Health transformation update

Brief highlights on several transformation activities:

- Behavioral health integration
- Medicaid managed care organizations (MCOs)
- Medicaid Transformation Project extension application
- Other value-based purchasing (VBP) activities
Behavioral health integration

- Fully integrated Medicaid physical and behavioral health services statewide, as directed by SSB 6312.
  - Integration was phased in by region, with last region integrated January 1, 2020.
- Work continues to support behavioral health providers in their transition to managed care.
  - Final stages of the transition further challenged by COVID-19.
  - HCA staff continue to support regional provider meetings to help address issues/concerns.
Behavioral health integration continued

- Stabilizing the behavioral health provider network has had extra challenges due to COVID-19.
  - Implemented telehealth broadly – MCOs report considerable uptake.
  - To mitigate financial instability, MCOs targeted financial support and contracting flexibility to providers early in the pandemic.

- Next steps: further advance clinical integration and ensuring full continuum of services.
  - Whole-person care is the ultimate goal.
  - There is also a great opportunity to dive deeper into data/outcomes and network adequacy to make system improvements and advance VBP.
Medicaid managed care updates

Goal: ensuring value for our members, providers, and the state in achieving whole-person, equitable health care.

Managed care advantages:

- Plans are at risk.
- Federal regulations and actuarial rate-setting offer considerable oversight, including adequate network and actuarial sound rates.
- Medicaid expansion and behavioral health integration made considerably easier to implement.
- VBP easier to accomplish.
- Rates have been steady (per capita Medicaid spending in Washington State has stayed significantly under the national average).

Managed care is the mode of service delivery, not just in Washington, but in at least 38 other states.
Recent updates in managed care

- 2021 rates are low and steady: 1.9 percent overall
  - Pharmacy spread pricing prohibition reduces rates by ~$130M – results from important program integrity work
  - Other efficiencies reduces rates by ~$51M
Quality and customer satisfaction

- Using quality VBP to increase quality.
- Medicaid quality is consistent with national Medicaid and local comparisons with commercial insurance coverage (WA Health Alliance).

Client survey conducted by DSHS indicates increasing trend in client satisfaction, specific to access to care.

- 86 percent of clients said it was easy to get services through Apple Health.
- 90 percent said they were able to get Apple Health services as quickly as they needed.
- 93 percent felt the providers’ offices were open at times that were good for the client.
In 2017, Washington State received a five-year Section 1115 Medicaid demonstration waiver, to receive up to $1.5 billion in federal funding.

MTP initiatives at-a-glance:

1. Transformation through Accountable Communities of Health (ACHs) and Indian Health Care Providers (IHCPs)
2. Long-term Services and Supports (LTSS)
3. Foundational Community Supports (housing and employment supports)
4. Substance use disorder (SUD) IMD
5. Mental health IMD
MTP continued

We submitted an application to CMS for a one-year extension for the waiver to continue through December 2022 (and legislative budget package for spending authority).

The extension would create a sixth MTP year and continue all initiatives without significant program changes.

This extension would use federal funding:

- Access $260 million total federal and local money that would otherwise go unspent.
- For the one-year extension, we will not need General Fund-State dollars.
HCA’s vision is to achieve a healthier Washington by:

- Aligning all HCA programs according to a “One-HCA” purchasing philosophy.
- Holding plan partners and delivery system networks accountable for quality and value.
- Exercising significant oversight and quality assurance over its contracting partners and implementing corrective action as necessary.

2016 target: 20% VBP
2016 actual: 30% VBP
2017 target: 30% VBP
2017 actual: 43% VBP
2018 target: 50% VBP
2018 actual: 54% VBP
2019 target: 75% VBP
2019 actual: 59% VBP
2020 target: 85% VBP
2021 target: 90% VBP

Value-based purchasing
Questions?

Mich’l Needham,
chief policy officer
mich’l.needham@hca.wa.gov

MaryAnne Lindeblad,
Medicaid director
maryanne.lindeblad@hca.wa.gov