



Agency Overview

Senate Health Care Committee
January 19, 2015

Nathan Johnson, Chief Policy Officer, Health Care Authority

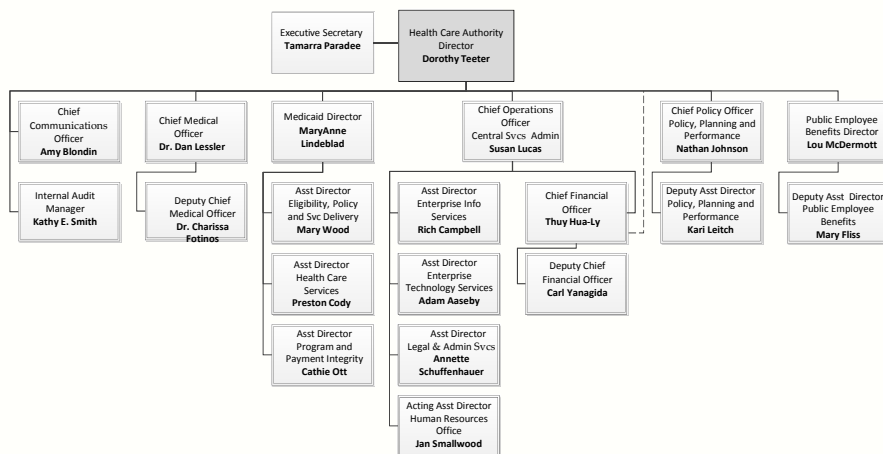
Agency Overview

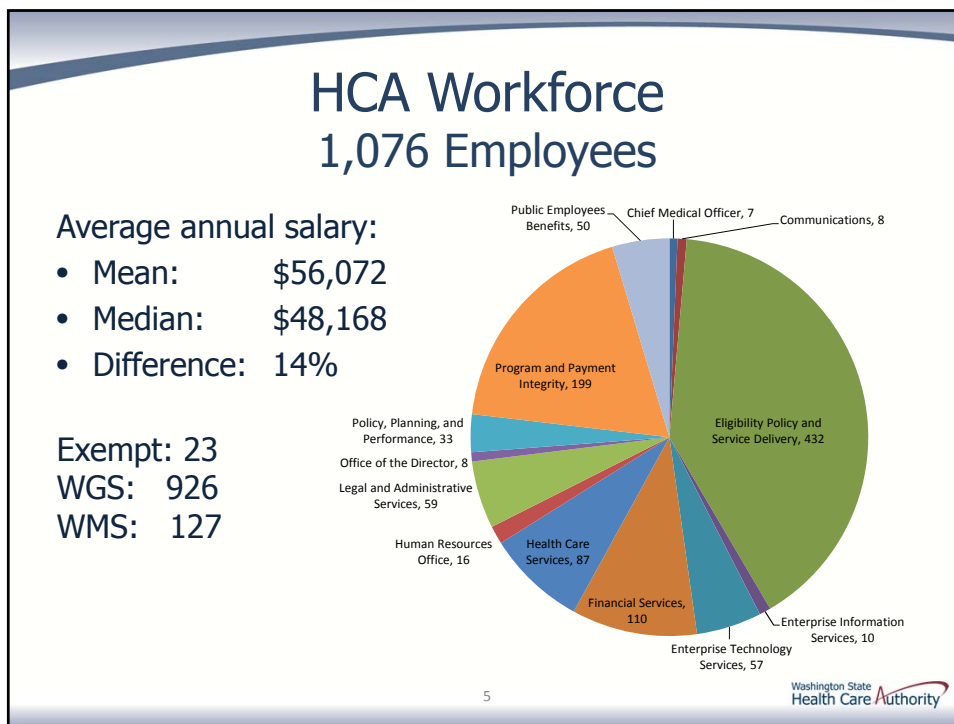
Achieving the Triple Aim...

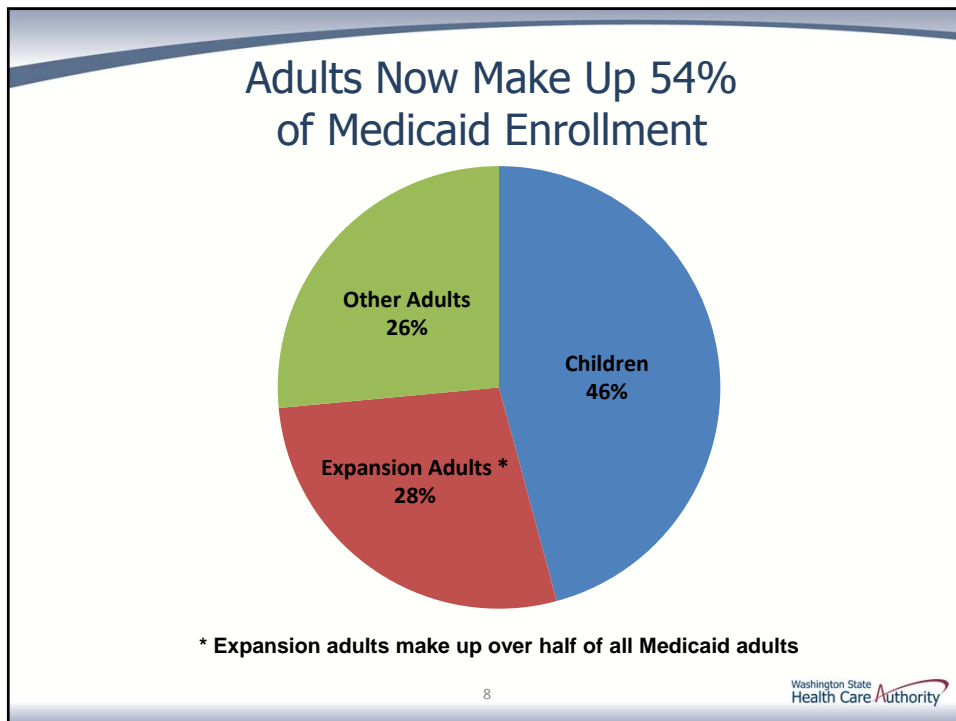
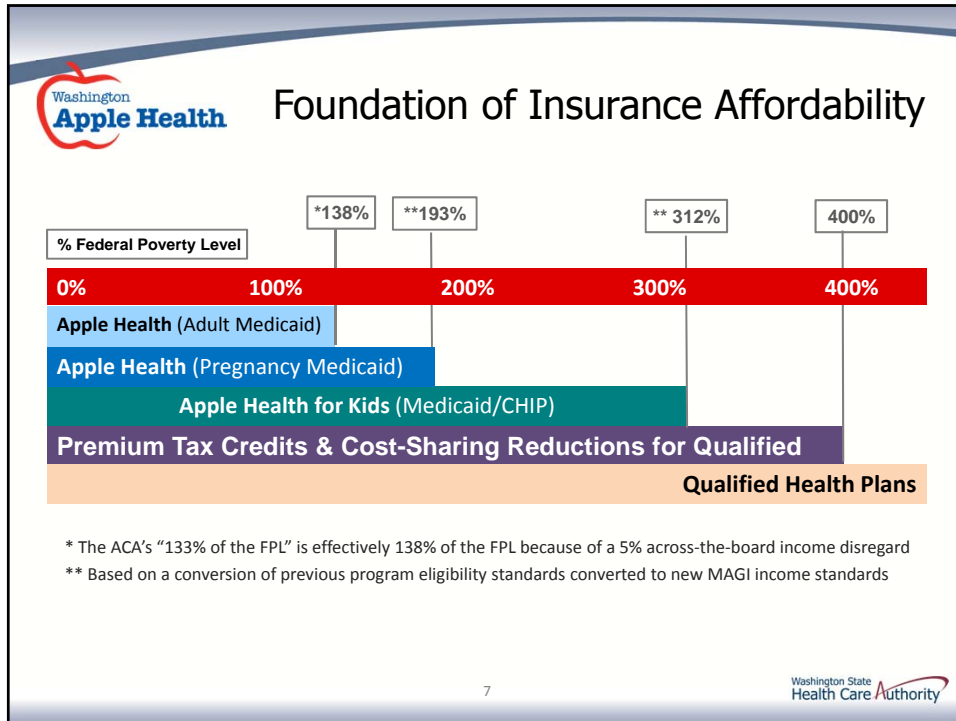
Better Health, Better Care, Lower Cost



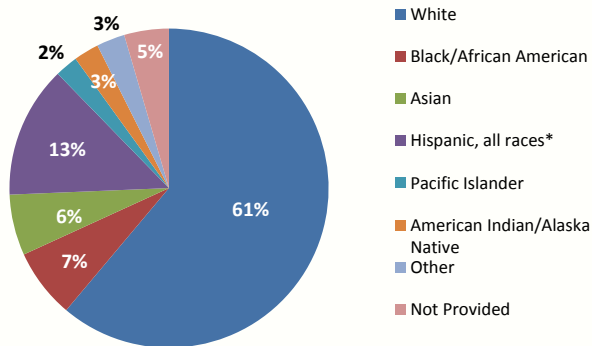
Organization







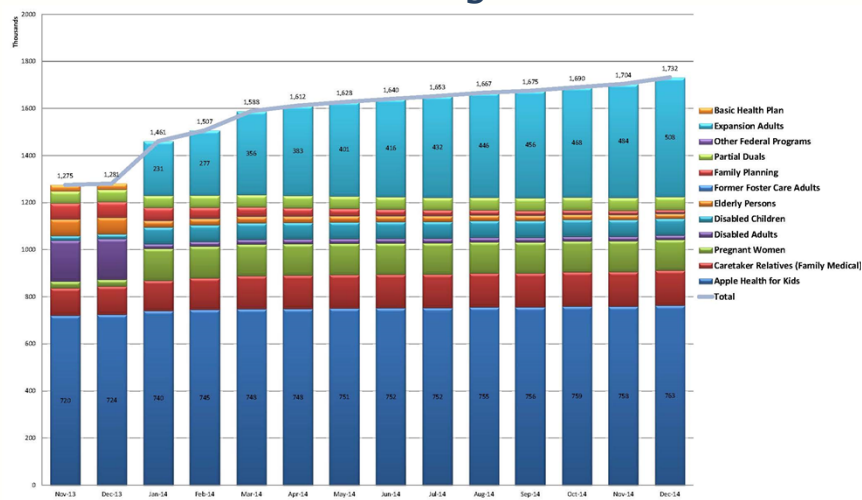
Distribution of Apple Health New Adults Enrollment by Race/Ethnicity Remains Consistent



* The Hispanic category includes all enrollees who indicated they are of Hispanic origin regardless of their race.

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Apple Health Enrollment November 2013 through December 2014



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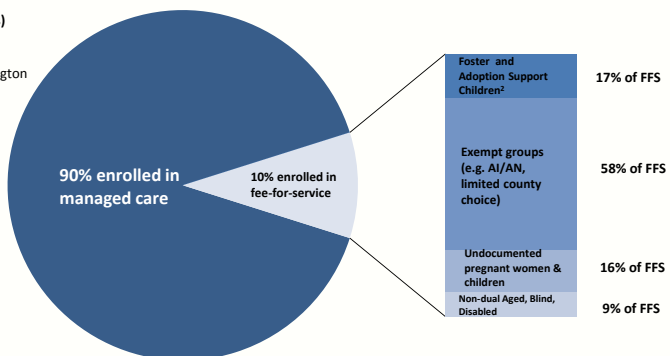
Medical/non-Access-to-Care¹ Mental Health Services Delivered through Managed Care

Approx. 1.5 million individuals receive their full health benefits coverage from Medicaid/CHIP
(excludes duals, partial duals, family planning-only and alien emergency medical.)

2015 – 6 managed care organizations (MCOs)

- Amerigroup
- ❖ Columbia United Providers
- ❖ Community Health Plan of Washington
- ❖ Coordinated Care
- ❖ Molina Healthcare
- United Healthcare

- ❖ Offers QHPs in Exchange

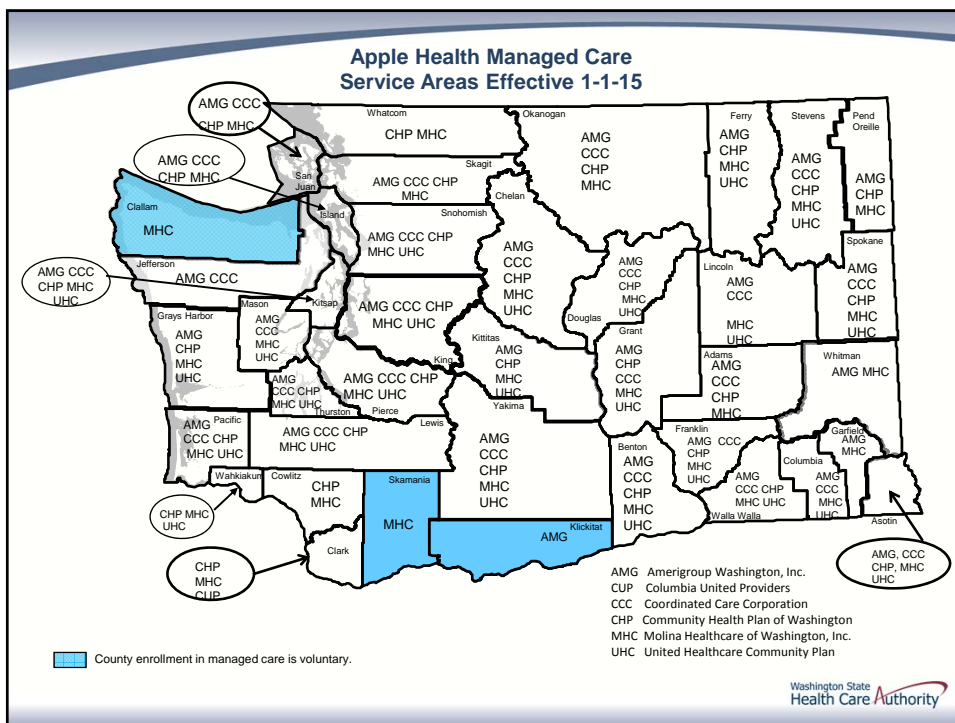


¹ Unique to WA – “Access to Care” standards define level of mental health impairment

² Currently planned to move to managed care in 2015

Source: HCA Quarterly Enrollment Reports (October 2014)

Apple Health Managed Care Service Areas Effective 1-1-15



Public Employees Benefits Program

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Public Employee Benefits (PEB)

- Medical
- Dental
- Life insurance
- Long term disability
- Auto/home insurance
- Long-term care
- Flexible spending accounts

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PEB Accountable Care Program (ACP) Request for Applications (RFA)

- Pay for value and outcomes to accelerate health care transformation—State as “first mover”
- Hold clinically integrated delivery systems accountable for quality and costs by offering financial incentives and disincentives
- Option under Uniform Medical Plan (UMP) starting in January 2016
- RFA released end of December 2014; ACP partner(s) to be announced in April
- Modeled after Boeing’s approach working directly with Providence and University of Washington, starting in January 2015

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PEB Enrollment December 2014

	Subscribers	Members
Public Employees	108,176	229,716
K-12	2,275	5,391
Political Subdivisions	12,271	25,041
Retirees, Public Employees	30,287	42,883
Retirees, K-12	33,118	47,057
Retirees, Political Subdivisions	1,633	2,436
Total	187,760	352,524

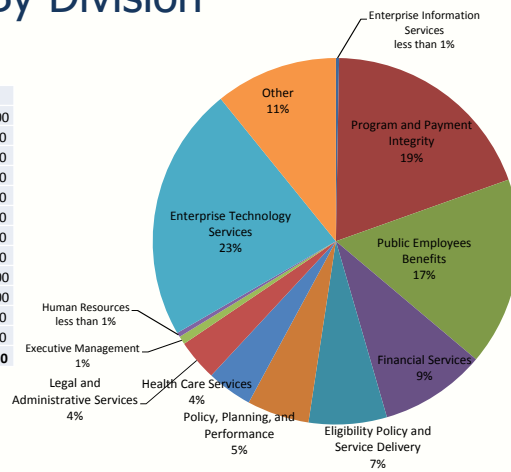
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Budget

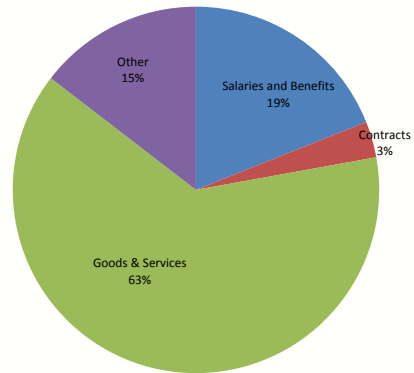
FY 2015 Administration Budget By Division

Division	Amount
Enterprise Information Services	\$ 1,149,000
Program and Payment Integrity	\$ 82,527,000
Public Employees Benefits	\$ 71,114,000
Financial Services	\$ 40,177,000
Eligibility Policy and Service Delivery	\$ 29,480,000
Policy, Planning, and Performance	\$ 23,520,000
Health Care Services	\$ 17,226,000
Legal and Administrative Services	\$ 15,577,000
Executive Management	\$ 3,134,000
Human Resources	\$ 1,669,000
Enterprise Technology Services	\$ 96,353,000
Other	\$ 46,396,000
Total	\$ 428,322,000



FY 2015 Administration Budget By Budget Category

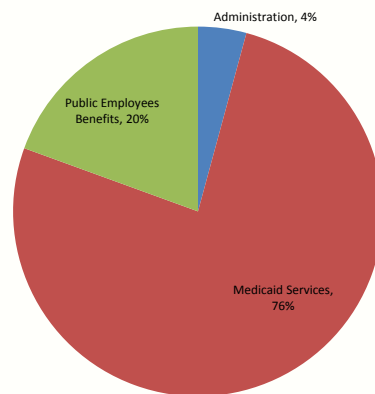
Budget Category	Amount
Salaries and Benefits	\$ 81,244,584
Contracts	\$ 13,653,000
Goods & Services	\$ 271,051,028
Other	\$ 62,373,388
Total	\$ 428,322,000



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FY 2015 Overall Budget

Category	Amount
Administration	\$ 428,322,000
Medicaid Services	\$ 7,744,068,000
Public Employees Benefits	\$ 1,973,303,724



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Questions?

Nathan Johnson, Chief Policy Officer
Health Care Authority

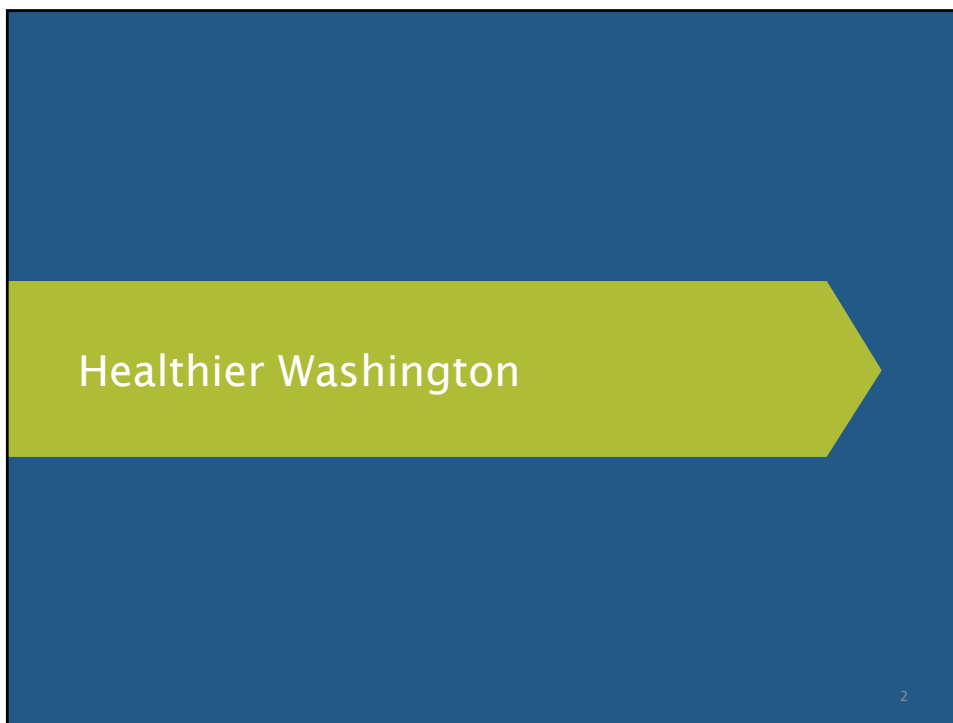
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Working Together for a Healthier Washington




Nathan Johnson
Chief Policy Officer, HCA
January 19, 2015



Healthier Washington

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Healthier Washington: Context

Key Legislation. Washington enacted legislation furthering delivery system reform:

- **SB 5732/HB 1519 (2013):** Cross-system performance measures for health plan contracting and system monitoring
- **HB 2572 (2014):** Value-based purchasing reform; increasing transparency; empowering communities, standardized performance measures
- **SB 6312 (2014):** Integrated whole-person care, integrated purchasing through managed care

State Innovation Models (SIM) Initiative. Under SIM, Washington is launching key initiatives that invest in Washington’s infrastructure to support multi-payer health transformation:

- **Community Empowerment and Accountability:** Start-up development of the Accountable Community of Health Initiative
- **Practice Transformation Supports:** Development of a Practice Transformation Support Hub to support providers.
- **Payment Redesign:** Four payment models that drive health system purchasers and payers toward greater accountability for improved health outcomes and reduced cost of care
- **Analytics, Interoperability, Measurement and Transparency:** Builds analytic and measurement capacity and diverse tools needed to translate and visualize data from multiple sectors into actionable information.

Medicaid Delivery System Transformation. Complementary Medicaid flexibility and authority to pay for services and advance care models statewide that accelerate health and quality improvement and reduce costs.

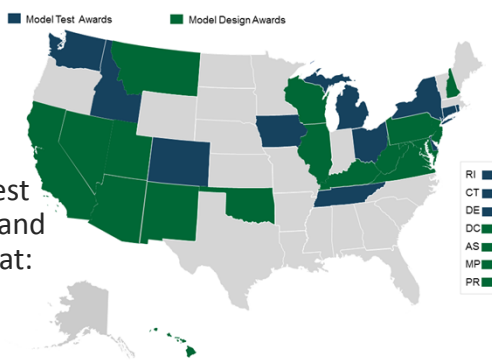
- **Medicaid** is the single largest purchaser in Washington State with the leverage, incentive and responsibility to drive health system reform.

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The Center for Medicare and Medicaid Innovation (CMMI) State Innovation Models (SIM) Initiative

In 2014, a \$1M model test grant from CMMI for the SIM Initiative—along with \$1M from the state—made it possible to design and test new health care payment and service delivery models that:

- improve health system performance,
- increase quality of care,
- and decrease costs.



Source: Centers for Medicare & Medicaid Services





Healthier Washington: Better Health, Better Care, Lower Costs

On December 16, 2014, Washington State was awarded \$65 million four-year grant from the Center for Medicare and Medicaid Innovation (CMMI).



"I want every family to have access to affordable, effective health care, a healthy environment, and an opportunity to learn so their kids thrive...There has never been a state more determined to innovate the way it delivers health care. The Healthier Washington project provides the necessary strategy and investments to accelerate change."

-- Governor Jay Inslee

"Healthier Washington will drive accountability to the local level...benefitting our population's health and the taxpayer."



-- Dorothy Teeter,
Director, HCA

"Preventing disease, ensuring a safe and healthy environment, ...and integrating behavioral and physical health care means improved health for everyone..."




-- John Wiesman
Secretary, DOH

"DSHS is excited about the prospects this holds for better serving our clients and advancing our mission of transforming lives."




-- Kevin W. Quigley
Secretary, DSHS

Healthier Washington Better Health, Better Care, Lower Costs

By 2019, a Healthier Washington will:

- Shift 80 percent of health care purchasing from paying for volume to *paying for value*.
- Have integrated physical and behavioral health services in Medicaid that *serve the whole person*.
- See engaged *communities driving local health innovation* and partnering with the state on health purchasing.



Progress Toward Achieving the Aims of Healthier Washington

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Strategies, Investments and Goals



Community Empowerment and Accountability

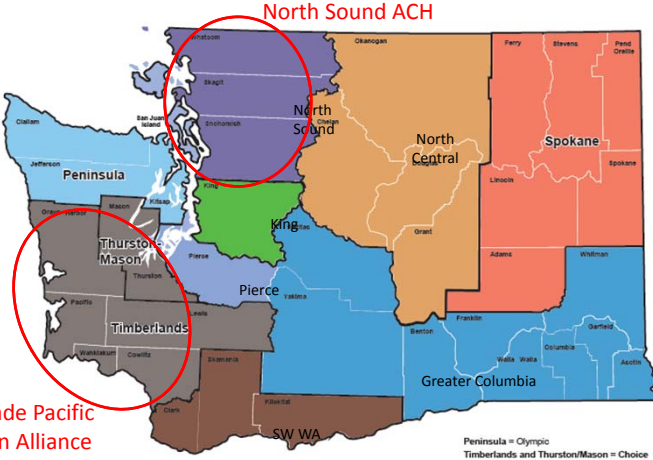


Accountable Communities of Health (ACHs) will:

- Provide a multi-sector voice for delivery system reform, shared health improvement goals and regional purchasing strategies.
- Serve as a forum for regional collaborative decision-making to accelerate health system transformation, focusing on social determinants of health, clinical-community linkages, and whole person care.
- Accelerate physical and behavioral health care integration through financing and delivery system adjustments, starting with Medicaid.



Pilot ACHs Announced



Cascade Pacific:

- Cowlitz, Grays Harbor, Lewis, Mason, Pacific, Thurston, and Wahkiakum Counties
- Backbone Support – CHOICE Regional Health Network

North Sound ACH:

- Island, San Juan, Skagit, Snohomish, and Whatcom Counties
- Backbone Support – Whatcom Alliance for Health Advancement

Cascade Pacific Action Alliance

North Sound ACH

Spokane


North Central

Greater Columbia

SW WA


Peninsula = Olympic
 Timberlands and Thurston/Mason = Choice
 Spokane = Better Health Together

Aligning sectors, resources and strategies around community and State priorities



Payment Redesign

- Model Test 1: Early Adopter of Medicaid Integration**
 Test how integrated Medicaid financing for physical and behavioral health accelerates delivery of whole-person care
- Model Test 2: Encounter-based to Value-based**
 Test a value-based alternative payment methodology in Medicaid for federally-qualified health centers and rural health clinics and pursue new flexibility in delivery and financial incentives for participating Critical Access Hospitals
- Model Test 3: Puget Sound PEB and Multi-Purchaser**
 Through existing PEB partners and volunteering purchasers, test new accountable network, benefit design and payment approaches
- Model Test 4: Greater Washington Multi-Payer**
 Test integrated finance and delivery through a multi-payer network with a capacity to coordinate, share risk and engage a sizeable population



Pay for Value and Outcomes

Learn

34 King County providers and health plans said they want to be paid for outcomes

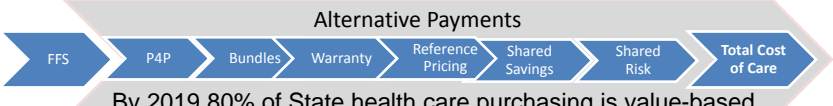
Strategy

Design and implement accountable payment and delivery systems


Goal

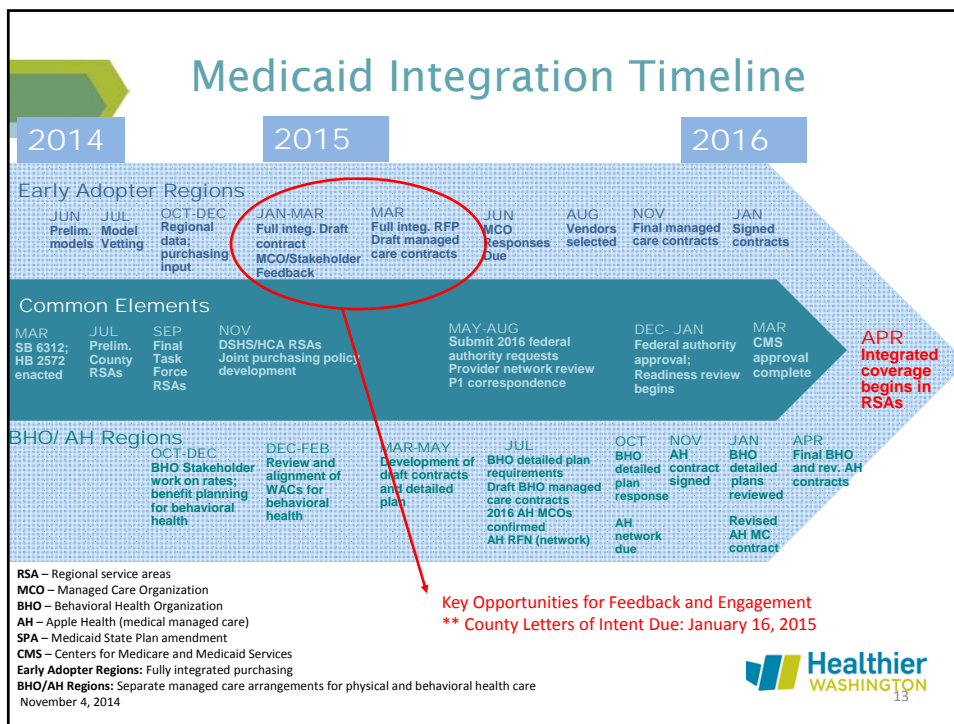
Results WA HCA Health Care cost at 1% below national trend

Alternative Payments



By 2019 80% of State health care purchasing is value-based



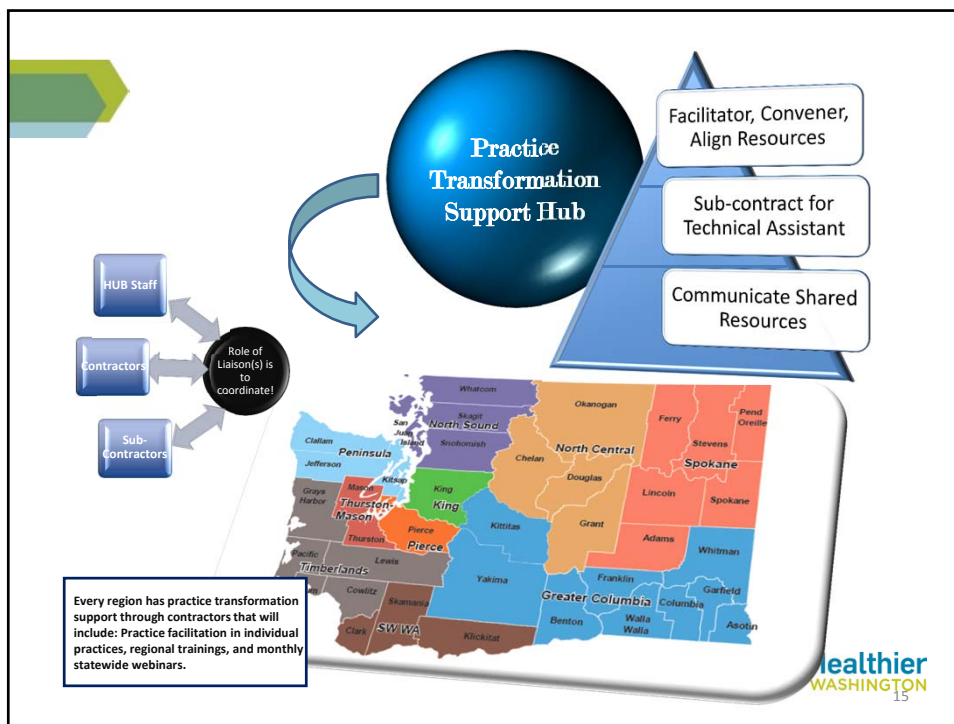


Practice Transformation Support Hub

This “hub” or clearinghouse will serve as a convener and coordinator of the State’s transformation and innovation efforts.

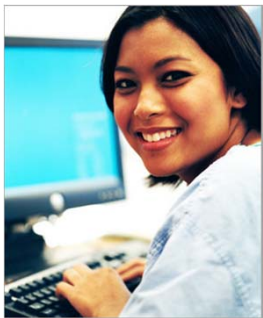
Operating like an extension service, the Hub will offer technical assistance to providers and communities with their initiatives to improve population health, integrate physical and behavioral health care, and lower costs.


Healthier WASHINGTON
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Analytics, Interoperability and Measurement

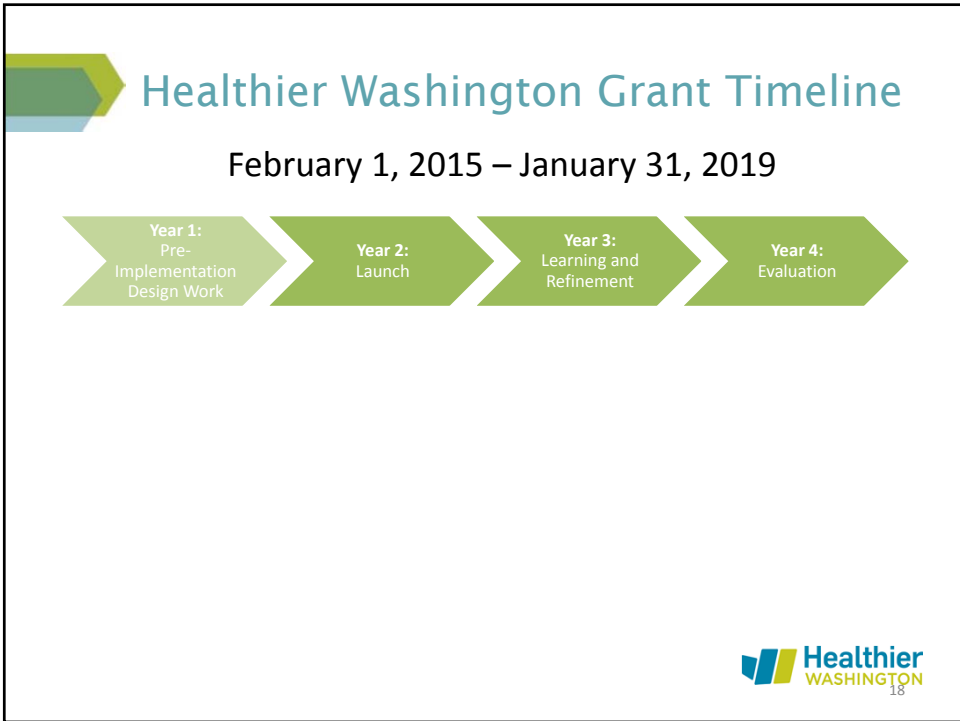
- A consistent set of measures for health performance
 - Common measures to inform purchasing strategy have been set*
- Enhance information exchange capacity to support care delivery, clinical-community linkages and improved health
- Bolster analytic capacity at state and community levels

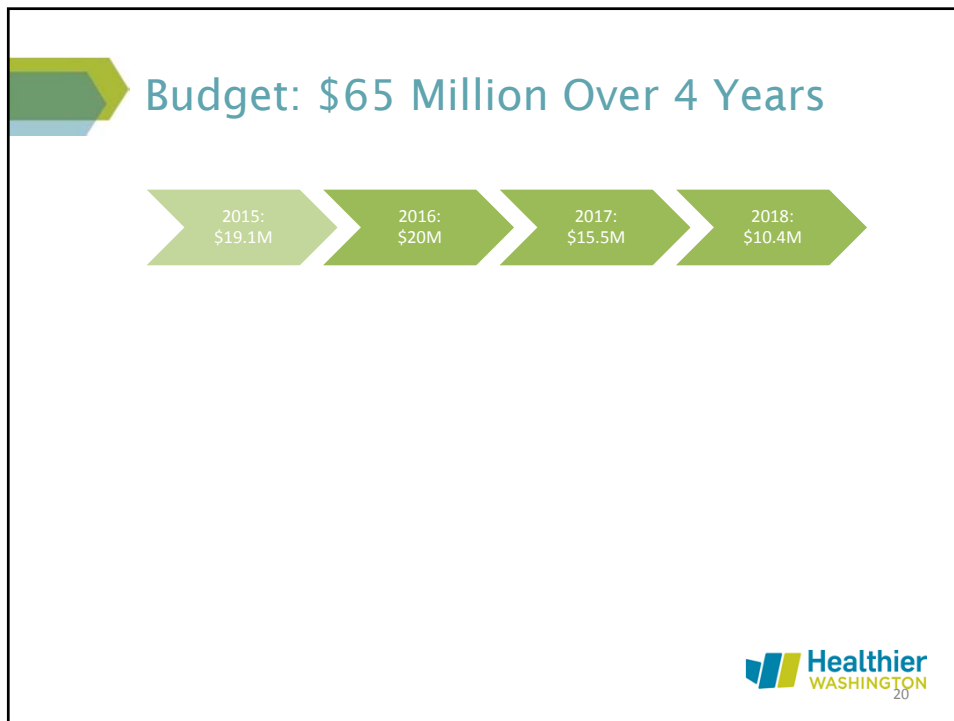
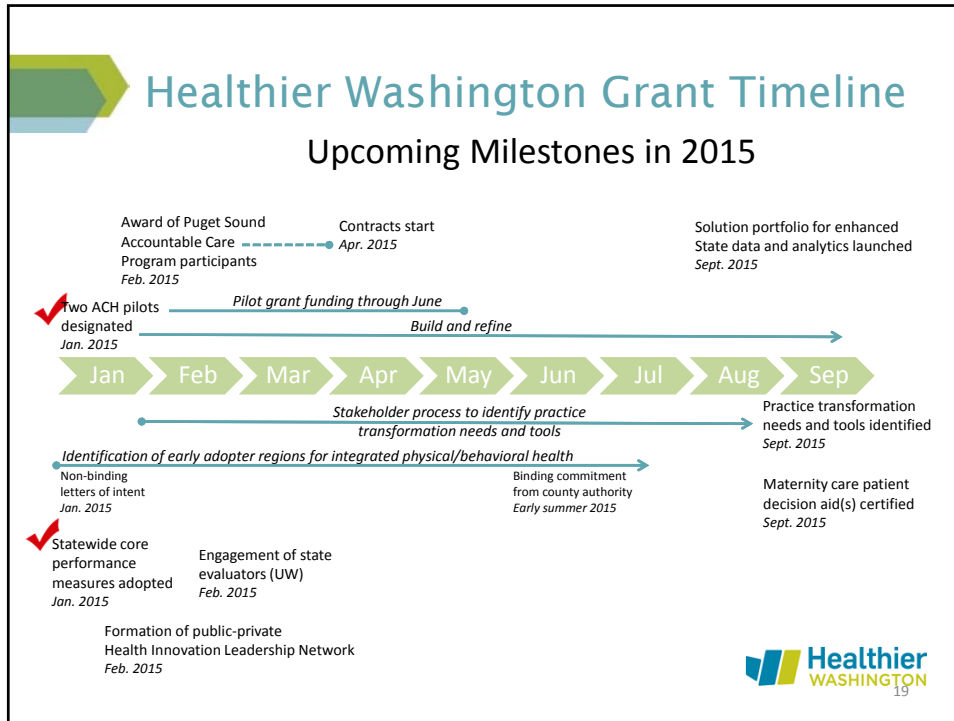


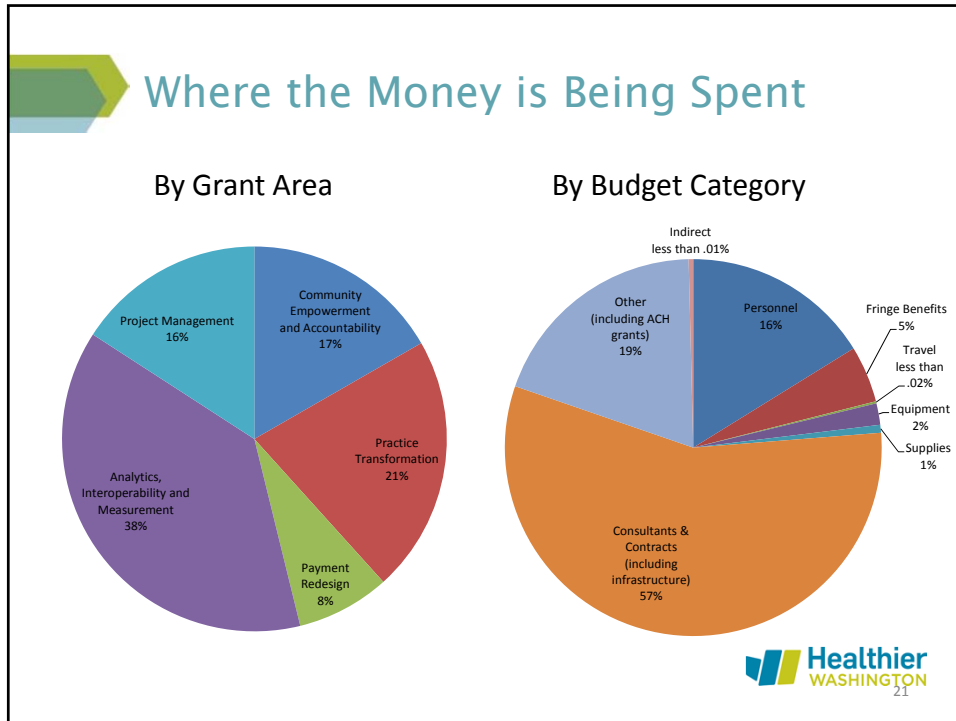


Analytics, Interoperability and Measurement High-Priority Measurement Topics

PREVENTION	ACUTE CARE	CHRONIC ILLNESS
Adult Screening(s)	Avoidance of Overuse	Asthma
Behavioral Health/Depression	Behavioral Health	Care Coordination
Childhood: early and adolescents	Cardiac	Depression
Immunizations	Cost and Utilization	Diabetes
Nutrition/ Physical Activity/ Obesity	Readmissions/Care Transitions	Drug and Alcohol Use
Obstetrics	Obstetrics	Functional Status
Oral Health	Patient Experience	Hypertension and Cardiovascular Disease
Safety/Accident Prevention	Patient Safety	Medications
Tobacco Cessation	Pediatric	
Utilization	Potentially Avoidable Care	
	Stroke	







Opportunities to Participate

- **Join the Healthier Washington Feedback Network**
 - Sign up at: healthierwa@hca.wa.gov

NOTE: If you signed up for the State Health Care Innovation Plan Feedback Network, you are already signed up.
- **Visit the website for:**
 - State Innovation Models grant status updates
 - Information on ACHs and regional discussions
 - Statewide Core Performance Measures updates

www.hca.wa.gov/hw



For more information,
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Thank you!