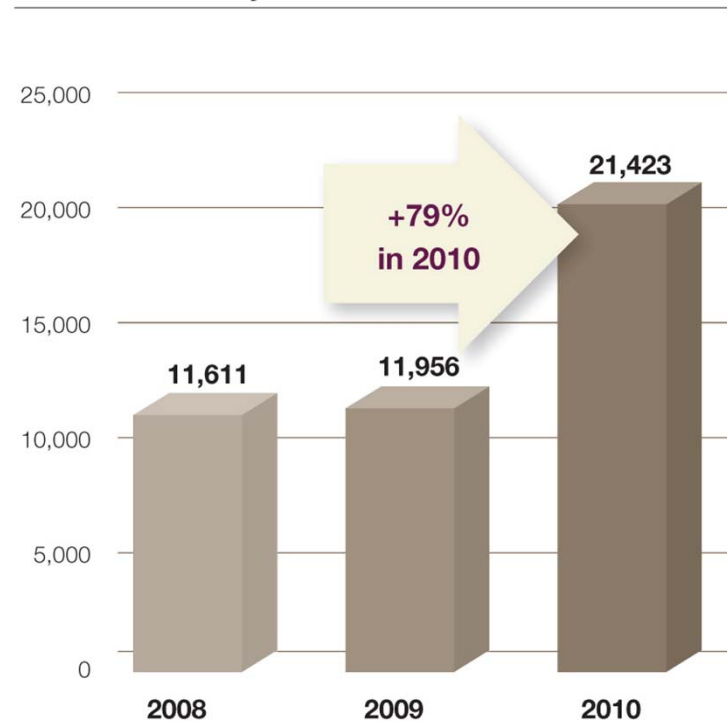




Filling Gaps in Care

Central Health funds essential behavioral health and emergency psychiatric services needed by thousands in Travis County.

2010 Travis County Mental Health Visits





Care Where It Belongs

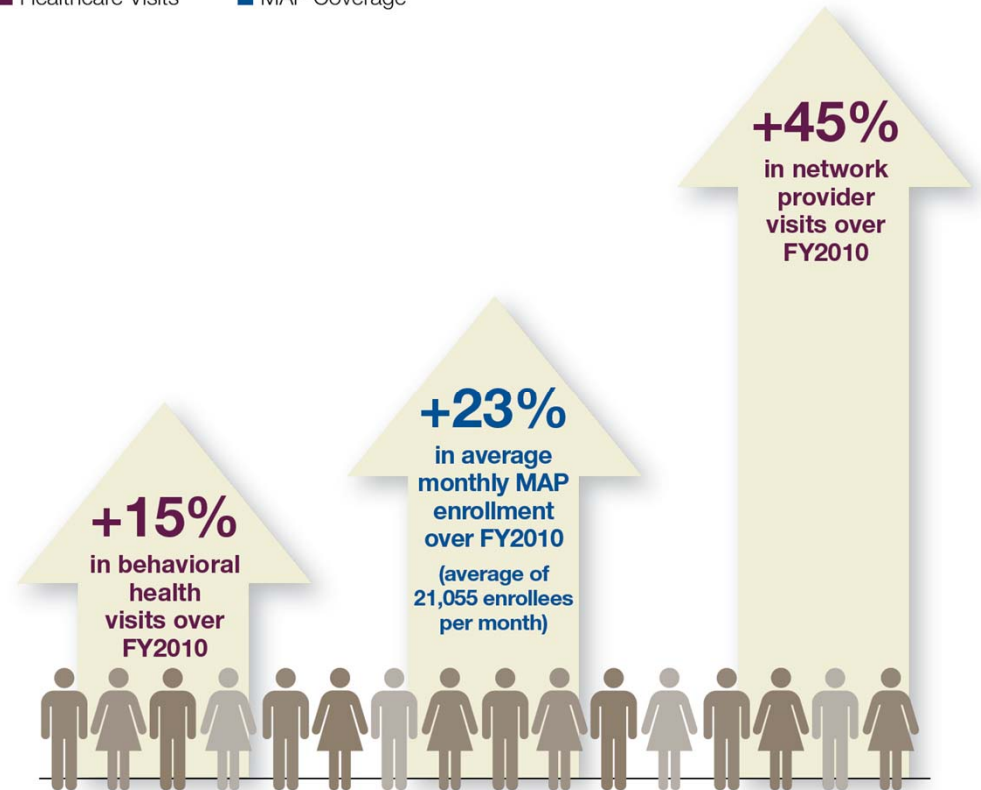
Central Health has expanded primary care services for thousands of people in Travis County.

We focus on prevention, wellness and early treatment — reducing the need for expensive care in emergency rooms.

FY2011 Central Health-Funded Service and Enrollment Increases

■ Healthcare Visits

■ MAP Coverage





Care Where It Belongs

More than 21,000 enrolled in MAP

- 23% increase compared to FY 2010
- 148% increase over Central Health's lifetime (2005)

More than 267,000 annual primary care visits

- 3% increase over FY 2010
- 51% increase over Central Health's lifetime (2005)

Investments in infrastructure

- Adding capacity for more than 100K additional primary care visits



Keeping All of Travis County Healthy

Central Health creates access to primary and preventive care that reduces the human and financial cost of chronic and contagious disease where we live, work, play, and pray.



Keeping All of Travis County Healthy

We support innovative programs that provide efficient and effective access to health care.

We play a leading role in community health planning and transforming the way we deliver health services.

We are committed to provider training and academic medicine.



www.texhealthct.org www.senderohealth.com



Looking Forward: Healthy ATX

Central Health is a partner in the Healthy ATX initiative to create a healthy future for Austin and Travis County by investing in the founding of a medical school and building a modern teaching hospital.





CENTRAL HEALTH

Thank You.

www.CentralHealth.net

**LETTER OF INTENT
CENTRAL HEALTH/SETON HEALTHCARE**

1. Purpose. In 1995, Seton Healthcare (“Seton”) entered into an agreement with the City of Austin, which then owned and operated the public safety net hospital—Brackenridge Hospital (now known as University Medical Center at Brackenridge (“UMCB”)). The agreement, generally referred to as a “lease agreement,” created a public/private relationship and structure for providing services to support the safety net population. The Travis County Healthcare District d/b/a Central Health (“Central Health”) following its creation in 2004, assumed the primary public responsibility for the safety net hospital in the public/private relationship. Central Health and Seton have worked to provide coordinated services and funding in a mutual effort to support the safety net population of Travis County and the safety net hospital. Continuing in that effort, both Seton and Central Health desire to better serve that population and have agreed to execute this joint Letter of Intent to generally describe their unified vision of a new integrated health care delivery system to achieve that goal.

The parties agree that the primary components of this vision are:

- (i) the creation of an integrated delivery system that will coordinate the care of the safety net population in order to efficiently and effectively deliver quality health care to the safety net population;
- (ii) the expansion of and access to both primary and specialty medical care for the population of Travis County, including the development of additional health care facilities for such purposes;
- (iii) the addition and expansion of behavioral health services including the provision for staffing, facilities and operation of inpatient and outpatient services as further described in Section 7;

(iv) the provision of comprehensive women's health services as more fully described in Section 2.6 and in Section 8;

(v) the development of a plan for the present facility housing UMCB to accommodate the expected changes in the health care financing and delivery system;

(vi) the creation, funding, construction, and operation of a medical school and new teaching and safety net hospital located in Travis County, Texas;

(vii) the evaluation of opportunities for coordination and collaboration of the existing resources of Seton and Central Health as well as other providers to better provide services to the safety net population; and

(viii) the creation of new methods and programs for the delivery of health care to reduce the need for health care services by the safety net population.

2. Key Definitive Binding Agreements. This Letter of Intent is not a legally binding or enforceable agreement. Both parties acknowledge that there are numerous legal, operational, and funding constraints that must be resolved before a binding agreement can be consummated. Further, the parties are subject to various constitutional, statutory, legal, and ethical requirements and limitations that restrict their abilities to commit funds and resources to the vision, and all provisions of this Letter of Intent are subject to the successful resolution of these requirements and limitations. Central Health and Seton intend, however, to negotiate and, upon the approval of their respective parent organizations and governing boards, enter into such binding definitive agreements as may be necessary and possible to implement the relationship described in this Letter of Intent, including, without limitation, the following:

2.1 Master Operating Agreement. A master operating agreement would include the specifics of all of the various commitments and conditions set forth in this Letter of

Intent. This master operating agreement would also consolidate, replace, and supersede all of the various agreements currently in effect between Central Health and Seton relating to programs and services at UMCB, indigent care services, compensation, and related agreements.

2.2 UMCB Lease. An agreement covering restructuring or termination of the existing UMCB lease and including (i) the transition of the health care services currently delivered at UMCB to the Teaching Hospital (as defined in Section 4 below) or to other health care providers, and (ii) the post-termination uses and restrictions on the UMCB property.

2.3 Teaching Hospital Lease. Central Health, as owner of the land, shall enter into a long-term ground lease and other appropriate agreements with Seton for the purpose of constructing the Teaching Hospital. Such lease and agreements shall contain certain remedies and options to ensure the performance of the obligations of the parties as set out in the master operating agreement and to ensure the perpetual viability of the Teaching Hospital as a facility providing services to the community, including the safety net population.

2.4 Behavioral Health Facilities and Services. The master operating agreement, or other definitive agreements to be entered into at the same time, will include specific commitments regarding the expansion of inpatient and outpatient behavioral health services.

2.5 Outpatient Multispecialty Care. The master operating agreement, or other definitive agreements to be entered into at the same time, will include specific commitments with respect to the development, operation and expansion of multi-specialty facilities and physician capacity proximate to the Teaching Hospital.

2.6 Women's Health Services. The master operating agreement, or other definitive agreements to be entered into at the same time, will include specific commitments to women's health care as more fully set out in Section 8 below.

3. Medical School. Central Health and Seton acknowledge and agree that (i) The University of Texas System ("UT") is contemplating the creation and development of a medical school ("Medical School") to be located on or near the UT Austin campus and (ii) Central Health and Seton will reasonably and in good faith work together and cooperate with UT to assist in the development of the Medical School.

4. Teaching Hospital. Subject to the conditions set forth in this Letter of Intent, Seton will commit to spend up to \$250 million towards the construction and equipping of an appropriately sized hospital (to be mutually agreed upon by the parties) suitable to serve as the primary teaching hospital ("Teaching Hospital") for the Medical School to serve the population of Travis County, including the safety net population. Such Teaching Hospital shall be located at an appropriate site mutually agreed upon by the parties and shall include an appropriately-sized inpatient psychiatric facility, located within the Teaching Hospital or in a nearby facility as mutually agreed upon by the parties.

The master operating agreement will describe the scope and level of services and programs to be offered by Seton within the Teaching Hospital and at other locations through the integrated delivery system described below in Section 5. The conditions precedent necessary for the construction of the Teaching Hospital will include (i) ownership by Central Health of the land upon which the Teaching Hospital would be located; (ii) consummation of a mutually agreeable 100-year ground lease between Seton and Central Health for the use of such land as set forth in Section 2.3 above and of other covenants to ensure the viability of the Teaching Hospital

as a facility providing care to the safety net population as mutually agreed upon by the parties, (iii) consummation of mutually agreeable long-term teaching hospital/medical school affiliation agreements between UT, Seton, and Central Health; (iv) commitment of Central Health to assist in funding the elements of the system described in this Letter of Intent to the degree allowed by law; and (v) consummation of the agreements between Central Health and Seton described in Sections 2.1 and 2.2 above.

5. Integrated Delivery System.

5.1 Structure and Overall Purpose of IDS. Central Health and Seton would form an integrated delivery system (“IDS”) that will function according to accountable care concepts to fund and deliver coordinated, quality medical care to the safety net population of Travis County. Specifically, Central Health and Seton will form a certified non-profit health organization (“NPHO”) that, as a health care provider, would receive monies generated through various governmental resources, including, but not limited to, the 1115 Medicaid Waiver Program incentive pool in order to increase, enhance and improve medical services to the safety net population. Central Health and Seton will strive to maximize the funds available through the 1115 Medicaid Waiver Program as well as other sources. To the extent that such funds are available, this NPHO would utilize such funds to develop and fund (i) additional cognitive and surgical specialty care; (ii) additional primary care to include disease management and chronic care programs, and expanded urgent care access; (iii) increased behavioral health services to include both outpatient and inpatient services in order to ameliorate this significant need; and (iv) the provision of other types of health care services in connection with the Medical School. All funding by the IDS and Central Health will be in accordance with the laws of the United States and Texas, and it is the intent of Central Health to utilize its available revenue to the

degree it is consistent with the public interest and any contractual obligations to assist in the funding of the IDS.

5.2 Governance. Central Health and Seton shall be the initial voting members of the IDS, with Central Health owning a majority of the membership interests of the IDS. The NPHO documents shall contain mutually agreeable and appropriate reserve powers to, among other things, ensure that Seton may appoint and remove its respective designees to the governing board and ensure that Seton's legal, ethical, and contractual rights are protected.

5.3 Participation by Other Parties. Central Health and Seton agree that it may be desirable to allow other parties to participate in the governance of the IDS so long as all such parties recognize their mutual and shared responsibility for the safety net population of Travis County, make an appropriate financial commitment to the IDS, and agree to share in the risk of care for the population covered in the IDS program. The parties will willingly entertain the interests of third parties and negotiate the terms of their participation with IDS.

6. Reciprocal Indigent Care Commitments. Central Health and Seton will include within their master operating agreement provisions relating to the payment and delivery of health care services to the safety net population of Travis County ("indigent care strategies") as follows:

6.1 System of Care. The parties will adopt a system of delivering health care services to accomplish the following: (a) create an efficient and effective system of quality care; (b) reduce readmissions; (c) eliminate unnecessary and inappropriate utilization; (d) provide services (social work, navigators, allied health professionals, and other necessary personnel) to strengthen the care continuum; (e) provide a chronic disease management program; (f) expand the primary care base; (g) expand the specialty care services available to the safety net population; (h) improve patient care outcomes; (i) provide services in the most appropriate

settings; (j) enhance and increase access to behavioral health services; and (k) maximize public funding opportunities whenever beneficial for the IDS or its members. Central Health shall utilize its resources to ensure that the safety net population shall have access to comprehensive women's health services as described in Section 8. The parties agree that they will mutually develop metrics to determine the effectiveness of this new system in providing quality and efficient health care to the safety net population. Central Health and Seton understand that there may be certain assets of the IDS that can be useful to improve care or access for both the general and safety net populations. Therefore, with mutual agreement and fair market value compensation, elements of the IDS infrastructure may be used for general patient populations or other approved providers.

6.2 Funding Strategies for the Safety Net Population. The parties acknowledge that there are several fundamental principles that will form the basis of the mutual commitments described in this Letter of Intent:

- (a) Subject to the limitations described in Section 2, Central Health intends to provide appropriate funding for the purposes of the IDS;
- (b) As long as Seton continues to perform the services it presently provides to the safety net population, it will continue to receive the same level of compensation it is currently receiving under the existing lease and other agreements between the parties;
- (c) It is expected by both parties that Seton will perform new, expanded, and additional services in addition to its present efforts, and Seton shall receive appropriate, additional compensation for the expansion of its current programs and services;

(d) The IDS shall utilize a third party actuary in developing an annual rolling three-year safety net payment projection based upon the funds available to the IDS and subject to adjustment as appropriate. This projection shall describe a mutually agreeable benefit plan applicable to the mutually defined safety net population that takes into consideration the available provider resources, provider schedules, projected provider compensation levels, and expected revenue commitments; and

(e) Central Health and Seton will mutually agree on an appropriate methodology to determine their shared responsibilities for the cost and delivery of services for the mutually defined safety net population and, based upon the actuarial process described above, Central Health (to the extent legally possible) shall commit to fund its share of its agreed upon responsibilities as described in the three-year projection.

6.3 Other Collaborations. The parties shall evaluate other providers, resources, and entities (including other resources and assets of the parties) delivering health care services to the mutually defined safety net population to determine if there are additional options for consolidation or coordination of medical care delivery consistent with the strategies of the IDS and take all reasonable steps to take advantage of any identified possibilities for improvement.

7. Behavioral Health. The parties acknowledge and agree that the location and delivery of behavioral health services is a critical component of the relationship and the IDS strategy. Accordingly, the master operating agreement between Central Health and Seton will

address behavioral health care and a mutually agreeable methodology for improving and expanding such services and care in both an inpatient and outpatient setting.

8. Women's Health Care Issues. The parties acknowledge and agree that health care services for poor and vulnerable women is a critical component of this arrangement. The parties agree that the fundamental principle that will form the basis of their ultimate agreement on women's health care issues is that Central Health and Seton are both committed to collaborating on providing health care services to the women of Travis County while also recognizing that Seton, as a ministry of the Catholic Church, is committed to abide by the Ethical & Religious Directives for Catholic Health Care Services. Central Health will ensure that comprehensive health care services are provided to women in Travis County, and in that regard Central Health will utilize funds and resources to partner with other providers to provide those services not provided by Seton.

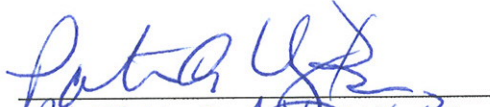
9. Timeline. The parties agree that time is of the essence and that they desire and intend to negotiate and consummate binding and definitive agreements as soon as reasonably possible and, if possible, no later than December 31, 2012.

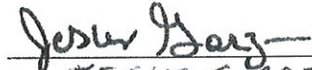
[SIGNATURES ON NEXT PAGE]

By executing below, the parties affirm that this Term Letter of Intent accurately describes their mutual desires related to the matters set forth herein.

TRAVIS COUNTY HEALTHCARE
DISTRICT D/B/A CENTRAL HEALTH

SETON HEALTHCARE

By: 
Name: PATRICIA A. BROWN
Title: PRESIDENT/CEO
Date: 4/23/12

By: 
Name: JESUS GARZA
Title: PRESIDENT
Date: 4-20-2012



CENTRAL HEALTH



1115 Medicaid Waiver

May 30, 2012

Ann-Marie Price
Director of Government Affairs



Presentation Overview

- + 1115 Waiver – Main Idea and Concepts
- + Overview of Region 7
- + Anchor Entities
- + Impact on Local Entities
- + Funding Structure
- + Next Steps
- + Timelines
- + Take-Away Points
- + Contact Information

1115 Waiver

Main Ideas and Concepts

- + The waiver is a 5-year project that has two main objectives:
 1. Continue to provide supplemental federal funding to Texas hospitals for Medicaid patients; and
 2. Improve the healthcare delivery system for everyone
- + We are already in the first year of the waiver, which is a transition year. Most changes to the program will occur in the second through the fifth years of the waiver

1115 Waiver

Main Ideas and Concepts

- + Waiver goals are to:
 - Protect hospital supplemental payments (e.g., UPL)
 - Expand permitted reimbursement for uncompensated care
 - Incentivize delivery system improvements and improve access and system coordination
- + These goals will be accomplished through two funding pools and the formation of Regional Healthcare Partnerships (RHPs), which will include hospitals and local governments
 - Local entities are able to utilize federal match funds for delivery and improvement of healthcare services

Central Texas RHP Region: Region 7

Central Texas Region 7 is comprised of 6 counties

Bastrop

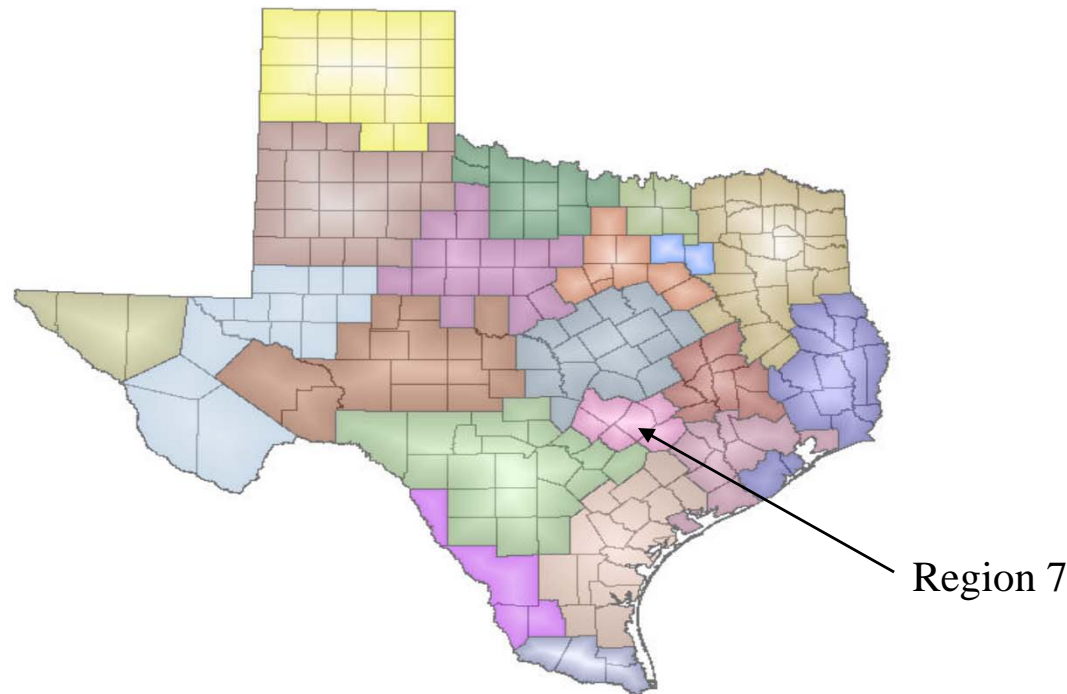
Caldwell

Lee

Fayette

Hays

Travis



Anchoring Entities

- + Each region has a designated “anchor”
- + The anchor entity in Region 7 is Central Health
- + Anchors:
 - Are the single point of contact for regional partners
 - Coordinate RHP activities on behalf of the region
 - Provide opportunities for regional partners and other stakeholders to provide input into the RHP
 - Do not make decisions regarding other entities’ funds

Impact on Local Entities

+Reasons to participate include:

- Leverage eligible public funds currently utilized for delivery of healthcare services to the uninsured
 - Budget neutral – utilizes existing funds for federal match
- Collaborate and plan with local hospitals and other key stakeholders to improve and expand the delivery of healthcare services

+Through RHP participation:

- Access of funds dependent on RHP participation
- Determine which hospitals and providers to support with funds
 - Which projects and what uncompensated care will be funded
 - What regional incentive projects to support with other local entities

Impact on Local Entities

- + Regional partners' waiver funding does not flow through the anchor
- + The waiver provides ways for local entities to access additional federal funding:
 - Through a program and process that is transparent and accountable for public funds
 - To help fund healthcare services to individuals who are uninsured
 - To help fund “incentive” payments (DSRIP) for healthcare related projects and investments to increase:
 - Access to healthcare services
 - Quality of healthcare and health systems
 - Cost/effectiveness of services and health systems
 - Regional collaboration and coordination

Funding Structure

+Under the 1115 waiver, eligible local public funds are sent to the federal government via an Intergovernmental Transfer (IGT) and matched with additional federal funding distributed back to the designated participating hospitals through two pools:

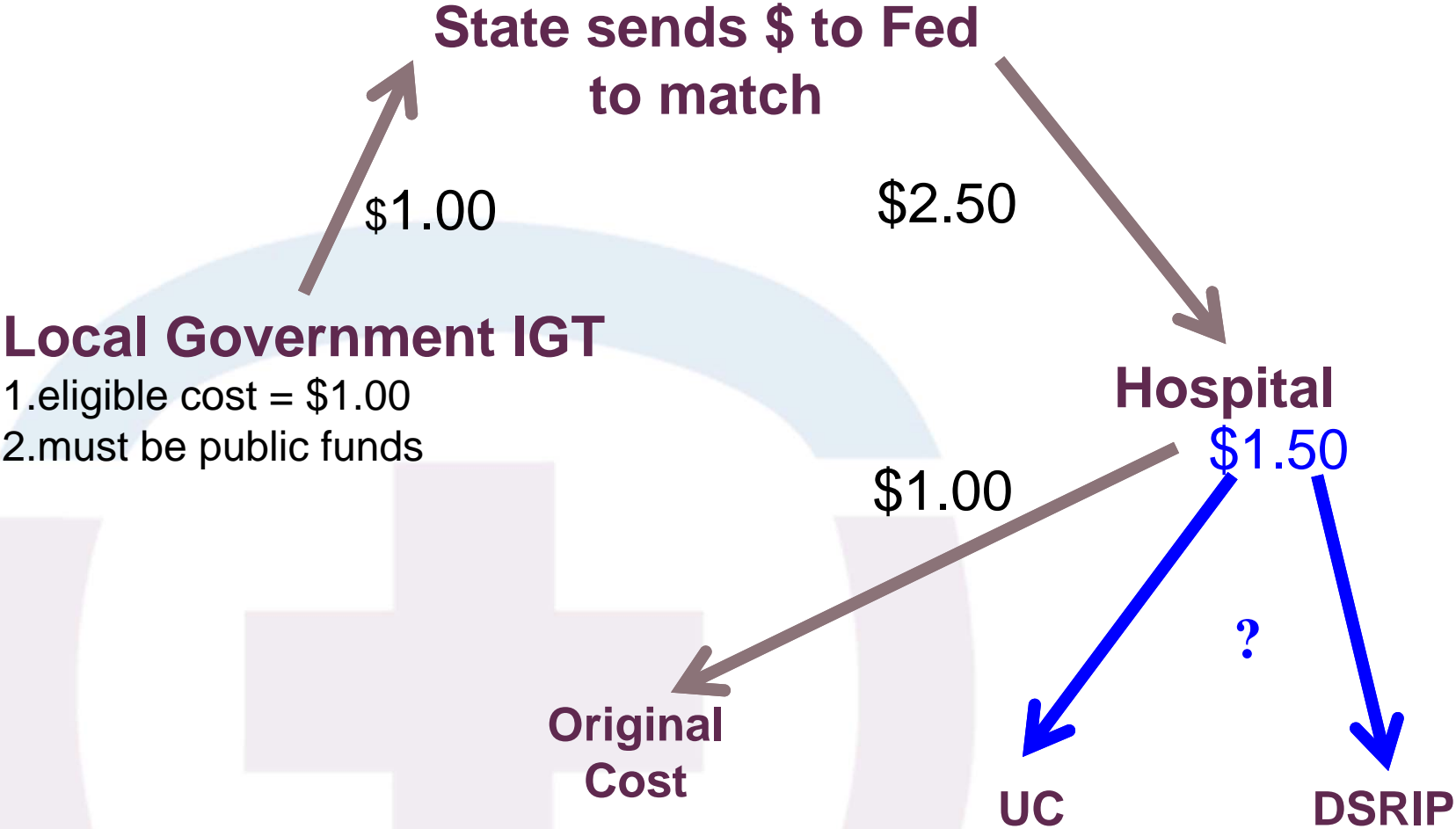
- Uncompensated Care (UC) Pool

- Costs of care provided to individuals who have no third party coverage for the services provided by hospitals or other providers (beginning in first year)

- Delivery System Reform Incentive Payments (DSRIP)

- Support coordinated care and quality improvements through Regional Healthcare Partnerships (RHPs) to transform healthcare delivery systems (beginning in later waiver years)

Flow of Match Funds



- Local government – determines funding allocations to providers

Pool Funding Distribution

Pool Funding Distribution in Billions

Pool Type	DY* 1 (2011-2012)	DY 2 (2012- 2013)	DY 3 (2013- 2014)	DY 4 (2014-2015)	DY 5 (2015-2016)	Totals
Total/DY	\$4.2	\$6.2	\$6.2	\$6.2	\$6.2	\$29
% UC	88%	63%	57%	54%	50%	60%
% DSRIP	12%	37%	43%	46%	50%	40%

DY = Demonstration Year

Historical UPL hospital payments: \$2.8 billion per year.

Next Steps

- + Under development:
 - RHP governance structures
 - Allowable sources of match (intergovernmental transfer or IGT) for the waiver
 - Determination of statewide requirements for UC and DSRIP allocations within RHPs
 - Project values (incentive payments within plans)
- + Through the Executive Waiver Committee, HHSC is working with hospitals and local and county officials to share information and seek input on the implementation of the waiver

Timelines

- + May
 - Meetings convened between anchors and Regional Healthcare Partnership entities
- + June
 - Local governments develop Community Needs Assessments
 - Anchors continue to provide assistance to regional partners
- + July
 - Local governments develop DSRIP Projects and IGT capacity determinations
 - Development of the Regional Healthcare Partnership Plan
- + August
 - Public Hearings on the Regional Healthcare Partnership Plan
- + September
 - Final Regional Healthcare Partnership Plan due to September 1, 2012

Take-Away Points

- + Short timelines to develop final RHP Plan by September 1
- + This is a voluntary program. Must join RHP to participate
- + This is not a block grant opportunity - local match of eligible public funding is required
- + Funding decisions are made entirely by entity providing IGT
- + Anchor entity performs an administrative function and does not control the funding for IGT entities
- + Waiver funds will go directly to designated hospitals
- + All incentive funding projects must be from the DSRIP menu

Contact Information

Ann-Marie Price, Director of Governmental Affairs

- 512-978-8179
- Ann-Marie.Price@centralhealth.net



TERMINOLOGY: Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver

The list below consists of common terminology referring to the 1115 Transformation waiver.

1115 Waiver: A waiver under section 1115 of Social Security Act that allows CMS and states more flexibility in designing programs to ensure delivery of Medicaid services.

Anchoring entity (anchor): The single IGT entity in an RHP serving as the primary contact to HHSC responsible for providing opportunities for public input to the development of RHP plans and coordinating discussion and review of proposed RHP plans prior to plan submission to the State.

Centers for Medicare and Medicaid Services (CMS): The U.S. federal agency that administers Medicare, Medicaid, and the State Children's Health Insurance Program.

Delivery System Reform Incentive Payment (DSRIP): Incentive payments available for projects under the Transformation waiver to enhance access to health care, increase the quality of care, the cost-effectiveness of care provided and the health of the patients and families served. Projects eligible for incentive payments must come from the DSRIP menu, be included in an HHSC and CMS-approved RHP plan and have corresponding metrics and milestones.

Demonstration year (DY): A 12-month period beginning October 1 and ending September 30. The 1115 Transformation waiver currently consists of five demonstration years from 2011 to 2016.

DSRIP Menu: A menu of HHSC and CMS-approved projects that contribute to delivery transformation and quality improvement. Only projects from this menu performed as outlined in an HHSC and CMS-approved RHP plan with corresponding metrics and milestones are eligible for payments from the DSRIP pool.

Intergovernmental Transfers (IGT): State and local funds derived from taxes, assessments, levies, investments, and other public revenues within the sole and unrestricted control of a governmental entity and eligible for federal match under the 1115 Transformation waiver. This does not include gifts, grants, trusts, or donations, the use of which is conditioned on supplying a benefit solely to the donor or grantor of the funds.

IGT Entity: A state agency or a political subdivision of the state—such as a city, county, hospital district, hospital authority, or state entity—with IGT eligible for federal match to fund an RHP's UC or DSRIP.

Medicaid managed care: A system under which the state pays a set fee each month to a health plan to provide care for a Medicaid client, who selects a primary doctor from the plan's network to coordinate care. This differs from a traditional fee-for-service system that bases provider payment on quantity of service rather than quality. In 2011, the Texas Legislature directed HHSC to expand managed care within the state Medicaid program with the goal of achieving high-quality, cost-effective health care.

Performing Provider (performer): A Medicaid provider participating in an RHP, who works with an IGT entity and likely other participants to implement a DSRIP project.

Program Funding and Mechanics Protocol (PFM Protocol): A document, drafted by HHSC and pending CMS approval, outlining DSRIP requirements for RHPs including the minimum number of projects, organization of the RHP Plan, plan review process, required reporting, allocation of available pool funds, valuation of projects, disbursement of funds, and plan modifications.

Regional Healthcare Partnerships (RHP): Regions developed throughout the State to more effectively and efficiently deliver care and provide increased access to care for low-income Texans under the 1115 Transformation waiver. Each RHP will include a variety of participants to adequately respond to the needs of the community.

RHP Participant: An entity participating in an RHP as outlined in an RHP plan. A participant may be an IGT entity, a performer, an anchor, or another stakeholder.

RHP Plans: A plan to identify the community needs, the projects, and investments under the DSRIP to address those needs, community healthcare partners, the healthcare challenges, and quality objectives of an RHP. These plans must be submitted to the State and CMS for approval and shall include estimated funding available by year to support UC and DSRIP payments. RHP anchoring entities shall provide opportunities for public input to the development of RHP plans, and shall provide opportunities for discussion and review of proposed RHP plans prior to plan submission to the State.

Texas Health and Human Services Commission (HHSC): The state governmental body that oversees the Texas health and human services system operations and administers programs including Medicaid and CHIP.

Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver (the Transformation waiver): The vehicle approved by HHSC and CMS for expansion of managed care within the State Medicaid program while preserving federal supplemental hospital funding historically provided under the UPL program.

Uncompensated Care (UC): Costs of uncompensated care provided to Medicaid eligibles or to individuals who have no funds or third party coverage for services provided by the hospital or other providers.

Uncompensated Care Application (UC Protocol): The documentation needed for hospitals and other providers to report their uncompensated costs to receive reimbursement under the Transformation waiver.

Upper Payment Limit (UPL): Historic supplemental payments made to certain hospitals and providers to make up the difference between what Medicaid actually paid for Medicaid clients and what Medicare would have paid for the same services—when Medicaid is provided through managed care. UC and DSRIP funds available under the 1115 Transformation waiver replaced funding available under the former UPL program.