

Medicaid Transformation: Initiative 2

Addressing the Demands of the Age Wave

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. We are negotiating Special Terms and Conditions (STCs), including implementation details, with CMS.

Washington has been a national leader in providing long-term services and supports (LTSS) that help people remain in their homes and communities, saving billions of dollars over the past two decades. Our LTSS system has sustained AARP's ranking of 2nd in the nation for its high performance while at the same time ranking among the lowest (34th) in cost.

But our population is aging, increasing the number of individuals who will be in need of these services. By 2040, the number of people 65 and older will more than double—and as we age we often need more assistance.

While we will continue to provide more intensive services to those who need them, the waiver will allow us to prepare for the “age wave” by testing new services that support unpaid family caregivers and provide targeted supports to people who may or may not qualify for Medicaid.

This “next generation” system of care will:

- **Provide more support for unpaid caregivers**

In Washington State, family members and other unpaid caregivers provide approximately 80 percent of care to people who need support. If just one-fifth of these caregivers stopped providing care, it would double the cost of LTSS in Washington.

Providing care for a family member can be among the most rewarding things a person can do, but it also has challenges: 85 percent of caregivers show increases in stress and effects on their own physical and mental health.

Washington has already developed a successful program to support unpaid caregivers—so we know that when we provide support to them early, those they care for are 20 percent less likely to enroll in more intensive Medicaid LTSS the following year.

- **Protect people's savings**

The majority of Washingtonians are *uninsured* for LTSS with no affordable options for coverage.

Currently, in Medicaid, an individual qualifies for everything or nothing at all.

Individuals and their families often have no practical way to prepare financially for future LTSS needs except by impoverishing themselves so they are eligible for full-scope Medicaid.

Responding to increased demand for LTSS—Medicaid transformation

The Medicaid transformation demonstration will offer additional choices that:

- Preserve and promote choice in how individuals and families receive services.
- Support families in caring for loved ones while increasing the well-being of caregivers.
- Delay or avoid the need for more intensive Medicaid-funded LTSS when possible.

Proposed new benefits

Medicaid Alternative Care (MAC) will provide support for unpaid family caregivers who support individuals eligible for Medicaid but not currently accessing Medicaid-funded LTSS. This benefit package will provide necessary supports to unpaid caregivers to enable them to continue to provide high-quality care and focus on their own health and well-being. It will include needed services for hardworking caregivers such as training, support groups, respite services, and help with housework, errands, and home-delivered meals.

Tailored Supports for Older Adults (TSOA) will establish a new eligibility category and benefit package for individuals at risk of future Medicaid LTSS use who currently do not meet Medicaid financial eligibility criteria but do meet functional criteria for care. It is designed to help individuals and their families avoid or delay impoverishment and the future need for Medicaid-funded services while providing support to individuals and unpaid family caregivers. As with MAC, TSOA will include necessary supports such as training, support groups, respite services, and help with housework, errands, and home-delivered meals.

These additional options are aimed at providing individuals with “the right services at the right time.”

Draft benefit specifications are available on the [Initiative 2 Medicaid Transformation web page](#).

Efforts are under way to make applying for these benefits easy and ensure that individuals are aware of their choices. Estate recovery will not apply to these new benefits.

We are still negotiating with CMS. Implementation details are being developed through these negotiations; regular updates are posted on the [Initiative 2 Medicaid Transformation web page](#).

Stay informed

- Visit the [Medicaid Transformation](#) page.
- 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
- Send questions and comments to 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.
