



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 19

Agenda Date: February 22, 2024

In Control: City Council A Session

DEPARTMENT: Health Department

DEPARTMENT HEAD: Claude Jacob

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Authorizing Continued Participation in the Medicaid 1115 Waiver

SUMMARY:

This ordinance authorizes the San Antonio Metropolitan Health District's (Metro Health's) continued participation in the Medicaid 1115 Waiver Program.

This ordinance authorizes revised operational and program budgets and personnel complements of 97 positions to support Metro Health's Medicaid 1115 Waiver Program funded projects in a total amount up to \$8,672,225.00 for Fiscal Year 2024 using Waiver Program cash reserve funds, beginning October 1, 2023 through September 30, 2024 as outlined below:

- Diabetes prevention and management
- Children's school-based oral health
- STD/HIV prevention
- Teen pregnancy prevention
- Healthy Neighborhoods
- Stand Up SA
- Operations (for internal operational support)
- Informatics
- Health Equity

- Mental Health
- Violence Prevention
- Air Quality
- Climate and Environmental Education

This ordinance also authorizes operational and program budgets and personnel complements of 97 full-time positions to support Metro Health's Medicaid 1115 Waiver Program funded projects in a total amount up to \$9,585,224.00 for Fiscal Year 2025 using Waiver Program cash reserve funds, beginning October 1, 2024 through September 30, 2025.

Metro Health's participation in the Medicaid 1115 Waiver Program serves a legitimate public purpose as this funding supports improved health outcomes in Bexar County. This action also authorizes other related items in order to continue funding for program operations to include, incidental expenditures for program participants.

Additionally, this ordinance authorizes the Director of Metro Health to execute Memoranda of Agreement (MOA) that enhance program services with no exchange of funds associated with these grant-funded projects, including Data Use Agreements and Business Associate Agreements.

Furthermore, this ordinance authorizes the acceptance of funds reimbursed through year 2 of the Waiver Program's Public Health Provider (PHP) – Charity Care Program (CCP) in an amount up to \$3,442,189.38.

Finally, this ordinance authorizes the Director of the San Antonio Metropolitan Health District (Metro Health) to initiate, negotiate, and execute any and all necessary documents and a grant contract to effectuate the acceptance of the referenced grant funds, and to execute contract amendments pertaining to this contract, to include a) carry-over funds, when ascertained and approved by the funding agency through a revised notice of award; b) line item budget revisions authorized by the funding agency; c) modifications to the performance measures authorized by the funding agency and listed in the contract so long as the terms of the amendment stay within the general parameters of the intent of the grant; d) no cost extensions; e) amendments which will provide supplemental grant funds to the grant by the funding agency in an amount up to 20% of the total amount awarded to the grant; f) reimbursement increases of administrative funds for each participant served; g) amendments funding one time equipment purchases or defined program services; and h) changes in regulations mandated by the funding agency.

BACKGROUND INFORMATION:

On January 31, 2013, City Council authorized the submission of six (6) project proposals for consideration and funding as part of the "Texas Healthcare Transformation and Quality Improvement Program" or "1115 Medicaid Waiver Program." The Medicaid 1115 Waiver created two funding pools in Texas for Uncompensated Care reimbursement for hospitals and the Delivery System Reform Incentive Payment (DSRIP) pool program. The DSRIP program provides incentive payments for hospitals and other providers who make investments in delivery system reforms that increase access to healthcare, improve the quality of care, and enhance population health.

On December 21, 2017, the Centers for Medicare and Medicaid Services (CMS) announced a five-year extension of the Medicaid 1115 Waiver Program. CMS authorized continued funding for four years, out of the five year extension, for the DSRIP program. The first two years of the extension (October 1, 2017 through September 30, 2019) remained at current funding levels with a reduction of 5% and 20% respectively in demonstration years nine (9) and ten (10) (October 1, 2019 through September 30, 2021).

On September 7, 2021, the Health and Human Services Commission (HHSC) reported that they accepted CMS' offer to continue DSRIP for one year and would submit a Waiver amendment to extend DSRIP in the amount of \$2.49 billion, which is the DSRIP funding amount for the demonstration year (DY) ending September 30, 2021; however, on April 26, 2022, HHSC announced that it formally decided not to request the extension. Metro Health continued to earn incentive payments through January 2023 and has additional Waiver Program cash reserve funds to support these projects through July 2026.

Metro Health now seeks City Council authorization to utilize Waiver Program cash reserve funds, revise FY 2024 operational program budgets and personnel complements, and also requests the approval of FY 2025 operational and program budgets and personnel complements to support Metro Health's Medicaid 1115 Waiver Program funded projects.

Occasionally, Metro Health requests City Council authorize agreements with agencies for the provision of services relating to the Department's programs and projects. Many times, these agreements do not include the exchange of funds between the City and these agencies; however, the execution of these agreements requires City Council action. Metro Health requests authorization for the Director to execute agreements, to include Memoranda of Agreement (MOAs), Data Use Agreements (DUAs) and Business Associate Agreements (BAAs), with no exchange of funds that enhance programs or services associated with these Medicaid 1115 Waiver funded projects.

On December 22, 2021, HHSC received federal approval of the Public Health Provider – Charity Care Program (PHP-CCP) Protocol from CMS. PHP-CCP was designed to allow qualified providers to receive reimbursement for the cost of delivering healthcare services, including behavioral health services, immunizations, and other preventative services, when those costs are not reimbursed by another source. The program is authorized under the 1115 Waiver Program. Beginning October 1, 2021, the PHP-CCP became operational and allowed certain providers, including local health departments and public health districts established under the Texas Health and Safety Code Chapter 121, to receive a supplemental payment for certain medical services. Payments from the pool are to defray the cost of uncompensated costs of providing medical services to Medicaid eligible or uninsured individuals. Year 1 of the program consisted of uncompensated care and Medicaid shortfall. In year 2, the program transferred to charity care only.

ISSUE:

Six projects in the areas of diabetes prevention, children's oral health, HIV and Syphilis prevention, breastfeeding promotion, teen pregnancy prevention and neighborhood health were

originally approved by the HHSC for funding through the DSRIP pool in two phases of approvals, in 2013. In 2017, City Council authorized the addition of a seventh (7th) project to be funded through Medicaid Waiver reserve funds to continue implementation of the Stand Up SA program.

Due to the operational needs of the department, Metro Health requests the use of Medicaid Waiver reserve funds to support five (5) additional positions for STD/HIV prevention and two (2) additional positions to support Operations within Fiscal and Marketing. All seven (7) positions are existing grant-funded positions that will be sustained through the Medicaid Waiver since the current grant funding will be ending. Additionally, some projects were previously supported by the Operations Medicaid Waiver budget. Metro Health now requests authorization of individual project budgets and personnel complements. These project areas include: Informatics; Health Equity; Mental Health; Violence Prevention; Air Quality; and, Climate and Environmental Education.

Through this ordinance, Metro Health seeks authorization of revised project budgets and personnel complements for Metro Health's Medicaid 1115 Waiver funded projects for a period beginning October 1, 2023 through September 30, 2024 and project budgets and personnel complements for a period beginning October 1, 2024 through September 30, 2025 using Waiver Program cash reserve funds. Metro Health has Waiver Program cash reserve funds to support these projects through July 2026.

Metro Health also requests authorization to accept funds from HHSC reimbursed through year 2 of the PHP-CCP in an amount up to \$3,442,189.38.

ALTERNATIVES:

Should City Council choose not to approve this ordinance, Metro Health will not be able to fund Medicaid 1115 Waiver projects moving forward and would forfeit any funds received through the PHP-CCP.

FISCAL IMPACT:

This ordinance authorizes continued participation in the Medicaid 1115 (a) Demonstration Waiver Program known as the "Texas Healthcare Transformation and Quality Improvement Program" (the Waiver Program).

The ordinance authorizes revised FY 2024 project budgets and an associated personnel complement of 97 positions and FY 2025 project budgets and an associated personnel complement of 97 positions that support Metro Health's Medicaid 1115 Waiver funded projects using Waiver Program cash reserves.

An overview of the projects and associated budgets are as follows:

Project	FY 2024 Authorized Positions	FY 2024 Project Budgets	FY 2024 Revised Positions	FY 2024 Revised Project Budgets	FY 2025 Authorized Positions	FY 2025 Project Budgets
Diabetes prevention and management	9	\$879,637	9	\$879,637	9	\$952,068
Children's school based oral health	13	\$1,312,059	13	\$1,312,059	13	\$1,482,191
STD/HIV prevention	13	\$1,173,945	18	\$1,313,204	18	\$1,658,190
Teen pregnancy prevention	1	\$564,715	1	\$564,715	1	\$566,707
Healthy Neighborhoods	12	\$945,608	12	\$992,608	12	\$1,029,675
Stand Up SA	11	\$533,237	11	\$533,237	11	\$613,851
Operations (internal operational support)	31	\$2,913,340	23	\$2,071,315	23	\$2,220,519
Informatics	-	-	1	\$113,826	1	\$120,500
Health Equity	-	-	1	\$94,244	1	\$99,837
Mental Health	-	-	1	\$116,294	1	\$123,415
Violence Prevention	-	-	5	\$521,351	5	\$549,723
Air Quality	-	-	1	\$79,719	1	\$83,835
Climate and Environmental Education	-	-	1	\$80,016	1	\$84,713
Total FY Budgets*	90	\$8,322,541	97	\$8,672,225	97	\$9,585,224

*Any funds received over and above the amounts authorized for the programs listed above will be held in the Medicaid 1115 Waiver reserve account.

This ordinance also authorizes the execution of agreements, including MOAs, DUAs and BAAs with no exchange of funds that enhance programs and services associated with these projects, funded by the Medicaid 1115 Waiver.

Finally, this ordinance authorizes the acceptance of funds reimbursed from HHSC for Metro Health's participation in year 2 of the PHP-CCP in an amount not to exceed \$3,442,189.38.

RECOMMENDATION:

Staff recommends approval.