Attachment A: **TEMPLATE FOR TRANSFORMATION PROJECT SUGGESTIONS**

For projects to be considered for inclusion in the Medicaid Transformation Project List, please provide the information requested in the template. We are looking for summarized information – **2-3 pages maximum per project**.
Please email completed templates by **January 15, 2016,** to MedicaidTransformation@hca.wa.gov with the subject **Medicaid Waiver Project**. Thank you for your interest and support.

Contact Information	Identify point person, telephone number, e-mail address
	Debbie Thiele, CSH, 206.234.2518, debbie.thiele@csh.org
	Which organizations were involved in developing this project suggestion?
	CSH and the Washington Low Income Housing Alliance
Project Title	Title of the project/intervention
	Supportive Housing Financial Modeling

Rationale for the Project

Include:

- Problem statement – why this project is needed.

Financing permanent supportive housing is a complex undertaking that requires resources from the Department of Commerce, Department of Social and Health Services, local homeless Continuums of Care, cities, counties, philanthropy, and the new proposed Medicaid Supportive Housing Services benefit. Supportive Housing Financial modeling answers the questions of how much supportive housing is needed, what it will cost, and how resources will be dedicated. It will provide the state with a template for aligning resources as strategically as possible to take the supportive housing to scale.

- Supporting research (evidence-based and promising practices) for the value of the proposed project.[i]

Program and Financial Modeling is a tool many communities across the country use to quantify the need and cost of taking supportive housing to scale. It has been used in Detroit, Boston, Houston, Baltimore, and most recently, Los Angeles, where it served as a basis for the information featured in this recent article in the LA Times.

- Relationship to federal objectives for Medicaid[ii] with particular attention to how this project benefits Medicaid beneficiaries.

Knowing how many supportive housing units are needed and how resources can be most strategically aligned to meet this need will assist the state in determining how to increase and strengthen coverage for a subset of low income individuals for whom supportive housing is the solution. It will improve health outcomes for this population and create efficiency in the system so that each funder knows how its resources are being leveraged by others. Financial Modeling creates a state-wide opportunity for Washington to leverage its resources for their highest and best use. When a common set of goals is established, for example, the Health Care Authority will be clear about how its supportive housing services benefit is aligned with new investments in housing capital and operating dollars in a state-wide effort to take supportive housing to scale.

Project Description

Which Medicaid Transformation Goals[iii] are supported by this project/intervention? Check box(es)
   X Reduce avoidable use of intensive services
   X Improve population health, focused on prevention
 Accelerate transition to value-based payment
   X Ensure Medicaid per-capita growth is below national trends

Which Transformation Project Domain(s) are involved? Check box(es)
   X Health Systems Capacity Building
   X Care Delivery Redesign
 Population Health Improvement – prevention activities

Describe:
- *Region(s) and sub-population(s) impacted by the project. Include a description of the target population (e.g., persons discharged from local jail facilities with serious mental illness and or substance use disorders).*

This project can be done by specific geographic area (perhaps by ACH) or state-wide. An advantage to doing it state-wide is that we can be certain we are not duplicating anticipated state housing resources. The goal is to determine the scale of supportive housing needed for people who can benefit from this targeted intervention. The modeling can focus on the subpopulation that will receive the Medicaid supportive housing service benefit or be expanded to others determined by the State and stakeholders as also needing supportive housing.

- *Relationship to Washington's Medicaid Transformation goals.*

This Transformation Project directly supports Washington's 1115 Waiver Application to provide a Supportive Housing Services benefit by informing the most strategic use of resources for supportive housing state-wide. Ensuring the people who need supportive housing receive it will reduce avoidable use of intensive services by giving them a platform from which to receive behavioral, primary care, and personal care services. Supportive housing improves health outcomes for the most vulnerable people and it reduces health care and other system costs.

- *Project goals, interventions and outcomes expected during the waiver period, including relationship to improving health equity /reducing health disparities.*

We expect that this project will result in a clear map for the state in taking supportive housing, an evidence-based intervention to scale. The state will know it is using its resources as strategically as possible; resources will be dedicated to people with the greatest needs who are currently underserved; and communities will thrive because they will know their most vulnerable residents are living inside and receiving the support they need to succeed.

- *Links to complementary transformation initiatives - those funded through other local, state or federal authorities (such as the health home program and Early Adopter/Behavioral Health Organization regional purchasing) and/or Medicaid Transformation initiatives # 2 and 3.*

The Financial Model will provide an important reference document for work being done under Waiver Initiative #3 to pay for supportive housing services with Medicaid. It will also enhance this initiative by clarifying the scale of need and the path to addressing it.

- *Potential partners, systems, and organizations (e.g., health and social service providers, ACH participants) needed to be engaged to achieve the results of the proposed project.*

The state departments listed above will be important in providing information and technical support in developing the model. As well, ideally each ACH could contribute by assessing its local needs and resources available for a state-wide approach to leveraging supportive housing resources.

Core Investment Components

Describe:
- *Proposed activities and cost estimates ("order of magnitude") for the project.*

Proposed activities include:

#1: Establishing the Need, Supply and Available Funding
Determine a target population for which to establish a unit goal. This can be done with the state and include stakeholders and local jurisdictions.

#2: Estimating Housing Needs by Supportive Housing Model
Based on the characteristics of the populations to be housed and the local housing environment, an estimate is established for the percentage of units to be developed through new construction or rehabilitation and the percentage that should be created through leasing strategies.

Task Area #3: Unit Generation Timeline
Create a recommended development timeline that will outline the number of hard units to be produced each year.

Task Area #4: Unit Generation Cost
Estimate the cost of capital, operating and service funding that will be required to create the targeted number units.

Task Area #5: Financial Modeling
Create the annual financial model that illustrates the number of units that can come online each year (new and leased units). The summary will include the overall cost of the unit goal as well as the annual cost of development, housing operations, and services.

The estimated budget to complete the model ranges depending upon the level of local involvement from $40-60,000.

- *Best estimate (or ballpark if unknown) for:*
  - *How many people you expect to serve, on a monthly or annual basis, when fully implemented.*
  - *How much you expect the program to cost per person served, on a monthly or annual basis.*
- *How long it will take to fully implement the project within a region where you expect it will have to be phased in.*
- *The financial return on investment (ROI) opportunity, including estimated amounts and associated ROI timeline.*

Program and Financial Modeling enhances the state's ability to strategically invest in supportive housing by clarifying goals, aligning existing resources, and clearly illustrating the need for specific additional resources. As such, this project will support all of the activities the state undertakes in order to serve its most vulnerable residents in a proven intervention that provides a return on investment.

Project Metrics

The state will monitor implementation of transformation projects at regional and statewide levels through process and outcome measures. Each project will require clearly defined outcomes that relate to the goals and specific process steps.

Wherever possible describe:
- *Key process and outcome measures (and specific benchmark performance data if known) against which the performance of the project would be measured. Include priority measures sets described in the Waiver application* http://www.hca.wa.gov/hw/Documents/waiverappl.pdf *pages 46-47[iv].*

The project supports Transformation Project #3 and will be successful when the modeling is complete and the state has clear direction for the resources needed to take supportive housing to scale.

- *If no specific benchmark performance data are currently available, what efforts will be undertaken to establish benchmark performance ahead of any proposed project implementation*?

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[i] The Washington State Institute for Public Policy, http://www.wsipp.gov, has identified "evidence-based" policies that can lead to better outcomes; Behavioral health research reports developed by the Research and Data Administration are available at: https://www.dshs.wa.gov/bhsia/division-behavioral-health-and-recovery/decision-support-and-evaluation

[ii] Medicaid objectives as stated in GAO report 15-239, April 2015, http://www.gao.gov/products/GAO-15-239:
- Increase and strengthen coverage of low income individuals.
- Increase access to, stabilize, and strengthen provider networks available to serve Medicaid and low-income populations.
- Improve health outcomes for Medicaid and low-income populations.
- Increase the efficiency and quality of care for Medicaid and other low-income populations through initiatives to transform service delivery networks.
- Criteria established for specific demonstrations described through an informational bulletin or State Medicaid Director's Letter – available at: http://www.medicaid.gov/federal-policy-guidance/federal-policy-guidance.html.

[iii] Transformation goals as stated in Washington's Medicaid Transformation waiver, http://www.hca.wa.gov/hw/Documents/waiverappl.pdf:
- Reduce avoidable use of intensive services and settings such as acute care hospitals, nursing facilities, psychiatric hospitals, traditional LTSS and jails.
- Improve population health, with a focus on prevention and management of diabetes, cardiovascular disease, pediatric obesity, smoking, mental illness, substance use disorders and oral health; that is coordinated and whole-person centered.
- 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.

[iv] This includes the statewide common measure set for tracking health care quality and cost across multi-payer public and private health delivery systems: http://www.hca.wa.gov/hw/Documents/pmcc_final_core_measure_set_approved_121714.pdf and the subset of 2016 Medicaid contract common performance metrics. It also includes priority measures for critical behavioral health and community support services recommended by the 5732/1519 Steering Committee and reported to the Legislature in "*Service Coordination Organizations – Accountability Measures Implementation Status*", (page 36) at: http://www.hca.wa.gov/documents_legislative/ServiceCoordinationOrgAccountability.pdf.