Washington State Medicaid Program

• Purchases health care for 1.9 million people
• Most – 1.55 million – receive care through five MCOs
• $8 billion annual spend
• Populations served include children, pregnant women, disabled adults, elderly persons, former foster care adults, and adults covered through Medicaid expansion
Medicaid Expansion

Since June 2013, Washington State has added 590,000 new adults to Apple Health.
Benefits

• Physicians
  – Primary Care and Specialists
  – MDs, ARNPs and other licensed providers
  – Rural health clinics and FQHCs

• Hospitals, Birth Centers, Nursing Homes

• Prescriptions

• Laboratory, x-ray, home health... services

• Family planning, nurse midwife, and birth centers

• Transportation to medical care
Preventive Services

- Well-child visits and annual physical exams for adults
- Immunizations
- Initial health screens and assessments
- Nurse advice lines
- Disease management programs
- Transitional services for those moving between care settings
- Weight/BMI assessments
- Lead screening for children
- Breast and cervical cancer screenings for women
Steps to Improve Utilization of Preventive Services

• Value-based Purchasing
• External Quality Reviews
• TEAMonitor
• Performance Improvement Projects (PIPs)
• Corrective Action
New benefits – Effective 2014

Benefits

• Dental for adults
• Shingles vaccinations for clients over 60 years
• Screening and treatment referral for substance abuse
• Oral contraceptives filled for 12 months
• No limits on number of mental health visits
• Habilitative services for new adult population

Provider Types

• Naturopathic physicians
• Expanded eligible mental health provider types
Funding Sources

The majority of HCA’s budget is funded through federal Medicaid and Children’s Health Insurance Program grants.

**2015-17 Biennium**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal portion</td>
<td>$11.2 billion</td>
<td>69%</td>
</tr>
<tr>
<td>State portion</td>
<td>$ 4.0 billion</td>
<td>25%</td>
</tr>
<tr>
<td>All other funding</td>
<td>$ 1.1 billion</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total Medicaid budget</strong></td>
<td><strong>$16.3 billion</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Direct Client Services and Agency Administration

Only 5% of HCA’s Medicaid budget supports agency administration, 83% of which is federally funded.

2015-17 Biennium

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$ 0.8 billion</td>
<td>5%</td>
</tr>
<tr>
<td>Direct client services</td>
<td>$ 15.5 billion</td>
<td>95%</td>
</tr>
<tr>
<td>Total Medicaid budget</td>
<td>$16.3 billion</td>
<td>100%</td>
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</tbody>
</table>

Source: Agency Financial Reporting System (AFRS) Allotments
Managed Care and Fee-for-Service

Over 62% of HCA’s Medicaid budget supports managed care costs.

2015-17 Biennium

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Managed care</td>
<td>$10.1 b</td>
<td>62%</td>
</tr>
<tr>
<td>Fee-for-service</td>
<td>$ 4.1 b</td>
<td>25%</td>
</tr>
<tr>
<td>Hospital financing</td>
<td>$ 1.3 b</td>
<td>8%</td>
</tr>
<tr>
<td>Administration</td>
<td>$ 0.8 b</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total Medicaid budget</strong></td>
<td><strong>$16.3 b</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Sources: February 2016 Medical Assistance Forecast
February 2016 Forecast-to-Budget
Agency Financial Reporting System (AFRS) Allotments
# Types of Waiver Authority

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>1915(b)</td>
<td>Managed care waiver</td>
</tr>
<tr>
<td>1915(c)</td>
<td>Home and community-based care</td>
</tr>
<tr>
<td>1915(k)</td>
<td>Community first choice</td>
</tr>
<tr>
<td>1115</td>
<td>Research and demonstration project</td>
</tr>
</tbody>
</table>
Section 1115 Medicaid Transformation Waiver

- Will allow us to test new and innovative approaches to providing health coverage and care
- 5-year demonstration project
- Allows up to $1.5 billion of federal investment across three initiatives
- Currently in negotiation process with CMS for Special Terms and Conditions (STCs)
Medicaid Transformation Demonstration Initiatives

• Transformation through Accountable Communities of Health
  – Up to $1.125 billion eligible for incentive payments
  – Regional projects aimed at transforming the Medicaid delivery system to serve the whole person

• Long-term Services and Supports
  – Approximately $175 million for two new benefits:
    • Medicaid Alternative Care (MAC)
    • Tailored Supports for Older Adults (TSOA)

• Supportive Housing and Supported Employment
  – Approximately $200 million
  – Providing our most vulnerable populations with targeted supports to get and stay healthy
Medicaid Transformation Demonstration
Pre-Implementation Activities
Medicaid Transformation Demonstration
- Financing Strategies
The State will use waiver dollars to create two pools of funds: one for the Delivery System Reform Incentive Payment (DSRIP) program and one for other state priorities.

**DSRIP**
Investment in Medicaid delivery system through funding implementation of state and regionally defined transformation activities

**Other State Priorities**
Funding for state-administered benefit like programs focusing on LTSSs, improving clinical-community linkages (e.g. supported housing and supported employment)
Designated State Health Program (DSHP)

- State or locally funded health care programs which serve low-income and uninsured people, and are not otherwise eligible for federal matching funds.
- CMS must approve designation and use of programs as DSHP.
- Programs leveraged as a DSHP will continue to operate just as they would if they were not a designated DSHP.
Intergovernmental Transfer (IGT)

- IGTs are transfers of public funds between governmental entities. *Examples: from a county or a public hospital to the State.*

- The source of funding for each IGT that is proposed by a governmental entity must be reviewed to ensure that it meets state and federal requirements for permissible transfers.

- Public/governmental entities that are eligible, willing and financially able to contribute funds through an IGT will partner with regional ACHs to develop transformation project plans.
Questions?

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