

[illegible]

**Table 2. Washington**      **'s Evaluation for WA\_Fee\_BHO4**

| <b>Prompt</b>                                                                                                                                              | <b>Response</b>                                                                                                                                                                                                                                                                                                                                                                                                |
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| <b>Evaluation metrics</b>                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                |
| Please share the data source(s) and year(s) of data used to calculate the evaluation metrics.                                                              | The evaluation metrics are calculated using validated claims data from providers participating in the directed payment. The data source is the Medicaid claims system, and results are based on a three-calendar-year trend using the most recent complete years of data                                                                                                                                       |
| Please confirm that the data used to calculate the evaluation metrics was limited to Medicaid managed care enrollees.                                      | Yes                                                                                                                                                                                                                                                                                                                                                                                                            |
| Please confirm that the data used to calculate the evaluation metrics was limited to providers participating in the payment arrangement.                   | Yes, the MY 2026 evaluation plan has been updated to use data limited to participating providers, which resulted in changes to the baselines and targets from the initial submission                                                                                                                                                                                                                           |
| <b>Evaluation methodology</b>                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                |
| Please identify the entity conducting the evaluation.                                                                                                      | Washington Health Care Authority, the state's medicaid agency, with RN                                                                                                                                                                                                                                                      |
| Please describe the analytic methods used to understand the impact of the payment arrangement. For example, comparison groups, pre-post study design, etc. | Because this is the first year of the directed payment, a three-year trend of the most recent available data was used to establish baselines and targets. In subsequent years, analytic methods will include a pre/post trend analysis to assess performance relative to the established baseline, supplemented by comparisons to statewide rates to provide additional context for evaluating impact          |
| Please share any limitations of the state's evaluation plan.                                                                                               | A key limitation in evaluating the impact of the directed payment is the difficulty in isolating its specific effects from other influences on provider performance. Because the evaluation relies on a pre/post trend analysis and comparisons to statewide performance, results may reflect factors beyond the payment  |

| Prompt                                                                                                                                | Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <i>Findings</i>                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Please share the state's assessment of the impact of this payment arrangement.                                                        | <p>The directed payment went into effect on 01/01/2025, so its impact has not yet been assessed. In updating baselines and targets based on the performance of only participating providers, the state reviewed three years of recent data to understand historical trends. This review also informed slight updates to the evaluation measures: the PCR measure was shifted from the O/E ratio to the total observed rate due to challenges with data accuracy and risk adjustment for the SMI population, and the FUH measure was changed from the 30-day to the 7-day follow-up to better reflect the intensity of PACT services and target areas with greater potential for improvement.</p> |
| Please share any relevant context (e.g., changes to the managed care program) that may have impacted the evaluation results           | N/A – This directed payment went into effect on 01/01/2025, so impacts have not yet been evaluated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| For all evaluation metrics that did not improve over baseline, please share any plans the state has to address declining performance. | N/A – This directed payment went into effect on 01/01/2025, so impacts have not yet been evaluated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |