Vision for a Healthier Washington
Washington’s vision for creating healthier communities and a more sustainable health care system by:
Washington’s vision for creating healthier communities and a more sustainable health care system by:

Building healthier communities through a collaborative regional approach

Better Health, Better Care, Lower Costs
Washington State’s vision for creating healthier communities and a more sustainable health care system by:

- Ensuring health care focuses on the whole person
- Building healthier communities through a collaborative regional approach

Better Health, Better Care, Lower Costs
Better Health, Better Care, Lower Costs

Washington’s vision for creating healthier communities and a more sustainable health care system by:

1. Improving how we pay for services
2. Ensuring health care focuses on the whole person
3. Building healthier communities through a collaborative regional approach
4. Improving how we pay for services
Healthier Washington recognizes that health is more than health care.

Adapted from: Magnan et al. (2010). Achieving Accountability for Health and Health Care: A White Paper, State Quality Improvement Institute, Minnesota.

Better Health, Better Care, Lower Costs
Better Health, Better Care, Lower Costs

What is the ultimate goal?

Healthier Washington

What results can we expect?

- Integrate behavioral and physical health services
- Build Accountable Communities of Health (ACHs)
- Support clinical practice transformation
- Healthier people and communities Multi-sector, linked services achieve better health.
- Quality health care at the right place and time Care focuses on the whole person.
- Lower costs with better health Payments reward quality, not volume.
- Develop value-based payment strategies
- Consistently measure performance to improve quality and lower costs
- Promote people’s involvement in their health decisions

Better Health, Better Care, Lower Costs
Aligned Investments for an Integrated, Whole-Person Approach in SWWA

**SWWA RHA (ACH)**
- Coordination and convening
- Mapping regional needs and assets
- Person-centered health improvement coordination and planning

**Integration (FIMC/EA)**
- Integrated financing and delivery health systems
- Physical, mental, and chemical dependency services

**Practice Transformation**
- Clinical-community linkages
- Support of integrated care
- Value-based purchasing

Better Health, Better Care, Lower Costs
Healthier Washington is more than the State Innovation Models (SIM) grant…

2014 Legislation:
- House Bill 2572
- Senate Bill 6312

SIM Grant:
$65 million over 4 years from the federal government

Better Health, Better Care, Lower Costs
Healthier Washington is more than the State Innovation Models (SIM) grant...

2014 Legislation:
• House Bill 2572
• Senate Bill 6312

SIM Grant:
$65 million over 4 years from the federal government

Medicaid Transformation
Potential demonstration project within Medicaid
All of these initiatives move us toward a Healthier Washington

1. ACHs designated
2. SIM evaluation complete
3. Fully integrated managed care in SW WA; BHOs in other regions
4. Fully integrated managed care health systems statewide
5. Proposed waiver approval; transformation demonstration start-up
6. Transformation investments begin
7. Medicaid transformation evaluation demonstration complete
Implementation Update: Fully Integrated Managed Care
Medicaid purchasing in “Early Adopter” Regional Service Areas

Local Decision-making
• Agreement by county authorities in Clark and Skamania for a regional service area
• Strong county involvement in implementation process from start to finish

Changes in April 2016
• RSN will cease operations March 31, 2016
• Health Care Authority (HCA) will contract with Managed Care Organizations (MCOs) at financial risk for full scope of Medicaid physical health, substance use disorder and mental health services on April 1, 2016
• Behavioral Health Crisis System will be managed regionally

Consumer Choice
• HCA is conducting a competitive procurement so no fewer than 2 MCOs will serve entire region
• MCOs that are successful bidders will be announced in November 2015
Better Health, Better Care, Lower Costs

Current Siloed Medicaid Systems

Mental Health Services for people who meet Access to Care Standards (ACS)

DSHS administers benefits:
- County-based Regional Support Network (RSN) contracts for mental health services
- State hospitals provide intensive psychiatric inpatient treatment

Medical Services & Mental Health Services for people who do NOT meet ACS

HCA administers **medical** benefits (including prescription drug coverage) and mental health benefits for Medicaid enrollees who do not meet ACS
- Contracts with Healthy Options plans for medical and non-ACS mental health managed care services
- Direct contracts with providers for fee-for-service (FFS) enrollees

HCA administers **dental** benefits via direct contracts with providers.

Chemical Dependency Services

DSHS administers chemical dependency benefits:
- Contracts with counties and tribes for outpatient services, including opiate substitution treatment
- Direct contracts with residential treatment agencies for residential services

Providers

Providers

Individual Client
New System: April 2016

• For Apple Health clients, physical health, mental health and substance use disorder services will be managed by one managed care organization instead of three systems.

• Access to Care standards no longer apply; care is provided based on level of care guidelines and medical necessity.

• Fully Integrated Managed Care contracts require coordination with county-managed programs, criminal justice, long-term supports and services, tribal entities, etc. via an Allied System Coordination Plan.
### Fully Integrated Managed Care Contracts – *service begins April 1, 2016*

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid contract reviewed by stakeholders (~1,000 comments)</td>
<td>May 27, 2015</td>
</tr>
<tr>
<td>Non-Medicaid contract released for stakeholder comment</td>
<td>June 4, 2015</td>
</tr>
<tr>
<td>MCOs RFP distributed</td>
<td>August 6, 2015</td>
</tr>
<tr>
<td>MCO RFP responses due</td>
<td>October 5, 2015</td>
</tr>
<tr>
<td>Successful MCO bidders announced</td>
<td>November 2015</td>
</tr>
</tbody>
</table>

### Crisis and Other Services Contract – *service begins April 1, 2016*

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Services Organization contract released for stakeholder comments</td>
<td>August 24, 2014 (due date for comments)</td>
</tr>
<tr>
<td>RFP distributed</td>
<td>September 30, 2015</td>
</tr>
<tr>
<td>RFP responses due</td>
<td>November 4, 2015</td>
</tr>
<tr>
<td>Successful bidders announced</td>
<td>November 2015</td>
</tr>
</tbody>
</table>

### Foster Care Contract – *service begins January 1, 2016*

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollment in Coordinated Care managed care organization for January 2016 coverage</td>
<td>Begins Nov 20, 2015</td>
</tr>
<tr>
<td>Communication on changes and coordination with Coordinated Care for Early Adopter implementation</td>
<td>Jan – Mar 2016</td>
</tr>
</tbody>
</table>
What’s Happening Statewide?
Who will be impacted by this change?

Health care consumers, health care providers, and other providers or stakeholders who interact with the Medicaid population, particularly:

- Medicaid clients
- Medical practitioners
- Mental health providers
- Substance use disorder providers
- Hospitals
- Crisis services
What services will the MCOs manage?

- All Medicaid benefits will continue to be defined by the State Plan.

- Fully-Integrated Managed Care Plans will provide all Medicaid physical, mental health, and substance use disorder (SUD) services.

- Fully-Integrated Managed Care plans will also provide services to Medicaid enrollees that complement the Medicaid benefit package, funded by general state funds and federal block grants.

  - Examples of these services include: services provided in Institutes for Mental Disease (IMD) interim SUD services, community outreach.

- Plans must have an adequate provider network in place before enrollment begins.
Different Enrollment Pathways

<table>
<thead>
<tr>
<th>GROUP</th>
<th>MEDICAL SERVICES</th>
<th>MH AND SUD SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clients enrolled in apple health-managed care plans today</td>
<td>Through FIMC managed care plans</td>
<td>Through FIMC managed care plans</td>
</tr>
<tr>
<td>Clients who are not enrolled in Apple Health managed care today (e.g.</td>
<td>Through fee-for-service coverage (and additional</td>
<td>Through FIMC managed care plans under “Behavioral Health Services Only” (BHSO), set up for ensuring those enrolled in Medicaid can continue to access services</td>
</tr>
<tr>
<td>on Medicare, Native American/American Indian people)</td>
<td>coverage)</td>
<td></td>
</tr>
<tr>
<td>Non-Medicaid</td>
<td>No change</td>
<td>Through Behavioral Health – Administrative Services Organization</td>
</tr>
</tbody>
</table>
What does this mean for Apple Health clients?

- Physical and behavioral health benefits will be covered by fully integrated managed care plans – no Regional Support Network or county SUD system

- State Plan benefits stay the same

- 1 point of contact available for all services, instead of navigating up to 3 systems

- Still have choice of at least two managed care plans

- If a client’s current managed care plan receives a contract to provide fully-integrated services, the client can choose to remain with the same managed care plan, or can choose to switch plans.

- Many things will stay the same, such as:
  - Interpreter and transportation requests will remain the same for Medicaid client benefits
  - Pharmacy benefits remain the same – clients need to use plan network pharmacies
What does this mean for providers?

• Providers must contract with fully integrated managed care plan(s) in order to provide services to a Medicaid client as of April 1, 2016

• Providers must be enrolled and in good standing with the State Medicaid program
How will the crisis system be managed?

HCA

Fully Integrated MCO

Required sub-contract

BH-ASO

Continuum of Integrated Clinical Services

Individual Client

HCA Contract with BH-ASO

Required sub-contract

Fully Integrated MCO
• Monitor Less Restrictive Alternative (LRA) court orders for individuals who are not eligible for Medicaid
• Maintain a Behavioral Health ombudsman for SW Region
• Administer the Mental Health Block Grant, CJTA Funds & Juvenile Drug Court funds, in accordance with local plans
• Provide limited non-crisis behavioral health services to low-income individuals who are not eligible for Medicaid
Accountability and Monitoring

• HCA and Southwest Washington are developing an early warning system to identify and rapidly respond to any gaps in services or issues that occur after April 1, 2016

• HCA contracts provide for strong monitoring and oversight of health plans

• SWWA Implementation Team turns into a Monitoring Team on April 1, 2016 to work directly with HCA on monitoring

• Performance measurement to track outcomes:
  o The measure set is of manageable size.
  o The measure set reflects state priorities.
Ten Performance Measures

Measures were developed after an extensive process that included the Statewide 1519/5732 Performance Measures Committee.

Behavioral health measures are in alignment with BHO measurement in other regions of the State.

1. Alcohol or Drug Treatment Retention
2. Alcohol/Drug Treatment Penetration
3. Cardiovascular Monitoring for People with Cardiovascular Disease and Schizophrenia
4. Childhood Immunization Status
5. Comprehensive Diabetes Care
6. First Trimester Care
7. Mental Health Treatment Penetration
8. Plan All-Cause Readmission Rate
9. Psychiatric Hospitalization Readmission Rate
10. Well Child Visits
Local Accountability: Implementation Team

Implementation team includes representatives from:
- Clark County
- Skamania County
- Regional Health Alliance/Accountable Community of Health

Their role:
- Draft and review contract language with HCA
- Review all key Early Adopter legal, policy and fiscal decisions
- Provide technical assistance and transition assistance in the community
- Act as a liaison between HCA and broader SWWA community
- Review and assess health plan readiness with HCA
Examples of Local Input

Already, the local implementation team has provided key input on the following areas:

- Crisis model design
- Design to serve non-Medicaid clients regionally
- Design to allocate federal block grant funds
- Care coordination requirements for MCOs
- Covered Services list
- Network adequacy requirements
- Role of county RHA/ACH in monitoring
- Role of regional ombudsman
- Role of RHA/ACH in Behavioral Health Advisory Committee capacity
Technical Assistance Opportunities Through Transition Plan

Implementation Team and HCA works with Project Manager-Tabitha Jensen & Consultants

Goals:

• Develop activities and accountability structures to support a smooth regional transition from the current administrative system to fully-integrated coverage beginning April 1, 2016
• Identify the risks and options for mitigating risks
• Establish an regional early warning capacity to identify and resolve implementation issues quickly
• Build relationships between providers and payers
• Develop a broad understanding and cross-fertilization across the region to prepare health and social services stakeholders for change
• Minimize continuity of care issues and coverage lapses for Medicaid enrollees. Develop and test multi-modal communication mechanisms for enrollees
• Monitor the availability of behavioral health and medical services throughout the transition, to avoid disruption or reduction in care before and after April 2016
• Ensure that behavioral health providers have go-live-critical tools (and procedures) in place to be successful partners in fully integrated managed care systems
Medicaid Transformation Waiver
What is Washington’s Medicaid Transformation Waiver?

• “Section 1115” contract between federal and state governments, bound by special terms and conditions, to leverage federal savings for investment in delivery system reform
  – This is not a grant program.
  – Investments cannot fund business as usual—waiver funding must be linked to implementation of the Medicaid Transformation vision.
  – A waiver is not guaranteed.

• Work is just beginning now that the application has been submitted and accepted: [http://www.hca.wa.gov/hw/Documents/waiverapplv2_091015.pdf](http://www.hca.wa.gov/hw/Documents/waiverapplv2_091015.pdf)

• Instructions for submitting comments to CMS available at: [http://www.hca.wa.gov/hw/Pages/medicaid_transformation.aspx](http://www.hca.wa.gov/hw/Pages/medicaid_transformation.aspx)
A transformed system = transformed lives

<table>
<thead>
<tr>
<th>Current System</th>
<th>Transformed System</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fragmented</strong> clinical and financial approaches to care delivery</td>
<td><strong>Integrated</strong> systems that deliver whole person care</td>
</tr>
<tr>
<td><strong>Disjointed</strong> care and transitions</td>
<td><strong>Coordinated</strong> care and transitions</td>
</tr>
<tr>
<td><strong>Disengaged</strong> clients</td>
<td><strong>Activated</strong> clients</td>
</tr>
<tr>
<td><strong>Capacity limits</strong> in critical service areas</td>
<td><strong>Optimal access</strong> to appropriate services</td>
</tr>
<tr>
<td><strong>Individuals impoverish themselves</strong> to access long term services and supports (LTSS)</td>
<td><strong>Timely supports</strong> delay or divert need for Medicaid LTSS</td>
</tr>
<tr>
<td><strong>Inconsistent measurement</strong> of delivery system performance</td>
<td><strong>Standardized performance measurement</strong> with accountability for improved health outcomes</td>
</tr>
<tr>
<td><strong>Volume-based</strong> payment</td>
<td><strong>Value-based</strong> payment</td>
</tr>
</tbody>
</table>
Since passage of the ACA, Washington has increased its Medicaid enrollment by 44%...

As of September 2015, more than 560,000 adults have been added through Medicaid expansion.
...and the enrollees and their needs are different.

- Before the Affordable Care Act, 60% of enrollees were children; now the majority of enrollees (55%) are adults.
- 22% of the new adult enrollees have a mental health diagnosis.
- 14% have a substance use disorder.
- And, while the new adult group has lower hospital admission rates than other non-disabled adults, their inpatient stays average 50% longer.

Data provided by Research and Data Analysis, DSHS, June 2015.
In addition, there will soon be many more people age 65 and over in our state...

Source: Washington State Department of Social and Health Services, Research and Data Analysis Division
...and their health care needs are likely to increase as they age.

- By 2035, the number of people age 75 or older will have risen by roughly 150%.
- Between 2010 and 2040, we anticipate a 181% increase in Medicaid clients over age 65 with Alzheimer’s.
- 70% of people who reach the age of 65 are likely to need long term supports and services at some point in their lives.
- Biennial expenditures by the state for long term supports and services are currently $3.4 billion—or 6 percent of all general fund spending.

Data provided by Research and Data Analysis, DSHS, June 2015.
What does the Medicaid Transformation waiver do for us?

• Gives Apple Health the flexibility and expenditure authority to achieve our vision for a Healthier Washington.

• Allows us to test, scale, and spread successful models of care.

• Supports providers in building capacity.

• Builds connections within communities that allow for the right care, at the right place, at the right time, with the right provider.
Medicaid Transformation Goals: Triple Aim

• Reduce avoidable use of intensive services and settings
  —such as acute care hospitals, nursing facilities, psychiatric hospitals, traditional LTSS and jails

• Improve population health
  —focusing on prevention and management of diabetes, cardiovascular disease, pediatric obesity, smoking, mental illness, substance use disorders, and oral health

• Accelerate the transition to value-based payment
  —while ensuring that access to specialty and community services outside the Indian Health system are maintained for Washington’s tribal members

• Ensure that Medicaid per-capita cost growth is two percentage points below national trends
Medicaid Transformation Initiatives

Initiative 1
Transformation through Accountable Communities of Health

*Each region, through its Accountable Community of Health, will be able to pursue transformation projects focused on health systems capacity building, care delivery redesign, and population health improvement.*

Initiative 2
Service Options that Enable Individuals to Stay at Home and Delay or Avoid the Need for More Intensive Care

*A broadened array of Long Term Services and Supports (LTSS).*

Initiative 3
Targeted Foundational Supports

*Targeted supportive housing and supported employment services will be offered to Medicaid beneficiaries most likely to benefit from these services.*
Investing in Transformation

The State will work with ACHs, Tribes, and other partners to build a menu of system transformation projects.

Parameters for projects will be established by the State. Some statewide projects may be required.
ACHs will coordinate regional transformation efforts

ACHs will:

• Organize ACH members and partners.
• Coordinate project applications.
• Contract with the state to receive funds.
• Distribute funds to partners carrying out transformation projects.
• Report on progress.
• Work with the state and partners to ensure sustainability.
Targeted Long-Term Services and Supports

Washington will tailor long-term services and supports benefits to meet the diverse needs of our aging population by:

- Providing two new benefits packages and add an eligibility category that ensures individuals receive the services and supports they need while avoiding or delaying more intensive services.
- Revising eligibility criteria for nursing home services so that people with the lowest needs receive care in the community.

*Individuals currently served in nursing facilities will continue to be eligible for this level of care.*
Targeted Foundational Community Supports

Washington will provide targeted supportive housing and supported employment to clients that meet criteria set by the state.

The criteria will target those individuals most likely to benefit from these services.

Clients will receive supportive services; Medicaid funds will not be used to provide housing or jobs.
Federal Requirements

• Five-year Medicaid waiver demonstration project
  —Project goals must be met within 5 years.

• Budget neutral
  —The state must not spend any more federal dollars than they would have spent without the project.

• Ongoing evaluation must occur
  —To test and confirm how well the program and its projects achieve the intended benefits.

• Transformation must be sustainable after the demonstration period ends
  —The state and ACHs must develop sustainability plans for projects they take on.
Waiver Timeline & Process

Medicaid Transformation Waiver Development Process 2015 - 2016

- State-Federal Discussions
- Federal Agreement in Principle
- Draft Concept Paper
- Stakeholder Conversations
- Public comment on draft application
- Stakeholder review and public forums
- Tribal Consultation
- Application submission
- Federal comment period
- Statewide outreach and education
- Identify transformation projects
- Initiate targeted workgroups
- Develop implementation strategy
- State-Federal negotiations for waiver approval
- Federal drafting of Special Terms and Conditions

We are here.

- Public comment on waiver Special Terms and Conditions
- Finalize project toolkit for CMS approval

Phase 1: Pre-Concept Release
Phase 2: Waiver Application Development
Phase 3: Negotiation & Outreach
Phase 4: Implementation Design

What’s next:
- 30-day federal comment period
- Negotiations with CMS
- Ongoing development of demonstration

Better Health, Better Care, Lower Costs
How to stay informed

Join the Healthier Washington Feedback Network:
healthierwa@hca.wa.gov

Send comments and questions about Medicaid Transformation to: medicaidtransformation@hca.wa.gov
Questions?