Washington State Medicaid Transformation Project (MTP) Demonstration
Section 1115 Waiver Quarterly Report
Demonstration Year: 2 (January 1, 2018 to December 31, 2018)
Reporting Quarter: January 1, 2018 to March 31, 2018

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Introduction

On January 9, 2017, the Centers for Medicare and Medicaid Services (CMS) approved Washington State's request for a Section 1115 Medicaid demonstration, entitled "Medicaid Transformation Project." The activities under the demonstration are targeted to improve the system to address local health priorities, deliver high-quality, cost-effective care that treats the whole person, and create sustainable linkages between clinical and community-based services.

Over the next five years, Washington aims to:

- Integrate physical and behavioral health purchasing and service delivery to better meet whole person needs.
- Convert 90 percent of Medicaid provider payments to reward outcomes instead of volume.
- Support provider capacity to adopt new payment and care models.
- Implement population health strategies that improve health equity.
- Provide new targeted services that address the needs of the state's aging populations and address key determinants of health.

The state will address the aims of the demonstration through three programs:

- Transformation through Accountable Communities of Health (ACHs) and Delivery System Reform Incentive Payment (DSRIP) program
- Long-term Services and Supports (LTSS) – Medicaid Alternative Care (MAC) and Tailored Supports for Older Adults (TSOA)
- Foundational Community Supports (FCS) – Targeted Home and Community-Based Services (HCBS) for eligible individuals

Healthier Washington

The Washington State Health Care Authority (HCA) manages the work of the demonstration under the banner of Governor Jay Inslee's Healthier Washington initiative. Healthier Washington is a multi-sector partnership working to improve health, transform care delivery, and reduce costs.

To learn more about Healthier Washington, visit www.hca.wa.gov/hw.

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Quarterly Report – January 1, 2018 to March 31, 2018

This quarterly report summarizes the Medicaid Transformation Project (MTP) activities from January 1, 2018 through March 31, 2018. This quarterly report includes details pertaining to MTP implementation activities, including stakeholder education and engagement, planning and implementation activities, and development of key policies and procedures.

Summary of key accomplishments of the quarter

Highlights of the quarter described in the report:
- Independent assessment of Project Plans concluded
- The state approved all nine ACH Project Plan portfolios
- Continued enrollment of beneficiaries into MAC and TSOA
- Continued MAC and TSOA provider network development
- Foundational Community Supports implementation and enrollment of beneficiaries
- Selection of the apparently successful bidder to serve as the Independent External Evaluator for the MTP

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Stakeholder and partner engagement

Demonstration-wide stakeholder engagement

During the reporting quarter, the state continued its robust stakeholder communication strategy:

- The final, CMS-approved Indian Health Care Provider protocol was posted to the Medicaid Transformation webpage for public review and transparency with stakeholders.
- Program-specific, frequently asked questions were routinely updated in response to public interest and inquiry. Questions were generated from a variety of forums, including webinars, presentations and stakeholder interaction, and used to clarify and define programmatic development.
- One-page documents summarizing the three MTP initiatives continue to be available online. New materials are continually developed for and updated on the webpage, including information on ACH projects and earned incentives, benefit guides for MAC and TSOA, as well as FCS provider resource guides.
- Broad communication with stakeholders and the general public was maintained through existing communication channels managed by Healthier Washington, Health Care Authority (HCA), Department of Social and Health Services (DSHS), and partner agencies, including emails to the Healthier Washington "Feedback Network" mailing lists, social media posts and quarterly email newsletter digests.

Tribal partner engagement

Major milestones of tribal partner engagement during the reporting period include:

- January 8, 2018: HCA and DSHS held the second tribal round table session regarding state's intent to pursue waiver amendment(s) to authorize the use of Medicaid dollars to cover substance use disorder (SUD) and mental health services in institutions for mental disease (IMDs) for more than 15 days, as well as technical corrections to the MTP's Special Terms and Conditions (STCs).
- January 22, 2018: HCA and DSHS held formal tribal consultation regarding the waiver amendment(s) for SUD/IMD services and STC technical corrections.
- February 16, 2018: HCA facilitated an all-day work session with the American Indian Health Commission of Washington State to prepare for IHCP-specific Projects Plan.
- February 26, 2019: the state received CMS approval for the Indian Health Care Provider Protocol.

The Aging and Long-Term Support Administration (ALTSA) with DSHS discussed the MAC and TSOA programs with tribal partners on the following dates:

- January 4, 2018: Meeting with Cowlitz Tribe representatives.
- January 12, 2018: Meeting with Chehalis Tribe representatives.
- January 23, 2018: Meeting with Quinault Tribe representatives.

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- February 16, 2018: Meeting with United Indians of All Tribes in Seattle.
- March 7, 2018: Meeting with American Indian Center in Spokane.

Across these engagements, feedback has generally been that the MAC/TSOA programs are seen as a good step to serve tribal members who are not yet eligible for Medicaid or are choosing not to enroll in Medicaid. Another message that resonates with tribal partners is that there are resources available to help family members in their roles as "caregivers."

DSRIP program stakeholder engagement activities

Representatives of HCA have participated in numerous stakeholder engagement activities, including public forums, presentations, emails, webinars, and direct technical assistance.

- January 18, 2018: HCA facilitated and presented at the meeting of the Medicaid Value-based Payment Action Team (MVP AT). Key topics discussed during the meeting included:
  - VBP 2.0 – an overview of HCA's VBP roadmap, rural multi-payer exploration, and other activities.
  - VBP incentives and approaches in pediatric and adult care settings.
  - VBP in the context of the MCO-provider relationship.
  - Alignment of ACH Project Plans and VBP goals, and the supportive role of the MVP AT.
- January 23-24, 2018: HCA hosted the January 2018 ACH Convening. Topics of the convening included:
  - Care integration and transformation, and shared assessment approaches.
  - Contracting and provider payment, and managing provider contracts and performance.
  - Value-based payment, and Health IT.
  - Key challenges and opportunities for collaboration
- February 8, 2018: HCA hosted the Healthier Washington Summit for state partners connected to the Medicaid Transformation Project.
- February 8, 2018: HCA made the DSRIP Measurement Guide available for public review on the Medicaid Transformation webpage. Notice was shared broadly through existing Healthier Washington, HCA, and partner agency communications channels. The public review period closed on February 28.
- February 13, 2018: HCA presented an update to the Health IT Operational Plan to ACHs and stakeholders. The HIT team highlighted the launch of one-on-one conversations with ACHs on HIT/HIE needs.
- March 6, 2018: HCA launched one-on-one conversations with ACHs regarding Pay-for-Reporting strategies and mechanisms for collecting information from partnering providers.
- March 13, 2018: HCA presented an update to the Health IT Operational Plan to ACHs and stakeholders. The HIT team highlighted a recent TA session with ACHs on the Clinical Data Repository.

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- March 28, 2018: As part of a paying for value webinar series, HCA held a webinar on value-based purchasing efforts in Medicaid Transformation. The webinar was open to the public, and the recording and slides were made available on HCA's website.
- March 29, 2018: HCA facilitated and presented at the Medicaid Value-based Payment Action Team meeting. Key topics discussed during the meeting included:
  - The ACH's role in statewide VBP efforts, and the development of a VBP guidebook.

LTSS program stakeholder engagement activities

The following stakeholder activities occurred during the reporting quarter:

- January 23, 2018: A public hearing was held for the permanent rule filing for MAC and TSOA programs. Comments related to the rule text were due by 5 pm on this date.
- March 23, 2018: ALTSA attended the Washington Coalition on Medicaid Outreach in order to explain the MAC and TSOA benefits and eligibility.

FCS program stakeholder engagement activities

The following stakeholder activities occurred during the reporting quarter:

- January 18, 2018: Supported Employment webinar hosted by DSHS – Division of Behavioral Health and Recovery.
- January 19, 2018: HCA presentation before the Washington Care Management Work Group, consisting of Emergency Department case managers and supervisors. Topics included the FCS program as well as opportunities to refer patients to the program.
- January 25, 2018: HCA and DSHS presentation before Peer Bridger group at Western State Hospital, consisting of staff supporting individuals discharging from inpatient psychiatric stays. Presentation discussed referral pathways for FCS services.
- February 1, 2018: HCA, DSHS and Amerigroup TPA presentation at Pierce County Behavioral Health Organization on FCS services. Audience consisted of behavioral health providers in Pierce County.
- February 14, 2018: HCA presentation before the Region X Federal Regional Interagency Council on Homelessness. Provided overview of FCS services and discussed potential opportunities to coordinate with other federal programs.
- February 22, 2018: HCA, DSHS and Amerigroup TPA presentation before Salish BHO behavioral health providers, discussing opportunities for providers to become FCS contractors.
- March 2, 2018: HCA and DSHS staff members participated on a panel at the National Alliance to End Homelessness Conference on Ending Youth and Family Homelessness, presenting on the FCS program.
- March 20, 2018: HCA and Amerigroup TPA staff presentation before the Washington Association of Community and Migrant Health Centers (WACHMC) Behavioral Health Committee on FCS services.

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- March 23, 2018: Amerigroup TPA held the first meeting of the FCS Advisory Council, consisting of providers, clients, advocates and community partners. Meetings will occur quarterly and will provide members with an update on program implementation, as well as opportunities to weigh in on program policies implemented by the TPA.

In addition, the following provider training and technical assistance activities occurred during the reporting quarter:

- January 10, 2018: Behavioral Health Provider Training – Supported Employment, Thurston/Mason Behavioral Health Organization.
- February 7, 2018: FCS Supported Employment Job Development Technical Assistance, Everett.
- February 13, 2018: FCS Supported Employment Job Development Technical Assistance, Longview.
- March 5, 2018: FCS Supported Employment Job Development Technical Assistance, Tacoma.
- March 15, 2018: FCS Supported Employment Job Development Technical Assistance, Yakima.
- March 19, 2018: Supported Employment Individual Placement and Support (IPS) supervisor training, Vancouver.

Key concerns raised by stakeholders

The following key concerns were raised by stakeholders during this reporting quarter:

- Through the public review process, questions and concerns raised about the DSRIP Measurement Guide, including requests for greater detail pertaining to statewide accountability, ACH High Performance Pool incentives, and pay-for-performance metrics.
  - In response, the state re-organized, revised, and updated the information in the technical specification sheets for each measure. The state is actively working on revisions to address comments received, as well as development of new content to provide more detail about more recent development of accountability measurement concepts. More detail is provided on the Measurement Guide in the section below.
- Advocates expressed concerns and requested changes to the state's MAC and TSOA program WAC to clarify programmatic elements including:
  - Request for additional explanation around the algorithm behind the assessment, and how it is used to determine what services will be suggested.
    - The state addressed this concern by adding additional detail about the algorithm, added definitions and clarified services available.
  - Recommended use of non-gender specific pronouns. This change was addressed by the state.
  - Requested clear language stating there were no administrative hearing rights under presumptive eligibility.
    - The state added language to clarify that there is no right to hearing under presumptive eligibility.

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- Foundational Community Supports stakeholders and providers requested information and clarification on training and supports available for those providing, or preparing to provide, Community Support Services and/or Supported Employment services.
  - In response, the state developed a provider resource guide. This guide outlines available resources and responsibilities for providers participating in the FCS program.
- Additionally, partners interested in referring potential clients to FCS services needed additional information in order to determine if an individual may be eligible for FCS services. This resource does not constitute an assessment, but rather a reference guide to help build awareness of FCS services, eligibility and referral processes.
  - The FCS TPA created a referral quick reference guide for these partners to help establish reliable referral pathways with community partners.

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DSRIP program implementation accomplishments
ACH Project Plan Approval

During the reporting quarter, the state approved all nine Project Plan portfolios submitted by Accountable Communities of Health (ACHs). Each ACH earned its full valuation, which triggered the release of incentive payments earned for DY 1.

The state's approval followed recommendations from its Independent Assessor, Myers and Stauffer, LC, based on its assessment of ACH Project Plans. The IA's assessment included:

- A minimum submission requirements review to confirm that all required information was provided by the ACH.
- Detailed assessments conducted by IA primary and secondary reviewers.
- Subject matter expert (SME) assessment and quality checks.
- Write-back process to address Project Plan deficiencies.
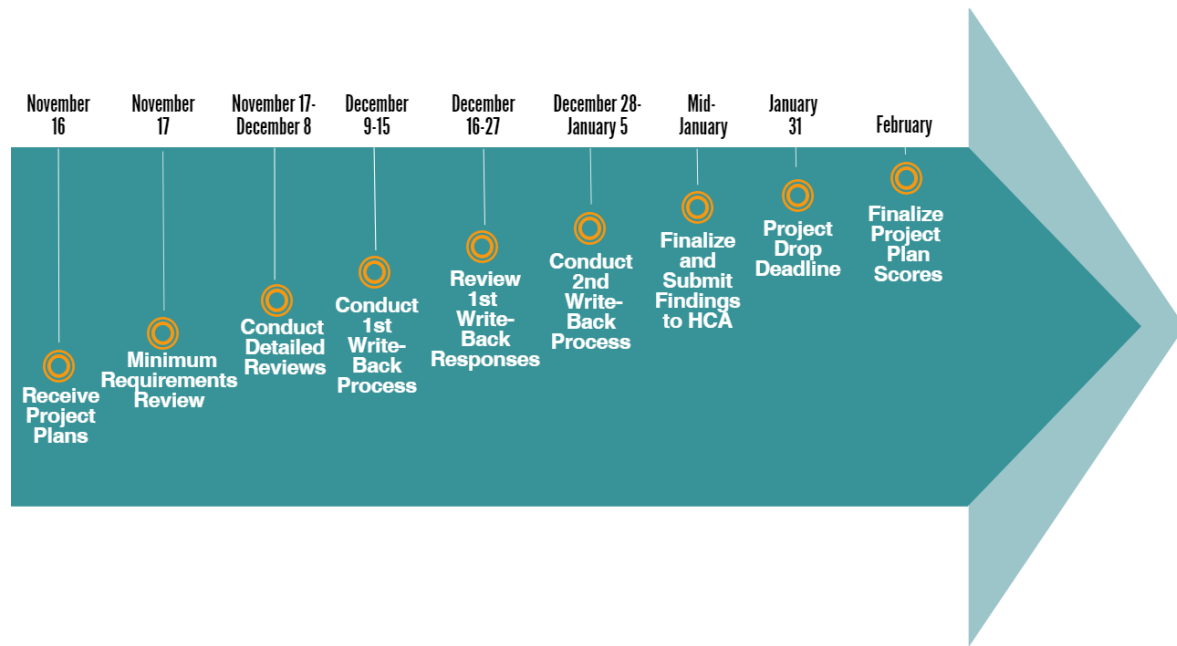
The IA's findings report can be found in Attachment C. All ACHs were found to meet or exceed criteria in all subsections of the Project Plans, which led to each ACH receiving 100 percent of total possible points. A number of factors contributed to the high scores, including:

- ACHs developed as organizations prior to inception of the Medicaid Transformation.
- All nine ACHs had successfully passed two phases of certification in 2017.
- ACHs received extensive technical assistance from HCA and its contractor, Manatt, in 2017, including webinars and materials that aligned with Project Plan subsections.
- Each ACH provided thoughtful and detailed responses to write-back requests.

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The table below shows the progression of ACH Project Plan scores throughout the write-back process.

ACH Project Plan Scores, Write-back Process						
	Section 1		Section 2		Total Score	
ACH	Initial	Final	Initial	Final	Initial	Final
BHT	82.92%	100%	93.16%	100%	90.09%	100%
CPAA	94.17%	100%	91.40%	100%	92.23%	100%
GCACH	94.58%	100%	72.76%	100%	79.31%	100%
HH	96.67%	100%	95.53%	100%	95.87%	100%
NCACH	88.33%	100%	87.54%	100%	87.78%	100%
NSACH	82.92%	100%	77.50%	100%	79.13%	100%
OCH	76.67%	100%	77.19%	100%	77.04%	100%
PCACH	73.75%	100%	87.63%	100%	83.47%	100%
SWACH	88.33%	100%	88.68%	100%	88.58%	100%
Average	86.48%	100%	85.71%	100%	85.94%	100%

Upon review of the IA's findings, the state leveraged the DSRIP Support Team to discuss the IA's findings and approve the ACH Project Plans. Each ACH earned its full project valuation, which triggered the release of incentive payments earned for DY 1, shown in the table below.

Earned DY 1 Incentives by ACH							
ACH	Client Count	Client Count	Project Plan Score	Project Incentives	Project Plan Bonus Pool[1]	Behavioral Health Integration Incentives[2]	Total
BHT	175,052	11%	100%	$15,839,109	-	$3,320,749	$19,159,858
CPAA	165,422	10%	100%	14,399,190	$1,455,842	-	$15,855,032
GCACH	227,331	14%	100%	20,158,866	-	$4,073,566	$24,232,433
HH	358,022	22%	100%	31,678,219	-	$5,955,517	$37,633,735
NCACH	82,531	5%	100%	$7,199,595	$1,455,842	$2,312,792	$10,968,229
NSACH	245,308	15%	100%	21,598,786	$1,941,123	$4,332,435	$27,872,343
OCH	73,719	4%	100%	$5,759,676	$1,455,842	-	$7,215,518
PCACH	203,383	12%	100%	$17,279,028	-	$3,728,715	$21,007,743

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[1] ACHs earned additional incentives through the Project Plan Bonus Pool by selecting more than four projects to pursue in their Project Plans. More details can be found in the Independent Assessor's findings report in Attachment B.

[2] Behavioral Health Integration incentives include enhanced integration incentives earned by North Central and SWACH for early adoption of integrated managed care.

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| SWACH | 115,708 | 7% | 100% | $10,079,433 | - | $8,675,674 | $18,755,108 |
| Total | 1,646,476 | 100% | - | $143,991,903 | $6,308,649 | $32,399,448 | $182,700,000 |

ACHs will continue to build on their approved Project Plans to prepare for the implementation phase of the MTP. ACHs will submit Implementation Plans to the state in October 2018.

Indian Health Care Provider projects

Tribes and IHCPs earned $5.4 million after submitting to the state a consolidated IHCP Planning Funds Plan in December 2017. CMS approval of the IHCP Protocol allowed HCA to start distributing IHCP-specific incentives to eligible providers during the reporting quarter.

In accordance with the IHCP Protocol, Tribal delegates of the American Indian Health Commission decided to distribute $550,000 to the Northwest Portland Area Indian Health Board (NPAIHB) to establish a regional Community Health Aide Program (CHAP) Board. Remaining incentives will be equally distributed among the IHCPs (29 tribes and two Urban Indian Health Programs). Each IHCP will receive $156,451 in DY1 funds.

In order to distribute funds, HCA must establish a written agreement with each IHCP, and the IHCPs must be registered in the Financial Executor Portal. Contract execution with IHCPs is ongoing. HCA expects payments to be released to eligible IHCPs in Q2.

Financial Executor

The launch of the Financial Executor Portal represented a key milestone during this reporting quarter. In accordance with Attachment G of the STCs, the Portal provides financial accounting and banking management support for incentive payments. During the reporting quarter, Public Consulting Group (PCG), the state's DSRIP Financial Executor, provided direct technical assistance to ACHs and their partnering providers on the registration process and functions of the Financial Executor Portal.

With the conclusion of the independent assessment and state approval of ACH Project Plans, the first installment of Project Plan incentive funds was made available to ACHs through the Portal. IHCP-earned planning funds were also made available through the Portal.

ACHs will instruct the Financial Executor on the distribution of earned funds to themselves and partnering providers and for their own use. Payments will be issued through the Portal on a bi-weekly basis.

DSRIP performance measurement development

HCA continued to develop its measurement strategy during the reporting quarter. Key elements included continued development of the DSRIP Measurement Guide and Pay-for Reporting (P4R) milestone refinement.

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Measurement Guide

Healthier Washington created a Measurement Guide to document how performance toward transformation targets will be measured throughout the five-year Healthier Washington Medicaid Transformation. The state conducted a public comment period that began February 8, 2018, and posted the Measurement Guide for review on the Medicaid Transformation webpage. An email notice alerted stakeholders, partners, and community members of the public comment period and process for submitting comments. Additional notice was shared broadly through existing Healthier Washington, HCA, and partner agency communications channels.

Questions and concerns were raised about the technical specification sheets that provided information on the pay-for-performance measures. To address these questions, the state re-organized, revised, and updated the information in the technical specification sheets for each measure, including the following actions:

- Updating to HEDIS™ 2018 specifications.
- Providing additional information about measure construction.
- Providing (when possible) CPT/CDT codes or values sets.
- Providing consistency in eligible population descriptions.

Public commenters also requested greater detail pertaining to how statewide accountability works, how ACHs can earn incentives from the High Performance Pool, and clarifications related to the logistics of P4P metrics production and connection to Project Incentives. The state is actively working on revisions to address comments received, as well as development of new content to provide more detail about more recent development of accountability measurement concepts. The state anticipates the release of the refined Measurement Guide during Q2, DY 2.

Pay-for-Reporting

HCA continued the process of refining ACH reporting requirements as defined in the STCs, protocols and Project Toolkit. The aim is to clearly define the documentation that will serve as proof of milestone completion.

P4R Metrics. The state continued to develop a P4R metric collection instrument into a workbook format. P4R metric workbooks are intended to collect information that cannot easily be captured through other means (e.g. narrative responses in semi-annual reporting) and to provide more detailed information about implementation progress.

Semi-annual Reports. The state and the Independent Assessor released the first ACH semi-annual report template. Per the DSRIP Planning Protocol, ACHs will report information necessary to evaluate ACH Projects using a standard reporting form. The first template includes two sections:

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ACH Semi-Annual Report 1	
Section	**Sub-section**
I. Required Toolkit Milestones	- Milestone 1: Assessment of Current State Capacity - Milestone 2: Strategy Development for Domain I Focus Areas (Systems for Population Health Management, Workforce, Value-based Payment) - Milestone 3: Define Medicaid Transformation Evidence-based Approaches or Promising Practices, Strategies, and Target Populations - Milestone 4: Identification of Partnering Providers
II. Standard Reporting Requirements	- ACH Organizational Updates - Tribal Engagement and Collaboration - Project Status Update - Partnering Provider Engagement - Community Engagement - Health Equity Activities - Budget and Funds Flow

ACHs will submit their first semi-annual reports in July 2018, and every six months thereafter.

Implementation Plans. The state is developing the ACH Implementation Plan template. The Implementation Plan will build from the approved Project Plans to provide a detailed roadmap of the ACH's implementation approach and activities with partnering providers across their portfolio of projects. HCA anticipates releasing the Implementation Plan template and expectations to ACHs in Q2. ACHs must submit their Implementation Plans by October 1, 2018.

Other DSRIP program activities

Medicaid Value-based Payment Action Team

A critical component of delivery system reform is the pursuit and achievement of value-based payment goals. The Health and Community Capacity Building component (Domain 1) of the Project Toolkit recognizes the importance of guiding and supporting ACHs and their partnering providers as they work to integrate VBP goals into their transformation projects. The Medicaid Value-based Payment Action Team met twice during the reporting quarter, as described above.

Demonstration waiver amendment

HCA submitted to CMS a waiver amendment request to allow for the full cost of stays in institutions for mental disease (IMDs) for substance use disorder (SUD) services. During this reporting quarter, the state completed the following activities related to the amendment:

- Received direct technical assistance from CMS regarding budget neutrality calculations
- Published the amendment request for public comment

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- Engaged tribal partners in a second round table session, and formal tribal consultation

Upcoming activities

- *Published updates to the Measurement Guide, June 2018*
- *Continued refinement of ACH P4R expectations, through June 2018*

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Long-term Services and Supports (LTSS) implementation accomplishments

This section summarizes LTSS program development and implementation activities conducted from January 1, 2018 through March 31, 2018. Key accomplishments for this quarter include:

On March 14 and 15, Area Agencies on Aging (AAAs) and Home and Community Services Division (HCS) co-facilitated a statewide Barrier Busting Event (BBE) that included representatives from HCS social services, financial, policy and AAAs. The purpose of the event was to identify what is working well and to spend time identifying barriers and potential improvements to policy, processes and systems. Areas identified for improvement include program complexity, technology, communication, training, barcode, and resources and sustainability. The attendees then prioritized the issues, brainstormed solutions and formed workgroups to initiate necessary changes.

These six workgroups will report back to the BBE attendees at 30, 60 and 90 days with summaries of progress towards identified goals. The HCS director, Bea Rector, summed up the event well with the following comment:

"It was invigorating to hear the passion and creativity among those who attended the barrier busting event. I want to thank you for your contribution in making Washington a national leader in the provision of long term services and supports, and for your willingness to continually innovate to ensure services are accessible and responsive to the individuals we serve."

Additionally, the first Quality Assurance review of presumptive eligibility process was completed. Results may be reviewed below in the Quality Assurance section.

Network adequacy for LTSS programs, MAC and TSOA

2018 Milestone documents from each of the 13 Area Agencies on Aging regarding provider network adequacy are due this year. No milestone documents were due or submitted this quarter. Each quarter, HCS will report the number of AAAs that have submitted their 2018 milestone documents.

Assessment and systems update

HCS and AAA staff continue to identify, track and prioritize bug fixes and enhancements necessary in the various systems that support MAC and TSOA service delivery, including GetCare, CARE, ProviderOne, and Barcode. This is part of an on-going change control process for these systems.

Staff readiness and training

The Community WorkSpace, a SharePoint site dedicated to support staff implementing the LTSS demonstration programs, continues to be updated with policy and training materials. During this quarter we conducted two webinars with AAA management to introduce the newly developed MTD reports used to monitor MAC and TSOA programs. HCS program managers also held a statewide Question & Answer session with AAA case management to discuss purpose of care plans and address questions related to system functionality for care plan development. Webinars and training sessions will continue to be provided on an as-requested basis or as areas of improvement are identified.

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Data and reporting

Three additional MTP reports were completed and released this quarter. One dashboard report was also released and an additional dashboard report will be completed next quarter. These reports will assist HCS to gather necessary information for CMS quarterly and annual reports, and will provide data for HCS and AAAs to monitor and manage the MAC and TSOA programs.

LTSS Beneficiaries by Program as of 12/31/17	
MAC	TSOA
16	914

Number of New Person-centered Service Plans by Program	
MAC	TSOA
4	353

Number of Beneficiaries Self-directing Services under Employer Authority	
MAC	TSOA
0	0

During this quarter the state achieved a major milestone of having served over 1000 clients in the MAC and TSOA programs. We are currently evaluating enrollment in both programs and continue community outreach and engagement efforts to increase enrollments. A workgroup including both HCS program managers and HCS/AAA case management staff are exploring outreach approaches to address increase of enrollments. Examples of activities include:

- Managers are reviewing intake data and exploring best practices from those areas with highest enrollment numbers
- Collaborating with other agencies in the community that may also have contact with this population

In regard to care plan development, HCS has provided guidance and technical assistance to help case management staff understand the importance of the care plan and reviewed the functionality of the care plan tool in GetCare system. Compliance with completion of care plans continues to increase. Further training and user guides related to this will be developed as part of the Barrier Busting Event held in March.

State rulemaking

The programs continue to operate under emergency rule. A public hearing was held on January 23, 2018 with the public comment period ending at 5 p.m. on that same date. The permanent rulemaking process will continue into the early part of the next quarter. Rule for MAC and TSOA programs is anticipated to be permanent on April 27, 2018.

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Other LTSS program activities

The continuing MAC and TSOA outreach campaign activities include the following items this quarter:

- Release of the advertisements on the side of public transit buses in Pierce and King Counties
- Additional radio advertisements and community newspaper articles in various areas of the state, including senior newspapers and a newspaper in the Yakima area for Spanish-speaking consumers.
- Recent article on the MAC and TSOA programs: http://www.spokesman.com/stories/2018/mar/05/washington-state-pilot-programs-expanding-support-/
- Completion of a Washington Apple Health brochure for Medicaid applicants and recipients outlining the LTSS program options including MAC and TSOA and how these programs interact with Apple Health Medicaid programs.

An example of the ads to bring awareness to caregiving and the MAC and TSOA programs:

Conflict Free Case Management

Conflict Free Case Management policy was approved by CMS this quarter and has been published in the ALSTA Long Term Care Manual, Chapter 30b, MAC and TSOA Programs. This policy was introduced to field staff via Management Bulletin H18-011 on 2/9/18.

Upcoming activities

- *Barrier Busting Event workgroups will begin their work sessions next quarter in preparation for the 30 day check in session on May 1.*
- *Permanent rule for MAC and TSOA programs will become effective on April 27, 2018.*
- *Statewide Caregiving conference (Giving Care, Taking Care) will be held next quarter.*

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Foundational Community Supports (FCS) implementation accomplishments

This section summarizes FCS program development and implementation activities conducted from January 1, 2018 through March 31, 2018.

Following the November 2017 approval of the FCS Protocol (Appendix I), the state initiated a "soft launch" of service delivery under the program on January 2, 2018. Activities in Q1 focused on building the provider networks for Community Support Services (CSS) and Supported Employment – Individual Placement and Support (IPS) services. These activities will continue through Q2 until network adequacy is achieved and maintained by the Third Party Administrator (TPA) for FCS.

Key accomplishments for the quarter include:

- Program soft launch began on January 2, service delivery began via initial provider network
- Q1 billed services total: $23,800
- Q1 total number of individuals served: 250
- Q1 providers contracted: 68 (196 service locations)

Network adequacy for FCS

Initial network development is focused on a compiled list of interested providers in a position to deliver CSS and/or IPS services under the program. Contracting efforts began via the TPA immediately after protocol approval and continued through Q1 of DY2.

Provider Network Development						
	January		February		March	
	Contracts	Service Locations	Contracts	Service Locations	Contracts	Service Locations
Supported Employment (IPS)	29	92	27	97	27	94
Community Support Services (CCS)	9	17	10	23	13	28
CCS and IPS	15	28	25	54	28	74
Total	53	137	62	174	68	196

Client Enrollment

Initially, enrollment during the soft launch period proceeded slowly. This was expected as providers navigated the contracting and enrollment process, and service availability expanded across the state. Enrollment picked up significantly towards the middle and end of the quarter, especially for IPS services, as more providers engaged in the program.

As providers prepare to participate in the program, efforts have been made to establish referral pathways from systems of care so eligible individuals can access FCS services. Strong referral pathways have been established via the state Home and Community Service case managers within the Aging and Long-Term Supports Administration. Further efforts have focused on building referral pathways for behavioral health providers, discharge planners for state institutions, and other community partners.

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Resources have been developed by the state and the TPA, meant to increase awareness of FCS services for clients and providers alike. Resources include:

- [Provider Resource guide (State)](#)
- [FCS Referral Quick Reference Guide](#)
- [Amerigroup TPA Provider Website](#)
- [Amerigroup TPA Client Website](#)

These referral pathways resulted in steadily increasing enrollment throughout Q1.

FCS Enrollment			
	January	**February**	**March**
Supported Employment (IPS)	23	77	148
Community Support Services (CCS)	11	19	30
CCS and IPS	0	1	1
Total Enrollment	**34**	**97**	**179**

Other FCS program activity

The state pursued procurement for national technical assistance vendors to support state agencies, FCS providers and community partners with guidance and training focused on best practices relevant to FCS services. The state will contract with up to five TA providers for this purpose.

Upcoming activities

- *Procurements: Execute FCS Technical Assistance contracts (Target 5/1/18)*
- *Network adequacy: finalize initial provider networks for FCS services, identify remaining service gaps and implement adequacy standards for the TPA (target 7/1/18)*
- *Continue stakeholder engagement and provider training activities as needed*

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Quarterly expenditures

The following tables reflect quarterly expenditures for Demonstration Year 2. During the period of January 1 through March 31, 2018, ACHs and IHCPs received a portion of their earned DY 1 incentives through the Financial Executor Portal. The TSOA and MAC programs each had service expenditures during this reporting quarter, including caregiver assistance services, training and education supports, specialized equipment and supplies, as well as personal assistance services.

DSRIP Funding					
	Q1	**Q2**	**Q3**	**Q4**	**DY 2 Total**
	January 1 – March 31, 2018	April 1 – June 30, 2018	July 1 – September 30, 2018	October 1 – December 31, 2018	January 1 – December 31, 2018
Accountable Communities of Health					
Better Health Together	$8,629,990	-	-	-	$8,629,990
Cascade Pacific Action Alliance	$9,301,288	-	-	-	$9,301,288
Greater Columbia	$10,983,624	-	-	-	$10,983,624
HealthierHere	$17,259,981	-	-	-	$17,259,981
North Central	$7,691,357	-	-	-	$7,691,357
North Sound	$13,709,292	-	-	-	$13,709,292
Pierce County	$9,414,535	-	-	-	$9,414,535
Olympic Community of Health	$4,594,020	-	-	-	$4,594,020
SWACH	$14,167,487	-	-	-	$14,167,487
Tribal Specific Projects					
Indian Health Care Providers	$5,400,000	-	-	-	$5,400,000

Service Expenditures					
	Q1	**Q2**	**Q3**	**Q4**	**DY 2 Total**
	January 1 – March 31, 2018	April 1 – June 30, 2018	July 1 – September 30, 2018	October 1 – December 31, 2018	January 1 – December 31, 2018
Tailored Supported for Older Adults	$314,035	-	-	-	$314,035
Medicaid Alterative Care	$8,107	-	-	-	$10,908

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MAC and TSOA Not Eligible	$210	-	-	-	$210
Foundational Community Supports	-	-	-	-	-

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Overall demonstration development/issues

Operational/policy issues

Implementation activities for DSRIP, LTSS, and FCS are currently underway. No significant issues to report for this quarter. If the SUD waiver amendment is approved, the state will need to make adjustments to processes for reporting and evaluation, in accordance with CMS expectations.

Financial/budget neutrality development/issues

Financial

The state has no financial issues or updates to report during this reporting quarter.

Budget neutrality

According to STC 105, a working draft version of the budget neutrality monitoring tool was to be available for inclusion in the state's first quarterly report. Per CMS guidance, the state is awaiting further direction from CMS with respect to the status of this tool. It is critical that guidance is provided soon to ensure we are able to monitor and analyze actual expenditures subject to budget neutrality. HCA will continue to raise this issue during monthly monitoring calls with CMS.

The budget neutrality process is in place for the CMS-64 reporting. Budget neutrality expenditures for CY17 Quarter 1 and Quarter 2 have been reported on the Non-Expansion Adults waiver form. This form was submitted on the FFY18 Quarter 1 claim. CY17 Quarter 3 and Quarter 4 budget neutrality expenditures will be reported on FFY18 Quarter 2 claim.

Below are the counts of member months eligible to receive services under the demonstration.

Member Months Eligible to Receive Services Count		
Calendar Month	**Budget Neutrality Eligibility Groups**	**All Other Eligibility Groups**	**Total Member Months**
Jan-17	375,293	1,549,882	1,925,175
Feb-17	374,071	1,544,828	1,918,899
Mar-17	373,556	1,543,002	1,916,558
Apr-17	372,333	1,541,547	1,913,880
May-17	371,831	1,539,883	1,911,714
Jun-17	371,695	1,535,347	1,907,042
Jul-17	370,723	1,521,417	1,892,140
Aug-17	370,420	1,514,831	1,885,251
Sep-17	369,094	1,503,715	1,872,809
Oct-17	368,764	1,498,878	1,867,642
Nov-17	368,371	1,504,306	1,872,677
Dec-17	368,037	1,516,774	1,884,811

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Jan-18	367,472	1,511,433	1,878,905
Feb-18	365,352	1,506,251	1,871,603
Mar-18	363,576	1,500,718	1,864,294
Total	5,550,588	22,832,812	28,383,400

Designated State Health Programs (DSHP)
No significant updates to provide this quarter.

Consumer issues
The state has not experienced any major consumer issues for the DSRIP, FCS, and LTSS programs during this reporting quarter, other than general inquiry about benefits available through the MTP.

Quality assurance/monitoring activity
The first focused review of the LTSS presumptive eligibility (PE) process was completed by the HCS Quality Assurance (QA) unit. The review is for time period September – December 2017 and sample size was 447. Results of this review can be seen in the charts in Attachment B.

The 2019 Quality Assurance plan for MAC and TSOA was finalized with the HCS QA unit and testing will occur in 2018. Orientation and training regarding this plan will be completed next quarter with the case management staff.

Demonstration evaluation
After conducting a competitive RFP process, Oregon Health and Science University (OHSU) was announced as the apparently successful bidder to fulfill the duties of Independent External Evaluator (IEE) for the Healthier Washington Medicaid Transformation.

The IEE will use both qualitative and quantitative methods to:

- Perform interim and final evaluations of the Medicaid Transformation, as specified in the state's contract with the federal Centers for Medicare and Medicaid Services.
- Provide rapid-cycle monitoring of the ACHs' project implementation.
- Identify when and how specific efforts did or did not achieve the expected outcomes.

The IEE's focus encompasses qualitative and quantitative evaluation of all three initiatives relative to the overall goals of the Medicaid Transformation Project.

In addition, DSHS Research and Data Analysis (RDA) will be completing periodic surveys of MAC & TSOA program enrollees over the course of the five-year demonstration as part of the overall demonstration evaluation in an effort to gain a qualitative perspective on these new programs. One survey was initiated in this quarter. The survey was conducted with a sample of 191 participants. There was a 91% response rate of those contacted. Data received from this initial survey will be compiled and evaluated.

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Value-based Purchasing

HCA submitted its Apple Health Appendix to the Value-based Roadmap in November 2017. The Apple Health Appendix, in accordance with the STCs, describes how managed care is transforming in alignment with the MTP, and establishes targets for VBP attainment and related incentives under DSRIP for MCOs and ACHs. The state received comments from CMS in May 2018, and is actively working to address those comments in an update to the Appendix. Additionally, the state is working with the Independent Assessor on a validation methodology for VBP improvement and attainment. HCA expects this methodology to be finalized in June 2018.

Health IT

HCA submitted its Health IT Strategic Roadmap and Operational Plan on December 1, 2017. The Health IT Strategic Roadmap identifies activities necessary to advance the use of interoperable Health IT and HIE across the care continuum in support of the programmatic objectives of the MTP. During the reporting quarter, the HIT team held webinars for state partners, ACHs, and other stakeholders to provide updates on the Operational Plan progress. As part of the Strategic Plan, and in accordance with STC 39, HCA will submit its quarterly HIT Operational Report in Q2, reflecting the success stories and Operational Plan progress to date through DY 2, Q1.

Integrated Managed Care

One of the key goals of the MTP is the comprehensive integration of physical and behavioral health services through new care models. Beginning April 1, 2016, SWACH, an early adopter region, was the first to adopt fully integrated managed care. North Central ACH, a mid-adopter region, began integrated managed care January 1, 2018. Five additional regions (Better Health Together, Greater Columbia ACH, HealthierHere, Pierce County ACH, and North Sound ACH) have expressed their intent to transition to integrated managed care by 2019. HCA is currently undergoing a procurement process for managed care contracts in these regions. The remaining regions (Cascade Pacific Action Alliance, and Olympic Community of Health) will transition to integrated managed care in 2020, per the STCs.

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Summary of additional resources, enclosures and attachments

Additional resources

More information about Washington's demonstration is available at:
https://www.hca.wa.gov/about-hca/healthier-washington/medicaid-transformation.

Interested parties can sign up to be notified of demonstration developments, release of new materials, and opportunities for public comment through the Healthier Washington listserv.

Summary of enclosures and attachments

Attachment Reference	Document Title/Description
A	State Contacts
B	LTSS Presumptive Eligibility Quality Assurance Review Results
C	Independent Assessor Project Plan Assessment Report

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Attachment A: State contacts

Identify the individual(s) that CMS may contact should any questions arise:
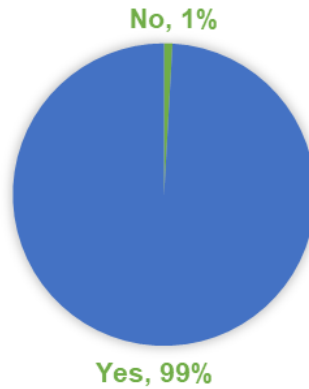
Area	Name	Title	Phone
MTP and quarterly reports	Kali Klein	Manager, Medicaid Transformation	(360) 725-1240
DSRIP program	Kali Klein	Manager, Medicaid Transformation	(360) 725-1240
LTSS program	Kelli Emans	Managed Care Policy Analyst, DSHS	(360) 725-3213
FCS program	Jon Brumbach	Senior Health Policy Analyst, Medicaid Transformation	(360) 725-1535

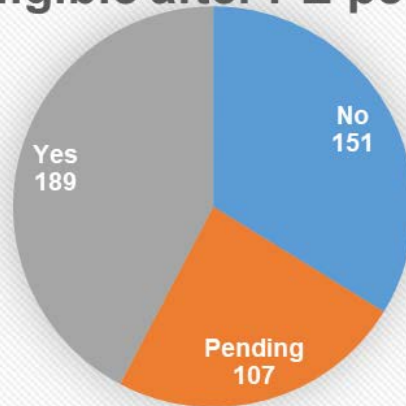**For mail delivery, use the following address:**

Washington Health Care Authority
Division of Planning, Policy and Performance
Mail Stop 45502
628 8th Ave SE
Olympia, WA 98501

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Attachment B: LTSS Presumptive Eligibility Quality Assurance Review Results

PE QUESTION 1: WAS THE CLIENT APPROPRIATELY DETERMINED TO BE NFLOC ELIGIBLE FOR PE?

No, 1%

Yes, 99%

PE Question 2: Did Client remain eligible after PE period?

No
151

Yes
189

Pending
107

PE FOCUSED REVIEW QUESTION 2: IF NO, WHY?

Client did not complete TSOA application 25%

Client was not financially eligible per HCS Financial Worker 16%

Client died 8%

Client was not functionally eligible 5%

Client withdrew from services 35%

Client chose another program 11%

Sample size: 151