



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 29

Agenda Date: January 26, 2023

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 operational and program budgets and personnel complements of 90 positions to support Metro Health's Medicaid 1115 Waiver Program funded projects in a total amount up to \$8,322,541.00 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)

Metro Health's participation in the Medicaid 1115 Waiver Program serves a legitimate public purpose in that this funding will support 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.

This ordinance also 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.

Finally, this ordinance authorizes the acceptance of funds reimbursed through year 1 of the Public Health Provider Charity Care Program in an amount up to \$350,000.00.

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, 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 will continue to earn incentive payments through January 2023 and has additional Waiver Program cash reserve funds to support these projects through September 2027.

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

Frequently 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 does require City Council action. Metro Health requests authorization for the Director to execute MOAs, to include Data Use Agreements and Business

Associate Agreements, 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. Year 1 of the program will consist of uncompensated care and Medicaid shortfall. In year 2, the program will transfer to charity care only. 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.

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 Health and Human Services Commission (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.

Through this Ordinance, Metro Health seeks authorization of 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 using Waiver cash reserve funds. Metro Health will continue to earn incentive payments through the Waiver Program through January 2023 and has additional Waiver funds to support these projects through September 2027.

Metro Health also requests authorization to accept funds from HHSC reimbursed through year 1 of the PHP-CCP in an amount up to \$350,000.00.

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 project budgets and an associated personnel complement of 90 positions that support Metro Health's Medicaid 1115 Waiver funded projects using the Department's Waiver Program cash reserves.

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

Project	Revised FY 2023 Authorized Positions	Revised FY 2023 Project Budgets	FY 2024 Authorized Positions	FY 2024 Project Budgets
Diabetes prevention and management	9	\$819,112	9	\$879,637
Children's school based oral health	13	\$1,220,790	13	\$1,312,059
STD/HIV prevention	13	\$1,080,048	13	\$1,173,945
Teen pregnancy prevention	1	\$556,597	1	\$564,715
Healthy Neighborhoods	12	\$848,170	12	\$945,608
Stand Up SA	12	\$510,827	11	\$533,237
Operations (internal operational support)	31	\$2,600,469	31	\$2,913,340
Total FY Budget's	91	\$7,636,013*	90	\$8,322,541*

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

This ordinance also authorizes the execution of MOAs 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 1 of the PHP-CCP in an amount not to exceed \$350,000.00.

RECOMMENDATION:

Staff recommends approval of the Ordinance authorizing Metro Health's continued participation in the Medicaid 1115 Waiver Program, the approval of operational and project budgets and personnel complements for Metro Health's Medicaid 1115 Waiver funded projects using cash reserve funds, beginning October 1, 2023 through September 30, 2024; authorization for the Director of Metro Health to execute MOAs that enhance programs and services where there is no exchange of funds associated with these grant projects; and, the acceptance of reimbursements from HHSC for participation in year 1 of the PHP-CCP.