Washington State Health Care Authority

Washington State Department of Social & Health Services

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Progress Update: Integration Initiatives

Healthcare and Wellness Committee
January 20, 2015

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Behavioral Health and Service Integration Administration
Department of Social and Health Services

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WA State Health Care Authority

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Legislative Directives: Senate Bill 6312

- Directs the state to purchase in common Regional Service Areas (RSAs)
- Authorizes creation of Behavioral Health Organizations (BHOs) and Early Adopter option
- By April 1, 2016 BHOs begin in regional service areas that do not pursue the early adopter option
- BHOs and Apple Health MCO's held to new outcome measures to increase accountability for improved performance
- January 1, 2020 full integration of behavioral and medical health services to Medicaid enrollees

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Criteria for Regional Service Areas

- Include full counties that are contiguous with one another
- Reflect natural medical and behavioral health service patterns
- Include a sufficient number of Medicaid lives to support full financial risk managed care contracting
- Ensure access to adequate provider networks
- Minimize disruption of business relationships that have evolved over time

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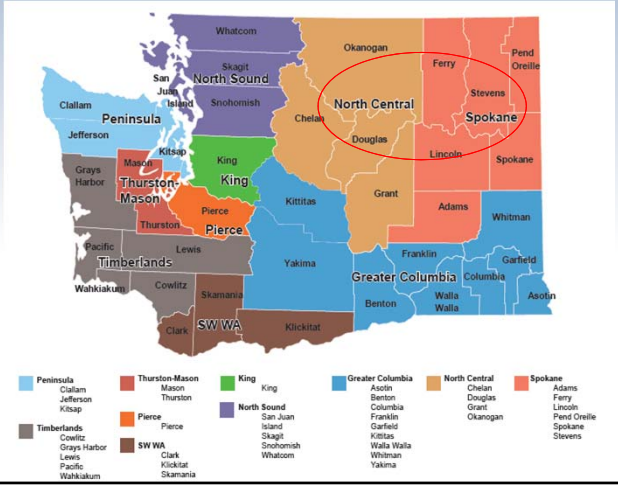
Regional Service Areas: *New geographical boundaries for state purchased behavioral and physical healthcare through managed care contracts*



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Elements of a BHO

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- BHOs established within regional service areas that do not opt to be early adopters; one BHO per region
- Scope of services includes the full spectrum of mental health services currently overseen by the RSNs and substance use disorder services in current state law
- The State pays a monthly capitation rates to the BHO to cover the cost of providing behavioral health services to Medicaid eligible members
- DSHS has established several workgroups that include state agency staff, HCA, RSNs, behavioral health providers and various stakeholder groups
- Recovery Support Services including Supportive Housing, Supported Employment and expansion of Peer Support to Substance Use Services may be added based on legislative and budget priorities

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BHO Regions: Physical & Behavioral Health Purchasing Separate Managed Care Arrangements

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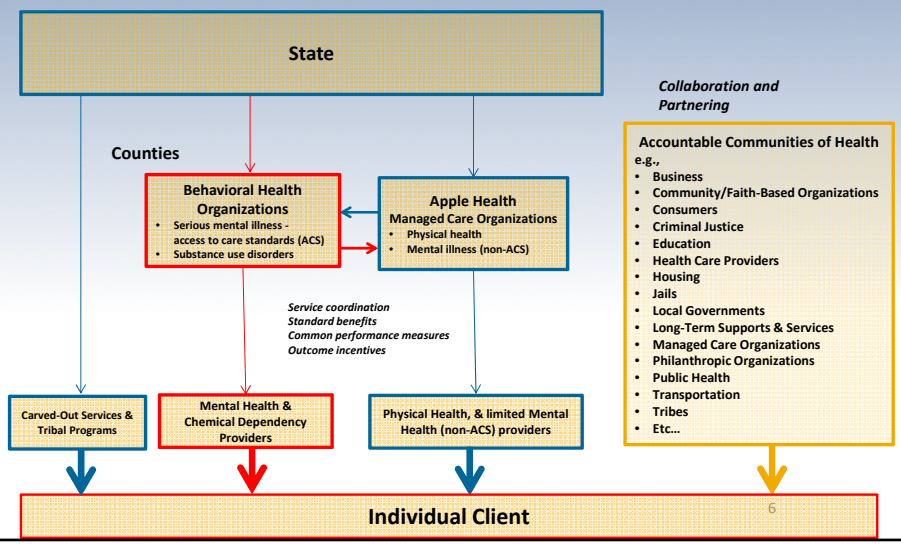

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Rate Development

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Step One

- DSHS has engaged Mercer to develop rates for Behavioral Health Organizations
- Mercer has set mental health rates for RSNs that will be the basis for the mental health portion of a Behavioral Health Rate
- Payment history is the starting point for the task of prediction that leads to a future rate

Step Two

Adjustments may be made by Mercer to historical costs for verifiable and quantifiable factors such as:

- Demographic & population changes
- Variations in utilization
- Inflation
- Cost changes
- Penetration & prevalence
- Experience in other states
- Benefit changes

Step Three

Combine CD & MH rates into a BHO Rate

Preliminary BHO rates will be presented to:

- The governor and legislature and their staff
- Office of Financial Management
- Potential BHOs
- Stakeholder workgroups

Rates are finalized as the basis for the budget

Rates are submitted with resulting contracts to CMS for approval

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Early Adopter Implementation Principles

- Whole-person care
- Seamless access to necessary services; no need for "access to care" standards
- Adequate and sustainable network that ensures access and continuity of care
- Focus on outcomes, performance and accountability
- Flexible models of care that support the use of interdisciplinary care teams
- Shared savings reinvested in the delivery system

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Purchasing in "Early Adopter" RSAs

- Standards developed jointly by the HCA and DSHS
- Agreement by county authorities in a regional service area
- Shared savings incentives
  - Payments targeted at 10% of savings realized by the State
  - Based on outcome and performance measures
  - Available for up to 6 years or until fully integrated managed care systems statewide
- HCA will contract with MCOs; MCOs at risk for full scope of Medicaid physical and behavioral health services
- Operational and contract requirements will be consistent at the State level
  - Populations enrolled, enrollment processes
  - Fully-integrated Medicaid capitated payment to MCOs
  - Covered benefits
- Each RSA will have no fewer than 2 MCOs that serve entire region
- Medicaid benefits will continue to be defined by the State plan and will apply in EA and BHO regions
- All benefits (Medicaid and non-Medicaid) will be assigned to a responsible entity
- Models continuing to be discussed broadly

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Fully Integrated Physical & Behavioral Health Purchasing
Managed Care Arrangements in Early Adopter Regions

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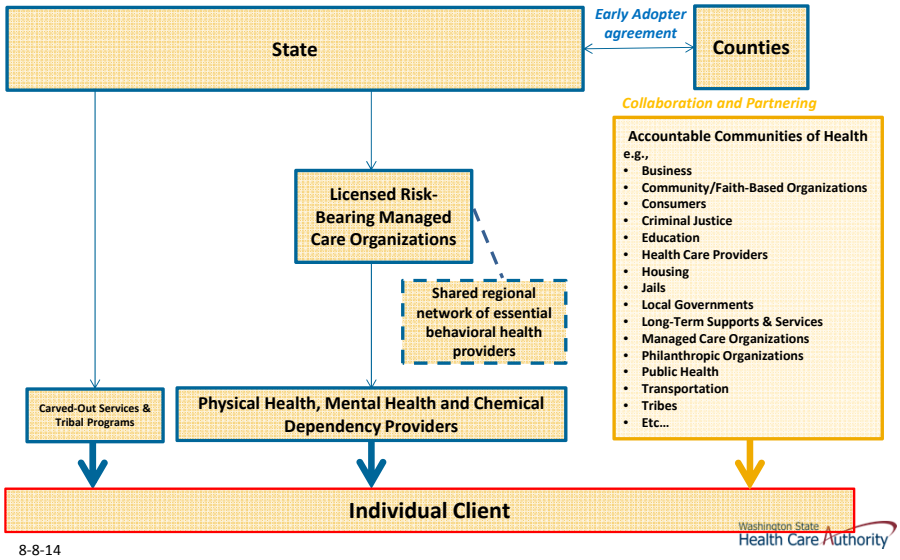

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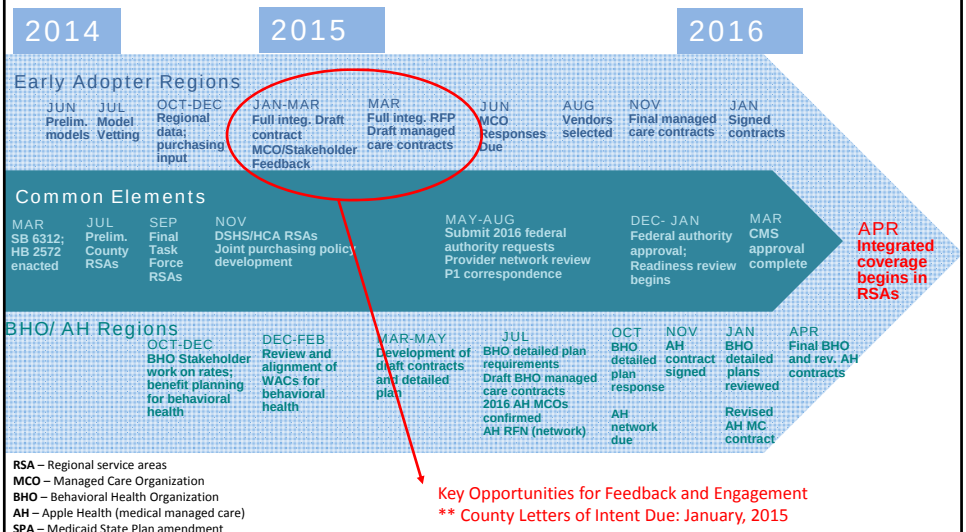
Medicaid Integration Timeline



RSA – Regional service areas
MCO – Managed Care Organization
BHO – Behavioral Health Organization
AH – Apple Health (medical managed care)
SPA – Medicaid State Plan amendment
CMS – Centers for Medicare and Medicaid Services
Early Adopter Regions: Fully integrated purchasing
BHO/AH Regions: Separate managed care arrangements for physical and behavioral health care

November 4, 2014

Key Opportunities for Feedback and Engagement
** County Letters of Intent Due: January, 2015

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For More Information

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