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

- Focusing on whole-person health
- Rewarding value over volume
- Empowering local communities
How we got here

- **State Innovation Model design grant**
  - February 2013

- **Governor Request legislation**
  - 2014

- **State Innovation Model testing grant**
  - December 2014

- **MTP approved**
  - January 2017

- **MTP application**
  - August 2015

- **MTP concept paper**
  - May 2015

- **Effective through December 31, 2021**
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
- Disjointed care transitions
- Disengaged clients
- Capacity limits
- Impoverishment
- Inconsistent measurement
- Volume-based payment

Transformed System
- Integrated, whole-person care
- Coordinated care
- Activated clients
- Access to appropriate services
- Timely supports
- Standardized measurement
- Value-based payment
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)
Domain 1: Health Systems and Community Capacity Building
- Financial sustainability through value-based payment
- Workforce
- Systems for population health management

Domain 2: Care Delivery Redesign
- Bi-directional integration of physical & behavioral health through care transformation
- Community-based care coordination
- Transitional care
- Diversion interventions

Domain 3: Prevention and Health Promotion
- Addressing the opioid use public health crisis
- Reproductive and maternal/child health
- Access to oral health services
- Chronic disease prevention and control
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
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
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
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
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
Initiative 3: Medicaid funds flow – previous model

Medicaid

HCA

BHA

ALTSA

Tribes

MCOs

BHOs

HCS/AAAs

SH/SE – Physical Health Conditions

SH/SE – Behavioral Health Conditions

SH/SE - LTSS

SH/SE – Tribal Members

Program oversight

Payer

Provider

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Initiative 3: Medicaid funds flow – current model

Medicaid

HCA – DBHR – ALTSA

TPA

SH/SE – CBOs
SH/SE – Health care providers
SH/SE – Comm. BH agencies
SH/SE – LTSS providers
SH/SE – Tribal providers

Program Oversight

Benefits administrator

Provider
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

- 1/9/2017 MTP Approval
- 60-Day Protocols Due
- 120-Day Protocols Due
- Project Plan Template Released
- Project Plan development and community engagement
- ACH Project Plans Due
- State Procurements for contractors
- ACH Certification Process
- Initiative 2 and 3 Benefit Implementation
Learn more at www.hca.wa.gov/hw

Features:

- Demonstration videos
- Fact sheets
- Timeline
Questions?
Join the Healthier Washington Feedback Network. Sign up at: hca.wa.gov/hw

Send questions to: medicaidtransformation@hca.wa.gov