

**CRAIN'S**  
**Health Pulse**

## **What's next for DSRIP?**

State Department of Health officials said they plan to pursue an additional five-year federal waiver ahead of the expiration of the \$7.4 billion Medicaid Delivery System Reform Incentive Payment program in April 2020.

In the meantime, the governor's fiscal 2020 budget proposal includes several provisions to advance the DSRIP goal of reducing avoidable hospital use by 25% compared to the state's baseline in 2015.

So far the state's 25 Performing Provider Systems—groups of hospitals, physicians, health centers and community organizations—have reduced unnecessary hospitalizations by 17%, said Greg Allen, director of program development and management at the state Department of Health, during a webinar budget briefing.

"Many Performing Provider Systems have been engaged in conversations in what a future DSRIP program could look like," he said. "Clearly there's an interest by all stakeholders in continuing the best of what's happened here. Just about everyone agrees we should ask for renewal."

Allen noted that several other states have had their federal waivers renewed. He said health care providers' value-based contracts with insurers were "not quite mature enough" to finance the types of programs providers are pursuing.

As part of the budget, the state Department of Health plans to promote best practices from providers that have been able to keep their patients out of the hospital, which it estimates will save \$10 million for Medicaid next year.

The department also plans to lower Medicaid payments to facilities that have high rates of avoidable hospitalizations. It would use the \$5 million it expects in savings to invest in primary, maternity and ambulatory care.