

HCA Update: Health Systems Transformation in Washington State

Southwest Washington Public Forum
September 21, 2015

Vision for a Healthier Washington

Washington's vision for creating healthier communities and a more sustainable health care system by:





Washington's vision for creating healthier communities and a more sustainable health care system by:

Building healthier communities through a collaborative regional approach



Washington State's vision for creating healthier communities and a more sustainable health care system by:

Building healthier communities through a collaborative regional approach

Ensuring health care focuses on the whole person



Washington's vision for creating healthier communities and a more sustainable health care system by:

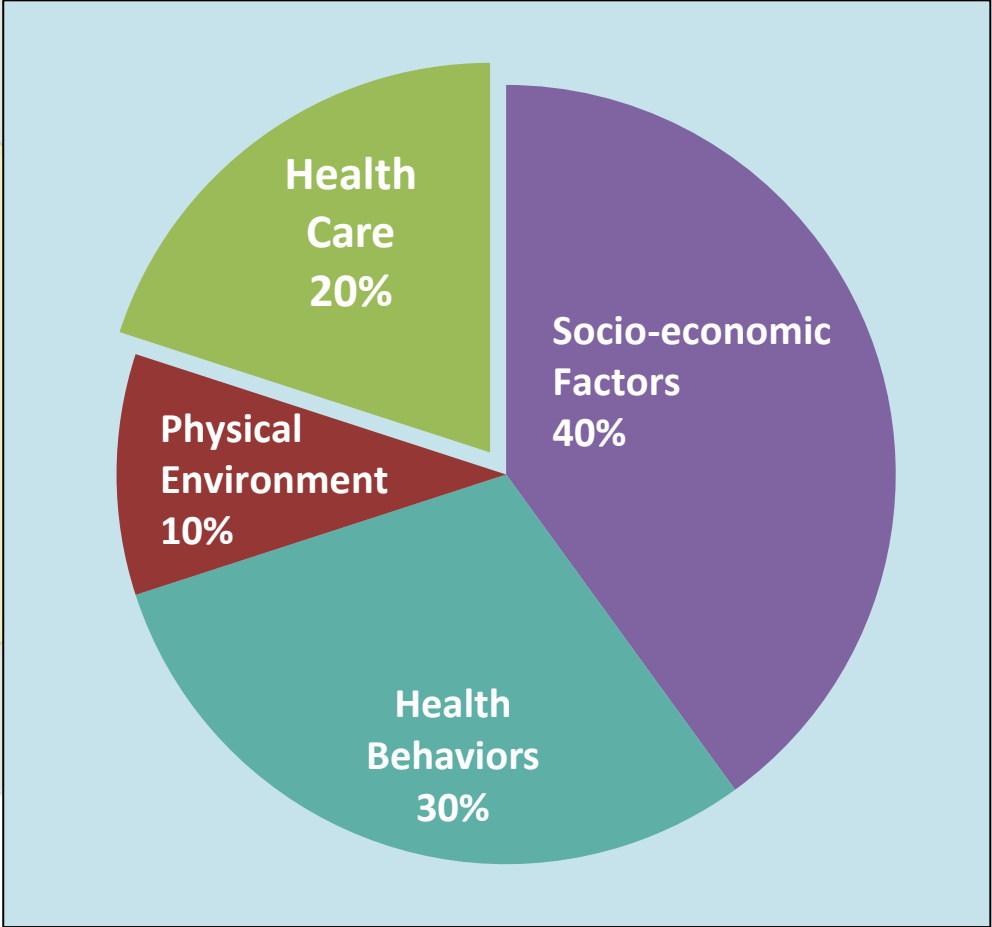
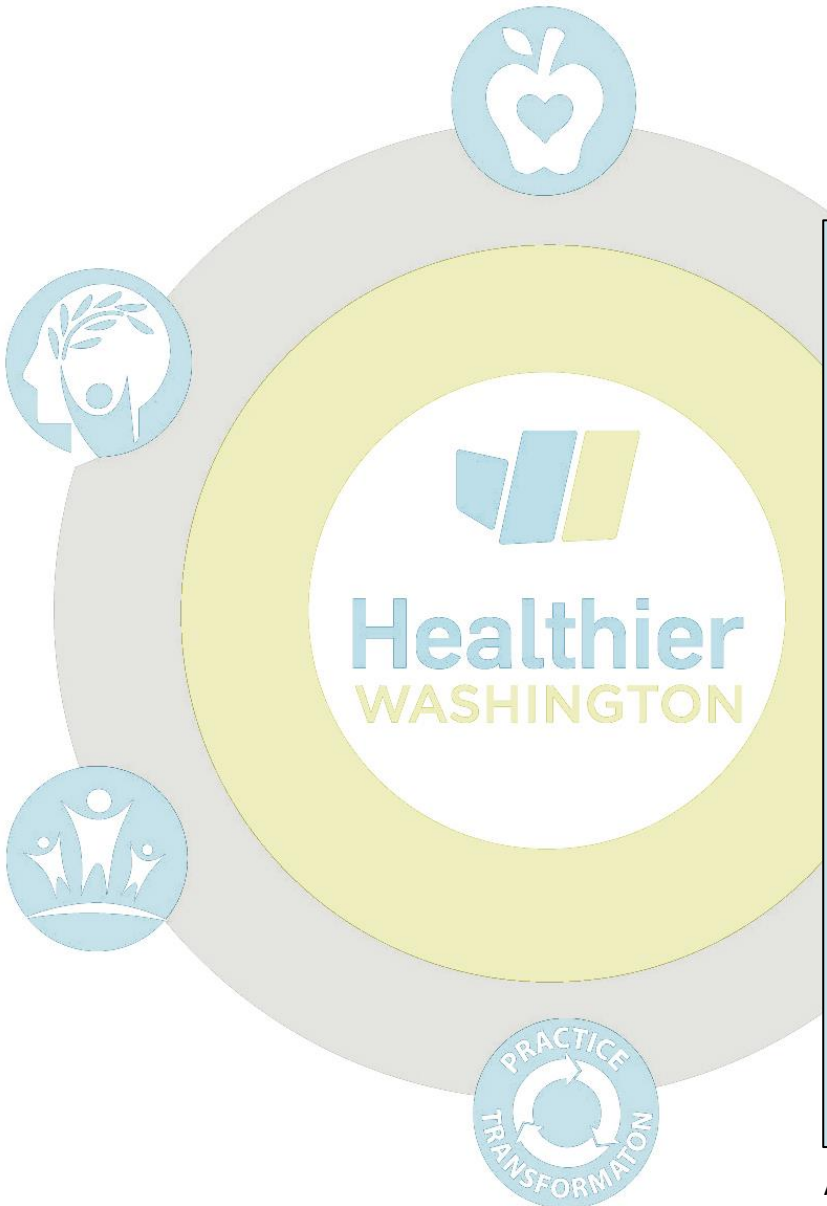
Building healthier communities through a collaborative regional approach

Ensuring health care focuses on the whole person

Improving how we pay for services

Quality ↗
 \$ Costs ↘
 = Value

Healthier Washington recognizes that health is more than health care.



Adapted from: Magnan et al. (2010). *Achieving Accountability for Health and Health Care: A White Paper*, State Quality Improvement Institute, Minnesota.
Better Health, Better Care, Lower Costs



Aligned Investments for an Integrated, Whole-Person Approach in SWWA

ACH Regions Map



SWWA RHA (ACH)

- Coordination and convening
- Mapping regional needs and assets
- Person-centered health improvement coordination and planning



Integration (FIMC/EA)

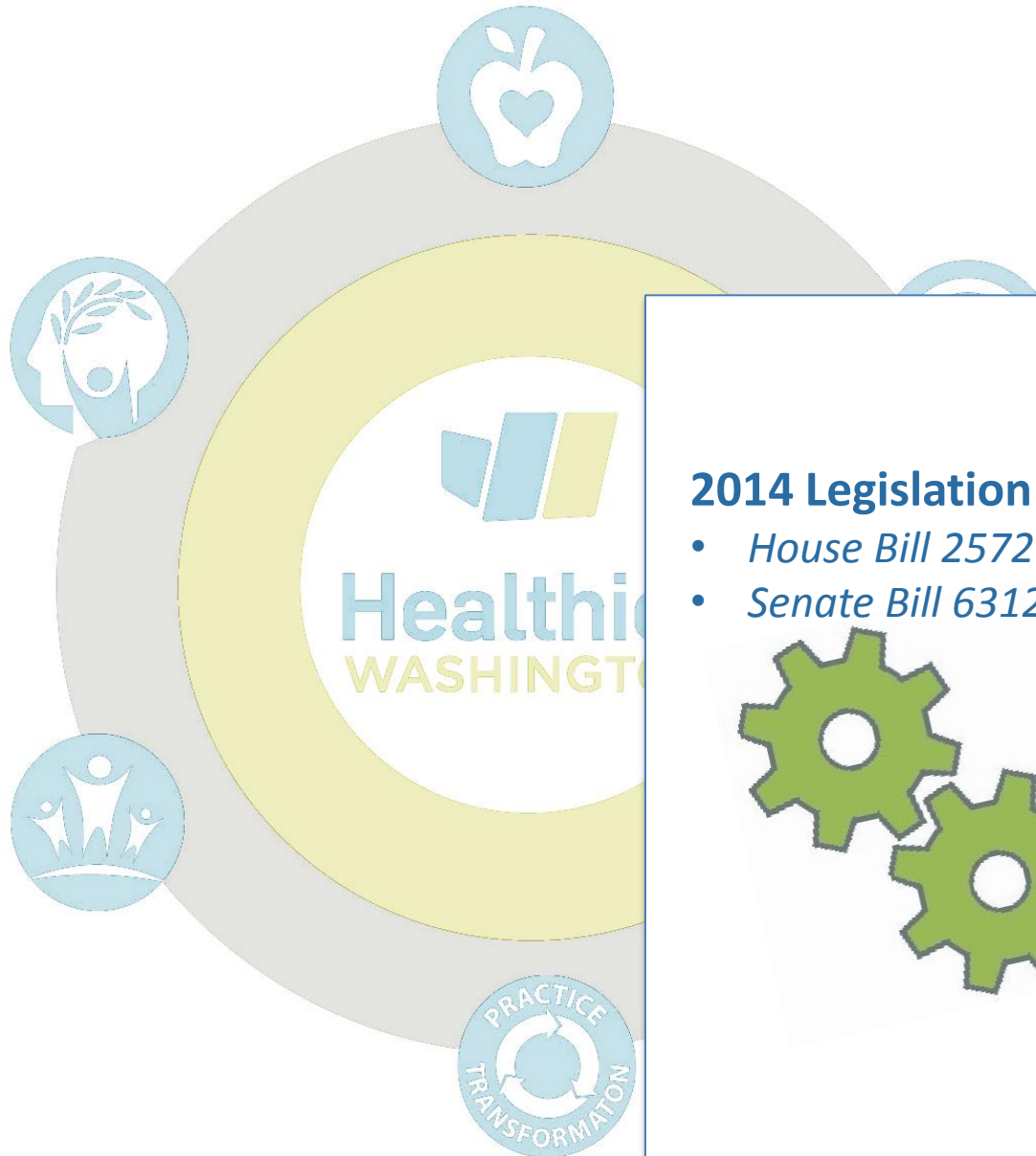
- Integrated financing and delivery health systems
- Physical, mental, and chemical dependency services



Practice Transformation

- Clinical-community linkages
- Support of integrated care
- Value-based purchasing

Healthier Washington is more than the State Innovation Models (SIM) grant...



2014 Legislation:

- *House Bill 2572*
- *Senate Bill 6312*



SIM Grant:

*\$65 million over 4 years
from the federal government*

Healthier Washington is more than the State Innovation Models (SIM) grant...



2014 Legislation:

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Medicaid Transformation

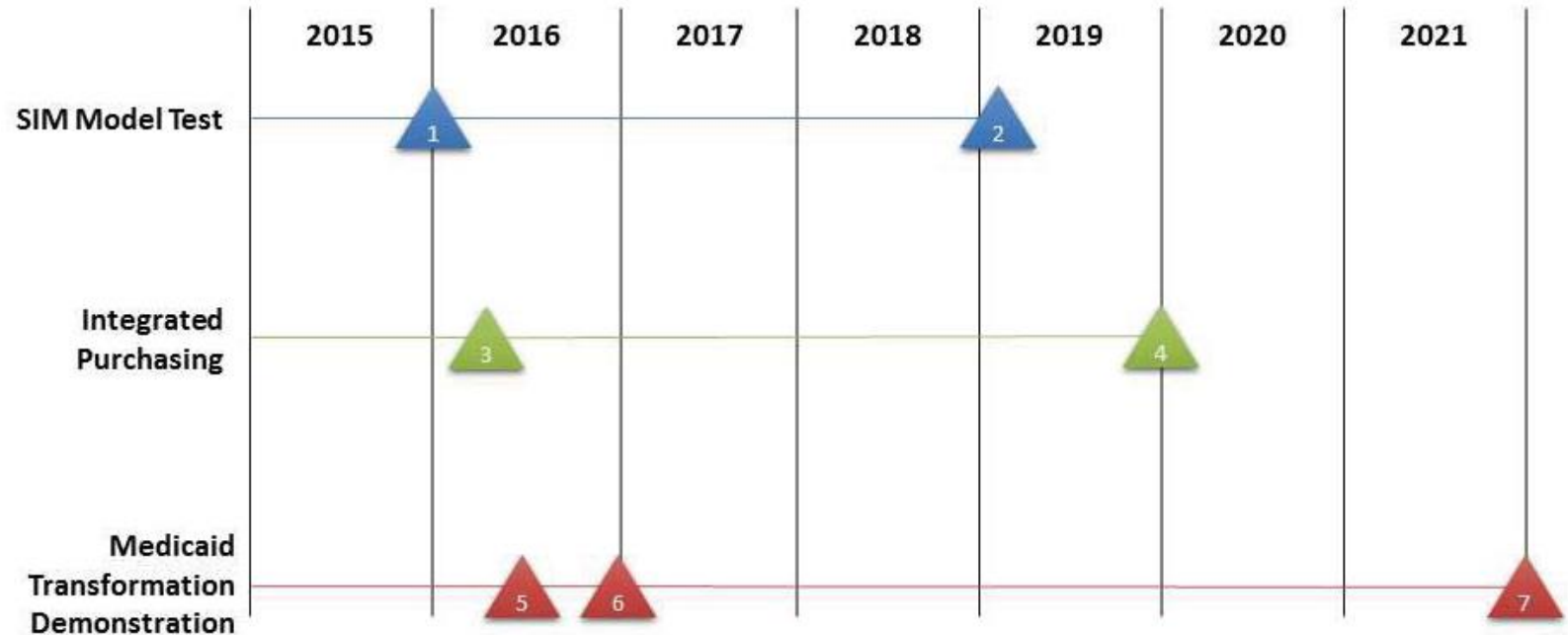
Potential demonstration project within Medicaid



SIM Grant:

\$65 million over 4 years from the federal government

All of these initiatives move us toward a Healthier Washington



- 1 ACHs designated
- 2 SIM evaluation complete
- 3 Fully integrated managed care in SW WA; BHOs in other regions
- 4 Fully integrated managed care health systems statewide
- 5 Proposed waiver approval; transformation demonstration start-up
- 6 Transformation investments begin
- 7 Medicaid transformation evaluation demonstration complete

Implementation Update: Fully Integrated Managed Care



Medicaid purchasing in “Early Adopter” Regional Service Areas

Local Decision-making

- Agreement by county authorities in Clark and Skamania for a regional service area
- Strong county involvement in implementation process from start to finish

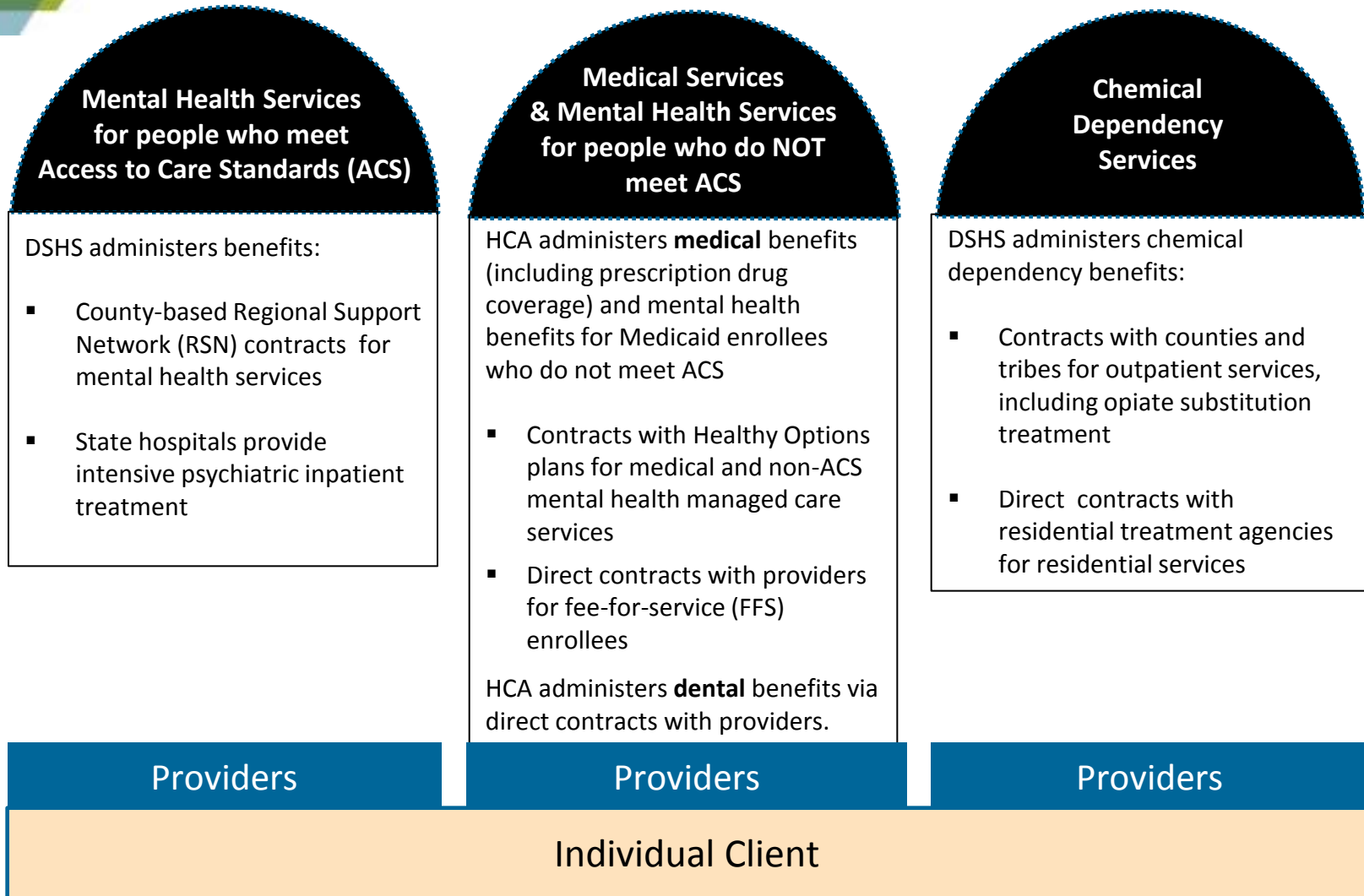
Changes in April 2016

- RSN will cease operations March 31, 2016
- Health Care Authority (HCA) will contract with Managed Care Organizations (MCOs) at financial risk for full scope of Medicaid physical health, substance use disorder and mental health services on April 1, 2016
- Behavioral Health Crisis System will be managed regionally

Consumer Choice

- HCA is conducting a competitive procurement so no fewer than 2 MCOs will serve entire region
- MCOs that are successful bidders will be announced in November 2015

Current Siloed Medicaid Systems



New System: April 2016

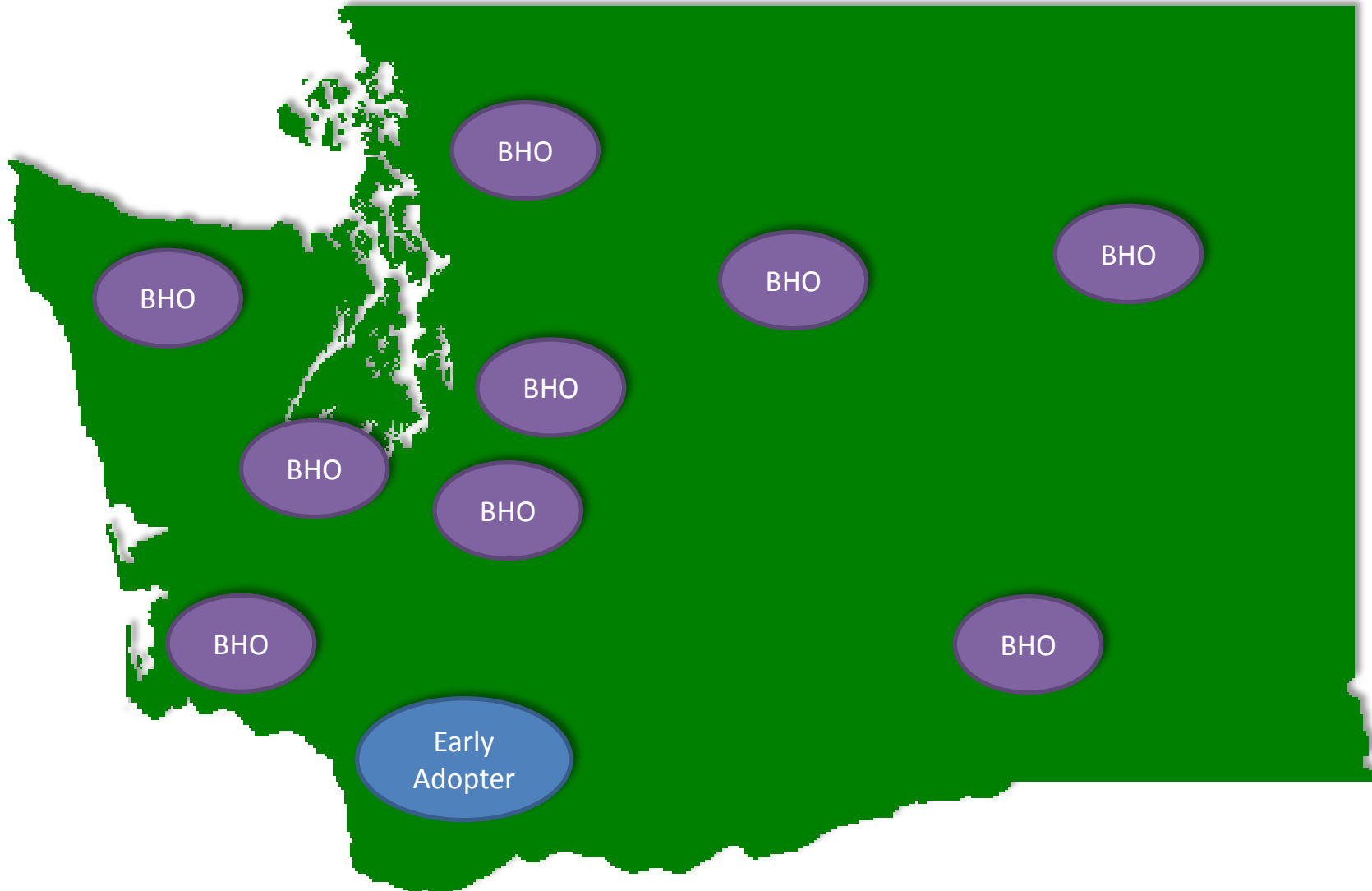
- For Apple Health clients, physical health, mental health and substance use disorder services will be managed by one managed care organization instead of three systems.
- Access to Care standards no longer apply; care is provided based on level of care guidelines and medical necessity.
- Fully Integrated Managed Care contracts require coordination with county-managed programs, criminal justice, long-term supports and services, tribal entities, etc. via an Allied System Coordination Plan.

What are the milestones to April 2016?

Fully Integrated Managed Care Contracts – <i>service begins April 1, 2016</i>	Dates
Medicaid contract reviewed by stakeholders (~1,000 comments)	May 27, 2015
Non-Medicaid contract released for stakeholder comment	June 4, 2015
MCOs RFP distributed	August 6, 2015
MCO RFP responses due	October 5, 2015
Successful MCO bidders announced	November 2015
Crisis and Other Services Contract – <i>service begins April 1, 2016</i>	
Administrative Services Organization contract released for stakeholder comments	August 24, 2014 (due date for comments)
RFP distributed	September 30, 2015
RFP responses due	November 4, 2015
Successful bidders announced	November 2015

Foster Care Contract – <i>service begins January 1, 2016</i>	Dates
Enrollment in Coordinated Care managed care organization for January 2016 coverage	Begins Nov 20, 2015
Communication on changes and coordination with Coordinated Care for Early Adopter implementation	Jan – Mar 2016

What's Happening Statewide?





Who will be impacted by this change?

Health care consumers, health care providers, and other providers or stakeholders who interact with the Medicaid population, particularly:

- Medicaid clients
- Medical practitioners
- Mental health providers
- Substance use disorder providers
- Hospitals
- Crisis services



What services will the MCOs manage?

- All Medicaid benefits will continue to be defined by the State Plan
- Fully-Integrated Managed Care Plans will provide all Medicaid physical, mental health, and substance use disorder (SUD) services
- Fully-Integrated Managed Care plans will also provide services to Medicaid enrollees that complement the Medicaid benefit package, funded by general state funds and federal block grants
 - ❖ Examples of these services include: services provided in Institutes for Mental Disease (IMD) interim SUD services, community outreach.
- Plans must have an adequate provider network in place before enrollment begins

Different Enrollment Pathways

GROUP	MEDICAL SERVICES	MH AND SUD SERVICES
Clients enrolled in apple health-managed care plans today	Through FIMC managed care plans	Through FIMC managed care plans
Clients who are not enrolled in Apple Health managed care today (e.g. on Medicare, Native American/American Indian people)	Through fee-for-service coverage (and additional coverage)	Through FIMC managed care plans under “Behavioral Health Services Only” (BHSO), set up for ensuring those enrolled in Medicaid can continue to access services
Non-Medicaid	No change	Through Behavioral Health – Administrative Services Organization



What does this mean for Apple Health clients?

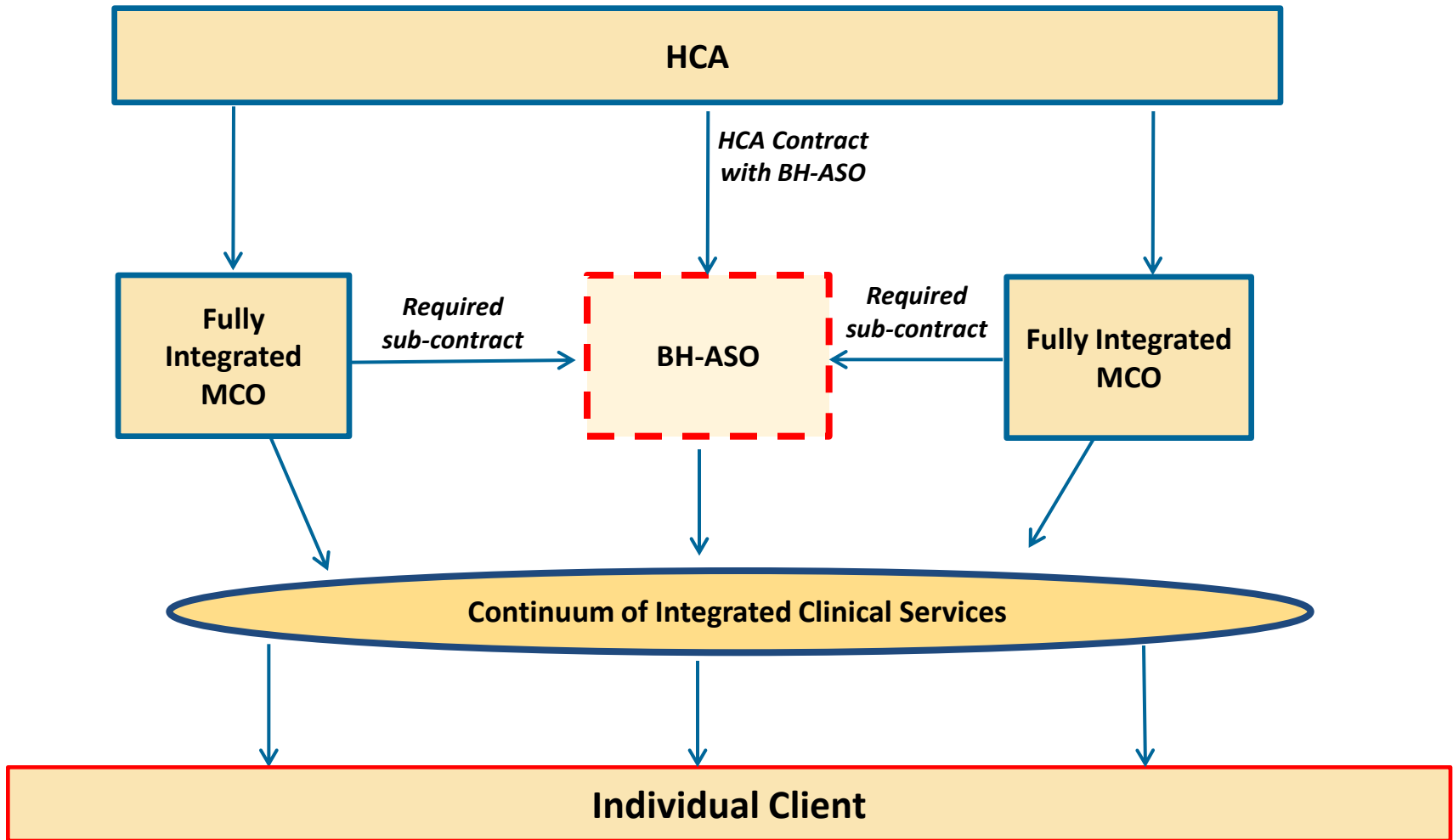
- Physical and behavioral health benefits will be covered by fully integrated managed care plans – no Regional Support Network or county SUD system
- State Plan benefits stay the same
- 1 point of contact available for all services, instead of navigating up to 3 systems
- Still have choice of at least two managed care plans
- If a client's current managed care plan receives a contract to provide fully-integrated services, the client can choose to remain with the same managed care plan, or can choose to switch plans.
- Many things will stay the same, such as:
 - Interpreter and transportation requests will remain the same for Medicaid client benefits
 - Pharmacy benefits remain the same – clients need to use plan network pharmacies



What does this mean for providers?

- Providers must contract with fully integrated managed care plan(s) in order to provide services to a Medicaid client as of April 1, 2016
- Providers must be enrolled and in good standing with the State Medicaid program

How will the crisis system be managed?



Additional Functions of BH-ASO

- Monitor Less Restrictive Alternative (LRA) court orders for individuals who are not eligible for Medicaid
- Maintain a Behavioral Health ombudsman for SW Region
- Administer the Mental Health Block Grant, CJTA Funds & Juvenile Drug Court funds, in accordance with local plans
- Provide limited non-crisis behavioral health services to low-income individuals who are not eligible for Medicaid



Accountability and Monitoring

- HCA and Southwest Washington are developing an early warning system to identify and rapidly respond to any gaps in services or issues that occur after April 1, 2016
- HCA contracts provide for strong monitoring and oversight of health plans
- SWWA Implementation Team turns into a Monitoring Team on April 1, 2016 to work directly with HCA on monitoring
- Performance measurement to track outcomes:
 - The measure set is of manageable size.
 - The measure set reflects state priorities.



Ten Performance Measures

Measures were developed after an extensive process that included the Statewide 1519/5732 Performance Measures Committee.

Behavioral health measures are in alignment with BHO measurement in other regions of the State.

1. Alcohol or Drug Treatment Retention
2. Alcohol/Drug Treatment Penetration
3. Cardiovascular Monitoring for People with Cardiovascular Disease and Schizophrenia
4. Childhood Immunization Status
5. Comprehensive Diabetes Care
6. First Trimester Care
7. Mental Health Treatment Penetration
8. Plan All-Cause Readmission Rate
9. Psychiatric Hospitalization Readmission Rate
10. Well Child Visits



Local Accountability: Implementation Team

Implementation team includes representatives from:

- Clark County
- Skamania County
- Regional Health Alliance/Accountable Community of Health

Their role:

- Draft and review contract language with HCA
- Review all key Early Adopter legal, policy and fiscal decisions
- Provide technical assistance and transition assistance in the community
- Act as a liaison between HCA and broader SWWA community
- Review and assess health plan readiness with HCA



Examples of Local Input

Already, the local implementation team has provided key input on the following areas:

- Crisis model design
- Design to serve non-Medicaid clients regionally
- Design to allocate federal block grant funds
- Care coordination requirements for MCOs
- Covered Services list
- Network adequacy requirements
- Role of county RHA/ACH in monitoring
- Role of regional ombudsman
- Role of RHA/ACH in Behavioral Health Advisory Committee capacity



Technical Assistance Opportunities Through Transition Plan

Implementation Team and HCA works with Project Manager-Tabitha Jensen & Consultants

Goals:

- Develop activities and accountability structures to support a smooth regional transition from the current administrative system to fully-integrated coverage beginning April 1, 2016
- Identify the risks and options for mitigating risks
- Establish an regional early warning capacity to identify and resolve implementation issues quickly
- Build relationships between providers and payers
- Develop a broad understanding and cross-fertilization across the region to prepare health and social services stakeholders for change
- Minimize continuity of care issues and coverage lapses for Medicaid enrollees. Develop and test multi-modal communication mechanisms for enrollees
- Monitor the availability of behavioral health and medical services throughout the transition, to avoid disruption or reduction in care before and after April 2016
- Ensure that behavioral health providers have go-live-critical tools (and procedures) in place to be successful partners in fully integrated managed care systems

Questions?

Federal Notice: The project described was supported by Funding Opportunity Number CMS-1G1-14-001 from the U.S Department of Health and Human Services, Centers for Medicare & Medicaid Services. The contents provided are solely the responsibility of the authors and do not necessarily represent the official views of HHS or any of its agencies.

Medicaid Transformation Waiver

What is Washington's Medicaid Transformation Waiver?

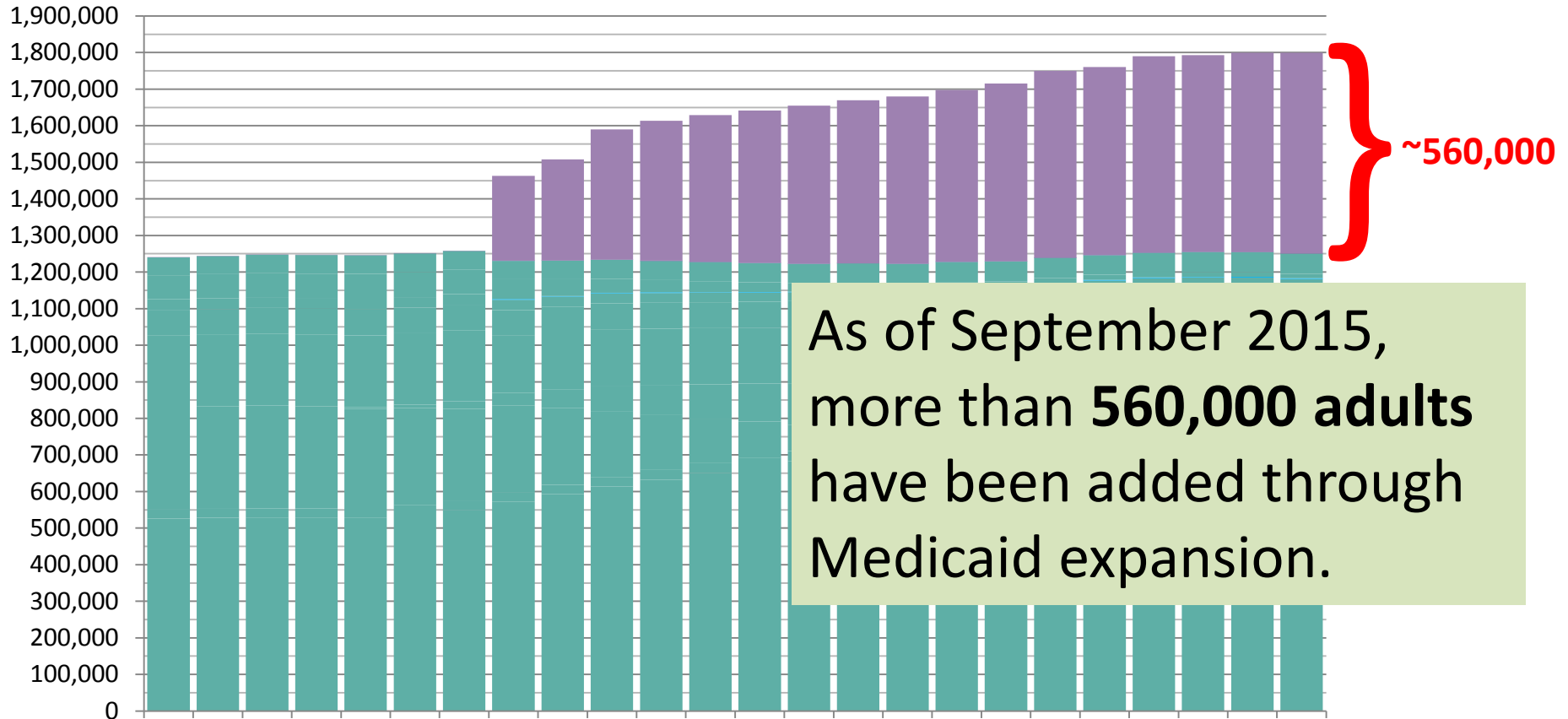
- “Section 1115” contract between federal and state governments, bound by special terms and conditions, to leverage federal savings for investment in delivery system reform
 - This is not a grant program.
 - Investments cannot fund business as usual—waiver funding must be linked to implementation of the Medicaid Transformation vision.
 - A waiver is not guaranteed.
- Work is just beginning now that the application has been submitted and accepted: http://www.hca.wa.gov/hw/Documents/waiverapplv2_091015.pdf
- Instructions for submitting comments to CMS available at: http://www.hca.wa.gov/hw/Pages/medicaid_transformation.aspx

A transformed system = transformed lives

Current System	Transformed System
Fragmented clinical and financial approaches to care delivery	Integrated systems that deliver whole person care
Disjointed care and transitions	Coordinated care and transitions
Disengaged clients	Activated clients
Capacity limits in critical service areas	Optimal access to appropriate services
Individuals impoverish themselves to access long term services and supports (LTSS)	Timely supports delay or divert need for Medicaid LTSS
Inconsistent measurement of delivery system performance	Standardized performance measurement with accountability for improved health outcomes
Volume-based payment	Value-based payment

Since passage of the ACA, Washington has increased its Medicaid enrollment by 44%...

Apple Health Enrollment



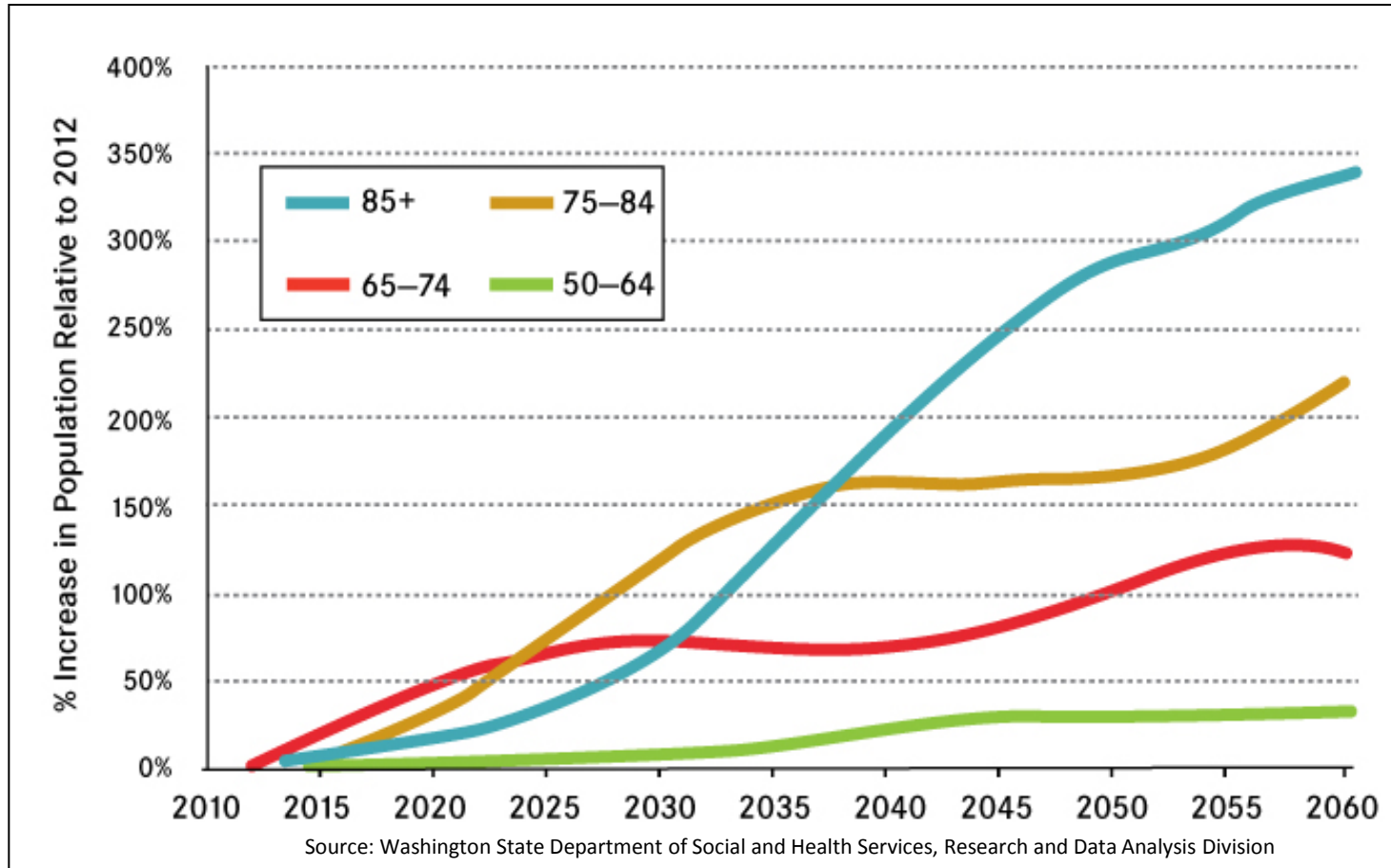


...and the enrollees and their needs are different.

- Before the Affordable Care Act, 60% of enrollees were children; now the majority of enrollees (55%) are adults.
- 22% of the new adult enrollees have a mental health diagnosis.
- 14% have a substance use disorder.
- And, while the new adult group has lower hospital admission rates than other non-disabled adults, their inpatient stays average 50% longer.

Data provided by Research and Data Analysis, DSHS, June 2015.

In addition, there will soon be many more people age 65 and over in our state...





...and their health care needs are likely to increase as they age.

- By 2035, the number of people age 75 or older will have risen by roughly 150%.
- Between 2010 and 2040, we anticipate a 181% increase in Medicaid clients over age 65 with Alzheimer's.
- 70% of people who reach the age of 65 are likely to need long term supports and services at some point in their lives.
- Biennial expenditures by the state for long term supports and services are currently \$3.4 billion—or 6 percent of all general fund spending.

Data provided by Research and Data Analysis, DSHS, June 2015.



What does the Medicaid Transformation waiver do for us?

- Gives Apple Health the flexibility and expenditure authority to achieve our vision for a Healthier Washington.
- Allows us to test, scale, and spread successful models of care.
- Supports providers in building capacity.
- Builds connections within communities that allow for the right care, at the right place, at the right time, with the right provider.

Medicaid Transformation Goals: Triple Aim

- Reduce avoidable use of intensive services and settings
—such as acute care hospitals, nursing facilities, psychiatric hospitals, traditional LTSS and jails
- Improve population health
—focusing on prevention and management of diabetes, cardiovascular disease, pediatric obesity, smoking, mental illness, substance use disorders, and oral health
- Accelerate the transition to value-based payment
—while ensuring that access to specialty and community services outside the Indian Health system are maintained for Washington’s tribal members
- Ensure that Medicaid per-capita cost growth is two percentage points below national trends

Medicaid Transformation Initiatives

Initiative 1

Transformation through Accountable Communities of Health

Each region, through its Accountable Community of Health, will be able to pursue transformation projects focused on health systems capacity building, care delivery redesign, and population health improvement.

Initiative 2

Service Options that Enable Individuals to Stay at Home and Delay or Avoid the Need for More Intensive Care

A broadened array of Long Term Services and Supports (LTSS).

Initiative 3

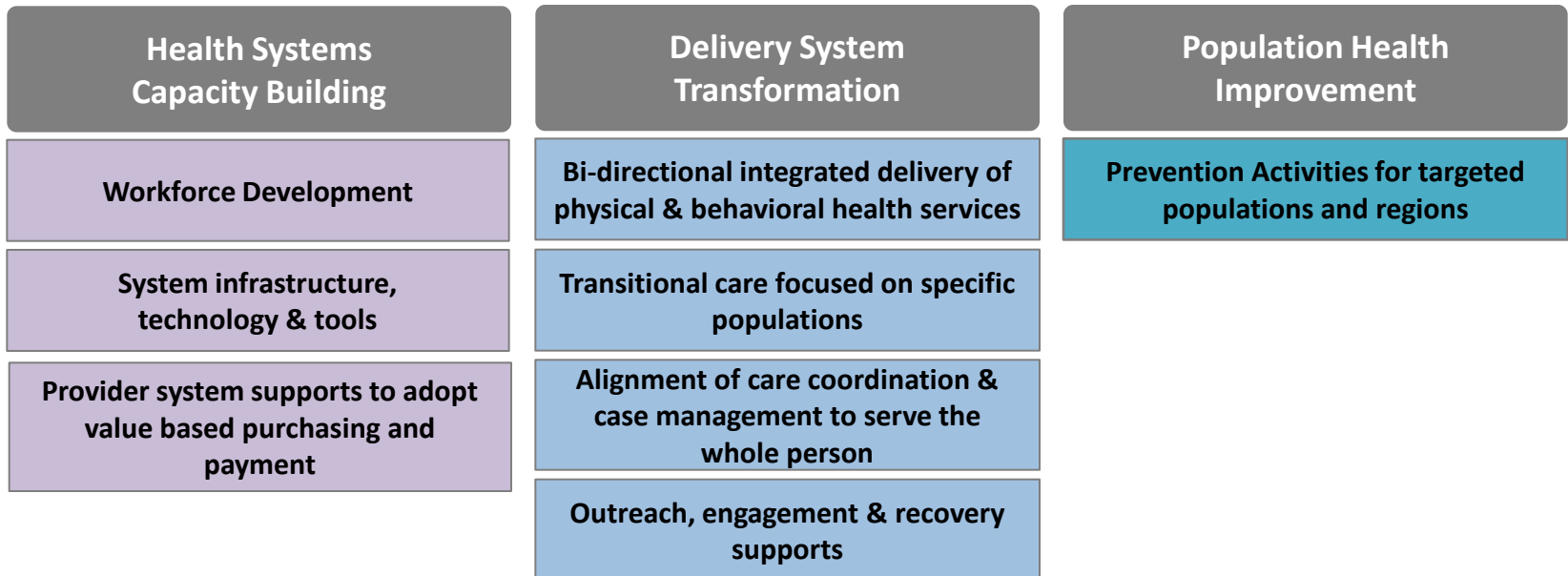
Targeted Foundational Supports

Targeted supportive housing and supported employment services will be offered to Medicaid beneficiaries most likely to benefit from these services.

Investing in Transformation

Initiative 1

The State will work with ACHs, Tribes, and other partners to build a menu of system transformation projects.



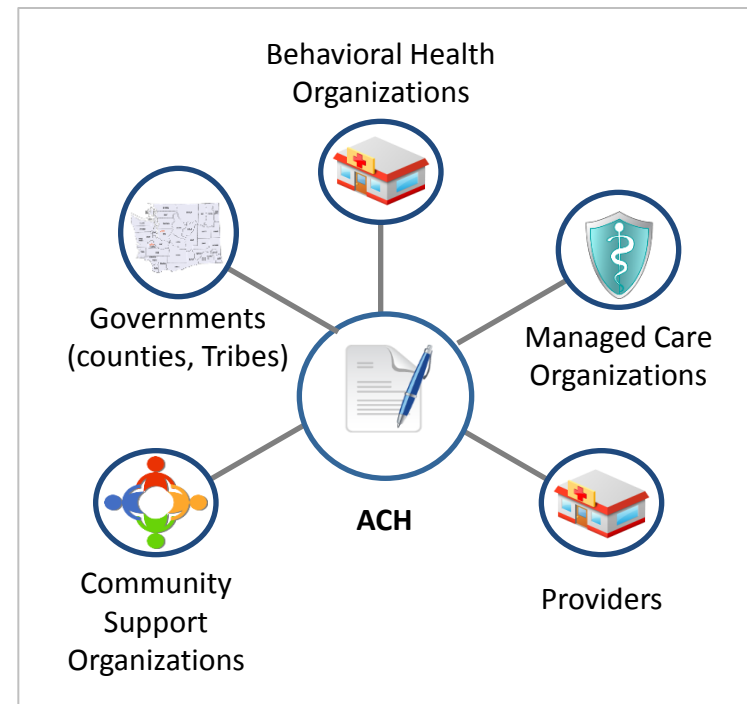
Parameters for projects will be established by the State. Some statewide projects may be required.

ACHs will coordinate regional transformation efforts

Initiative 1

ACHs will:

- Organize ACH members and partners.
- Coordinate project applications.
- Contract with the state to receive funds.
- Distribute funds to partners carrying out transformation projects.
- Report on progress.
- Work with the state and partners to ensure sustainability.



Targeted Long-Term Services and Supports

Initiative 2

Washington will tailor long-term services and supports benefits to meet the diverse needs of our aging population by:

- Providing two new benefits packages and add an eligibility category that ensures individuals receive the services and supports they need while avoiding or delaying more intensive services.
- Revising eligibility criteria for nursing home services so that people with the lowest needs receive care in the community.

Individuals currently served in nursing facilities will continue to be eligible for this level of care.



Targeted Foundational Community Supports

Initiative 3

Washington will provide targeted supportive housing and supported employment to clients that meet criteria set by the state.

The criteria will target those individuals most likely to benefit from these services.

Clients will receive supportive services; Medicaid funds will not be used to provide housing or jobs.



Federal Requirements

- Five-year Medicaid waiver demonstration project
 - Project goals must be met within 5 years.*
- Budget neutral
 - The state must not spend any more federal dollars than they would have spent without the project.*
- Ongoing evaluation must occur
 - To test and confirm how well the program and its projects achieve the intended benefits.*
- Transformation must be sustainable after the demonstration period ends
 - The state and ACHs must develop sustainability plans for projects they take on.*

Waiver Timeline & Process

Medicaid Transformation Waiver Development Process 2015 - 2016



What's next:

- 30-day federal comment period
- Negotiations with CMS
- Ongoing development of demonstration



How to stay informed

Join the Healthier Washington Feedback Network:
healthierwa@hca.wa.gov

Send comments and questions about Medicaid Transformation
to: medicaidtransformation@hca.wa.gov

Questions?