Washington State Innovation Models
Quarter 1 Progress Report

February 1, 2015 – April 30, 2015

Under the terms and conditions of Washington's State Innovation Models (SIM) Test Grant, the Healthier Washington team must submit a quarterly report to the Center for Medicare and Medicaid Innovation (CMMI) focusing on the progress made toward the program milestones and goals of the Healthier Washington initiative. The following was submitted to CMMI following the Center's guidance to highlight only a few Healthier Washington elements within each specified progress report domain. Within this summary, you will find highlights of the successes and lessons learned from this past quarter. Please do not hesitate to contact the Healthier Washington team with any questions or feedback.

Success Story or Best Practice

The successful development of a governance structure was a critical first task in Q1. Healthier Washington's structure, along with clear roles and decision pathways, has assisted the complex Healthier Washington team in being nimble and effective. Washington built structures that ensure all have the level of information they desire, without requiring a high volume of meetings. The Healthier Washington structure includes:

- Project teams, responsible for completing initiative milestones;
- The Core Team, which provides policy, program and process coordination and communication for the initiative;
- The Consulted Leadership Team, which provides consultation to ensure success of the Core Team and Project Teams;
- The Healthier Washington Coordinator, who ensures the work of the initiative is quality, timely and communicated; and
- The Executive Governance Council, consisting of State Cabinet members from the three lead agencies and the Governor's Office, who provide strategic policy direction.

Serving as an advisory body to the initiative, Washington also successfully launched in Q1 the Health Innovation Leadership Network (HILN). HILN is a group of about 60 providers, businesses, health plans, consumers, community entities, government entities, Tribes and others—all with the ability to support and influence the systems Healthier Washington aims to transform. At its April kick-off meeting, HILN agreed to:

- Monitor, inform and accelerate Healthier Washington efforts.
- Identify opportunities for alignment, scale and spread.
- Identify and anticipate barriers, and identify barrier resolution strategies.
- Identify and provide in-kind support for Healthier Washington implementation and sustainability.
- Serve as ambassadors for the initiative.

HILN members noted at the conclusion of the kick-off meeting they were inspired and excited. They documented in writing commitments to information sharing and acceleration of the work of Healthier Washington.

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Challenges

Contracting. A significant challenge Washington faced in Q1 was the process of getting contract prior approval from CMMI, a required first step to implement contracts. Each of Washington's submissions has required discussion and revisions to the prior approval requests—providing different information and shifting agreed-upon approaches to prior approval. It has often taken more than 30 days for Washington's contracts to be approved, causing significant delay in executing some of our contracts.

Washington has followed up with our grants specialist at CMMI to ensure we understand what is needed for future prior approval requests and to avoid any future delays in the approval process. We are confident that we are providing the information necessary to allow approval from CMMI and are looking forward to our next round of contracts being approved.

Staff recruitment. While most Healthier Washington positions were filled in Q1, some key leadership positions continued to remain vacant. Agency leadership across Health Care Authority, Department of Health, and Department of Social and Health Services are filling these roles in the interim, but dedicated staff are necessary to drive the aims and deliverables of the initiative.

Governance

Healthier Washington Structure. Washington state built in Q1 the critical structural elements necessary to manage and govern the initiative. The Healthier Washington structure includes:

- Project teams, responsible for completing initiative milestones.
- The Core Team, which provides policy, program and process coordination and communication for the initiative. The Core Team meets weekly and identifies issues to raise to the Healthier Washington Coordinator and other leadership.
- The Consulted Leadership Team, which provides consultation to ensure success of the Core Team and Project Teams. The Consulted Leadership Team meets virtually once a week with the Healthier Washington Coordinator to review weekly milestones and challenges, and identify barrier resolution strategies when necessary.
- The Healthier Washington Coordinator, who ensures the work of the initiative is quality, timely and communicated.
- The Executive Governance Council, existing of State Cabinet members from the three lead agencies and the Governor's Office, who provide strategic policy direction. The Executive Governance Council meets monthly with the Coordinator and has provided strategic direction at critical points during Q1.

Health Innovation Leadership Network. Key to success during Innovation Planning was the commitment of a cross-agency leadership group called the Executive Management Advisory Council that included 12 State agencies. In Q1, Washington evolved this group to a public-private Health Innovation Leadership Network (HILN) to accelerate Healthier Washington efforts.

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The HILN—comprised of nearly 60 providers, businesses, health plans, consumers, community entities, government entities, and Tribes—agreed during its April kick-off meeting to monitor, inform and accelerate progress as well as identify barriers and opportunities for alignment, scale and spread. The HILN meets quarterly, with its next meeting in July.

Stakeholder Engagement

Key Q1 stakeholder engagement activities included:

- **Accountable Community of Health Design.** Seven design regions statewide moved forward on coordination of ACH activities, including community engagement to support the emerging ACH within each region. Design regions are implementing cascading engagement strategies that focus on participation at the governing board and committee meetings, while recognizing the value of engagement opportunities for other interested parties at the local level.
- **Practice Transformation Support Hub.** An early grounding with key stakeholders provided a foundation for work moving forward. In addition, a calendar of events is in process, listening session support is secured, and documents for feedback during the stakeholder process are in development.
- **Payment Model Test 1.** The Early Adopter fully-integrated Medicaid draft contract was released for a three-week public review period. Additionally, HCA held stakeholder engagement sessions to receive in-person feedback on the contract with MCOs, the Association for County Human Services, Regional Support Networks, and core county staff in the early adopter implementation region. HCA received over 300 pages of comment on the draft contract and is reviewing each comment.
- **Payment Model Test 3**. The Accountable Care Program (ACP) team convened various meetings with the following stakeholders: 1) Delivery systems that responded to the ACP RFA; 2) payers that currently provide health plan products to Washington State PEB to understand their plans to offer more accountable care products to members in 2016; 3) purchasers, primarily monthly phone calls with The Boeing Company, to learn and incorporate early findings from their accountable care program.
- **Performance measurement.** HCA invited members of the Performance Measures Coordinating Committee to continue participation into the ongoing evolution of the Statewide Common Core Measures set. 92 percent agreed to continue to evolve and evaluate the core set.

Population Health

The Washington *Prevention Framework* identifies specific priority areas (e.g., diabetes, tobacco cessation, obesity and behavioral-physical health care integration) and serves as the foundational framework for the development of the Plan for Improving Population Health. Identification of key stakeholders and development of the process to complete the plan has occurred. The ACH measures framework currently being developed and considered is based largely on the priority set developed from the Prevention Framework. ACHs are already considering a priority framework that aligns with this plan, and the state recognizes the importance of aligning these priorities with the work of the ACH.

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Health Care Delivery System Transformation

Practice Transformation Support Hub. Early stakeholdering and recruitment of key Hub staff dominated Q1 activities for the Hub. These activities were foundational to Q2 milestones, which will include onboarding of the Hub Director and other staff, and launch of the stakeholdering effort that will inform the design and evaluation of the Hub.

Shared decision making. Q1 activities in shared decision making will provide a foundation for the SIM-funded elements of this work. Through a grant from the Gordon and Betty Moore Foundation, HCA in Q1 engaged stakeholders to develop a draft process to certify patient decision aids in Washington state. Once a process is in place to certify decision aids, Washington under SIM plans to offer technical assistance and training opportunities for providers in shared decision making concepts.

Workforce. Washington developed, circulated and continued to evolve a Workforce/Community Health Worker concept paper with proposed next steps for a Community Health Worker Action Plan. Activities in subsequent quarters will include the development and convening of a broad based task force to participate in public listening sessions addressing a series of questions and to develop recommendations by the end of 2015.

Payment and/or Service Delivery Models

Payment Redesign Model Test 1, Early Adopter. The Early Adopter initiative fully integrates medical, mental health, and substance use disorder benefits (SUD) into managed care by April 2016 in select regions. In Q1, HCA developed an interactive model to demonstrate the potential savings of integrated delivery system reforms HCA anticipates will be accelerated by integrated financing. Additionally, HCA has made progress in merging the Medicaid mental health and SUD program requirements and benefits into the 2016 Apple Health fully integrated managed care contract, and developing a companion non-Medicaid contract for managed care organizations. Collectively these will ensure that Medicaid managed care organizations provide the full continuum of medical, mental health and SUD services to Medicaid enrollees regardless of the funding source. To ensure all federal and state authority is in place by April 2016, HCA engaged with CMS regarding the need for a 1915(b) waiver submission, development of which is underway, and is amending necessary state regulations to ensure program alignment. During this period of program and contract development, HCA has been conducting significant stakeholder engagement, with managed care organizations, providers, and county officials in the early adopter region.

Payment Redesign Model Test 3, Accountable Care Program. In March, finalists were selected Apparent Successful Applicants to enter negotiations with HCA. In-person negotiation meetings and phone calls with the finalists began in mid-March and continued through the end of April. During this time, the initial draft contract was sent to the finalists and edits were shared back in forth through a redline process. May 28 is the target date for signed contracts to allow adequate time for implementation activities to start June 1.

Leveraging Regulatory Authority

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Legislation: At the beginning of the 2015-2016 Washington State Legislative session, the Legislature considered a new bill that would amend the existing All Payer Claims Database legislation passed last session. The new bill would mandate payers to submit financial data (data submission was voluntary under the original bill), which will allow for analyses about health-care value, not previously available. The bill passed with bi-partisan and broad stakeholder support (employers, payers, providers and consumers) the end of April and was signed by the Governor in Q2.

Waiver: Efforts are underway in Washington state to pursue a global Section 1115 waiver for Medicaid transformation. This global waiver is designed to leverage, complement and strengthen Healthier Washington initiatives, including the expansion of Medicaid to newly eligible adults. With over 1.7 million enrollees, Apple Health (Medicaid) is a significant player in the Healthier Washington journey. While federal waiver authority is not required to fulfill the state's Round 2 Model Test grant, Medicaid transformation will increase Washington's ability to fully implement the policy direction set by the Governor and legislature, allowing the state to fully capitalize on federal investments and ensure sustainability of a transformed system. Washington's SIM grant is directed at multi-payer systems reform and Washington has recognized the need for additional flexibility, authority and reinvestment capabilities to sustain and transform its Medicaid system.

Workforce Capacity

Washington is addressing workforce capacity through Healthier Washington through several avenues, to include:

- **Community Health Workers**. Washington state engaged in Q1 in discussions to move forward integration of a CHW workforce to achieve individual outcomes and improved population health. In addition to early concept development around a CHW Action Plan, Washington continues to engage with stakeholders interested in advancing CHWs.
- **Practice Transformation Support Hub**. Early stakeholdering into the design of the Hub identified workforce development as a core element the Hub needs to address, not only to ensure practice transformation for the duration of the SIM grant, but for sustainability of continued clinical transformation.
- **Industry Sentinel Network.** Q1 activities included early discussions to scope the work of the Industry Sentinel Network, which will provide real-time, rapid assessment and dissemination of key health care employer and labor projections to inform workforce supply planning.

Health Information Technology

The initiative's Analytics, Interoperability and Measurement (AIM) investment area made good progress in Q1, and remains on schedule to meet the targets identified in Washington's year one goals.

Washington is in the midst of building out the AIM team with a mix of infrastructure, analytics and program management roles. HCA spent Q1 and continues to interview candidates for the AIM Director position, which will be a key resource for guiding the AIM program. As the AIM team is assembled, Washington is developing a HIT governance structure in line with that of the overall Healthier Washington initiative.

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It was determined in Q1 to bring in external knowledge to assist in the development of a strategic roadmap for meeting Healthier Washington goals. A precursor to SIM investment, HCA began a contracting process with Gartner to identify a data architecture and management plan, as well a tool acquisition and procurement strategy.

As for data, Washington made significant strides in Q1. We identified eight potential data sources for the data warehouse that will drive Washington's analytics engine, and started conversations with the departments, agencies and outside organizations that own that data on strategies for sharing it, interoperability standards, and a data governance approach.

Continuous Quality Improvement

Washington engaged with its state evaluation team in Q1, scoping roles, responsibilities and scope for the evaluation design that will occur in year one. It was determined to contract separately with the University of Washington, Group Health Research Institute, and DSHS' Research and Data Analysis Division for their contributions to the evaluation and its design. The terms of contracts will include expectations around collaboration between UW, GHRI and the State. As the SIM state evaluator, UW will be responsible for the overall design and implementation of a cohesive rapid-cycle and summative Healthier Washington evaluation. Specific research-based programmatic evaluations also were identified as critical. Specifically, GHRI—in collaboration with UW—will lead the formative and summative evaluation of ACHs, and UW will ensure specific focus on the formative and summative evaluation of the Practice Transformation Support Hub. Contract finalization and approval was still in process at the close of Q1, with an anticipated evaluation kick-off in June.

Healthier Washington Quarterly Expenditure Report

YEAR 1

		Quarter 1 (Feb - Apr 2015)	Quarter 2 (May - Jul 2015)	Quarter 3 (Aug - Oct 2015)	Quarter 4 (Nov 2015 - Jan 2016)	Total Expenditures	Budget	Remaining Balance	% Spent
Community Empowerment	A. Personnel	$32,887				$32,887	$308,439	$275,553	11%
	B. Fringe Benefits	$8,929				$8,929	$92,532	$83,603	10%
	C. Travel						$7,623	$7,623	0%
	D. Equipment						$0	$0	
	E. Supplies						$67,080	$67,080	0%
	F. Consultant/Contractual						$1,075,000	$1,075,000	0%
	G. Construction						$0	$0	
	H. Other (e.g., grants)	$699,832				$699,832	$1,279,676	$579,844	55%
	I. Direct	$741,647				$741,647	$2,830,350	$2,088,703	26%
	J. Indirect						$16,695	$16,695	0%
	TOTAL	**$741,647**				**$741,647**	**$2,847,045**	**$2,105,398**	**26%**
Practice Transformation	A. Personnel	$9,746				$9,746	$364,715	$354,970	3%
	B. Fringe Benefits	$2,385				$2,385	$109,414	$107,029	2%
	C. Travel						$640	$640	0%
	D. Equipment						$0	$0	
	E. Supplies						$67,080	$67,080	0%
	F. Consultant/Contractual						$1,170,000	$1,170,000	0%
	G. Construction						$0	$0	
	H. Other (e.g., facilities, services and software)						$79,676	$79,676	0%
	I. Direct	$12,131				$12,131	$1,791,525	$1,779,394	1%
	J. Indirect						$16,695	$16,695	0%
	TOTAL	**$12,131**				**$12,131**	**$1,808,220**	**$1,796,089**	**1%**
Payment Redesign	A. Personnel	$14,595				$14,595	$335,009	$320,414	5%
	B. Fringe Benefits	$3,603				$3,603	$100,503	$96,900	4%
	C. Travel						$2,424	$2,424	0%
	D. Equipment						$0	$0	
	E. Supplies						$67,080	$67,080	0%
	F. Consultant/Contractual						$1,618,887	$1,618,887	0%
	G. Construction						$0	$0	
	H. Other (e.g., facilities, services and software)						$79,676	$79,676	0%
	I. Direct	$18,198				$18,198	$2,203,579	$2,185,381	1%
	J. Indirect						$16,695	$16,695	0%
	TOTAL	**$18,198**				**$18,198**	**$2,220,274**	**$2,202,076**	**1%**
Analytics, Interoperability and Measurement (AIM)	A. Personnel						$1,193,974	$1,193,974	0%
	B. Fringe Benefits						$358,192	$358,192	0%
	C. Travel						$0	$0	0%
	D. Equipment						$1,200,000	$1,200,000	0%
	E. Supplies						$67,080	$67,080	0%
	F. Consultant/Contractual						$2,675,000	$2,675,000	0%
	G. Construction						$0	$0	0%
	H. Other (e.g., technology and data)						$3,039,976	$3,039,976	0%
	I. Direct	$0				$0	$8,534,222	$8,534,222	0%
	J. Indirect						$16,695	$16,695	0%
	TOTAL	**$0**				**$0**	**$8,550,917**	**$17,085,139**	**0%**
Project Management	A. Personnel	$74,120				$74,120	$757,805	$683,685	10%
	B. Fringe Benefits	$20,877				$20,877	$227,341	$206,464	9%
	C. Travel						$22,458	$22,458	0%
	D. Equipment						$0	$0	
	E. Supplies	$633				$633	$67,080	$66,447	1%
	F. Consultant/Contractual						$2,310,000	$2,310,000	0%
	G. Construction						$0	$0	
	H. Other (e.g., facilities, services and software)						$79,676	$79,676	0%
	I. Direct	$95,629				$95,629	$3,464,360	$3,368,731	3%
	J. Indirect						$16,695	$16,695	0%
	TOTAL	**$95,629**				**$95,629**	**$3,481,055**	**$3,385,426**	**3%**
Total Year 1 Budget	A. Personnel	$131,347				$131,347	$2,959,942	$2,828,595	4%
	B. Fringe Benefits	$35,793				$35,793	$887,982	$852,189	4%
	C. Travel						$33,145	$33,145	0%
	D. Equipment						$1,200,000	$1,200,000	0%
	E. Supplies	$633				$633	$335,400	$334,767	0%
	F. Consultant/Contractual						$8,848,887	$8,848,887	0%
	G. Construction						$0	$0	
	H. Other (as noted above)	$699,832				$699,832	$4,558,680	$3,858,848	15%
	I. Direct	$867,605				$867,605	$18,824,036	$17,956,431	5%
	J. Indirect						$83,475	$83,475	0%
	TOTAL	**$867,605**				**$867,605**	**$18,907,511**	**$18,039,906**	**5%**

	Year 1 Budget	Total Spent
Community Empowerment	$ 2,847,045	$ 741,647
Practice Transformation	$ 1,808,220	$ 12,131
Payment Redesign	$ 2,220,274	$ 18,198
Analytics, Interoperability and Measurement	$ 8,550,917	$ -
Project Management	$ 3,481,055	$ 95,629
	$ 18,907,511	$ 867,605