Medicaid Transformation Waiver Update

February 4, 2016

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2

Today's Presenters

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Topics for Today

- Update on CMS conversations
- Key milestones for waiver approval
- Progress on waiver initiatives
- What happens next
- Questions and answers

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Where to find more information

http://www.hca.wa.gov/hw/Pages/medicaid_transformation.aspx

Sample resources available:

- Stakeholder and tribal input – waiver application & specific ideas for transformation projects
- Fact Sheets
- Waiver Application
- Previous webinar presentations (slides & recordings)
- Updates on workgroup activities

Send questions and comments to:
Medicaidtransformation@hca.wa.gov

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CMS Update

Key Messages

- Focused on value—improve health care cost and quality through payment reform
- Sustainability of transformation efforts is required—*investments need to be catalysts for reform, not ongoing operating budget expansions*
- Investments cannot displace regular Medicaid payment arrangements or other federal financing
- CMS supports bringing key health and social service agencies together to address social determinants of health

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CMS Update

Status of Current Discussions Towards Approval:

- Primary focus on financing
  - Federal budget neutrality
  - Approach to approvable state match
- Momentum in discussions across all initiatives
- Compressed timeline poses challenges
  - Work toward April 2016 approval continues
  - **New**: CMS requires adherence to traditional 5-year 1115 waiver duration—project ramp-up must occur in year 1.

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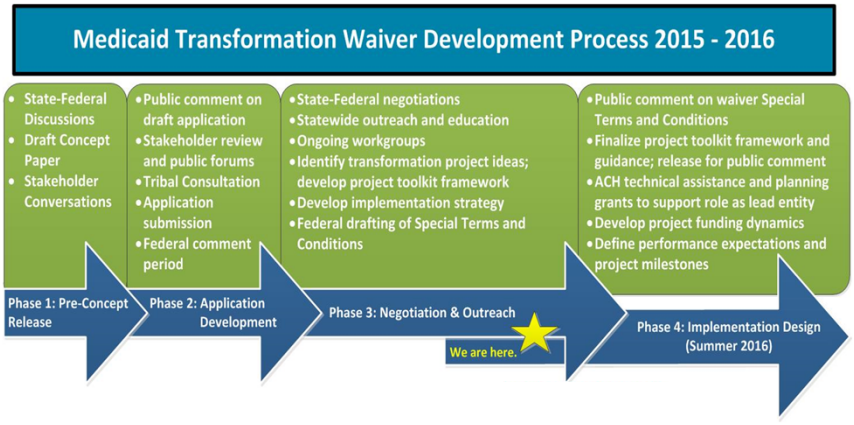
7

Timeline and Key Milestones



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Washington's Medicaid Transformation Goals

Achieving the Triple Aim

- **Reduce avoidable use of intensive services and settings** *—such as acute care hospitals, nursing facilities, psychiatric hospitals, traditional Long-Term Services and Supports, 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**—*using payment methods that take the quality of services and other measures of value into account.*
- **Ensure that Medicaid per-capita cost growth is below national trends**—*through projects, activities, and services that improve health outcomes and reduce the rate of growth in the overall cost of care for our Medicaid population.*

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9

Medicaid Transformation Waiver Initiatives

Initiative 1 **Transformation through Accountable Communities of Health**

Each region, through its Accountable Community of Health, will be able to pursue projects that will transform the Medicaid delivery system to serve the whole person and use resources more wisely.

Initiative 2 **Service Options that Enable Older Adults 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 Community Supports**

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

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Initiative 1: Transformation through Accountable Communities of Health

11

Accountable Communities of Health

ACH Regions Map

Further information on ACHs is available at:
http://www.hca.wa.gov/hw/Pages/communities_of_health.aspx

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12

Thank you for contributing!

We received 180(!) transformation project ideas.

These ideas demonstrate:

- A high level of community, managed care system, provider, social service, and advocate engagement.
- A clear commitment to health delivery systems transformation.
- Many instances of community partners working together to meet shared goals.

13

Why We Needed Transformation Project Ideas

To create sustainable delivery system transformation, we must:

- Address community health needs.
- Reflect the priorities and perspectives of community members and providers of care.

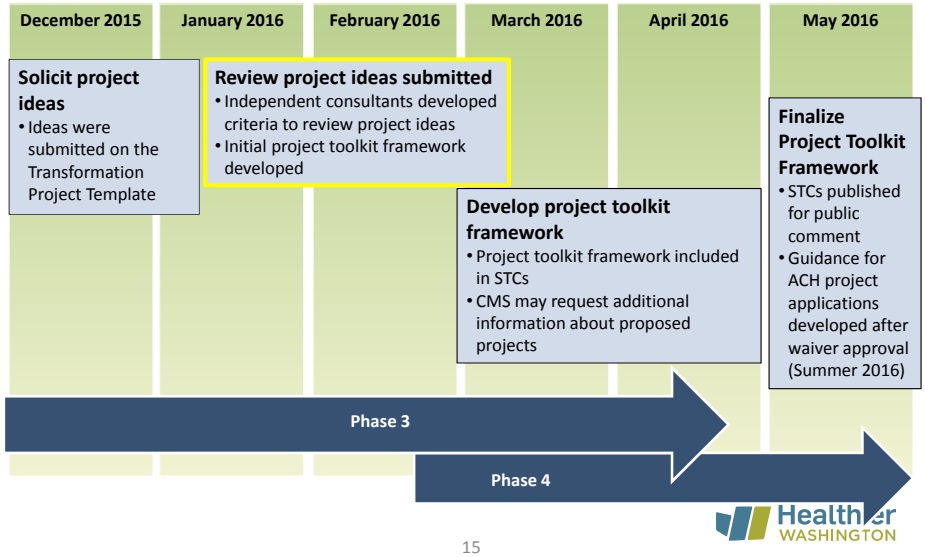
Your input and suggestions help to:

- Clarify gaps in the initial framework, as well as needed refinements.
- Share ideas across regions and communities.
- Build criteria for selecting projects with the greatest delivery system reform potential.
- Make a convincing case to CMS for the promise of Medicaid transformation in Washington State.

14

Process for Developing Project Toolkit Framework

Assuming waiver approval in April…



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Preliminary Review of Project Ideas

- Is this idea clear and feasible?
- Is there evidence that this project promotes community collaboration?
- Does it support Medicaid delivery system transformation goals?
- Is the idea focused on the Medicaid population and is it an allowable use of Medicaid funds?
- Is the idea based on evidence or promising research?
- Does it address significant need and improve health outcomes, or reduce avoidable expenditures?
- Is there a potential for return on investment?
- Does this project idea have the potential to be sustainable at the end of the waiver demonstration?

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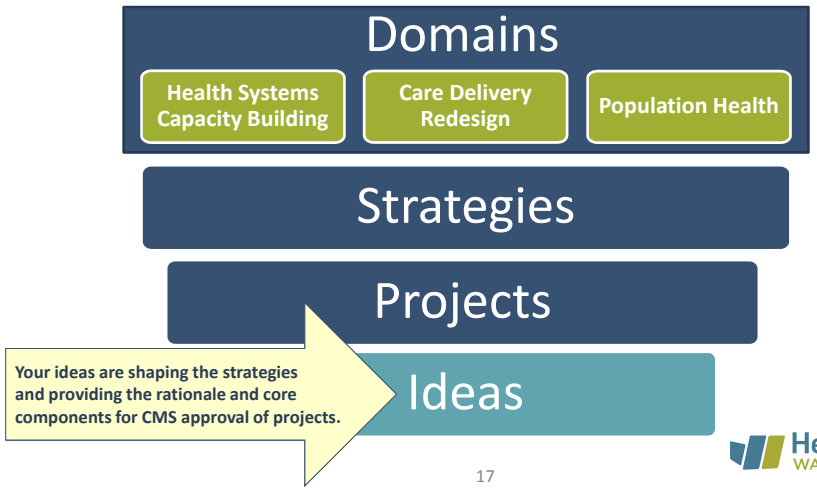
16

Project Toolkit Framework

CMS wants to see our project toolkit framework. This means we need to refine the strategies and project themes that will drive our transformation goals.



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Impressions during initial review

- Clear evidence of innovative thinking and community collaboration
- Questions to consider–Can a project idea:
  - Ramp-up implementation planning quickly?
  - Be scaled to have a substantial impact on delivery system transformation?
  - Drive toward sustainable delivery system reform over the course of the waiver?
- We need to provide more education about how projects are supported through performance incentive payments.
  - These are not lump-sum grants or seed money.
  - Need to tie payments to process and outcomes milestones.

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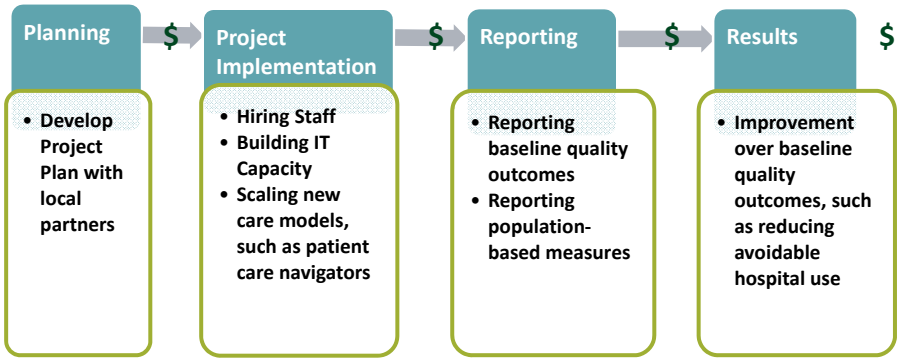
18

Examples of Incentive Payment Milestones

Types of milestones and system-level improvements hypothetically eligible for incentive-based payments.



Initially, payments focus on more process oriented changes; focus later shifts to more outcome based measures.

https://www.macpac.gov/wp-content/uploads/2015/06/June-2015-Report-to-Congress-on-Medicaid-and-CHIP.pdf

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Next Steps on Transformation Projects

- Continued review of 180 project ideas, as a step toward development of the project toolkit framework.
- Public comments on these ideas—all posted on our website—is open until Sunday, February 21.
  - Send comments to: Medicaidtransformation@hca.wa.gov
- We will share our key findings.
- Next steps and specific timing will depend on CMS negotiations.

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20

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

21

Update on Initiative 2
Long-Term Services and Supports

Our work has focused on:

- Federal authority to delink nursing facility level of care from home and community based services.
- Specifications and financial eligibility for benefits to delay and divert need for more intensive services.

Information is available at:

http://www.hca.wa.gov/hw/Pages/mt_initiative2.aspx

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Delinking Nursing Facility Level of Care (NFLOC) from Home & Community-Based Services (HCBS)

Original 1115 Initiative 2 Proposal:

- Maintain current functional eligibility in the 1915(c) and (k) waivers while increasing eligibility for Nursing Facility services.

CMS Response:

- It is not possible to raise NFLOC under the 1115 authority while maintaining HCBS under the 1915(c) and (k) authorities as envisioned in the waiver application.
- Washington could meet policy goals under available federal HCBS authorities.

Next Steps:

- WA State will pursue delinking under existing authorities at a future time.

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Services Designed to Delay and Divert Need for More Intensive Interventions

- Medicaid Alternative Care (MAC)

  A new choice designed to support unpaid caregivers in continuing to provide quality care

- Tailored Supports for Older Adults (TSOA)

  A new eligibility group to support individuals who need LTSS and are at risk of spending down to impoverishment

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Medicaid Alternative Care (MAC)

	Original Proposal	Final Proposal
Age limit	55+	55+
Estate Recovery	Waived for services provided under the MAC benefit.	Waived for services provided under the MAC benefit.
Cost sharing	No	No
Resources	No specific asset level. Must meet Medicaid program requirements.	No change; however spousal impoverishment protections will apply to this population so potentially higher resource limits for married couples.
Income	Medicaid Eligible	Medicaid Eligible
	Less than 150% federal poverty level	No specific income level. *Applicant must be eligible for CN (categorically needy) or ABP (alternate benefit plan).*

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Medicaid Alternative Care (MAC)

Why the income change?

Aligning the eligibility rules with other state plan benefits, including Medicaid Personal Care (MPC) and Community First Choice (CFC), enables clients to move easily between programs without requiring new applications and the need to make a new eligibility determination.

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Tailored Services for Older Adults (TSOA)

	Original Proposal	Final Proposal
Age limit	55+	55+
Income	300% Federal Benefit Rate ($2,199 based on 2016 standards)	No change in limit for a single individual; however will use community income rule for married applicants.
Post-eligibility cost sharing	Cost sharing will apply to some benefits within the TSOA benefit package, for example, respite.	No cost sharing or 'participation' for TSOA recipients.
Estate recovery	Waived for services provided under the MAC benefit.	Waived for services provided under the MAC benefit.
Resources	No asset test	Asset limit of: - $53,100 for a single individual - $53,100 plus $54,726 for a spouse not receiving services

Note: Spousal impoverishment protections apply to this program.

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Tailored Services for Older Adults (TSOA)

Why apply an asset limit?

We needed to define what "at risk of Medicaid" means. We defined this as being within 180 days of "spending down" to Medicaid, based on 6 months at the private nursing facility daily rate.

Note:

- *No medical assistance coverage is granted as a result of TSOA eligibility.*
- *TSOA recipients who become eligible for full-scope medical assistance are no longer eligible for TSOA.*

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28

Long-Term Care Program Options in 2017

Level of Care	Pre-Medicaid Services		State Plan Services			1915(c) Waiver	State Plan Nursing facility
Application Needed?	Available to clients not eligible for TSOA, due to age, income or resources.	New non-medicaid application required	Clients can transition between these programs without a financial application.			Financial application needed	Financial application needed, unless MAGI eligible
Nursing Facility Level of Care		**Age:** 55+ **Participation:** No **Estate Recovery:** No		**Age:** 55+ **Participation:** No **Estate Recovery:** No	**Age:** 18+ **Participation:** No **Estate Recovery:** Yes	**Age:** 18+ **Participation:** Yes **Estate Recovery:** Yes	**Age:** No age restriction **Participation:** Yes **Estate Recovery:** Yes
MPC Level of Care		**Income:** 300% FBR using Name on Check or 1/2 community income rules	**Age:** 18+ **Participation:** Yes **Estate Recovery:** Yes	**Income:** No specific limit. Must be CN or ABP eligible	**Income:** No specific limit. Must be CN or ABP eligible	**Income:** 300 % FBR or ≤ average state monthly NF rate	**Income:** < state NF rate or spenddown
T'Care screen	**Age:** 18+ **Participation:** Copay for respite **Estate Recovery:** No **Coverage:** No medical coverage	**Resources:** 180 days private NF rate ($53,100) $107,826 couple **Coverage:** No medical coverage	**Income/Resources:** No specific limit. **Coverage:** CN or ABP	**Resources:** No specific limit. **Coverage:** CN or ABP	**Resources:** No specific limit. **Coverage:** CN or ABP	**Resources:** $2000 single $56,726 couple **Coverage:** CN only	**Resources:** $2000 single $56,726 couple Coverage: CN, MN or ABP
	State-funded Family Caregiver Support	Tailored Support for Older Adults (TSOA)	Medicaid Personal Care (MPC)	Medicaid Alternative Care (MAC)	Community First Choice (CFC)	Home & Community Based Waivers (HCB)	Nursing Home

29

Next Steps

- Comments on proposed benefits may be submitted through an online survey, by **Sunday February 28, 2016.**

  https://www.surveymonkey.com/r/GG3QBPS

- Discussions with CMS are ongoing.
- Opportunities to comment on additional materials will be posted at:

  http://www.hca.wa.gov/hw/Pages/mt_initiative2.aspx

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30

Initiative 3: Targeted Foundational Community Supports

31

Update on Initiative 3
Supportive Housing & Supported Employment

- Two stakeholder workgroups are meeting:
  - Housing 3000 Policy Academy —Supportive Housing
  - Olmstead Policy Academy — Supported Employment
- Key discussions include:
  - Benefit phasing options
  - Encounter definitions
  - Licensing/certification
  - Medical/functional necessity
- Find out more at: http://www.hca.wa.gov/hw/Pages/mt_initiative3.aspx

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32

Supported Employment
Individual Placement and Support (IPS) Model

- An evidence-based approach to supported employment for individuals with significant barriers to employment
  - *23 Randomized Controlled Trials (Dartmouth, 2015)*
- Principles of Supported Employment:
  - Open to anyone who wants to work
  - Focus on competitive employment
  - Rapid job search
  - Systematic job development
  - Client preferences guide decisions
  - Individualized long-term supports
  - Integrated with treatment
  - Benefits counseling included

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33

Supported Employment—Where we are today
Refining critical policy design elements

- Workgroups from the Olmstead Policy Academy are:
  - Identifying populations with the highest opportunity for outcome improvement and cost savings.
  - Reviewing Division of Behavioral Health and Recovery (DBHR) certification standards for SE service provision.
  - Reviewing Service Encounter definitions for SE service provision.
- We are establishing medical/functional necessity criteria.
- Educating and training on Evidence-based Practice Supported Employment.
- Continuing pilot projects in 3 locations.

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34

Populations most likely to benefit from supported employment services

- Enrollees in Aged, Blind and Disabled (ABD) program or potential to enroll in Housing and Essential Needs (HEN)
- Individuals with:
  - Severe & Persistent Mental Illness
  - Multiple episodes of Substance Use Treatment
  - Co-occurring Disorders
- Youth in Transition with behavioral health diagnosis

An individual may be eligible for supported employment *and* supportive housing if he or she falls within eligible populations for both benefits and exhibits a medical/functional need for both.

ALTSA-supported employment services will be implemented concurrently for individuals eligible for long-term support services, including those with traumatic brain injuries (TBI).

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Supportive Housing—Eligible Services

- Housing transition services that provide direct support to individuals to assist them to obtain housing, including:
  - Housing assessment and development of a plan to address barriers.
  - Assistance with applications, community resources, and outreach to landlords.
- Housing tenancy sustaining services that assist individuals in maintaining housing, including:
  - Education, training, coaching, resolving disputes, and advocacy.
- Activities that help identify and secure housing resources.

*Supportive housing services **do not** include funds for rent subsidies or the development of housing.*

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36

Supportive Housing—Where we are today
Refining critical policy design elements

Workgroups are:

- Reviewing DBHR certification standards for the Supportive Housing service provision.
- Reviewing Service Encounter definitions for the Supportive Housing service provision.
- Establishing medical/functional necessity criteria.
- Educating and training on Evidence-based Practice Supportive Housing services.

37

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Populations most likely to benefit from supportive housing services

- Chronically Homeless
- Individuals with frequent or lengthy institutional contacts
- Individuals with frequent or lengthy adult residential care stays
- Those at highest risk for expensive care and negative outcomes—PRISM Risk Score of 1.5 or above

ALTSA supportive housing services will be implemented concurrently with BHOs/MCOs but not prioritized using the same protocols.

38

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Questions?

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For more information, contact:

Website:
www.hca.wa.gov/hw

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

For questions about Medicaid Transformation:
medicaidtransformation@hca.wa.gov