



LEGISLATIVE BUDGET BOARD

Overview of Texas Healthcare Transformation Waiver

**PRESENTED TO the Senate Committee on Finance
LEGISLATIVE BUDGET BOARD STAFF**

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Overview

1115 Texas Healthcare Transformation Waiver at DSHS

Additional Behavioral Health Funds Related to 1115 Texas Healthcare Transformation Waiver at DSHS

- Department of State Health Services (DSHS) Rider 79, Mental Health Appropriations and the 1115 Medicaid Transformation Waiver (2014-15 General Appropriations Act), and DSHS Rider 59, of the same name (2016-17 General Appropriations Act), directs DSHS to require community mental health centers to utilize state appropriated General Revenue Funds to draw down additional Federal Funds through the DSRIP pool.
- The 1115 Texas Healthcare Transformation Waiver is a five-year Medicaid demonstration waiver that created the Delivery System Reform Incentive Payment (DSRIP) funding pool.
 - DSRIP Pool Payments are incentive payments to hospitals and other providers that develop programs or strategies that enhance access to health care, increase the quality of care, increase the cost-effectiveness of care provided, and the health of the patients and families served.
 - State and local public funds are leveraged to draw down federal matching funds.
- DSHS reported that Community Mental Health Centers leveraged approximately \$219.0 million received through contracts funded with General Revenue appropriations at DSHS and \$55.5 million in local funds to draw down an additional \$385.1 million in Federal Funds at the local level in fiscal years 2014 and 2015 for various behavioral health services provided under the waiver.



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