

## Medicaid Transformation: Initiative 1

### Transformation through Accountable Communities of Health

*Washington State and the Centers for Medicare and Medicaid Services (CMS) have reached an agreement in principle for a five-year Medicaid transformation demonstration that will strengthen state efforts to improve health care for Washington families and control costs.*

Community providers will be the foundation for Medicaid transformation. Initiative 1 is intended to build incentives for providers who are committed to changing how we deliver care. Primary care and behavioral health providers, hospitals, social service agencies, and other community partners all have a part to play in building a system that improves health outcomes.

We are negotiating Special Terms and Conditions (STCs), including implementation details, with CMS. Regular updates are posted on the [Medicaid Transformation web page](#).

#### Paying for Value—The cornerstone of Medicaid transformation

Value is where affordable, transparent costs meet appropriate high-quality care. The federal government and states across the nation are recognizing that new health care delivery models that reward providers and health plans for value are the key to controlling costs and fostering health. The waiver will help us make this transition by rewarding providers and plans based on the quality of care people receive and its effect on their health, rather than the number of procedures and services they provide.

These changes can be challenging for providers, from hospitals to social service agencies to individual doctors. But these changes are critical to the success and sustainability of Medicaid transformation. That's why Initiative 1 projects will need to support providers and plans as they build their capacity to transition to new delivery and payment systems.

#### Transforming the Medicaid care delivery system at the local level

Each region, through its ACH, will be able to pursue projects aimed at transforming the Medicaid delivery system to serve the whole person and use resources more wisely.

These projects will be aimed at:

- Health systems capacity building
- Care delivery redesign
- Prevention and health promotion

#### What is an Accountable Community of Health (ACH)?

An ACH is a group of leaders from a variety of sectors within a region with a common interest in improving health. ACHs address health needs where they occur—at the local level.

There are nine ACHs that, together, cover the entire state. With support from the state, these ACHs are jointly implementing health-related projects and advising state agencies on how to address health needs in their area.

For more information, go to the Accountable Communities of Health page at [www.hca.wa.gov/hw](http://www.hca.wa.gov/hw)

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## Transformation project toolkit

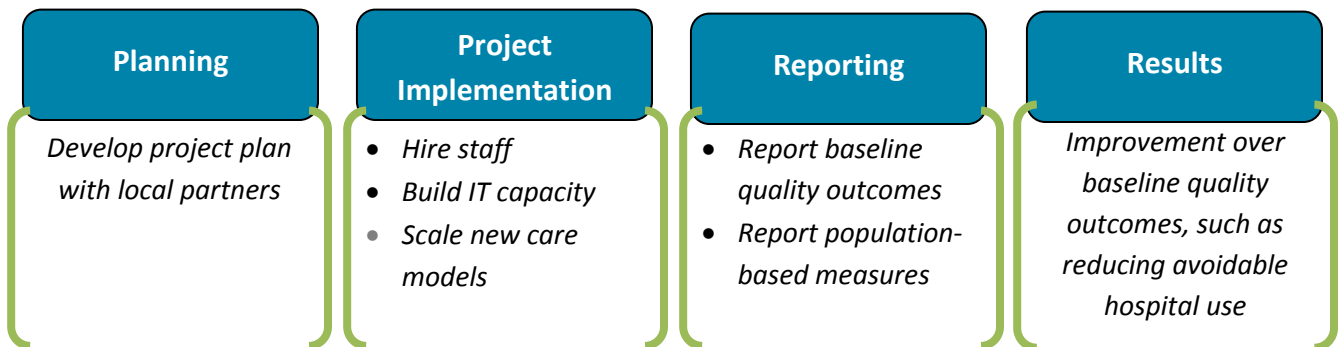
The state is developing a transformation project toolkit that provides guidance on the projects that will be eligible for funding under Initiative 1. The *Framework for the Project Toolkit*, an outline from which the final toolkit will be built, is available on the Healthier Washington website. This framework outlines the strategies, objectives, and outcomes—inspired by the ideas our stakeholders and partners submitted—for transformation projects. The final toolkit will include core components, or key project elements, along with milestones and metrics.

## The role of ACHs in transformation projects

After the project toolkit is approved by CMS, ACHs will use it to work with their partners to develop Medicaid transformation project plans. Each ACH will engage with providers, health plans, social services, and other partners in their region to develop project plan proposals tailored to community needs and priorities. The state has not yet determined how many projects each region will undertake and whether or not some projects will be required in all regions. These details will be part of the final toolkit.

Once an ACH's project plan has been approved, the ACH will coordinate the project. This is not a grant. ACHs and their partners will receive funds only upon meeting project goals. In the early years, payments will be made for meeting process milestones. Later, payments will be based on improvements in outcome measures.

### Examples of Incentive Payment Milestones



Adapted from Medicaid and CHIP Payment and Access Commission (MACPAC), Report to Congress on Medicaid and CHIP, June 2015, <https://www.macpac.gov/wp-content/uploads/2015/06/June-2015-Report-to-Congress-on-Medicaid-and-CHIP>

## Stay informed

- Visit the Medicaid Transformation page at <http://www.hca.wa.gov/about-hca/healthier-washington/medicaid-transformation>
- Join the Healthier Washington feedback network and receive regular updates and announcements of upcoming webinars—sign up on the How to Participate page at [www.hca.wa.gov/hw](http://www.hca.wa.gov/hw)
- Send questions and comments to [medicaidtransformation@hca.wa.gov](mailto:medicaidtransformation@hca.wa.gov)

*These investments are not funded by a grant. The state must demonstrate that it will not spend more federal dollars on its Medicaid program with this demonstration project than it would have without it.*

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