

Medicaid Transformation Project Demonstration



Today's speakers

- Nathan Johnson, chief policy officer, HCA
- Marc Provence, director, Office of Medicaid Transformation, HCA
- Bea Rector, director, Home & Community Services Division, Aging & Long Term Support Administration, DSHS
- MaryAnne Lindeblad, Medicaid director, HCA



Today's agenda

- Medicaid demonstration
 - How we got here
 - Goals & long-term vision
- Initiative 1 Transformation through Accountable Communities of Health
- Initiative 2 Long-term services & supports
- Initiative 3 Foundational community supports
- What's next
- Q&A

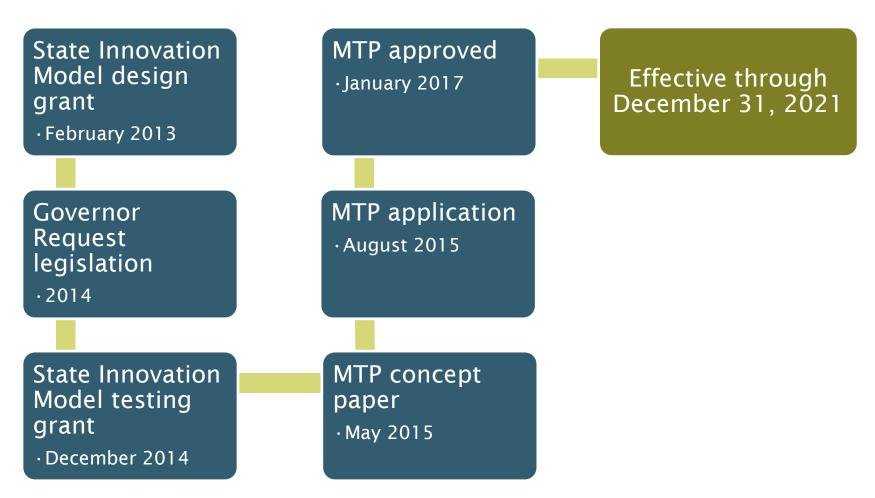


Healthier Washington











Legislation supporting transformation

Washington enacted legislation furthering delivery system reform:

- HB 2572 (2014): Value-based purchasing reform; increasing transparency; empowering communities, standardized performance measures
- SB 6312 (2014): Whole-person integrated managed care by 2020
- 2ESHB 2376 / Subsections 213 (1)(d-g) (2016): Appropriation for Medicaid transformation demonstration waiver initiatives



Special Terms and Conditions (STCs)

- The contract between the state and the Centers for Medicare and Medicaid Services (CMS)
- Enables Washington to operate this demonstration
- The information contained in the STCs outlines the conditions and limitations of the demonstration



Medicaid Transformation demonstration

Who Medicaid serves

- Apple Health covers 1.9 million individuals
- 600,000 newly eligible adults under Medicaid expansion
- Populations served include children, pregnant women, disabled adults, elderly persons, and former foster care adults





Medicaid transformation goals

Over the five-year demonstration, Washington will:

- Integrate physical and behavioral health purchasing and service delivery
- Convert 90% of Medicaid provider payments to reward outcomes
- Support provider capacity to adopt new payment and care models
- Implement population health strategies that improve health equity
- Provide targeted services that address the needs of our aging populations and address the key determinants of health



5 years from now



Current system

- Fragmented care delivery
- \cdot Disjointed care transitions
- · Disengaged clients
- · Capacity limits
- \cdot Impoverishment
- · Inconsistent measurement
- ·Volume-based payment



Transformed System

- ·Integrated, whole-person care
- \cdot Coordinated care
- Activated clients
- · Access to appropriate services
- ·Timely supports
- · Standardized measurement
- · Value-based payment



Elements of the demonstration

The demonstration has 3 key initiatives:

- 1. Transformation through Accountable Communities of Health
- 2. Long-term Services and Supports
- 3. Foundational Community Supports and Services



Delivery System Reform Program

A regional approach

- ACHs play a critical role:
 - **Coordinate** and **oversee** regional projects aimed at improving care for Medicaid beneficiaries.
 - Apply for transformation projects, and incentive payments, on behalf of partnering providers within the region.
 - Solicit community feedback in development of Project Plan applications.
 - Decide on distribution of incentive funds to providers for achievement of defined milestones.



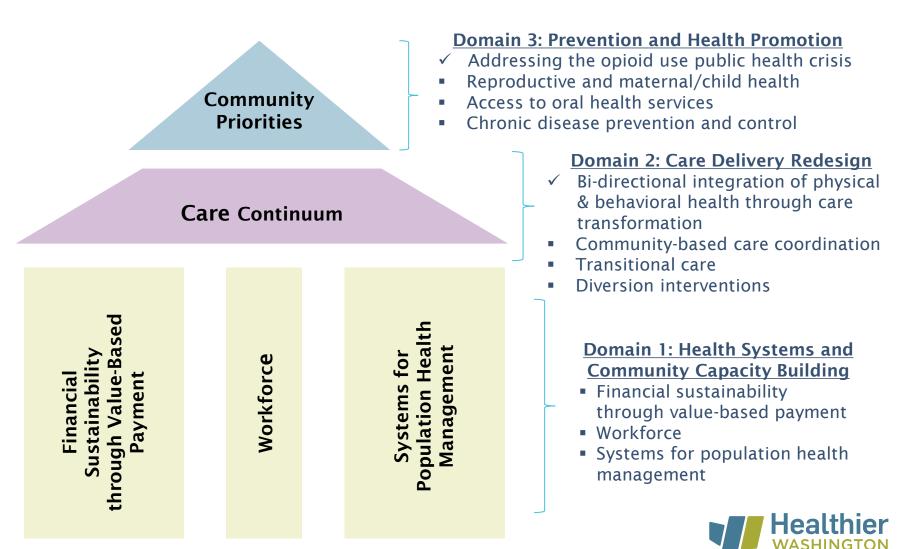
Statewide snapshot

- 27% of the state covered by Medicaid
 - 54% Adults
 - 46% children
- 31.6% with identified mental health need
- 11% with identified substance use disorder treatment need
- 61% well-child visits (ages 3-6)





The Project Toolkit



Resources and relationships

- Domains and projects *should not* be implemented in isolation from one another.
 - Projects will be highly interrelated and interdependent
- Transformation projects must:
 - Be based on community-specific needs for the Medicaid population
 - Avoid redundancy and duplication
- Regional projects will be assessed based on achievement of defined milestones and metrics.



Project milestones

Project planning progress milestones – "Pay for Planning"

• Initial planning activities and partnerships that establish foundational structure and capacity for transformation project goals

Project implementation planning – "Pay for Reporting"

 Action steps taken by participating providers specified in the project's initial planning activities

Scale and Sustain – "Pay for Outcomes"

• Demonstrable progress towards project outcomes made by participating providers due to the implementation of the project plan



Independent assessor

State-contracted vendor

- Will serve as independent assessor for delivery system reform activities under the demonstration
- The state will develop the tool that the vendor will use in evaluating project plans.
- Cannot have an affiliation with Accountable Communities of Health or their partnering providers

Independent assessor responsibilities

- Reviewing Accountable Communities of Health Project Plan applications
- Providing recommendations to state regarding approval, denial, or recommended changes to ACH Project Plans
- Assessing project performance throughout the demonstration



What to expect in Year One

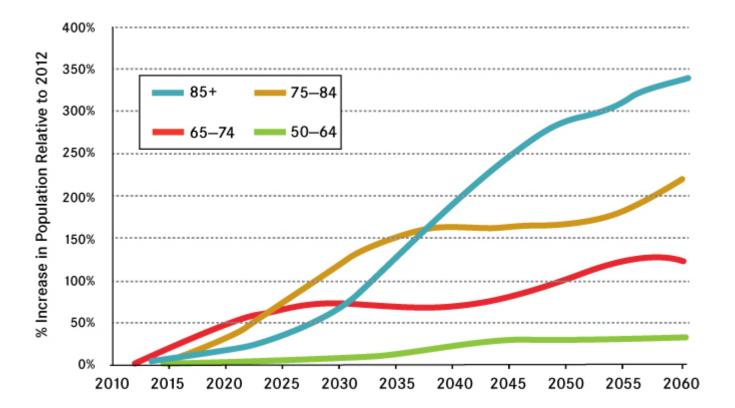
- Protocol development
- ACH certification process
 - Phase 1
 - Phase 2
- ACH project plan development and submission
- Independent assessor review/approval of project plans
- State procurements for vendors



Long-term Services and Supports

Unprecedented demand for LTSS

Projected Growth of Older Population in WA State as % of 2012 Population





Caregiving: Impacts on family

- In Washington State, approximately 80% of the care statewide is provided by family members and other unpaid caregivers
- Unpaid caregiving has an economic impact on families:
 - Loss of earning potential
 - Decreased savings for retirement
 - Impacts on ability to provide for their own children's needs
 - Increased health care costs due to stress and burden
- If just one-fifth of unpaid caregivers stopped providing care, it would double the cost of long-term services and supports in Washington



Services designed to delay & divert need for more intensive interventions

- Medicaid Alternative Care (MAC)
 - A new choice designed to support unpaid caregivers in continuing to provide quality care
- Tailored Supports for Older Adults (TSOA)
 - A new eligibility group to support individuals who need Long-term Services and Supports and are at risk of spending down to impoverishment



Medicaid Alternative Care (MAC)

A new benefit package that will:

- Provide support for unpaid family caregivers who support individuals eligible for Medicaid but not currently accessing Medicaid-funded LTSS
- 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



Tailored Supports for Older Adults (TSOA)

A new eligibility group that will:

- Provide a benefit package for individuals at risk of future Medicaid LTSS use
- 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



Implementation

Currently we are engaged in:

- Ramp up work including preparing eligibility, assessment, and payment systems
- Financial WAC Public comment March 2017
- Development of client materials April 2017
- Program WAC Public review May 2017

Implementation July 1, 2017



Foundational Community Supports (FCS)

Foundational Community Supports

What it is

- Targeted Medicaid benefits that help eligible clients with complex health needs obtain and maintain housing and employment stability.
 - Supportive housing services
 - Supported employment services

What it isn't

- Ongoing payments for housing, rent, or room & board costs
- Wages or wage enhancements for clients
- Entitlement



Supportive housing

- Community Transition Services (NEW)
 - One-time supports for individuals transitioning out of institutions or at imminent risk of becoming institutionalized
 - Includes rental deposit, move-in costs, necessary furnishings and other necessary supports
- Community Support Services
 - Housing assessment and development of a plan to address barriers
 - Assistance with applications, community resources, and outreach to landlords
 - Education, training, coaching, resolving disputes, and advocacy

Supportive housing services **do not** include funds for room and board or the development of housing.



Supported employment Individual Placement and Support (IPS) model

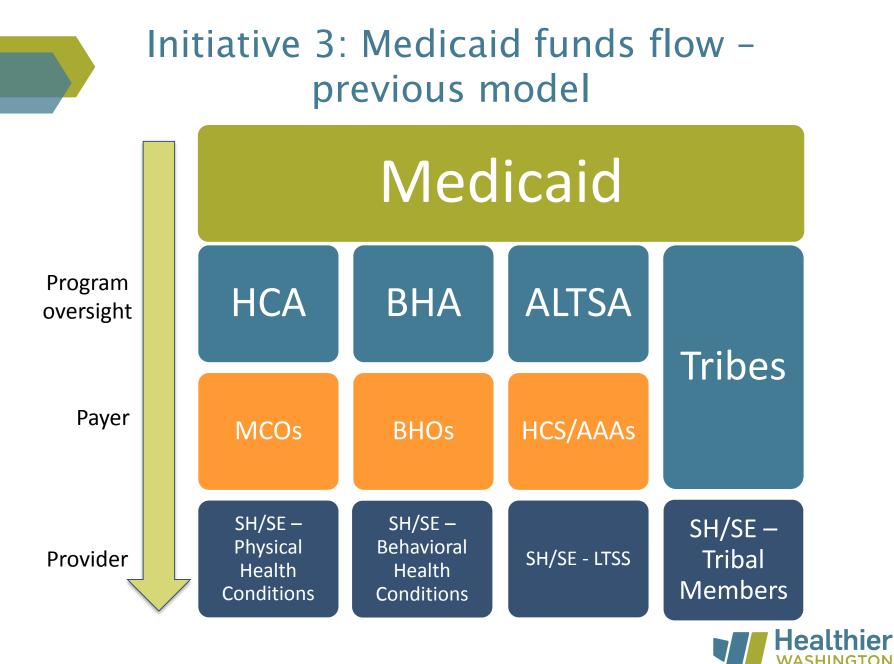
- Principles of supported employment:
 - Open to anyone who wants to work
 - Focus on competitive employment
 - Rapid job search
 - Client preferences guide decisions
 - Individualized long-term supports
 - Integrated with treatment
 - Benefits counseling included

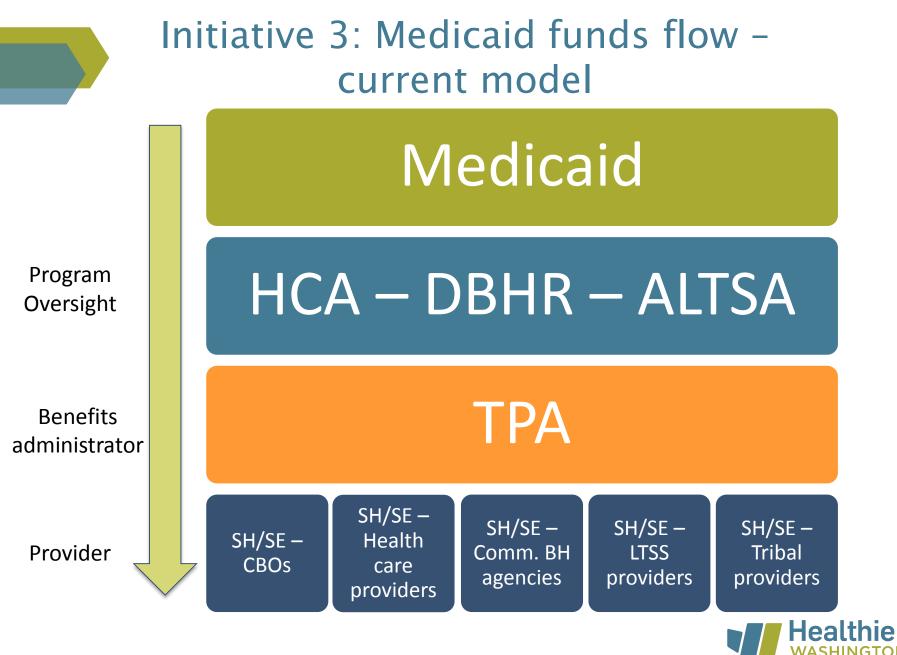


What's new? - Third Party Administrator

- Single administrative entity for supportive housing & supported employment
- What is a Third Party Administrator (TPA)?
 - A single, statewide entity responsible for contracting with providers and authorizing and distributing service payments
- What does it mean?
 - Services will no longer be administered by multiple systems
 - Services and target populations remain the same







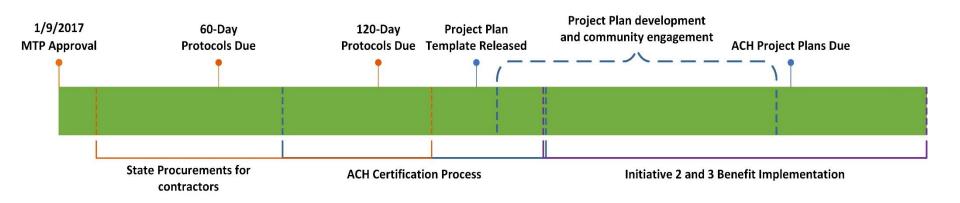
Foundational Community Supports Next steps

- Foundational Community Supports protocol
 - Protocol must be approved before services can be provided
- TPA
 - Procurement will begin shortly
- State rules
 - Will be sent out for external review soon



What's Next?

Implementation timeline





Learn more at www.hca.wa.gov/hw

Features:

- Demonstration videos
- Fact sheets
- Timeline





Washington State's Medicaid Transformation

Medicaid—Challenge and Opportunity

Apple Health (Medicaid) now covers 1 in 4 people in Washington. Before the Affordable Care Act, it covered mostly children, disabled and elderly individuals, and low-income parents. Now the largest group is adults, whose needs include more mental health and substance use disorder treatment, and a higher number of chronic health issues. The state's population is also aging: Soon, 1 in 5 Washingtonians will be over the age of 65—and, as they age, their need for health care and long term services and supports will grow.

Washington State Medicaid Transformation

On September 30, 2016, Washington State and the Centers for Medicare and Medicaid Services (CMS) reached an agreement in principle on a five-year Medicaid demonstration project. This is an opportunity to accelerate changes in our state's Medicaid program that support the goals of Healthier Washington—better health, better care, and lower costs.

Through the principled agreement, CMS and Washington State have agreed on the core facets of the project, including the structure and role of Accountable Communities of Health (ACHs) and financing, Final approval by CMS is subject to the special terms and conditions (STCs), the actual contract for the demonstration. This agreement will "wavier certain federal Medicaid requirements, allowing the state to use Medicaid funds for innovative projects, activities, and services that otherwise would not be eligible for funding. This is not a grant; the state must demonstrate that it will not spend more fideral aldiars on its Medicaid program than it would have spent without the waiver.

Medicaid transformation goals

- Reduce avoidable use of intensive services and settings—such as acute care hospitals, nursing facilities, psychiatric hospitals, traditional long-term services and supports, 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—using payment methods that take the quality of services and other measures of value into account.
- Ensure that Medicaid per-capita cost growth is below national trends—through projects and services that improve health outcomes and reduce the rate of growth in the overall cost of care for Medicaid clients

Fact sheet revised by the Washington State Health Care Authority, October 2016



Paying for Value—Instead of Volume

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elivery models that reward provider

and health plans for value are key to

ontrolling costs and fostering health

'he waiver's Medicaid transformatio

nvestments will help us spend our Medicaid dollars more wisely by

ewarding providers and health plans

ed on the quality of care people

eceive and its effect on their health

aiver's focus will be on supporting

apacity to transition to these new

and services provided.





Join the Healthier Washington Feedback Network. Sign up at: hca.wa.gov/hw

Send questions to: medicaidtransformation@hca. wa.gov

