



# 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



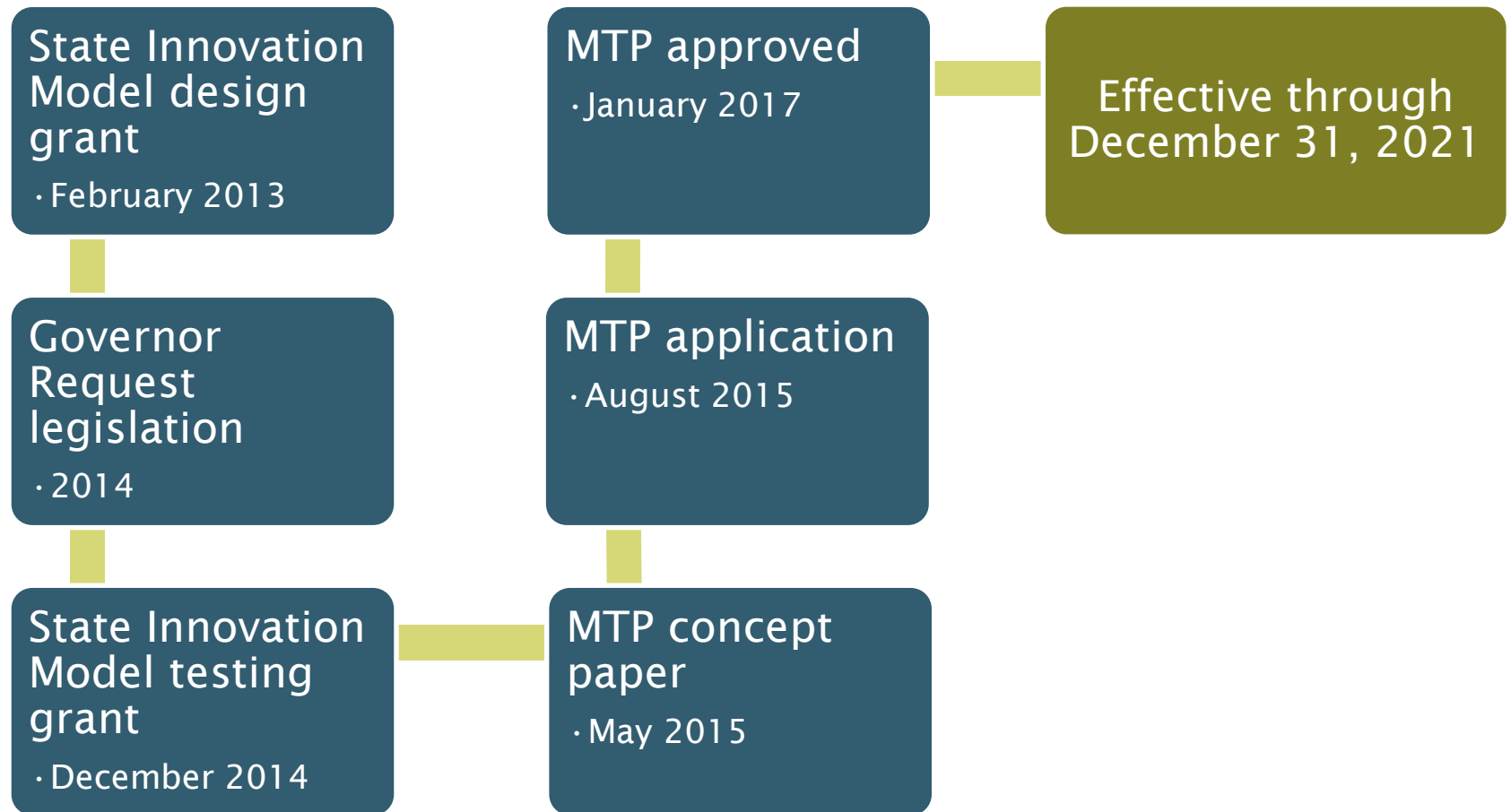
# Today's agenda

- 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



# How we got here





# 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)

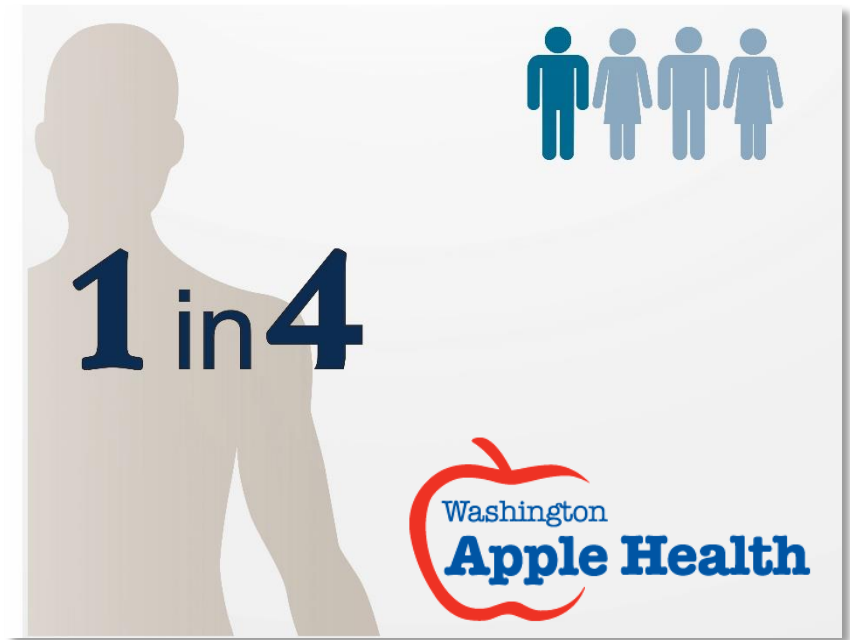
- The contract between the state and the Centers for Medicare and Medicaid Services (CMS)
- Enables Washington to operate this demonstration
- The information contained in the STCs outlines the conditions and limitations of the demonstration

# 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
- 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





# 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

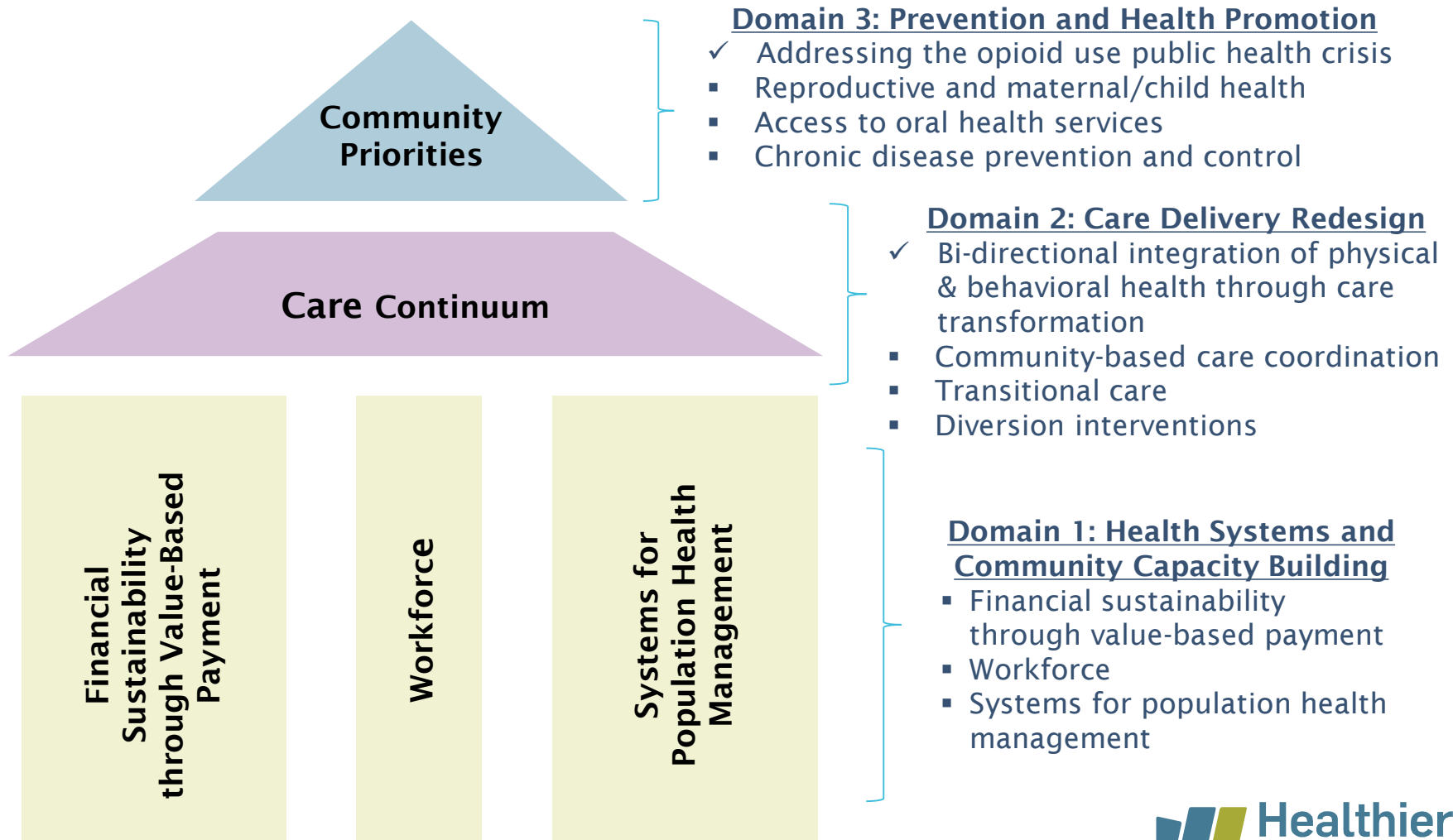
- ACHs play a critical role:
  - **Coordinate** and **oversee** regional projects aimed at improving care for Medicaid beneficiaries.
  - **Apply** for transformation projects, and incentive payments, on behalf of partnering providers within the region.
  - **Solicit** community feedback in development 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



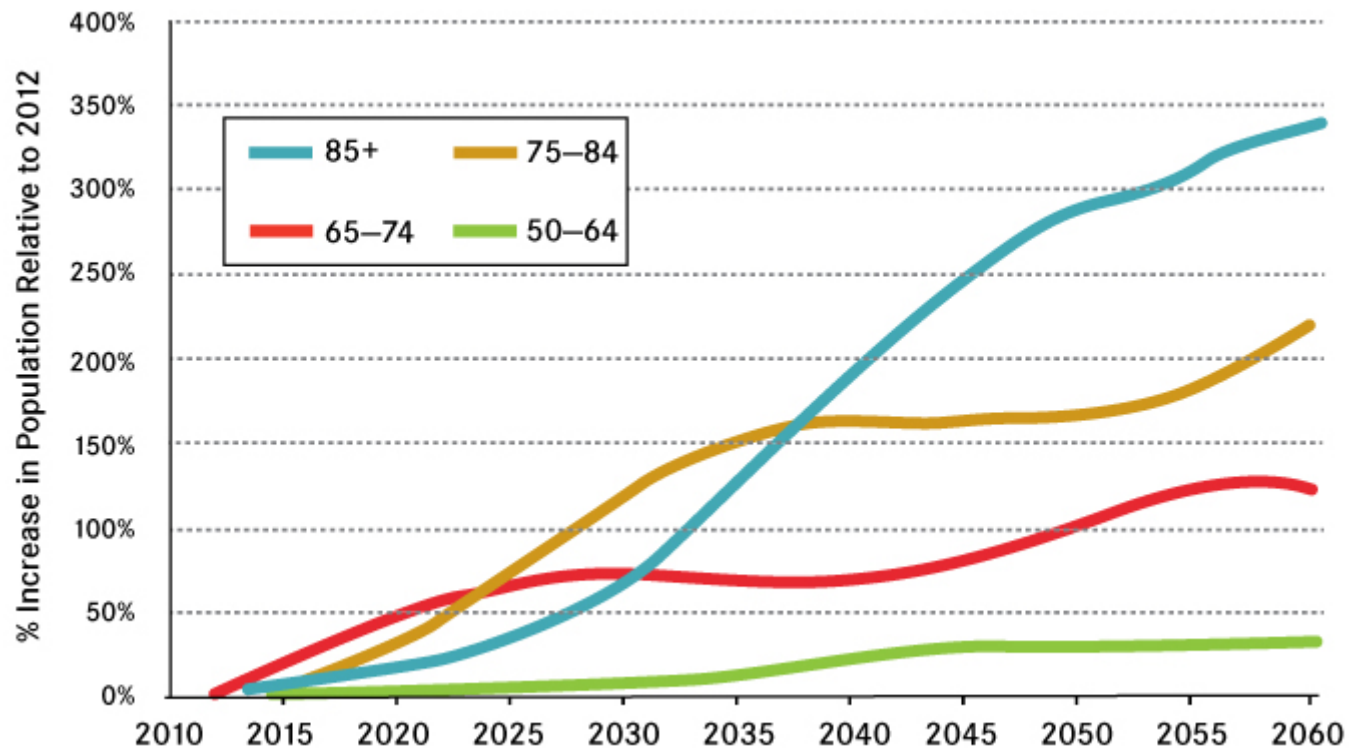
# What to expect in Year One

- 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

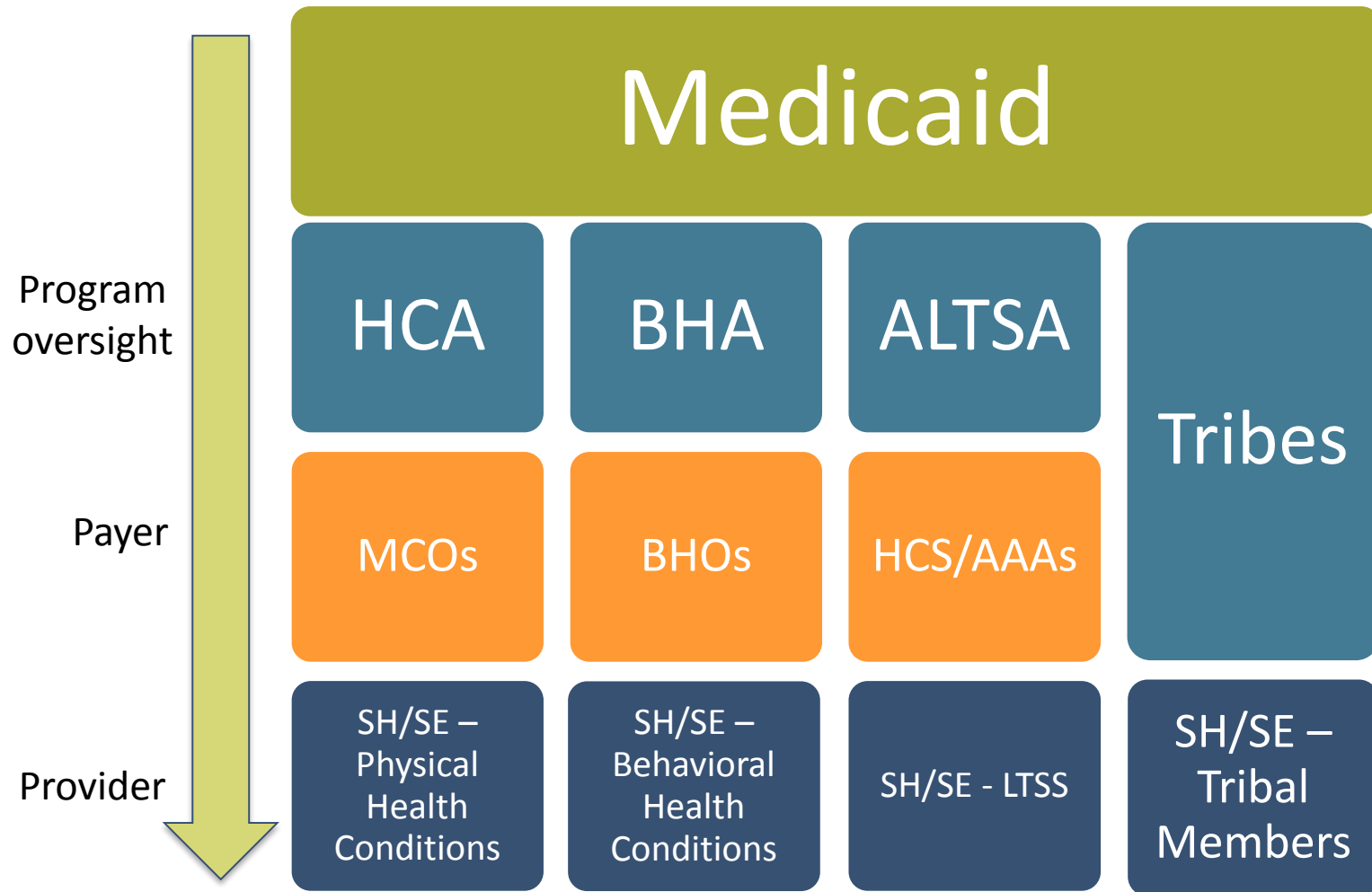


## What's new? – Third Party Administrator

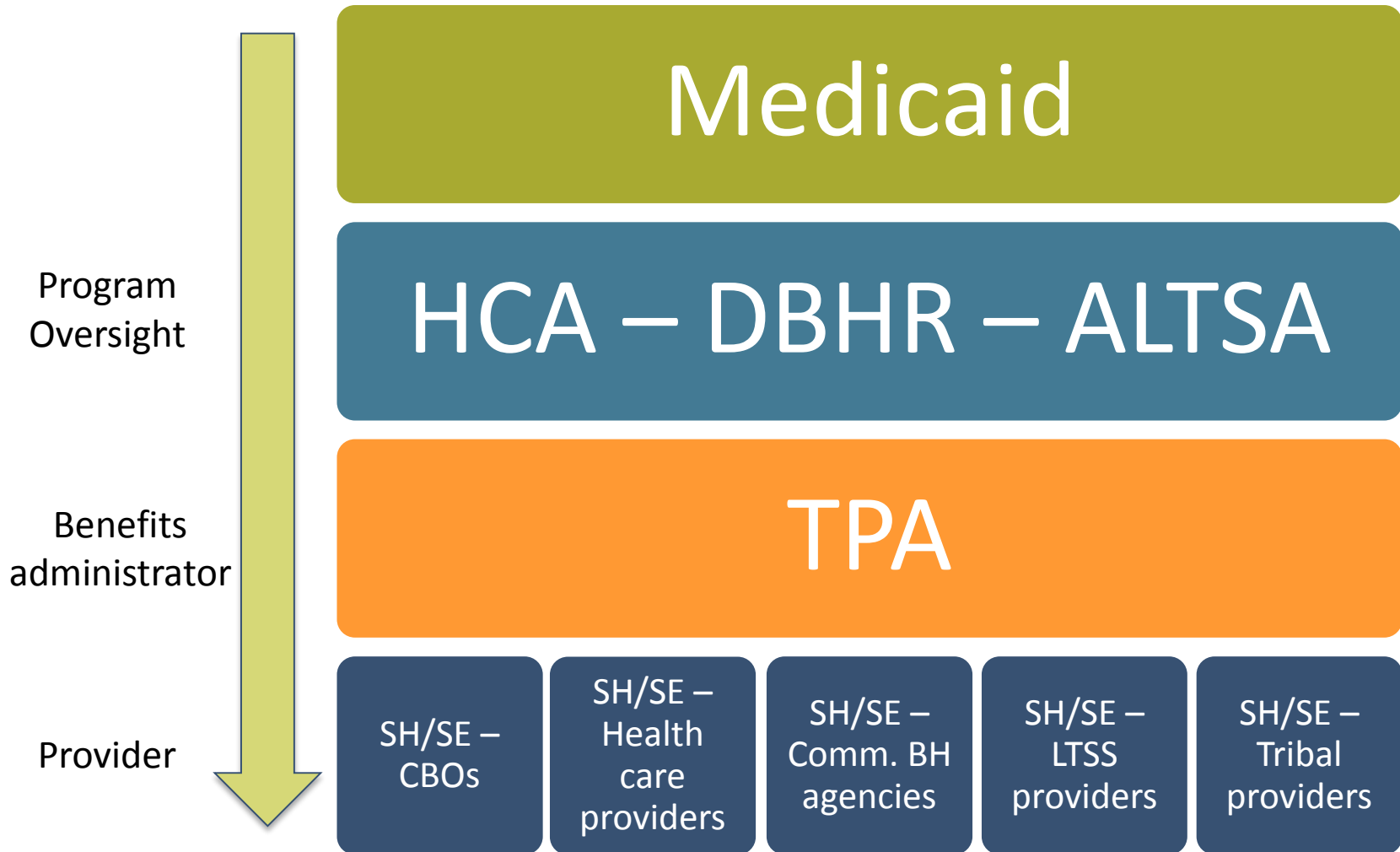
- Single administrative entity for supportive housing & supported employment
- What is a Third Party Administrator (TPA)?
  - A single, statewide entity responsible for contracting with providers and authorizing and distributing service payments
- What does it mean?
  - Services will no longer be administered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



## Initiative 3: Medicaid funds flow – previous model



## Initiative 3: Medicaid funds flow – current model





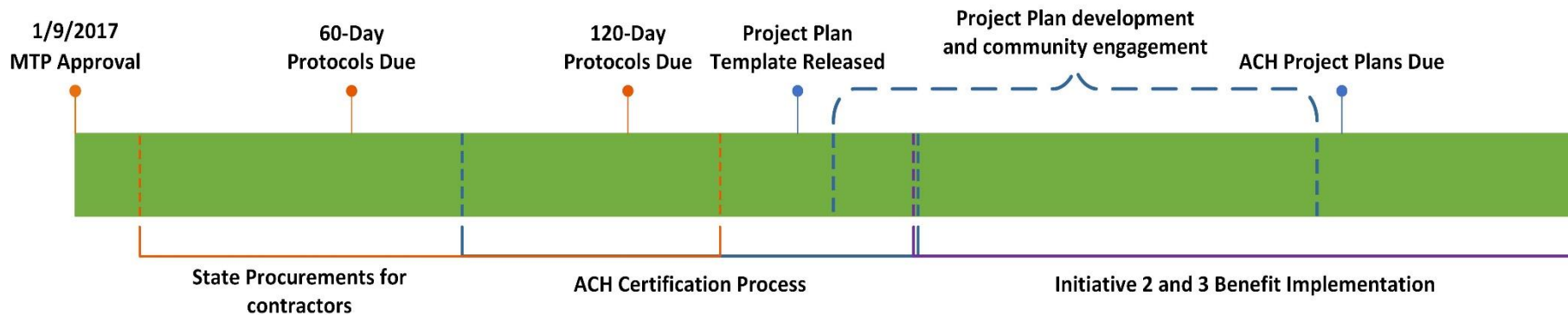
# Foundational Community Supports

## *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?

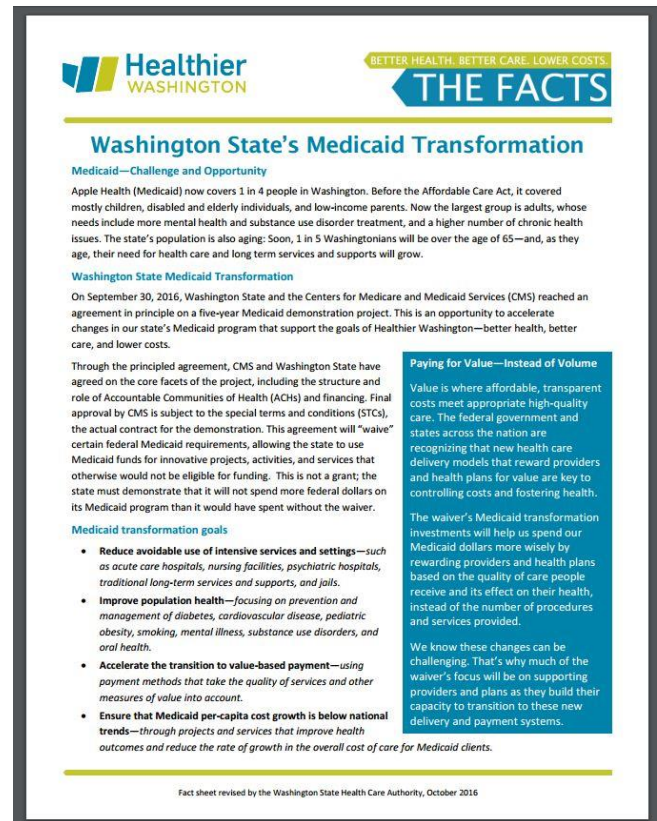
# Implementation timeline



# Learn more at [www.hca.wa.gov/hw](http://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](https://hca.wa.gov/hw)**

**Send questions to:  
[medicaidtransformation@hca.  
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