

Medicaid Transformation Waiver Application briefing

An Opportunity for Public Comment
and Conversation
August 14, 2015



Agenda

Presentation

- Nathan Johnson, Chief Policy Officer, HCA
- MaryAnne Lindeblad, Medicaid Director, HCA
- Bill Moss, Assistant Secretary
Aging and Long Term Support Administration, DSHS
- Jane Beyer, Assistant Secretary
Behavioral Health and Service Integration Administration,
DSHS

Comments, Questions and Responses





Healthier Washington is creating healthier communities and sustainable health systems by:

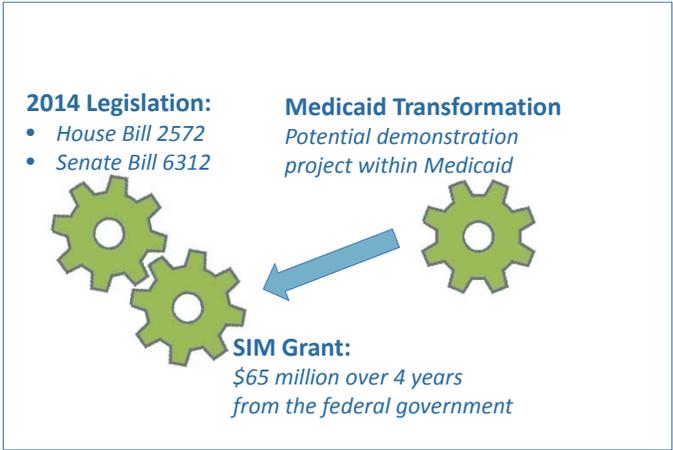
- Building healthier communities through a collaborative regional approach**
- Ensuring health care focuses on the whole person**
- Improving how we pay for services**



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Healthier Washington includes Medicaid Transformation.



2014 Legislation:

- *House Bill 2572*
- *Senate Bill 6312*

Medicaid Transformation
Potential demonstration project within Medicaid

SIM Grant:
\$65 million over 4 years from the federal government



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Healthier Washington recognizes that good health depends on high-quality health care and more...

Factor	Percentage
Socioeconomic Factors	40%
Health Behaviors	30%
Health Care	20%
Physical Environment	10%

Adapted from: Magnun et al. (2010). *Achieving Accountability for Health and Health Care: A White Paper*, State Quality Improvement Institute. Minnesota.

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...and that the best way to improve people's health is in the community where they live, work, and play.

Healthier Washington is bringing together providers, social service organizations, health plans, hospitals, county governments, tribes, and others through nine regional **Accountable Communities of Health (ACHs)**. ACHs will support communities in making informed decisions on health needs and priorities.

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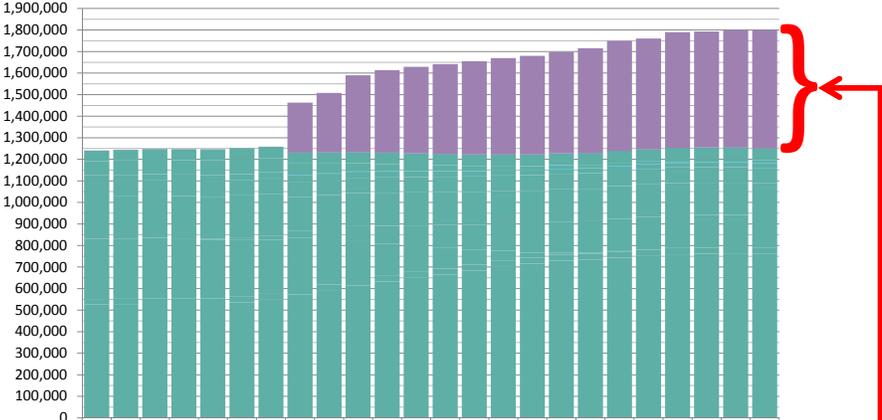
A transformed system = transformed lives

Current System	Transformed System
Fragmented clinical and financial approaches to care delivery	Integrated systems that deliver whole person care
Disjointed care and transitions	Coordinated care and transitions
Disengaged clients	Activated clients
Capacity limits in critical service areas	Optimal access to appropriate services
Individuals impoverish themselves to access long term services and supports (LTSS)	Timely supports delay or divert need for Medicaid LTSS
Inconsistent measurement of delivery system performance	Standardized performance measurement with accountability for improved health outcomes
Volume-based payment	Value-based payment


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Washington has increased its Medicaid enrollment by 44%...

Apple Health Enrollment – June 2013 to May 2015



More than 548,000 adults added through Medicaid expansion.


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...and the enrollees and their needs are different.

- Before the Affordable Care Act, 60% of enrollees were children; now the majority of enrollees (55%) are adults.
- 22% of the new adult enrollees have a mental health diagnosis.
- 14% have a substance use disorder.
- And, while the new adult group has lower hospital admission rates than other non-disabled adults, their inpatient stays average 50% longer.

Data provided by Research and Data Analysis, DSHS, June 2015.

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In addition, there will soon be many more people age 65 and over in our state...

Year	85+	75-84	65-74	50-64
2010	0%	0%	0%	0%
2015	10%	20%	40%	5%
2020	20%	50%	70%	10%
2025	40%	100%	75%	15%
2030	80%	150%	70%	20%
2035	150%	160%	70%	25%
2040	220%	165%	75%	30%
2045	280%	170%	90%	35%
2050	310%	175%	110%	35%
2055	330%	180%	125%	35%
2060	340%	220%	125%	35%

Source: Washington State Department of Social and Health Services, Research and Data Analysis Division

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...and their health care needs are likely to increase as they age.

- By 2035, the number of people age 75 or older will have risen by roughly 150%.
- Between 2010 and 2040, we anticipate a 181% increase in Medicaid clients over age 65 with Alzheimer's.
- 70% of people who reach the age of 65 are likely to need long term supports and services at some point in their lives.
- Biennial expenditures by the state for long term supports and services are currently \$3.4 billion—or 6 percent of all general fund spending.

Data provided by Research and Data Analysis, DSHS, June 2015.

Medicaid Transformation Goals: Triple Aim

- **Reduce avoidable use of intensive services**
- such as acute care hospitals, nursing homes, psychiatric hospitals, and traditional long-term services and supports.
- **Improve population health**
- with a focus on the prevention and management of diabetes and cardiovascular disease, obesity, smoking, mental illness, and substance abuse for Medicaid enrollees and communities.
- **Accelerate the transition to value-based payment**
- so providers are paid for higher quality and improved health outcomes.
- **Ensure that Medicaid cost growth is two percentage points lower than national trends.**



What the Medicaid Transformation waiver does for Washington state:

- Provides flexibility and expenditure authority to achieve our vision for a Healthier Washington.
- Allows us to test, scale, and spread successful models of care.
- Supports providers in building capacity.
- Builds connections within communities that allow for the right care, at the right place, at the right time, with the right provider.



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Three Medicaid Transformation Initiatives



Initiative 1:
Transformation through Accountable Communities of Health

Initiative 2:
Targeted Long-Term Services and Supports for At-Risk Individuals

Initiative 3:
Targeted Foundational Community Supports



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Investing in Transformation

Initiative 1

The State will work with ACHs, Tribes, and other partners to build a portfolio of system transformation projects.

Health Systems Capacity Building	Delivery System Transformation	Population Health Improvement
Workforce Development	Bi-directional integrated delivery of physical & behavioral health services	Prevention Activities for targeted populations and regions
System infrastructure, technology & tools	Transitional care focused on specific populations	
Provider system supports to adopt value based purchasing and payment	Alignment of care coordination & case management to serve the whole person	
	Outreach, engagement & recovery supports	

Parameters for projects will be established by the State. Some statewide projects may be required.


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ACHs will coordinate regional transformation efforts.

Initiative 1

ACHs will:

- Organize ACH members and partners.
- Coordinate project applications.
- Contract with State to receive funds.
- Distribute funds to partners carrying out transformation projects.
- Report on progress.
- Work with the State and partners to ensure sustainability.




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Targeted Long-Term Services and Supports

Washington will tailor long-term services and supports benefits to meet the diverse needs of our aging population by:

- Providing two new benefit packages, one with a new eligibility category to ensure that individuals receive the services and supports they need to avoid or delay more intensive services
- Revising eligibility criteria for nursing home services so that people with the lowest needs do not qualify for these services.

Individuals currently served in nursing facilities will continue to be eligible for this level of care.

Initiative 2



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Targeted Foundational Community Supports

Washington will provide targeted supportive housing and supported employment to clients that meet criteria set by the State.

The criteria will target those individuals most likely to benefit from these services.

Clients will receive supportive services; Medicaid funds will not be used to provide housing or jobs.

Initiative 3



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Federal Requirements

- **Five-year demonstration project**
- With year zero as opportunity for planning and startup.
- **CMS must not spend more federal dollars with the waiver than they would have spent without the waiver**
- **Evaluation of waiver hypotheses**
- Technical assistance from CMS on evaluation design.
- **Transformation must be sustainable after the demonstration period ends**
- The State and its partners must develop plans to sustain Medicaid transformation after federal waiver investments end.


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Timeline

Medicaid Transformation Waiver Development Process 2015 - 2016

<ul style="list-style-type: none"> • State-Federal Discussions • Federal Agreement in Principle • Draft Concept Paper • Stakeholder Conversations 	<ul style="list-style-type: none"> • Public comment on draft application • Stakeholder review and public forums • Tribal Consultation • Application submission • Federal comment period 	<ul style="list-style-type: none"> • Statewide outreach and education • Identify transformation projects • Initiate targeted workgroups • Develop implementation strategy • State-Federal negotiations for waiver approval • Federal drafting of Special Terms and Conditions 	<ul style="list-style-type: none"> • Public comment on waiver Special Terms and Conditions • Finalize project toolkit for CMS approval
Phase 1: Pre-Concept Release	Phase 2: Waiver Application Development	Phase 3: Negotiation & Outreach	Phase 4: Implementation Design

 **We are here.**


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Stay informed

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

Send comments and questions about Medicaid Transformation
to: medicaidtransformation@hca.wa.gov

Learn more and take the Medicaid Transformation waiver survey at:
http://www.hca.wa.gov/hw/Pages/medicaid_transformation.aspx



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