



MEDICAID SECTION 1115 WAIVER: CALIFORNIA BRIDGE TO REFORM DEMONSTRATION

DELIVERY SYSTEM REFORM INCENTIVE POOL

The waiver includes the opportunity for public hospitals to receive up to \$3.3 billion over five years through the Delivery System Reform Incentive Pool (DSRIP). This pool will be a subset of the Safety Net Care Pool. The DSRIP is intended to support California’s public hospitals’ efforts to enhance the quality of care and the health of the patients and families they serve.

Individual public hospital systems will submit proposals for state and federal approval that are focused on improving the experience of care, improving the health of populations, and reducing per capita costs of health care. Federal funding will be contingent upon the achievement of specific milestones or deliverables in four areas:

- **Infrastructure development.** Includes investments in technology, tools and human resources. Examples of initiatives may include increases in primary care capacity, introduction of telemedicine, enhanced interpretation services, and enhanced improvement capacity.
- **Innovation and Design.** Includes investments in new and innovative models of care delivery that have the potential to impact patient experience, cost and disease management. Examples include expansion of medical homes, expansion of chronic disease management systems, primary care redesign, and redesigns for cost savings.
- **Population-focused Improvement.** Includes investments in enhancing care delivery for the 5-to-10 highest burden conditions in public hospital systems. Examples include improved diabetes care management and outcomes, improved chronic care management and outcomes, reduction of readmissions, and improved quality.
- **Urgent Improvement in Care.** Requires top-level performance on two or three interventions, when there is evidence that major improvement in care is possible within five years. These are hospital-specific initiatives and will be developed jointly by hospitals, the state, and CMS.

The details on the DSRIP categories, mechanics and approval process are not finalized. The state, California Association of Public Hospitals and Health Systems (CAPH) and CMS will be finalizing the pool details in the next 60 days.

Potential Funding Available

The following chart details the federal funding potentially available through the DRSIP:

Demonstration Year 6	\$600 million
Demonstration Year 7	\$650 million
Demonstration Year 8	\$700 million
Demonstration Year 9	\$700 million
Demonstration Year 10	\$700 million

Public hospitals will provide the nonfederal share for these federal funds through intergovernmental transfers (IGTs).

The Waiver terms and conditions do provide the possibility that a portion of the \$3.3 billion in federal funding could be utilized to fund incentive payments to private DSH and district DSH hospitals, if such a program is developed and agreed to at the state level and in consultation with the public hospitals.