

Medicaid Transformation Project (MTP) 1.0 accomplishments

This document shares some of Washington State's accomplishments during the initial MTP waiver (2017–2023). Significant highlights include:

- MTP's five initiatives
- Accountable Communities of Health (ACHs)
- Delivery System Reform Incentive Payment (DRSIP) program
- Statewide integrated managed care (IMC)
- Value-based purchasing (VBP)
- Data and reports

Background

MTP is Washington State's Section 1115 Medicaid demonstration waiver between the Health Care Authority (HCA) and the Centers for Medicare & Medicaid Services (CMS). MTP allows our state to create and continue to develop projects, activities, and services that improve Washington's health care system.

MTP began in 2017, when Washington State and CMS reached an agreement on a groundbreaking, five-year project that allowed our state to invest in Medicaid delivery system changes and payment reform efforts. The initial MTP waiver became known as "MTP 1.0" after CMS approved Washington's MTP renewal, called MTP 2.0.

MTP 1.0 initiatives

MTP 1.0 had five areas of focus:

- Initiative 1: Transformation through ACHs and Indian health care providers (IHCPs)
- Initiative 2: Long-term Services and Supports (LTSS), which includes Medicaid Alternative Care (MAC) and Tailored Supports for Older Adults (TSOA) programs
- Initiative 3: Foundational Community Supports (FCS), which includes supportive housing and supported employment services
- Initiative 4: Substance use disorder IMD¹
- Initiative 5: Mental health IMD

ACHs

MTP reinforces the approach of addressing people's unmet social needs to promote individual and community wellbeing. Throughout MTP, ACHs engaged with Tribes and partnered with health care providers, local health jurisdictions (LHJs), and community-based organizations (CBOs). Achievements included:

- Supporting the integration of whole-person care by aligning resources and activities across the region.
- Providing community-based care coordination by building connections among clinical settings and CBOs to people and families to non-clinical services that support health-related social needs (HRSN).
- Supporting efforts to identify and address health care workforce challenges by creating workforce partnerships with providers to better understand regional needs.

¹ IMD stands for institutions for mental diseases. IMDs are hospitals, nursing facilities, or other institutions of more than 16 beds regardless of licensure that are primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, which includes SUD.

- Advancing health equity and diversity, equity, and inclusion (DEI) activities, along with investments in addressing HRSN by partnering with local entities to address regional needs for transportation, housing, nutrition, and other community concerns.
- Addressing and extending emergency response and recovery by providing quicker financial support and resources for communities and health care systems.
- Engaging with community leaders to build trusted relationships.
- Supporting advocacy efforts on prevention and health promotion by focusing on opioid use disorder and substance use disorder (SUD), maternal and child health, access to health services, and chronic disease prevention and management.

DSRIP program payout to-date

Through the DSRIP program, HCA paid ACHs incentive funds for meeting their project milestones. As of September 2023, HCA distributed more than \$812 million in incentive funds to ACHs through the financial executor (FE) portal.² ACHs earned most incentive funds for project milestone achievements (more than \$659 million). ACHs used DSRIP program funds to incentivize health care providers and organizations within their regions. At the end of September 2023, 722 unique partnering provider organizations registered in the FE portal.

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Statewide IMC launch

In 2014, state legislation directed the state to integrate the purchasing of medical and behavioral health services for Apple Health (Medicaid) clients through an IMC system by no later than January 1, 2020. As directed by Senate Bill (SB) 6312, Washington State achieved integration in January 2020.

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83% VBP adoption

VBP adoption progress

VBP is a range of strategies to contain costs while improving patient outcomes by tying health care payment to care quality. VBP rewards providers for health care quality, incentivizing them to focus on primary and preventive care. It also holds plans and providers accountable for providing high-quality, high-value care and a satisfying patient experience.

Our goal is for managed care plans to adopt VBP and work on lowering costs and increasing their quality of care. Between 2016 and 2021, VBP adoption in Medicaid managed care **increased from 37 to 83 percent**. VBP adoption is the portion of health care dollars spent in an alternative payment model (APM) in contracts that tie quality to payment.

² Like ACHs, IHCPs receive DSRIP funds based on IHCP-specific Project Plans. View the incentive funds IHCPs received in the Quarterly Incentive Reports, [available on the MTP website](#).

Data and reports

HCA's Analytics, Research, and Measurement (ARM) team and Department of Social and Health Services Research and Data Analysis (RDA) Division developed data and measurement infrastructure to support a variety of MTP activities. This included performance measurement, regional and local health assessment, planning, and monitoring, and evaluation activities.

ARM and RDA delivered around 360 county- and ACH-specific analytic reports to ACHs each quarter. ARM and RDA also built various public-facing dashboards, such as [Healthier Washington dashboard](#), to support regional and local health assessment and planning.

In addition, ARM and RDA supported the evaluation efforts of the independent external evaluator, Oregon Health Sciences University Center for Health System Effectiveness (OHSU-CHSE) by providing data reports each quarter.

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360 quarterly reports

Programs continued in MTP 2.0

In 2023, CMS approved HCA's application for [MTP to continue for an additional five years](#). Under the renewal, our goals are to:

- Expand coverage and access to care, ensuring that people can get the care they need.
- Advance whole-person primary, preventive, and home- and community-based care.
- Accelerate care delivery and payment innovation focused on health-related social needs.

Our application proposed multiple changes to our existing MTP programs and proposed new ones to reach these goals. CMS approved most of the changes.

Programs approved to continue:

- MAC and TSOA programs, which:
 - Expands care options for older people so they can stay at home and delay or avoid more intensive services, such as moving to a nursing facility
 - Assists unpaid family caregivers, ages 18 or older, who provide care for their loved ones
- SUD and mental health IMD supports
- Supportive housing and supported employment

Newly approved programs:

- Continuous Apple Health enrollment for children, ages 0-5
- Apple Health postpartum coverage expansion
- Contingency management for SUD treatment
- Re-entry coverage for individuals leaving a prison, jail, or youth correctional facility
- Program innovations that support older adults, including expanded eligibility and presumptive eligibility to support access and enrollment.
- Programs that address HRSN, including:
 - Community-based workforce payment through Community Hubs and the Native Hub
 - HRSN services (e.g., nutrition, housing, medical respite, transportation)
 - Rental subsidies up to six months