

INCENTIVES FOR MID-ADOPTERS OF INTEGRATED MANAGED CARE

Counties that commit to implementing integrated managed care before 2020 will be eligible for significant incentive funds to deliver improved coordinated health care for people in their region.

How does Medicaid Demonstration incentive funding work?

This information is dependent on the approval of the Funding and Mechanics Protocol currently under review by CMS, and pending Washington legislative appropriation for the Medicaid Demonstration:

As currently proposed, here's how the math works: The incentive payments eligible to each region is calculated using a base rate of up to \$2 million and a per member rate based on total attributed Medicaid beneficiaries.

Proposed integration incentive methodology = [\$2 million] + [\$36 x Total Attributed Medicaid Beneficiaries] x [Phase Weight]

The incentives for integrated managed care will be distributed in two phases: delivery of binding letter(s) of intent and implementation. These phases represent two key activities towards integration. ACHs and partnering providers are eligible for an incentive payment for completion of each phase.

Based on the proposed methodology, estimates for incentives available to each region are as follows:

Accountable Community of Health*	Regional Client Count	Eligible Incentives for Binding Letter of Intent	Eligible Incentives for Implementation	Total Incentives for Integrated Managed Care
Better Health Together	188,757	\$3,518,000	\$5,277,000	\$8,795,000
Cascade Pacific Action Alliance	179,382	\$3,382,000	\$5,074,000	\$8,457,000
Greater Columbia ACH	243,934	\$4,312,000	\$6,468,000	\$10,781,000
King County ACH	407,352	\$6,665,000	\$9,998,000	\$16,664,000
Olympic Community of Health	81,819	\$1,978,000	\$2,967,000	\$4,945,000
Pierce County ACH	221,396	\$3,988,000	\$5,982,000	\$9,970,000
North Sound ACH	267,923	\$4,658,000	\$6,987,000	\$11,645,000

**Southwest ACH and North Central ACH have already committed to or implemented integrated managed care and are not reflected in this table.*

1. Integration of physical and behavioral health care for Apple Health (Medicaid) clients is on a firm path.

The state Health Care Authority (HCA) is moving forward to meet the legislative direction under [E2SSB 6312](#) to integrate behavioral health benefits into the Apple Health managed care program so that clients have access to the full complement of medical and behavioral health services through a single managed care plan. Regions statewide are required to integrate no later than 2020.

2. Evidence supports integrated health care is better for patients.

A strong body of evidence for integrated care has emerged over the past 20 years, particularly for depression but increasingly for other conditions, including anxiety disorders, PTSD and co-morbid medical conditions such as heart disease, diabetes and cancer. While mental health and primary care historically have been siloed, evolving payment models are spurring more integrated models of care. This wave of innovation is particularly important in safety net health systems, which serve a high proportion of uninsured and Medicaid patients — and where poverty, language barriers, and other social determinants of health may contribute to the complex physical and behavioral health needs of patients.

3. Regions that move to integrated care before 2020 can earn additional incentive funds.

Senate Bill 6312 allows the county authority or authorities within a region to elect to move forward with integrated managed care on an earlier timeline if desired. Under the Medicaid Demonstration, regions that implement integrated managed care [by January 1, 2019](#) will be eligible for additional incentive payments through their Accountable Community of Health. [There are two approaches that a region can choose to becoming a “mid adopter”:](#)

- [Integrated managed care plans assume all funding and functions for Medicaid covered behavioral health services by January 1, 2019; or](#)
- [Integrated managed care plans assume all funding for Medicaid covered behavioral health services by January 1, 2019, with certain functions subcontracted for one year to the regional Behavioral Health Organization/counties as agreed to by the county inter-local leadership structure specified in active legislation \(HB 1388\), which is currently pending.](#)

These “mid-adopter” regions can earn these particular incentive dollars. The incentive would be in addition to funds ACHs and regional partners can receive for implementing a set of projects selected from the Demonstration Project Toolkit, pending legislative appropriation of these incentives.

4. By design, counties and BHOs play important roles in the transition so that local needs are addressed.

The transition to integrated managed care starts by building from the strong foundation set by behavioral health organizations (BHOs), which have taken the first step in integrating behavioral health services (E2SSB 6312 directed the integration of mental health and chemical dependency purchasing as a first step to full integration by 2020). The MCO contracts require that the MCO coordinate with county-managed programs, criminal justice, long-term supports and services, tribal entities, etc. via an Allied System Coordination Plan.

1. Two key steps will signal a region's eligibility for incentive payments.

The incentives for integrated managed care will be distributed in two phases:

1. The county submits binding letter(s) of intent to the state Medicaid director no later than ~~September 1, 2017~~ **September 15, 2017**.
2. Implementation of new integrated MCOs in the region begins on ~~November 1, 2018, OR~~ January 1, 2019. Regions are eligible for an incentive payment for completion of each phase, pending legislative appropriation of these incentives.

2. How can the Accountable Community of Health in my region earn the Demonstration incentives?

Regions are eligible to earn the Demonstration incentives if they elect to move forward with integrated managed care [through either of the approaches described in Question 3 above by January 1, 2019](#).

The incentives will be provided, pending legislative appropriation, through ACHs in two installments based on the achievement of:

1. Submission of a binding letter of intent signed by the county authority or authorities in the region to the Washington State Health Care Authority **by September 15, 2017**; ~~by September 1, 2017~~
2. Implementation of integrated managed care effective ~~November 1, 2018, or~~ January 1, 2019.

3. Who has the authority to sign the binding letter of intent?

In statute, the county authority is defined as “the board of county commissioners, county council, or county executive having authority to establish a community mental health program, or two or more of the county authorities specified in this subsection which have entered into an agreement to provide a community mental health program.” (RCW 71.24.025). In a multi-county regional service area, the county authorities for *all counties in the region* must sign the binding letter of intent. The Health Care Authority will send a formal letter to all counties informing them of the date and process to submit a binding letter of intent.

4. Do the incentive dollars have to be used for the transformation projects that are selected by the ACH?

No. These incentives are for partnering providers in regions that implement integrated managed care before January 1, 2020. They are complementary to but separate from funds for specific transformation projects.

5. If the incentives are not going to be used to fund the projects, what are they for?

The incentive payments earned for integrated managed care milestones are intended to be used to assist providers and the region with the process of transitioning to integrated managed care. This could include using funds to assist with the uptake of new billing systems or technical assistance for behavioral health providers who are not accustomed to conducting traditional medical billing or working with managed care plan business processes.

Additionally the incentive payments can further support and build upon the region's work to implement integrated clinical models.

Before funds are disbursed to providers, they must be reflected in project plans. These plans are reviewed by an independent assessor, and ultimately approved by the Health Care Authority.

6. If the region does not want to move forward early, when will the region transition to integrated managed care? If the region does not move forward early, will there still be incentive dollars available?

Senate Bill 6312 directs the state to fully integrate the purchasing of medical and behavioral health services through a managed care health system no later than January 1, 2020. An integrated managed care model will be in place in all regions by January 1, 2020. Only "mid-adopter" regions can receive the proposed incentive dollars tied to integrated managed care.

7. My region needs more information. Who do we contact?

For integrated managed care questions contact Isabel Jones: Isabel.Jones@hca.wa.gov or 360-725-0862.

For Medicaid Demonstration funds questions contact Kali Klein: Kali.Klein@hca.wa.gov or 360-725-1240.