Local Financing Innovations Bexar County, Texas

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The Health Collaborative
The Health Collaborative began informally in 1997 when San Antonio’s major health care organizations agreed to jointly conduct a comprehensive health needs assessment for Bexar County, which includes the greater San Antonio area. The collaborative, which formally incorporated in 2000, still conducts the community health needs assessment and the community health improvement plan every three years.

The evolution of the collaborative was rooted in the founding members’ interest in decreasing duplication of health services in the community and promoting coordinated efforts to improve community health outcomes. Today, the collaborative has four full-time staff, 18 board members, 12 students as part of the 2018 spring learning team, and eight active community coalitions with more than 160 members. The Health Collaborative is funded through a combination of annual board dues, grants, and contracts.

As the Health Collaborative continues to expand its role in advancing population health in Bexar County, in 2017 it decided to add a third core pillar to its work by building sustainable funding for prevention and population health improvement activities, called health impact investing. The collaborative will serve as a “community health integrator,” responsible for fostering shared values and a shared vision, developing, funding, implementing, and evaluating health initiatives, while ultimately creating a range of innovation solutions that accounts for stakeholder values and expected return on investment.

The first intervention that will be funded out of the health impact investing activities is the Pathways Community HUB. The HUB is an evidence-based national model that helps communities improve population health and lower health care costs through care coordination and addressing clients’ social determinants of health. The HUB entity improves both individual and population-level outcomes by identifying at-risk populations, assessing their risk factors, and ensuring that each modifiable risk factor, including social needs, is addressed with evidence-based or best practice interventions. The HUB is the infrastructure and network structure behind the care coordination, while the Pathway is the standardized series of steps that need to be taken to ensure a social need can be effectively met. Payments in the HUB model are tied to achieved outcomes. The Health Collaborative is currently planning and developing a prototype of the HUB in Bexar County and will test a small-scale model in 2018.
Pre-K 4 SA
Educational attainment in San Antonio was lower than the national average. In 2011, former Mayor Julián Castro convened a blue-ribbon task force of business leaders and education professionals to identify the most effective method for improving the quality of education in San Antonio. The task force recommended the development of a program focused on high-quality prekindergarten services for 4-year-old children.

Local voters approved a local tax — a one-eighth of a cent increase in local sales taxes (approximately an $8 increase in sales taxes for the median household) — to fund the initiative, dubbed Pre-K 4 SA. The tax was estimated to raise about $31 million a year for the first eight years of the program, which could reach approximately 3,700 children annually or 22,400 children over the program’s approved initial eight years.

The full-day prekindergarten program for 4-year-olds in San Antonio targets low-income families but also reserves 10% of its slots for children whose families pay a sliding-scale tuition based on their income. The program takes a comprehensive approach toward educating the full child. It offers free after-school care until 6 p.m.; healthy breakfast, lunch, and snacks at no extra cost; and transportation, if needed.

Pre-K 4 SA’s ultimate goal is to establish a positive trajectory for educational attainment that ensures academic excellence in school and inspires students to develop goals for learning and to become contributing members of society. Year 3 results found that although Pre-K 4 SA children started the school year significantly below the national level for six outcomes (cognitive, literacy, mathematics, oral language, physical, and social-emotional), the students surpassed the national sample in three of the six outcomes (cognitive, literacy, and mathematics) by the end of the year.

Delivery System Reform Incentive Payment
Delivery System Reform Incentive Payment (DSRIP) initiatives are part of broader Medicaid Section 1115 Waiver programs, approved by the Centers for Medicare & Medicaid Services. DSRIP initiatives provide states with flexibility and funding to support hospitals and other providers in changing how health systems provide care to Medicaid beneficiaries. In 2011, Texas became the second of 10 DSRIP initiatives to be approved nationally. The state recently received notification that its waiver was extended through Sept. 30, 2022.

In Texas, the 1115 Healthcare Transformation waiver uses supplemental payment funding, managed care savings, and negotiated funding to create two statewide pools worth $29 billion over five years. Funding from the pools is distributed to hospitals and other providers to support two objectives: (1) an uncompensated care pool to direct more funding to hospitals that serve large numbers of uninsured patients and (2) a DSRIP pool that provides incentive payments to hospitals and other providers to transform their service delivery practices to improve clinical outcomes and population health through care coordination and high-quality, cost-effective care. It is anticipated these delivery system and payment reforms will lead to sustainable improvements in the delivery and quality of care, even after the DSRIP funding period.

Local eligibility to receive either uncompensated care or DSRIP payments requires participation in a Regional Healthcare Partnership (RHP). Bexar County is part of RHP6 in the state, which is anchored by University Health System. Each RHP developed a plan that identified the participating partners, community needs, proposed projects, and funding distribution under the 1115 Healthcare Transformation waiver. Partners of the Health Collaborative are involved in RHP6 projects, and RHP6 uses the Health Collaborative’s community health needs assessment to develop its own regional needs assessment.