



State Health Care Innovation Plan Annual Status Report

Status Update: October 2018

Engrossed Second Substitute House Bill 2572; Chapter 223, Laws of 2014
January 1, 2019

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Legislative Reference

Healthier Washington, an initiative between the Health Care Authority, the Department of Health, and the Department of Social and Health Services, builds the capacity to move health care purchasing from volume to value, improve the health of state residents, and deliver coordinated whole-person care. These current efforts are a continuation of the State Health Care Innovation Plan (SHCIP).

The Innovation Plan gained strong support in the 2014 legislative session with bipartisan passage of E2SHB 2572 and 2SSB 6312, and funding to further develop Innovation Plan elements in anticipation of a second State Innovation Models (SIM) funding opportunity. The passage of these bills into law provided further support for Healthier Washington elements around quality and price transparency, community mobilization, clinical practice transformation support, and integrated purchasing of physical health, mental health, and substance abuse services on a regional basis. The five-year SHCIP created a framework for health system transformation that is far-reaching in its core strategies for achieving better health, better care, and lower costs for at least 80 percent of Washingtonians.

E2SHB 2572 stipulates that:

“By January 1, 2015, and January 1st of each year through January 1, 2019, the health care authority shall coordinate and submit a status report to the appropriate committees of the legislature regarding implementation of the innovation plan. The report must summarize any actions taken to implement the innovation plan, progress toward achieving the aims of the innovation plan, and anticipated future implementation efforts.”

This expedited report outlines Healthier Washington activities and results as of October 2018. We will provide a more comprehensive report of final deliverables, financial information, and evaluation results to the Legislature in July 2019.

Summary

E2SHB 2572 outlines mechanisms for the state to improve how it purchases health care, a foundational strategy of Healthier Washington. Building upon previous state efforts to accelerate better health and health care at lower cost, the federal Center for Medicare and Medicaid Innovation (CMMI) in 2013 awarded Washington state nearly \$1 million to develop a five-year SHCIP. Washington was one of three states in the nation to receive this SIM Pre-Testing Award. This was followed by the \$65 million federal award of a four-year Round Two Model Test grant, which concludes January 31, 2019. In 2017, the state reached agreement with the Centers for Medicare and Medicaid Services on a five-year Medicaid Transformation Project that will provide up to \$1.5 billion and will accelerate Healthier Washington’s aims. This 2019 annual status report summarizes progress toward achieving those aims and anticipated future efforts.



2018 Achievements

In 2018, Healthier Washington realized results in the final year of the four-year test under the federal grant, and entered the first implementation year of the Medicaid Transformation Project. Activities fulfilled requirements outlined in E2SHB 2572 and implementation of Healthier Washington efforts broadly. Progress on selected activities included:

- We made significant progress on integrated managed care in Washington, working to move five mid-adopter regions toward whole person care. This included successfully implementing integrated managed care in the North Central region (beginning January 1, 2018) and completing the statewide behavioral health administrative services organization procurement. We have also engaged with key regional stakeholders in the remaining mid-adopter regions, including conducting Knowledge Transfers (where knowledge is shared between participating entities) and preparing for a January 1, 2019 “go-live” of remaining regions: King, Greater Columbia, Spokane, and Pierce. Integration in the North Sound region is delayed until July 2019, and the three remaining on-time adopter regions will go live in 2020.
- We successfully integrated the Division of Behavioral Health and Recovery into HCA from the Department of Social and Health Services (DSHS), allowing us to further our efforts toward whole person care. HCA and DSHS have coordinated across agencies to take better care of Medicaid clients with behavioral health needs for many years. Now, all of the expertise, systems, and processes are within the same agency, creating an environment of increased administrative efficiency.
- We received letters of interest to engage in discussions on rural health transformation from over 40 rural hospital providers and payers. We have hosted four working sessions to develop a Rural Multi-Payer Model, and we have continued partnership discussions with CMMI on options for Medicare participation in an alternative payment model.
- As of September 2018, we have 26,765 Public Employees Benefits Board Program members enrolled in our Accountable Care Program (ACP). We expect to see enrollment increases during November 2018 open enrollment comparable to previous years. Preliminary clinical and financial outcomes of the ACP are favorable.
- Value-based purchasing (VBP) attainment for HCA is currently at 43 percent, calculated from 2017 data. In addition, we have completed our third iteration of the VBP survey. 2018 results show Managed Care Organization VBP attainment at 50 percent, Medicare VBP attainment at 64 percent, and non-Medicare commercial VBP attainment (i.e. individual, small group, and large group markets) at 56 percent.



- All nine Accountable Communities of Health¹ earned up to \$110 million in incentive funds for reaching milestones between January and June related to making progress on local Medicaid delivery system transformation efforts. These efforts include addressing the opioid crisis, clinical physical-behavioral health integration, care coordination and transition, and population health. These funds will be distributed among the Accountable Communities of Health by the end of 2018.
- In July 2018 we received CMS approval for an amendment to our Medicaid Transformation Waiver to better support Medicaid beneficiaries with substance use disorders. Washington State will now be able to maintain and expand access to inpatient and residential treatment, a critical component of addressing the opioid crisis.
- Since implementation in September 2017, the new benefit programs under Medicaid Transformation Initiative 2, Medicaid Alternative Care and Tailored Supports for Older Adults, have served over 2,300 individuals. Presumptive eligibility, a practice that allows access to services before applications have been fully processed, has been a critical element to the successful implementation, allowing needed access to services sooner. In addition, many caregivers do not self-identify as a caregiver or as someone who would benefit from and could access services and supports. Helping people identify as caregivers is a critical step in helping the more than 850,000 unpaid family caregivers in Washington. DSHS' Aging and Long-Term Support Administration is coordinating outreach efforts, including face-to-face encounters, as well as distributing marketing materials through newspaper ads, bus billboards, newspaper articles, radio ads, and social media.
- Foundational Community Supports (Medicaid Transformation Initiative 3) are new Medicaid benefits that went into effect January 2018. These benefits include supportive housing and employment services. The program helps people with the greatest social and health needs — such as people who have serious mental illnesses or are experiencing homelessness — find and keep a home and job. Foundational Community Supports is already serving 1,858 people across Washington. Over 77 percent of enrollees have a serious mental illness, and over 96 percent of enrollees have a mental health treatment need. We also created a video² that provides more information on this program.
- Healthier Washington advanced efforts surrounding clinical practice transformation to support providers in moving to integrated and value-based systems, aligned performance measurement, and advanced health care quality and price transparency. The Practice Transformation Support Hub, run by the Department of Health and Qualis Health, reported actively working with 133 practices in all nine ACH regions as of September 2018.

¹ More information on our Accountable Community of Health initiative can be found here: <https://www.hca.wa.gov/about-hca/healthier-washington/accountable-communities-health-ach>

² See the video at <https://www.youtube.com/watch?v=zUOPAPxUDA&feature=youtu.be>
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- Our Analytic, Research, and Measurement (ARM) team (formerly the AIM team), continued to support performance measures development for incentive payments to ACHs. The ARM team also provides ongoing support for ACH regions through data products, Healthier Washington Data Dashboard releases, and other ad hoc consultation and support. The ARM team successfully procured an evaluation consultant for the Medicaid Transformation Project, Oregon Health Sciences University, who released their first rapid-cycle evaluation report in October 2018.

Next Steps

Significant efforts are underway to achieve Healthier Washington aims. The state's efforts and resources over the years were critical in positioning Washington for successful implementation of the Innovation Plan. The \$65 million infusion of federal resources over four years, the five-year Medicaid Transformation Project of up to \$1.5 billion, and continued legislative consultation will ensure that Washington State remains a leader in health system transformation. We will continue working toward our goals of achieving healthier populations, better care, smarter spending, and satisfied providers.

But our work is not done. Continued efforts in value-based payment and care delivery continue as the state looks toward rural health system transformation and multi-agency efforts to enhance the wellbeing of Washingtonians. As stated above, this report outlines Healthier Washington activities and results as of October 2018. A more comprehensive report of final deliverables, financial information, and evaluation results will be delivered to the Legislature in July 2019.

