



## STATE UPDATE: What's a DSRIP?

The **Delivery System Reform Incentive Payment Program (DSRIP)** is a competitive program that asks providers to put forth projects that will fundamentally restructure the healthcare delivery system in this state by transforming and reinvesting in the Medicaid program. It requires a 25 percent reduction in preventable hospital visits (inpatient and ER) over a five-year period. DSRIP has its origins in the state Medicaid waiver that the state secured in the spring, after months of negotiations with the Centers for Medicare and Medicaid Services (CMS). Medicaid is a jointly administered program between the federal government (CMS) and states. The waiver idea began with the Medicaid Redesign Team (MRT) process. The MRT was formed by Governor Cuomo in January 2011. This multi-stakeholder group was asked to look at innovative ways to transform the Medicaid program. The overarching objective of the MRT was to move Medicaid patients into integrated and managed care, as well as find ways to streamline the program while reducing costs, and improving quality and access. The MRT issued dozens of recommendations and 78 were adopted by the legislature in 2011. Most of these suggestions required CMS permission or a waiver to implement. DSRIP is the result of these efforts and the program is part of the state Medicaid waiver. The MRT reforms are expected to generate \$17.1 billion in savings over five years and the waiver allows the state to share in \$8 billion of the projected state/federal savings. The DSRIP is worth about \$6.42 billion and will be distributed to winning projects throughout the state over a five-year period. Providers in the state were invited to present Design Project Grants via a Letter of Intent. The state received 88 Letters of Intent and identified 51 as “emerging” Performing Provider Systems (PPS). A PPS is a network of providers – from pre to post-acute – dedicated to transforming care for Medicaid patients. Only safety-net providers, identified as such by the New York State Department of Health’s (NYSDOH) definition, can serve at the helm of the PPS. Each PPS will choose its area of focus from a menu of delivery options agreed upon by CMS and NYSDOH. The disbursement of DSRIP money will be contingent upon these PPSs achieving their pre-determined benchmarks in system transformation, clinical management, and population health, as well as the state’s performance overall in achieving its reform goals. This means all PPSs must perform exceptionally well for all PPSs to obtain the funding. Providers that are not designated as safety net institutions still may participate in a PPS, but all of the non-safety net partners in a PPS are limited to receiving a cumulative total of five percent of the project’s total award. Six PPSs in the mid-Hudson region and six PPSs on Long Island were identified through the Letters of Intent. These PPSs are now further defining their projects and partners. Final applications are due December 16, 2014.

## FEDERAL UPDATE: Health IT Gains Flexibility

A proposed rule recently released by CMS and the Office of the National Coordinator for Health Information Technology (ONC) recognizes some of the difficulty hospitals and doctors are having in meeting “meaningful use” targets related to the adoption of electronic health records. “Meaningful use” refers to a series of deadlines in which providers must show that they have successfully adopted different stages of electronic health records use and certification of vendor supported technology. There are payment incentives and penalties tied to the implementation of “meaningful use.” Robust use of health IT is key to reducing health care costs, improving quality, and better coordinating care. Implementation of HIT has been costly and cumbersome for many providers and the “meaningful use” guidelines and timeline difficult to meet and follow. The proposed rule allows for some flexibility in how eligible providers meet “meaningful use” requirements in 2014. “Meaningful use” stems from the Health Information Technology for Economic and Clinical Health (HITECH) Act enacted as part of the 2009 American Recovery and Reinvestment Act (ARRA).

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