

Medicaid Transformation Project

Health Care Authority (HCA) purchases health care for 2 million Washington residents through the Apple Health (Medicaid) program. Through December 2021, Washington State will receive up to \$1.5 billion as part of a Section 1115 Medicaid demonstration waiver.

This waiver, called the Medicaid Transformation Project (MTP), is a five-year agreement with Centers for Medicare & Medicaid Services (CMS). Under this waiver, we can use federal funds for innovative projects, activities, and services that improve and transform Washington's health and wellness systems.

Goals

MTP is designed to improve the quality of care of people enrolled in Apple Health. Through our MTP work, we are:

- Focusing on whole-person care, where a person can access care for their mind, body, and substance use disorder (SUD) in one system through a network of providers. (This is also called integrated managed care.)
- Improving how we pay for services by moving from a fee-for-service approach to one that pays for health and value through [value-based purchasing](#).
- Building healthier communities with local and regional partners.
- Implementing projects focused on improving health equity.
- Supporting older adults and family caregivers.
- Helping our most vulnerable population get and keep stable housing and employment.
- Improving access to SUD treatment and treatment facilities.
- Improving access for mental health inpatient care and treatment options.

Although HCA is the lead agency for MTP, many agencies and other partners play a critical role. MTP operates in partnership with departments of Health and Social and Health Services, Accountable Communities of Health (ACHs), community-based organizations, tribal governments, managed care organizations, health care providers, and others.

MTP's initiatives

Together, we will accomplish this work through five specific initiatives:

Initiative 1: transformation through ACHs and Indian health care providers (IHCPs)

Within this initiative, ACHs and IHCPs are working to improve the health of the people in their communities and regions. They earn incentive payments for implementing projects that change how people access and receive health care and social supports. [Learn more about this work](#).

Initiative 2: long-term services and supports (LTSS)

This initiative supports Washington's aging population and family caregivers who provide care for their loved ones. LTSS is made up of two programs, Medicaid Alternative Care and Tailored Supports for Older Adults. Aging and Long-Term Support Administration of DSHS leads this initiative. [Learn more about this work](#).

Initiative 3: Foundational Community Supports (FCS)

This initiative provides supportive housing and supported employment services to our most vulnerable Medicaid beneficiaries. FCS services are designed to promote self-sufficiency and recovery by helping participants find and maintain stable housing and employment. [Learn more about this work](#).

Initiative 4: SUD IMD¹

This initiative allows Washington State to use federal funds to pay for people receiving SUD treatment in a mental health or SUD facility. [Learn more about this work.](#)

Initiative 5: mental health IMD²

This initiative allows Washington State to purchase inpatient services for Medicaid clients who reside in a dedicated large psychiatric facility that qualifies as an IMD. [Learn more about this work.](#)

Funding

MTP's activities are financially supported primarily through intergovernmental transfers and designated state health programs (DSHP) matched with federal funds. As part of the budget neutrality corrective action plan with CMS, HCA has proposed reductions in current DSHP funding and developed a separate financing mechanism through a Medicaid Quality Improvement Program to support MTP activities.

^{1&2} Institutions for mental diseases (IMDs) are large facilities dedicated to psychiatric care (more than 16 beds where more than 50 percent of the residents are admitted for psychiatric care).