

TEMPLATE FOR TRANSFORMATION PROJECT SUGGESTIONS

For projects to be considered for inclusion in the Medicaid Transformation Project List, please provide the information requested in the template. We are looking for summarized information – **2-3 pages maximum per project**. Please email completed templates by **January 15, 2016**, to MedicaidTransformation@hca.wa.gov with the subject **Medicaid Waiver Project**. Thank you for your interest and support.

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Project Title	<i>Value Based Purchasing in Home and Community Based Services</i>
Rationale for the Project	
<p><i>Include:</i></p> <ul style="list-style-type: none"> • <i>Problem statement</i> – The current acuity based reimbursement system for Home and Community Based Services does not provide the right incentives to providers to assist clients in meeting their health goals and improving outcomes. To provide the right care in the right place at the right time, the system must move to reimburse providers based on the quality of care provided not just the acuity of the individual served. Providers should be rewarded for quality outcomes, specifically those quality outcomes the state has established through legislation in 5732/1519. LTSS providers interact with their clients on a daily/weekly basis, much more frequently than any provider involved in assisting the client with their health/social services’ needs. This presents a unique opportunity for the LTSS provider to engage the client frequently in the achievement of improved health outcomes and health care utilization. • <i>Supporting research (evidence-based and promising practices) for the value of the proposed project.</i>ⁱ <ul style="list-style-type: none"> ○ A review of evidence about what works in 3 areas of value-based purchasing emphasized under healthcare reform: service delivery integration, payment, and value-based insurance design. www.ajmc.com/journals/issue/2011/2011-8-vol17-n8/AJMC_11aug_Eldridge_e310to13/ ○ Division of Health Care Finance & Administration TennCare Long Term Services & Supports (LTSS) Value Based Purchasing. http://www.chcs.org/news/advancing-person-centered-value-based-care-managed-long-term-services-supports-programs-state-strategies/ ○ L&M Policy Research on the Evaluation of the Nursing Home Value Based Purchasing. https://innovation.cms.gov/Files/reports/NursingHomeVBP_EvalReport.pdf ○ Studer Group® works with healthcare organizations teaching them how to achieve, sustain, and accelerate exceptional clinical, operational, and financial outcomes. https://www.studergroup.com/industry-impact/value-based-purchasing • This project is directly in line with the federal Medicaid objective to increase the efficiency and quality of care for Medicaid and other low-income population through transformation of the service delivery network. 	
Project Description	

Which Medicaid Transformation Goalsⁱⁱ are supported by this project/intervention? Check box(es)

- Reduce avoidable use of intensive services
- X Improve population health, focused on prevention
- X Accelerate transition to value-based payment
- Ensure Medicaid per-capita growth is below national trends

Which Transformation Project Domain(s) are involved? Check box(es)

- Health Systems Capacity Building
- X Care Delivery Redesign
- Population Health Improvement – prevention activities

Describe:

- *Region(s) and sub-population(s) impacted by the project. Include a description of the target population (e.g., persons discharged from local jail facilities with serious mental illness and or substance use disorders).*
 - The project would be targeted at individuals receiving LTSS services in Home and Community Based Settings (residential and in-home) or institutional setting such as a nursing home.
- *Relationship to Washington’s Medicaid Transformation goals.*
 - This project has a strong Relationship to Washington’s Medicaid Transformation goals in that it seeks to reduce avoidable use of intensive services and hospitalizations and improve health outcomes through quality measures and accelerates the transition to value based payment while giving an ACH the opportunity to test alternative payment methodology for HCBS settings and/or nursing facilities.
- *Project goals, interventions and outcomes expected during the waiver period, including relationship to improving health equity /reducing health disparities.*
 - Bring together all sectors that contribute to health to develop shared priorities and strategies for population health, including improved delivery systems, coordinated initiatives, and value based payment models.
 - Develop processes to collect and verify the data to be used for evaluation of performance.
 - Test the use of VBP in home and community based settings or nursing facilities with the intent to show how value based payments can work alongside an acuity based payment system to provide incentive for LTSS providers to engage in the health outcomes of clients.
 - Use of 5732/1519 performance measures to test a payment methodology that rewards providers for better outcomes.
 - Use of client and staff satisfaction surveys to test client and provider experience in influencing health outcomes.
- *Links to complementary transformation initiatives - those funded through other local, state or federal authorities (such as the health home program and Early Adopter/Behavioral Health Organization regional purchasing) and/or Medicaid Transformation initiatives # 2 and 3.*
 - 5732/1519. <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=1519&year=2013>
 - HCA Value Based Purchasing initiatives.
 - Long term care worker specialty training project.
- *Potential partners, systems, and organizations (e.g., health and social service providers, ACH participants) needed to be engaged to achieve the results of the proposed project.*
 - Accountable Communities of Health
 - Health Care Authority
 - Department of Health
 - Department of Social and Health Services
 - Aging Long-term services and supports Administration(ALTSA)
 - Research and Data Analysis (RDA)

- Provider associations and labor partners
- Stakeholders and legal advocates

Core Investment Components

Describe:

- *Proposed activities and cost estimates (“order of magnitude”) for the project.*
 - Develop processes to collect and verify data to be used for evaluation of performance.
 - Develop payment methodology.
 - Test the use of VBP in home and community based settings with the intent to show how value based payments can work alongside an acuity based payment system to provide incentive for LTSS providers to engage in the health outcomes of clients.
 - Use of 5732/1519 performance measures to test a payment methodology that rewards providers for better outcomes.
 - Use of client and staff satisfaction surveys to test client and provider experience in influencing health outcomes.
- *Best estimate (or ballpark if unknown) for:*
 - How many people you expect to serve, on a monthly or annual basis, when fully implemented.
 - Could potentially impact all LTSS Medicaid clients in the ACH catchment area.
 - How much you expect the program to cost per person served, on a monthly or annual basis.
 - Cost will be determined by the ACH.
- *How long it will take to fully implement the project within a region where you expect it will have to be phased in.*
 - May take until year 3 to begin quality payments to providers depending on how an ACH chooses to implement.
- *The financial return on investment (ROI) opportunity, including estimated amounts and associated ROI timeline.*
 - ROI Forecasting to Maximize the Value of Medicaid Investments-
http://www.chcs.org/media/ROI_Calculator_Brief.pdf

Project Metrics

The state will monitor implementation of transformation projects at regional and statewide levels through process and outcome measures. Each project will require clearly defined outcomes that relate to the goals and specific process steps. Wherever possible describe:

- *Key process and outcome measures (and specific benchmark performance data if known) against which the performance of the project would be measured. Include priority measures sets described in the Waiver application <http://www.hca.wa.gov/hw/Documents/waiverappl.pdf> pages 46-47ⁱⁱⁱ.*
 - Use of established 5732/1519 quality measures to create a value based payment system. RDA is prepared to collect and analyze data for the quality measures
- *If no specific benchmark performance data are currently available, what efforts will be undertaken to establish benchmark performance ahead of any proposed project implementation?*
 - Year one: engaging with stakeholders and collecting and analyzing data toward the establishment of benchmark measures.

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- Year two: creation and application of threshold/benchmark measures and establishment of scoring system.
- Year three: implement payment based on quality measure performance. Pay both for acuity of residents and quality of outcomes.

ⁱThe Washington State Institute for Public Policy, <http://www.wsipp.gov>, has identified “evidence-based” policies that can lead to better outcomes; Behavioral health research reports developed by the Research and Data Administration are available at: <https://www.dshs.wa.gov/bhsia/division-behavioral-health-and-recovery/decision-support-and-evaluation>

ⁱⁱTransformation goals as stated in Washington’s Medicaid Transformation waiver, <http://www.hca.wa.gov/hw/Documents/waiverappl.pdf>:

- Reduce avoidable use of intensive services and settings such as acute care hospitals, nursing facilities, psychiatric hospitals, traditional LTSS and jails.
- Improve population health, with a focus on prevention and management of diabetes, cardiovascular disease, pediatric obesity, smoking, mental illness, substance use disorders and oral health; that is coordinated and whole-person centered.
- 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.

ⁱⁱⁱ This includes the statewide common measure set for tracking health care quality and cost across multi-payer public and private health delivery systems: http://www.hca.wa.gov/hw/Documents/pmcc_final_core_measure_set_approved_121714.pdf and the subset of 2016 Medicaid contract common performance metrics. It also includes priority measures for critical behavioral health and community support services recommended by the 5732/1519 Steering Committee and reported to the Legislature in “*Service Coordination Organizations – Accountability Measures Implementation Status*”, (page 36) at: http://www.hca.wa.gov/documents_legislative/ServiceCoordinationOrgAccountability.pdf.