

Washington State Innovation Model Project

Round 2 Model Test Awardee
End of Year Report
Period: February 1, 2017 to January 31, 2018

Submitted: May 3, 2018

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Introduction to Healthier Washington program investments

During this active implementation year, our focus included:

Supporting Accountable Communities of Health (ACHs)

We know the best way to improve health is by focusing our efforts in the places where people live, work, and play. The nine regional ACHs are a key driver of health systems transformation, bringing together public and private community partners to advance shared regional health goals and harness the collective impact of clinical delivery, community services, social services, and public health.

Building payment reform test models

Washington is testing four payment redesign models as part of our vision for achieving better health and higher value through innovative strategies for payment, benefits, and financing. We aim to move 80 percent of state-financed health care and 50 percent of the commercial market from volume to value by 2019. Preparing and launching the four test models has required intensive community and market partnering, along with a willingness to move beyond traditional arrangements.

Shaping the Practice Transformation Support Hub

The Practice Transformation Support Hub (the Hub) supports primary and behavioral health providers as they integrate care, adopt value-based payment systems, and link with community-based services to strengthen whole-person care and move to value-based payment.

Creating a Plan for Improving Population Health

The Plan for Improving Population Health (P4IPH) moves our state's Prevention Framework forward. Evidence, assessments, and community partnership will lead to implementable strategies to hardwire prevention activities into the ongoing operation of the health and health care system, at the community, regional, and state levels.

Exploring ways to strengthen workforce capacity

Healthier Washington aims to ensure that our health and wellness system has the right workers delivering the right services in the right places, making use of innovative strategies and technologies to provide access and quality. We recognize that a transformed system that seeks to provide whole-person care also needs a transformed workforce in order to do so effectively.

Investing in data analytics and visualization

The Analytics, Interoperability and Measurement (AIM) portion of Healthier Washington will help our state build capacity to translate, analyze, and visualize data from multiple sectors. The capacity developed will provide a foundation for moving to a transformed system that supports value-based purchasing and payment, quality measurement, and whole-person care.

Maintaining a strong, collaborative governance structure

Healthier Washington is, by design, a collaborative effort that involves an array of multi-sector partners at the state, regional, and community levels. The Healthier Washington initiative includes a strong governance structure that facilitates collaborative engagement and transparent communication across state agencies and geographic areas.

Looking ahead

Moving into Award Year 4 (AY4), Washington's transformation efforts will focus on transition to operations of select SIM investments, transparent reflection on successes and challenges achieved during the SIM period, and the refinement of strategies to sustain and support a transformed health and wellness system in 2019 and beyond.

Overview

Washington would like to thank the Center for Medicare and Medicaid Innovation (CMMI) for the investments made in our state through the State Innovation Models (SIM) program. While health systems transformation work in Washington pre-dates SIM, the resources provided through this grant opportunity have allowed for transformation to accelerate more quickly and effectively than if the SIM resources were not available.

This annual report is a summary of Award Year 3: February 1, 2017 through January 31, 2018. This was a busy year for the implementation and adoption of our strategies through multiple channels. Here you will find evidence of the evolution of ACHs, major infrastructure investments in our AIM projects, full implementation of the Practice Transformation Support Hub, and the advancement of four innovative payment model tests. We encountered and dealt with both successes and challenges, which we will also discuss here.

On December 1, 2017, the Washington State Health Care Authority (HCA) submitted the Healthier Washington AY4 Operational Plan to CMMI. This submission fulfilled the state's annual obligation to detail plans for final year investments under the SIM grant.

Because of our targeted planning and program design, our AY3 accomplishments were many and broad:

- All nine Accountable Communities of Health (ACHs) made progress toward greater maturity and functioning.
- Payment Model 1 (Integrated Managed Care) moved into its “mid-adopter” phase by implementing Integrated Managed Care in the North Central region on January 1, 2018, as well as working with five new regions and two transitional counties to implement integrated physical and behavioral health care by January 2019.
- Payment Model 2 implemented Alternative Payment Methodology 4 (APM4) operations and evolved its critical access hospital work into a more holistic rural multi-payer strategy.
- Payment Model 3 (the Accountable Care Program) increased membership through a successful open enrollment period. We also evaluated opportunities to expand the ACP into additional counties, expansion we will continue to explore in Award Year 4.
- Payment Model 4 finalized contractual agreements with two networks and began transmitting data.
- The Hub refined support resources and deployed them statewide to support small practices in moving to value-based payment and whole person care.
- Washington State refined the certification process for patient decision aids (PDAs) and certified several new PDAs.
- While not a SIM investment, Washington began design and implementation of Medicaid Transformation, our 1115 waiver that builds upon and accelerates the foundations of SIM.

Washington SIM accomplishments, milestones, and measurable outcomes – AY3

Community empowerment and accountability

Accountable Communities of Health

ACHs are an integral function in the transformation of our health system in Washington state. They are conveners, with tables for both traditional and non-traditional health system players to move toward the Triple Aim at a regional level. In AY3, ACHs were focused on the work of becoming legal entities, convening and engaging multi-sector partners and building relationships, solidifying their vision for whole population health, and focusing on necessary rapid-cycle evaluation activities. While ACHs are not service delivery entities, they continued to think about their role in value-based purchasing through innovative financing and incentive levers, and their role in the community supporting whole person health.

State activities

- In the fourth quarter, the Center for Community Health and Evaluation (CCHE) conducted its annual ACH member survey which provides feedback on ACH functioning. Almost 70 percent of respondents rated their overall satisfaction as “satisfied” or “very satisfied.”
- Washington continued to convene and engage multi-sector partners and diverse perspectives, focusing on ACH organizational development and capacity growth, including staff and leadership development, and continued evolution of governance and decision-making structures.
- The ACH Communications Council made a first step toward a major milestone: pursuing the adoption of a shared strategic communications plan across all nine ACHs. This plan serves as an accompaniment to individual ACH communication strategies in order to support holistic and aligned communications among ACHs.
- The Quarter 4 ACH Convening took place in January 2018. The focus included ACH collaboration on care integration and transformation, contracting and provider payment, shared assessment approaches, and managing provider contracts and performance under the Transformation.
- Medicaid Transformation’s Year 2 (DY2) started January 1, 2018. Medicaid Transformation relies heavily on the foundational ACH structures that were developed and implemented through SIM.

Plan for Improving Population Health

The Department of Health has continued to support the [Population Health Planning Guide \(Guide\)](#) to help partners throughout the health and wellness system successfully apply a population health approach to health issues in their communities. The Guide is no longer funded through SIM and is still an important resource for system partners.

In AY3, Healthier Washington partnered with CCHE to assess our current population health approaches and needs, and create an implementable work plan to ensure the appropriate strategies are hard-wired at the regional level. The assessment and work plan were developed in the fall of 2017, to be implemented in ACH regions in 2018.

Practice transformation

Practice Transformation Support Hub

In AY3, our Hub strategic partner, Qualis Health, continued to exceed expectations related to practice transformation outreach. The team at Qualis, seasoned practice transformation experts with established relationships, achieved broad penetration in AY3, providing tools, training, and resources for provider readiness in whole person care and value-based payment transitions.

Usage statistics have shown widespread access of the Practice Transformation Hub Portal, a website with curated practice transformation resources to support providers in moving to value-based payment and integrating physical and behavioral health care. We launched a third update of the Portal on February 8, 2017.

State activities

- Washington worked with Qualis Health to provide intensive coaching and practice transformation support to 129 primary care and behavioral health practices across the nine ACH regions.
- We held a successful “VBP Academy” event in October 2017 tailored to the needs of behavioral health agencies, put on by the Washington Council on Behavioral Health, the National Council on Behavioral Health, the Hub, and HCA. Twenty behavioral health agencies were selected from 58 applicants to participate in this learning academy, supported by expert faculty from the National Council.
- The Hub team finalized the CMMI Practice Transformation Alignment Plan through dialogue with the Practice Transformation Consortium and other practice transformation initiatives in July 2017. We submitted the final plan to CMMI on July 31, 2017, which has led to effective alignment of federal resources in support of practice transformation.
- The Hub extended the work done by Qualis and their affiliate Outlook Associates to build a toolkit and webinar series for behavioral health agencies moving into a managed care environment.

- The Hub hosted several learning series cohorts, led by expert faculty from the UW AIMS Center. One cohort was reserved for group learning among peer tribal clinics from across the state.
- The Hub launched version 2 of the Resource Portal where the many coaching tools and fact sheets developed by Hub coaches are housed. The Portal now also supports collaborative efforts through the My Portal functionality.

Shared Decision Making

Washington was the first state in the nation to launch a process to certify patient decision aids (PDAs). We have continued this trailblazing with great effectiveness in AY3, certifying PDAs for maternity care, orthopedic care, and end-of-life care.

Healthier Washington's Shared Decision Making efforts are focused on the development of the certification process and the certifying of PDAs, training and education for providers on the use of PDAs in clinical care delivery, and defining and implementing sustainability strategies for the state certification process.

State Activities

- In alignment with recommendations from the Bree Collaborative, orthopedic decision aids, specifically related to total joint and knee replacement, were reviewed and certified. We also reviewed and certified PDAs for end-of-life care decisions.
- Language was added to the Accountable Care Program (Payment Model 3) provider network contracts for the use of PDAs. It requires networks to incorporate Shared Decision Making with the use of PDAs into a quality project that focuses on improvements.
- In Quarter 3, we held trainings for review panelists on the PDA certification process. Training was delivered by an expert from the University of Ottawa and chair of the International Patient Decision Aids Standards Collaboration.

Workforce

The Health Workforce Sentinel Network [dashboard](#) is a public information network linking the health care sector with partners in education, training, policy makers, and workforce planners to collectively identify and respond to new and changing demand for health care workers, including changes in skills and roles. The findings are presented in a format that allows individual users to create their own analysis by facility or occupation type with accessible comparison data to support analysis of how the user's workforce issues compare to others in similar facilities, settings, or occupations across the state or within an ACH region.

SIM supported continued data collection and analysis for the dashboard through the end of AY3, with plans to sunset this support for a sustainable alternative in 2018.

Payment redesign

Payment Model 1: Integrated Physical and Behavioral Health Care

Payment Model 1: Integrated Managed Care (IMC) is the investment that facilitates the financial integration of physical and behavioral health across all of Washington by January 1, 2020. This means that for Medicaid clients, a single managed care plan will be accountable for the client's full array of physical and behavioral health services.

In AY3, we received binding letters of intent (LOIs) from the North Central region (Grant, Douglas, and Chelan counties) to become a mid-adopter of Integrated Managed Care and implement by January 1, 2018. By October 18, 2017, five additional regions submitted letters of intent to become mid-adopters and implement by January 1, 2019: Pierce County, King County, Greater Columbia, North Sound, and Spokane. We also received LOIs from two transitional counties, Klickitat County and Okanogan County, to become mid-adopters and implement by January 1, 2019. All of this activity required thoughtful and deliberate planning and execution of the conversion process toward integrated managed care. HCA and the ACHs worked collaboratively with each region to provide guidance on the IMC process while addressing questions and concerns.

We spent a significant amount of time in AY3 preparing the North Central region for IMC. Major activities we conducted include:

- Completing procurements for managed care organizations (MCOs) and the Behavioral Health-Administrative Service Organization (BH-ASO) to implement IMC.
- Conducting knowledge transfers to educate MCOs and the BH-ASO on behavioral health programs and services.
- Working with stakeholders through a number of workgroups to address communication needs, support Early Warning System implementation, support rate-setting, and work with providers on readiness.
- Conducting readiness reviews to verify that the MCOs and BH-ASO were prepared for go-live.
- Teaming up with DOH and the Practice Transformation Support Hub to assess the North Central behavioral health agencies' (BHAs) readiness to operate in a managed care environment.
- Contracting with a consultant to provide billing and IT technical assistance and project management services to these BHAs.
- Managing challenges around navigating the system for specific client groups, including individuals residing in zip codes that cross county lines/regional service areas, individuals with protected addresses, clients that identify as American Indian or Alaska Native, Behavioral Health Services Only clients, and children in foster care or adoption support.

In AY3, we also added four new performance measures to the IMC contracts:

- Mental health treatment penetration
- Substance use disorder treatment penetration
- Substance use disorder treatment initiation and engagement (Washington Circle version)
- Thirty (30) day psychiatric inpatient readmissions

In addition to our work with the mid-adopter regions, we continued to collaboratively engage and work with the Southwest WA region, (the “early-adopter” region), to monitor how IMC was going, gather feedback on successes and lessons learned, and execute contracts with Clark and Skamania counties to distribute the early-adopter shared savings incentive payments.

Payment model 2: Encounter-based to Value-based

Changes to payment methodology for Federally Qualified Health Centers and Rural Health Clinics

This track of Payment Model 2 aims to transform the way reimbursement is provided to Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) by moving away from incentives that drive volume. Through a new Alternative Payment Methodology (APM4), small and rural providers can be supported in providing better care through innovative delivery arrangements.

Stakeholders were engaged in a series of intensive working sessions between January and April of 2017, resulting in mid-year implementation of the final agreed upon model.

On July 1, 2017, 16 clinics began using a new alternative payment methodology (APM4) for Medicaid managed care enrollees that provides additional flexibility in delivering primary care services, expands primary care capacity, and creates financial incentives for improved health care outcomes while still meeting federal requirements.

Rural Multi-Payer Model

Between January and June 2017, Payment Model 2 worked collaboratively with the Washington Rural Health Access Preservation (WRHAP) group, the Washington State Hospital Association (WSHA), and partnering state agencies to explore new models of payment and delivery that help build sustainability and support some of Washington’s smallest rural providers in the transition to value-based payment. During this period, WRHAP hospitals successfully lobbied and passed SHB 1520 during the 2017 legislative session. While the proposal passed by the legislature seeks to align with a ‘value-based alternative payment model’, additional work remains in order to meet CMS definitions. We continue to explore options with the WHRAP members and are in discussions with CMS on an amendment to allow implementation of SHB 1520 provisions.

The Rural Multi-Payer Model is an exploratory opportunity that seeks to transform health care in Washington’s rural regions to ensure care focuses on whole-person health, build healthier communities through regional and collaborative approaches, and

ensure sustainable access to health care in rural areas. By leading with the way providers are paid and aligning with incentives to transform the delivery system, Washington can build sustainable solutions for payers and providers that increase health access across rural communities.

State activities

- Between January and June 2017, Washington engaged the WRHAP group and other stakeholders to discuss the rural multi-payer approach.
- Between July and December 2017, we began early Rural Multi-Payer Model development. This early work included:
 - Preliminary modeling and early Medicaid data analysis.
 - Broad stakeholder engagement with payers and providers.

Payment Model 3: Accountable Care Program and Multi-Purchaser

Washington is working with the University of Washington Accountable Care Network and the Puget Sound High Value Network to test a new accountable delivery and payment model, known as the Accountable Care Program (ACP). The ACP provides “best in class” patient service and experience and access to high-quality and timely service at a lower cost.

Each network under the ACP delivers integrated physical, mental health, and substance use disorder services, and assumes financial and clinical accountability for a defined population of Public Employee Benefit (PEB) program members. ACP networks are reimbursed based on their ability to deliver quality care and keep enrollees healthy.

State activities

- We had a successful open enrollment in November, increasing membership in each ACP network. At the start of the new plan year in January 2018, there were 8,545 members enrolled in Puget Sound High Value Network (PSHVN) and 17,172 members enrolled in UW-ACN, for 25,715 members enrolled total.
- HCA engaged additional purchasers, payers, and providers through a variety of activities, notably the Healthier Washington Symposium and Purchaser Conference held in October 2017.
- The value-based purchasing team, along with heavy lifting from many other teams, finalized and published the Value-Based Purchasing Roadmap and Employee and Retiree Benefits (ERB) Appendix.
- The value-based purchasing team kicked off their public webinar series with a webinar on 1/31 detailing the VBP Roadmap and VBP Survey results.
- The value-based purchasing team published a two-page guide on how employers can use the Common Measure Set to inform their purchasing, which was approved by HCA’s Chief Medical Officer and shared at the Purchaser Conference.
- We built expectations into our third party administrator (TPA) contracts for them to offer a similar ACP model in their other lines of business by 2020.

Payment Model 4: Greater Washington Multi-Payer

Model 4 tests the theory that providers need new and expanded sets of patient-level data in order to take on financial and clinical accountability, improve care coordination practices, and better manage population health. Our goal is to increase the adoption of value-based payment arrangements among participating providers and payers by increasing providers' access to patient data across multiple payers and by aligning quality measures used to assess provider performance. We have executed contracts with two provider groups, Northwest Physicians Network (NPN) and Summit Pacific Medical Center (Summit), who will respectively lead an urban and a rural demonstration of the model.

State activities

- NPN and Summit provided progress reports in the form of annual reports to HCA in January 2018.
- NPN and Summit submitted annual work plans to HCA in January 2018.
- HCA facilitated onboarding two additional Managed Care Organizations to the process.
- HCA provided PGP-encryption technical assistance to an MCO who had struggled to do so.
- HCA began preparing for NPN's shift in approach to their data aggregation solution (a new solution to be implemented in AY4).

Analytics, Interoperability and Measurement (AIM)

The Analytics, Interoperability and Measurement team is dedicated to strengthening analytics, interoperability, and measurement capability in support of Healthier Washington. AIM tools and products support grant evaluation and provide valuable input to the SIM investment areas requiring advanced analytics to perform and achieve health systems transformation.

Major investments in Award Year 3 supported the following:

Data and analytic visualization using Tableau: Tableau is a business intelligence (BI) tool that enables the creation of accessible and visually appealing reports, charts, graphs, and dashboards, accessible via multiple platforms including a web interface.

- In AY3, investment included support for the tool as well as staff training and development to build internal capacity. The first AIM dashboard was a new "Medicaid Explorer" visualizing data about the Washington Medicaid population, published in November 2017.
- In AY3, SIM funding also supported the procurement of Tableau Enterprise Server for the Department of Health and continued enhancing the Behavioral Risk Factor Surveillance System (BRFSS) survey for Washington.

Master data management platform: Master data management (MDM) is comprised of processes, governance, policies, standards, and tools that define and manage critical data and serve as a single point of reference. Effective MDM is a prerequisite for a well-constructed and usable data warehouse.

State activities

- We continued our investment with a vendor to produce the Healthier Washington Data Dashboard. In AY3, there were three dashboard releases, with each new release adding additional population-based measures.
- The AIM team launched phase one of its data governance approach aligning with the agency's anticipated data governance program. All ACHs successfully received and downloaded the first of many planned data products transmitted under AIM and HCA's data governance processes. Maturity in data governance is one of the largest accomplishments of the AIM team in AY3.
- AIM and the Health Information Technology (HIT) team collaborated on a HIT Operational Roadmap in AY3, bringing additional stakeholders at a September 2017 planning summit. These key partners included providers, jails, and the Office of the National Coordinator (ONC). The outcome of that session was development of a detailed HIE/HIT Operations Plan, which is being implemented in AY4.
- A project was initiated and completed to review and make recommendations about identifying health information exchange models that are compliant with

confidentiality restrictions of substance use disorder treatment record under 42 CFR Part 2.

- SIM invested in the provisioning of a SAS server to create an analytic environment in the cloud. This investment filled a major gap in tools and technology for AIM analysts.

Performance Measures

- In December, the Performance Measures Coordinating Committee (PMCC) added several measures to the Washington Statewide Common Measure Set. These include:
 - Adult Obesity
 - Youth Obesity
 - Prenatal Care
 - Patient Experience with Primary Care: How Well Providers Use Information to Coordinate Patient Care
 - New Opioid Patient Days Supply of First Opioid Prescription
 - New Opioid patients Transitioning to Chronic Opioids
 - Patients Prescribed High-Dose Chronic Opioid Therapy
- In December, the third public reporting [results](#) for the Statewide Common Measure Set were released.
- The Office of Financial Management provided a demo of the All-Payer Claims Database (ACPD), which will go live in AY4. This database has two sections: public-facing, which provides price information for consumers based on the common measure set; and a private section, which provides data and analytics capabilities for tracking and performance measurement.

Evaluation

- During the fourth quarter of award year three (AY3Q4), the University of Washington (UW) State Innovation Model (SIM) Evaluation Team concentrated on analyzing Round 1 Key Informant Interviews (KIIs) and preparing for Round 2. This work included preparing abstracts and posters for AcademyHealth Conferences, working with evaluation partners to get the data we need and better understand the data we have, and planning for AY4 analyses and final reporting.
- The UW team prepared their last Hub Quarterly Rapid Cycle Improvement report. For the remainder of the study, the Hub will provide updates similar to those provided by the Payment Models and Overall SIM. This will allow the team to ensure that key evaluation questions are addressed systematically.
- CCHE analyzed and distributed the AY3 ACH member survey, both in aggregate and by individual ACHs, to identify areas of strength and opportunities for growth in five domains of ACH development (membership, governance, mission, backbone functions, and community engagement) as well as ACH member satisfaction and perceived regional impact.
- The DSHS Research Data and Analysis (RDA) team constructed, maintained, and continues to enhance a Medicaid claims evaluation database. RDA also delivered a plan for the evaluation of Model 1 and assisted with analysis of Critical Access Hospitals, part of Model 2. RDA supplied the updated PM2 data file for 2014-2016 to the UW SIM Evaluation Team.
- The UW SIM Evaluation Team evolved its modeling to gauge the impact of Healthier Washington on the following basic proof statements:
 - What is the effect of SIM on population health and health equity across population groups in Washington?
 - What is the effect of the SIM on quality of care in Washington State, particularly for those persons living with physical and behavioral health comorbidities?
 - What is the effect of SIM on the annual growth of health care costs per capita in Washington State?

Communications and Engagement

Communications and engagement are core strategies to advance Healthier Washington's investment areas, allowing Healthier Washington to communicate with the public about its activities and accomplishments.

Communications and engagement help ensure visibility, garner support, and promote statewide understanding of Healthier Washington's efforts, goals, progress, milestones, and calls to action. Communication and engagement also ensure that we are viewed as valued partners and leaders in health systems transformation, as well as a source of information about specific health transformation efforts currently underway through the Federal award.

Many projects have highlighted the communication, stakeholdering, and cross-initiative planning work being conducted, and have been working with the Healthier Washington Communications Team to develop a wide range of materials and presentations. Some of the priority work in AY 3 included:

- Stood up the ACH Communications Council, a monthly call among Communications leads at HCA, DOH, DSHS, and all nine ACHs, to foster shared learning, coordination, and alignment of messages. This group co-created and adopted a shared set of communications guidelines.
- Developed a comprehensive Voices of a Healthier Washington Story Bank library, including collateral materials so that each story has an accompanying video, one-page handout and PowerPoint slide. Additionally, we created the Voices of a Healthier Washington Messaging Guide, a document for executive leadership and ACHs to reference and talk about the Story Bank stories.
- Revised the Purchaser Toolkit, a resource for health care purchasing decision makers who are interested in value-based arrangements. The revisions focused on tailoring the toolkit to human resource and benefit managers, making it more visually appealing and easier for the reader to take away key points.
- Conducted a comprehensive engagement campaign to encourage regions to become "mid-adopters" of integrated physical and behavioral health care, resulting in five regions signing letters of intent to become mid-adopters.
- Developed several new videos that explain Healthier Washington investment areas, including Shared Decision Making, "What is Value?" from a provider perspective, and "The Right Care at the Right Time," which explores value-based care in rural settings.
- Hosted the Healthier Washington Symposium and Purchaser Conference: a two-day learning collaborative that focused on value-based purchasing and care delivery strategies.
- Worked with stakeholder partner State of Reform to develop a "deep dive" session on the role of Accountable Communities of Health in value-based care and payment. Targeted audience members were commercial payers, providers, and community groups. The meeting was well received, and a post-session survey showed an average rating of 4.5 out of 5.

Summary of implementation challenges, barriers, or delays in the previous test year

Accountable Communities of Health

As ACHs have grown into a more evolved state of functioning within their respective communities, they have continued to grapple with sustainability considerations, including what their enduring role will be. Continuing to strategize and refine in this area will be a key goal for AY4, in collaboration with CCHE. Specific questions include:

- How will we continue growing HCA's role as a partner with ACHs in this work?
- How will we support ACHs in continuing to define and evolve their enduring function within the health system?
- How will we navigate the changing dynamics and relationships among and across the statewide ACH cohort, recognizing the need for regional variation?
- How will we continue to support ACH collaboration on key statewide issues?

Practice transformation

The Hub faced challenges this year around finding people with the skills to perform both coach and connector roles. There were also challenges of variation in uptake of Hub services across the state, due to provider experience and readiness. The Hub Portal also worked hard to respond to emerging needs from practices learning how to use a new tool.

Coach/Connectors also detailed the barriers to success in their role, including limitations to practice quality monitoring and performance measurement capacity, limited time and resources available to practices and community partners, limited provider buy-in, uncertain public policy and reimbursement landscape, health care provider shortages in rural regions, and travel time and logistics.

Accountable Care Program

Given the challenges associated with expansion, in Q3, PSHVN informed the Health Care Authority that it does not plan to expand in 2018, and likely will not expand in 2019. As of Quarter 4, UW-ACN has confirmed it will also not expand in 2018, but will explore expansion in 2019. Staff have noted that internal data governance processes have posed a challenge to the expansion of UW-ACN by constraining the availability of data to support the network in its negotiations.

Rural Multi-Payer Model

A challenge was posed to the rural multi-payer work through the Legislature's passage of HB1520. The proposal as outlined in legislation requires additional review in order to meet guiding principles as outlined by CMMI. HCA is continuing to review options with the WHRAP group while meeting implementation requirements as outlined in legislation. It is HCA's intention to identify transition pathways that align with broader rural multi-payer efforts and current negotiations with CMMI.

Summary of how the cooperative agreement funds were used

- The chart below combines Award Years 1, 2, and 3						
- Award Year 1 is fully spent at \$19,084,546						
- Award Year 2 is fully spent at \$13,463,310						
- Award Year 3 is underspent by \$2,651,293. We are preparing a Carryover Request to CMMI for this amount, and are pursuing approval to continue spending Award Year 3 funds during Award Year 4						
- We are preparing an Award Year 3 Budget Amendment (in conjunction with the Carryover Request) to correct overspending and move the majority of unspent funds to Consultant/Contracting						
Investment Area	Award Year 1 Budget	Award Year 2 Budget	Award Year 3 Budget	Total Budget	Total Expenditures	Award Year 3 Carryover
Community Empowerment and Accountability	3,289,338	3,670,797	3,086,581	10,046,716	9,962,534	206,550
Practice Transformation	1,212,663	2,959,770	4,443,212	8,615,645	9,130,693	(66,104)
Payment Redesign	2,454,881	1,530,071	4,939,973	8,924,925	7,395,023	1,263,202
Analytics, Interoperability and Measurement (AIM)	9,466,716	2,643,752	7,188,113	19,298,581	17,241,552	1,026,226
Project Management	2,660,948	2,658,920	2,730,152	8,050,020	8,554,793	221,420
TOTAL	19,084,546	13,463,310	22,388,031	54,935,887	52,284,594	2,651,293
Budget Category	Award Year 1 Budget	Award Year 2 Budget	Award Year 3 Budget	Total Budget	Total Expenditures	Award Year 3 Carryover
A. Personnel	2,858,745	2,681,211	3,439,537	8,979,493	8,548,144	483,716
B. Fringe Benefits	857,623	861,279	1,101,861	2,820,763	2,788,840	45,628
C. Travel	70,429	51,159	104,750	226,338	145,275	52,422
D. Equipment	-	-	-	-	-	-
E. Supplies	157,861	18,000	66,902	242,763	253,935	121
F. Consultant / Contracting	9,995,302	6,256,595	15,315,682	31,567,579	29,130,092	2,005,971
G. Construction	-	-	-	-	-	-
H. Other	5,061,112	3,562,936	2,195,311	10,819,359	11,130,893	65,366
TOTAL Direct	19,001,072	13,431,180	22,224,043	54,656,295	51,997,179	2,653,224
Indirect	83,474	32,130	163,988	279,592	287,415	(1,931)
TOTAL	19,084,546	13,463,310	22,388,031	54,935,887	52,284,594	2,651,293

The way forward: a vision for acceleration and sustainability at all levels

Health Innovation Leadership Network

In the public and private sectors, the Health Innovation Leadership Network is a critical success factor in the spread, scale and sustainability of the Healthier Washington strategies. The five accelerator committees focused on clinical engagement, rural health innovation, collective responsibility, equity, and physical-behavioral integration worked hard throughout the year to determine problem statements and action pathways for effective public-private partnership and solution-focused leadership, laying the groundwork for continued engagement in Award Year 4.

Sustainability Strategies

Ultimately, we are thinking of the sustainability of Healthier Washington as the sustaining of health systems transformation, and less about the sustaining of individual Healthier Washington projects. For this reason, holistic sustainability, relying on value-based purchasing strategies, strategic partnership opportunities, and innovative financing will drive us to the transformed system we seek. In addition, a sustainability strategy workgroup has been convened to develop and refine a path forward beyond the life of the SIM grant. CMMI has made clear that a focused sustainability plan must be devised early to build toward later sustainability, and has focused deliverables to support this work in Award Year 4.

At a Healthier Washington Summit in July 2017, the discussion was designed to confront the critical success factors for sustainability, calling on each of our agencies to highlight their core competencies and roles in sustaining health systems transformation. These competencies will be critical foundations for continued work in this area. We look forward to delivering on our sustainability commitments in AY4.