Attachment A: **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.

Contact Information	*Identify point person, telephone number, e-mail address* *Peter Morgan, 206-465-5027, ptrmrgn@gmail.com* *Which organizations were involved in developing this project suggestion?* *Chelan-Douglas Health District* *Family Health Centers* *Confluence Health*
Project Title	*North Central Washington Care Transformation Collaborative (NCW CTC)*

Rationale for the Project

Many discussions of health care transformation take what could be called the Rolodex approach. They envision initiatives to provide various evidence-based elements of "whole person care" – community health workers, co-location with mental health, housing specialists, training in screening tools for behavioral health and other problems, clinical quality metrics, care management services, etc. The assumption seems to be that if you have all these resources, and the PCPs know about them, and there's a mental health counselor in an office down the hall, these things will somehow gel into a coherent system of multidisciplinary well-coordinated whole person care. For most patients, primary care must be the central hub that coordinates all aspects of whole person care. The problem is that structure of primary care today systematically undermines this result.

Whole person care, no matter how excellent the PCP's Rolodex and intentions, cannot become the norm within the 15-minute-a-patient model of primary care that dominates the health care system now. Evidence from organizations such as Group Health Cooperative of Puget Sound shows that effectively addressing the triple aim through whole person care requires more than a mere tweak of the current primary care system. Simply providing better "tools and linkages" to PCPs operating in the current system will not produce the changes needed to improve care and reduce unnecessary costs. That requires a wholesale reorganization of primary care and related services, from the ground up. This will be time consuming hard work, requiring intensive and effective change management. Provider organizations will be unable to make such massive and fundamental change in time for the Waiver's very aggressive timelines unless they begin now. This is especially true of rural provider organizations, which are financially fragile in comparison with many urban/suburban counterparts.

The costs of these changes are front-loaded, while the payoffs will take time and will accrue mainly to other parts of the health system. A primary care organization that begins the necessary process of change now will be financially penalized by the current fee-for-service system, notwithstanding any one-time payments from PCMH and similar initiatives. But the delay of this restructuring until value-based purchasing becomes a reality will carry its own significant financial penalties – because the old model will take time to reverse – and will make savings unlikely within the timeframe of a waiver. What is needed is investment in primary care restructuring as soon as possible,

along with commitments to payment reform to sustain the changes.

This initiative would address these challenges systematically by supporting the work of the North Central Washington Care Transformation Collaborative, a coalition of provider organizations delivering primary care to almost the entire population of its rural four-county region, including Medicaid, Medicare and commercial beneficiaries. (It is understood that Waiver activities must primarily serve Medicaid patients, but the reality is that the primary care reorganization needed to serve them would also affect other patient populations.) This high level of population coverage would provide opportunities for impact assessment unavailable in other regions, and in most of the nation, where transformation efforts involve providers serving a much smaller fraction of the population.

Project Description

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

- ✓ Reduce avoidable use of intensive services
- ✓ Improve population health, focused on prevention
- ✓ 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
- ✓ Care Delivery Redesign
- ✓ Population Health Improvement – prevention activities

This project would improve the primary care available to at least 80% of Medicaid and other primary care patients in the North Central RSA (Chelan, Douglas, Grant and Okanogan Counties) by making it possible for primary care organizations to implement the transformations necessary to support whole person care.

Advice from state agency staff members and outside consultants can support primary care transformation, but cannot do most of the heavy lifting required. Most of the work must be done locally and within provider organizations. Such massive changes within an organization require unvarying support from top management, but also intensive engagement by the PCPs and other staff whose work lives are being disrupted, and significant on-site mentoring and training on topics such as work process redesign. Everything from office reconfiguration to IT systems become important factors. The North Central Washington Care Transformation Collaborative (NCW CTC) would provide a venue though which:

- A design and implementation team researches the substantial literature and experience of other organizations who have undertaken comprehensive primary care reform around an enhanced medical home model and engage member organizations in the Collaborative in a shared design process.
- Top managers and develop a shared understanding of the changes needed to achieve sufficient primary care realignment to function under impending value based payment regimes.
- Provider organizations develop, share and formally commit to primary care reorganization plans. Members are accountable to the Collaborative for implementation of those plans.
- Provider organizations access and share expertise and transformation resources, including bridge funding to support movement toward value based purchasing during the interim period when fee-for-service

reimbursement will punish such changes. Bridge funding is especially critical for small rural providers.

- Tracking of changes in primary care organization and performance, including key clinical quality indicators, through shared data collection and evaluation. This may require a regional data collection and warehousing effort.
- Discussions about payment reform with all payers are conducted with full awareness of the transformation challenges faced by all providers involved in the Primary Care Collaborative.

Core Investment Components

The total population of this region approaches 250,000. Estimating that 70% of the population has an established PCP relationship, and that about 80% of PCPs will participate in this initiative, this would involve approximately 140,000 patients.

We estimate that backbone costs for the NCW Primary Care Collaborative will total about $500K annually while costs for Collaborative services and investments in provider realignment will total approximately $12.5M during the five years of the Waiver project.

We believe that this level of investment would be necessary for the Waiver and Healthier Washington to be successful in controlling growth in health care costs. We do not suggest that this effort would increase those savings by a specific amount; rather we suggest that this effort is a critical and minimal requirement for the overall shift to whole-person care to occur at all. It is a core investment needed to enable the up-front primary care transformations on which much of the expected benefit of the Waiver would depend.

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 46-47 .*
If no specific benchmark performance data are currently available, what efforts will be undertaken to establish benchmark performance ahead of any proposed project implementation?

Project metrics would focus on two main themes:

- ❖ The extent to which primary care providers in the region meet HCA quality and cost metrics.
- ❖ The extent to which provider organizations execute the primary care realignment plans developed as part of the Collaborative effort.