



# Working Together for a Healthier Washington

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Health Care Authority  
April 29, 2015



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Why do we need health system transformation?



## Because the current system...

- Separates the “head” from the “body” —no integration between services for physical health, mental health and chemical dependency.
- Focuses on volume of services provided, not quality of outcomes.
- Is expensive, and getting more so, without producing better results.



# A better system...

## The current system...

- ✓ Tom, 54, is covered by Medicaid and homeless.
- ✓ He has used the ER more than 50 times in 15 months.
- ✓ He needs help connecting to housing, health care, and other services.
- ✓ ER doctors routinely repeat tests because they don't have access to health histories.

## A better system...

- ✓ Tom has an outreach worker who connects him with housing, health care, and other services.
- ✓ Data systems give Tom's providers immediate access to health histories, enabling coordinated care without duplicated services.
- ✓ Effective services reduce costs.
- ✓ Tom is healthier because he gets the services he needs.



# Healthier Washington is the better system

- Healthier people and communities
- Right health care delivered in the right place and time
- Lower costs with better health

## Initial estimate of savings:

When the combined savings and avoided costs are estimated, adjusting our health system has the potential to save \$1.05 billion over the next five years.



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# Because health is more than health care



Community



Health &  
Recovery



System Supports



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By 2019, we will have a Healthier  
Washington. Here's how.

# The plan for a Healthier Washington

## Build healthier communities through a collaborative regional approach

- Fund and support Accountable Communities of Health.
- Use data to drive community decisions and identify community health disparities.

## Ensure health care focuses on the whole person

- Integrate physical and behavioral health care in regions as early as 2016, with statewide integration by 2020.
- Spread and sustain effective clinical models of integration.
- Make clinical and claims data available to securely share patient health information.

## Improve how we pay for services

- Measure, improve and report common statewide performance measures.
- As purchaser for Apple Health and state employees, drive market toward value-based models.

**Implementation tools: State Innovation Models grant, state funding, potential federal waiver, philanthropic support**

**Legislative support: HB 2572, SB 6312**



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# Implementation tools

- SIM grant: \$65 million over 4 years
- State budget: “Bridge” funding to move forward while awaiting word on SIM grant (July 2014-June 2015)
- In-kind and philanthropic support
- 2014 bills to support Healthier Washington:
  - HB 2572: Performance measures, communities of health, all-payer claims database
  - SB 6312: Integration of physical and behavioral health



# Healthier Washington grant budget

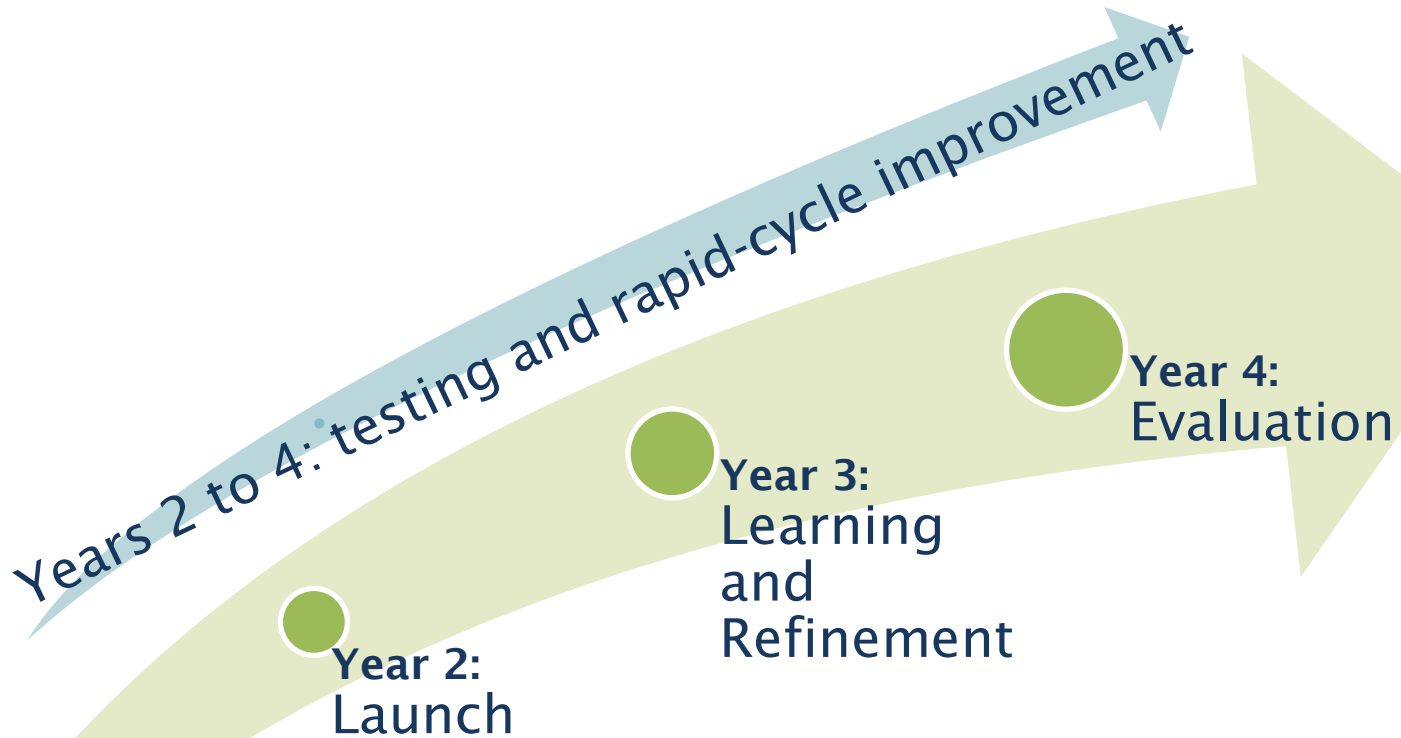
Federal State Innovation Models (SIM) grant through the  
Center for Medicare and Medicaid Innovation (CMMI)

\$65 million over four years



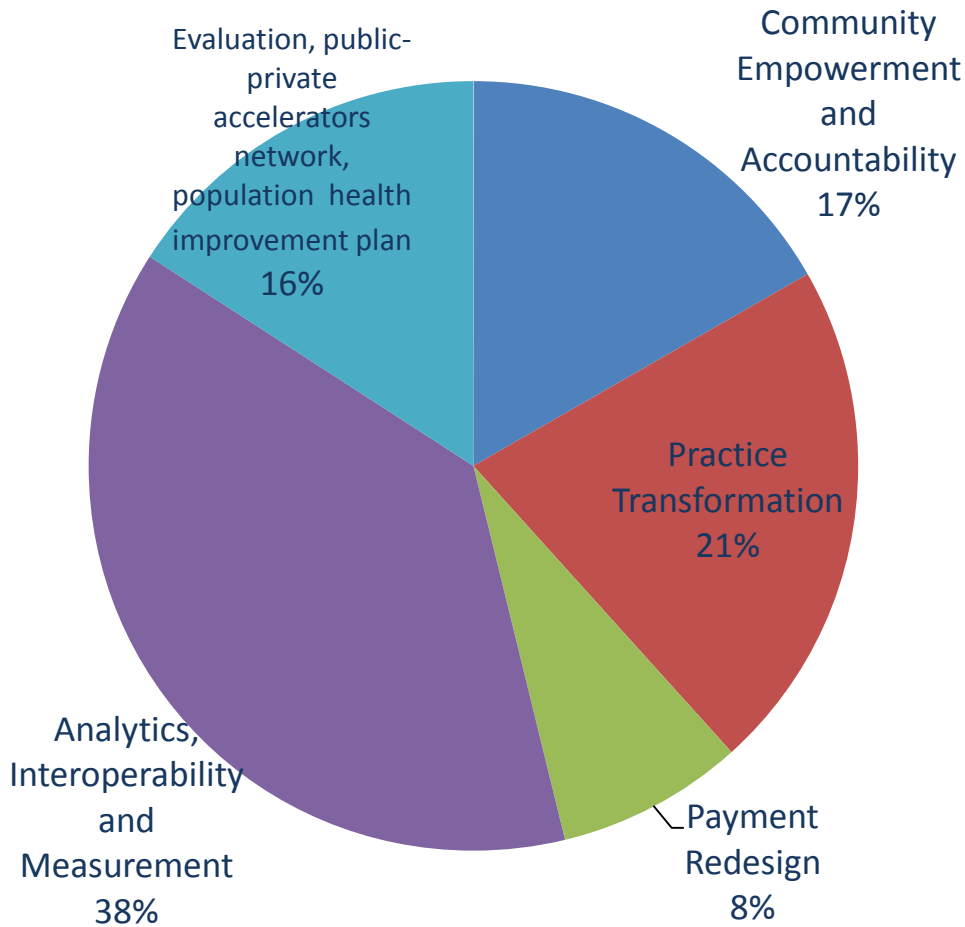
# Healthier Washington grant timeline

February 1, 2015 – January 31, 2019

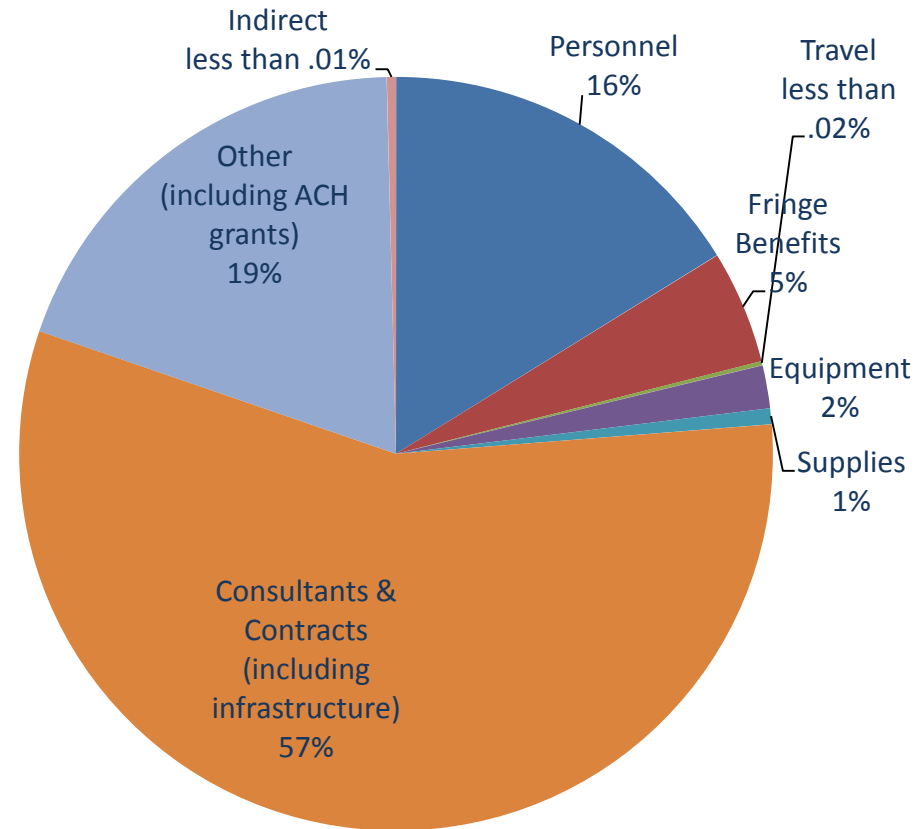


# Healthier Washington grant spending

## By grant area



## By budget category



Strategy 1: Build healthier communities through a collaborative regional approach



# Accountable Communities of Health

“Regionally governed, public-private collaborative tailored by region to align actions and initiatives of a diverse coalition of players in order to achieve healthy communities and populations.”

—*State Health Care Innovation Plan*



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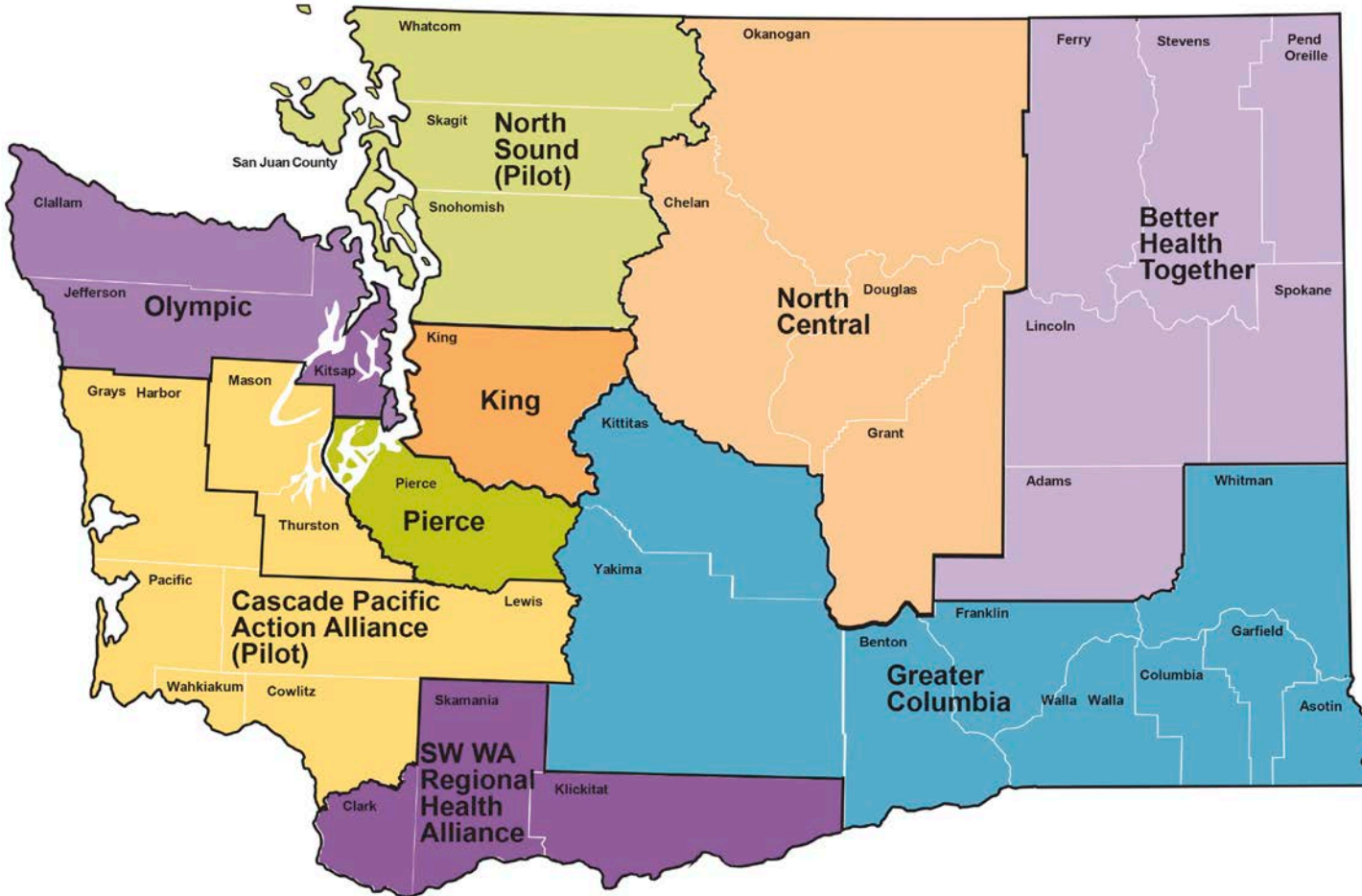


# No single sector can do it alone

- No single sector or organization in a community can create transformative, lasting change in health and health care alone
- Accountable Communities of Health (ACHs) will:
  - Facilitate collaborative decision-making across multiple sectors and systems
  - Engage in state-community partnership to achieve transformative results

# ACH boundaries and pilot ACHs

Aligning sectors, resources, and strategies around community and state priorities



## Pilots:

Cascade Pacific:

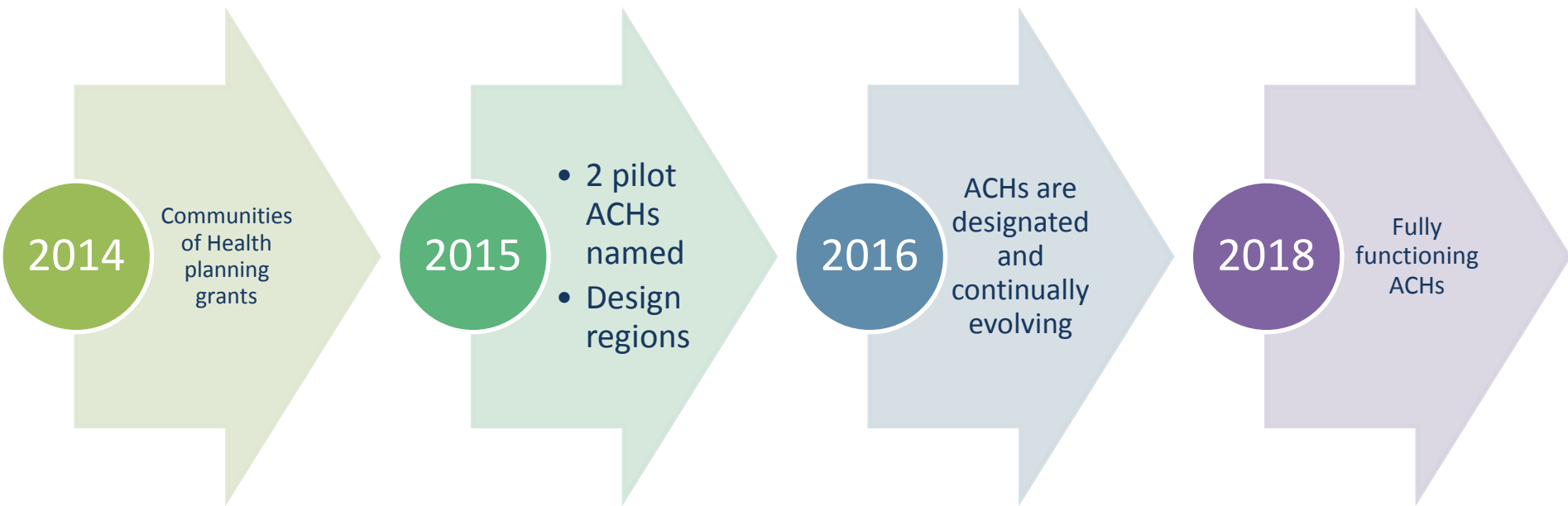
- Backbone Support – CHOICE Regional Health Network

North Sound ACH:

- Backbone Support – Whatcom Alliance for Health Advancement



# ACH timeline



Strategy 2: Ensure health care focuses on the whole person



# Integrate physical, behavioral health

“Governor Jay Inslee has articulated a vision of full integration of mental health, chemical dependency and physical health care to improve health, advance care quality and control costs.”

Office of the Governor, November 2013 statement, *A New Approach to Behavioral Health Purchasing*

- Senate Bill 6312 integrates physical health, mental health, and chemical dependency in a managed care health system for Medicaid clients by 2020
- Shared savings incentives (payments targeted at 10 percent of savings realized by state) in Early Adopter regions in April 2016



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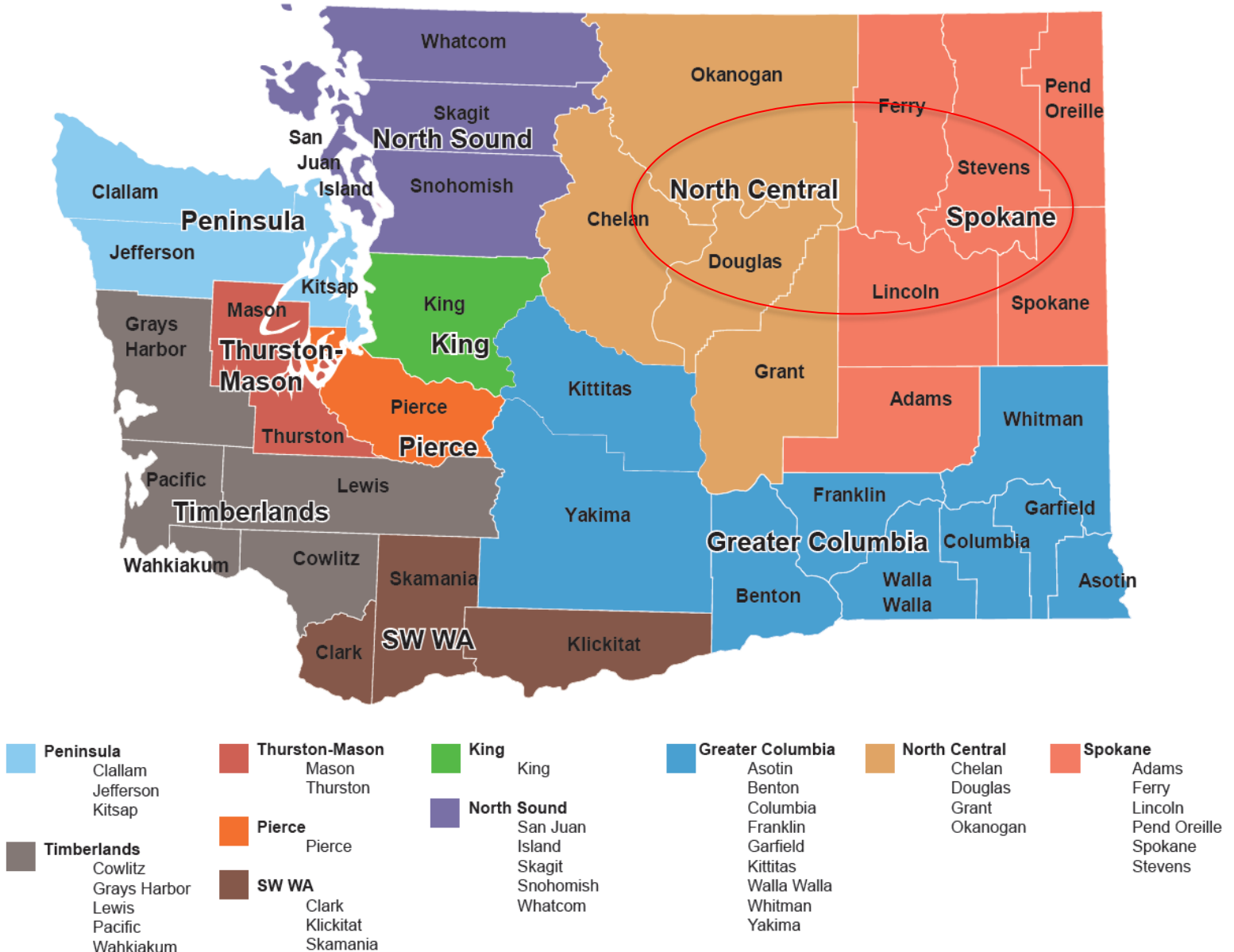


# Regional Service Areas

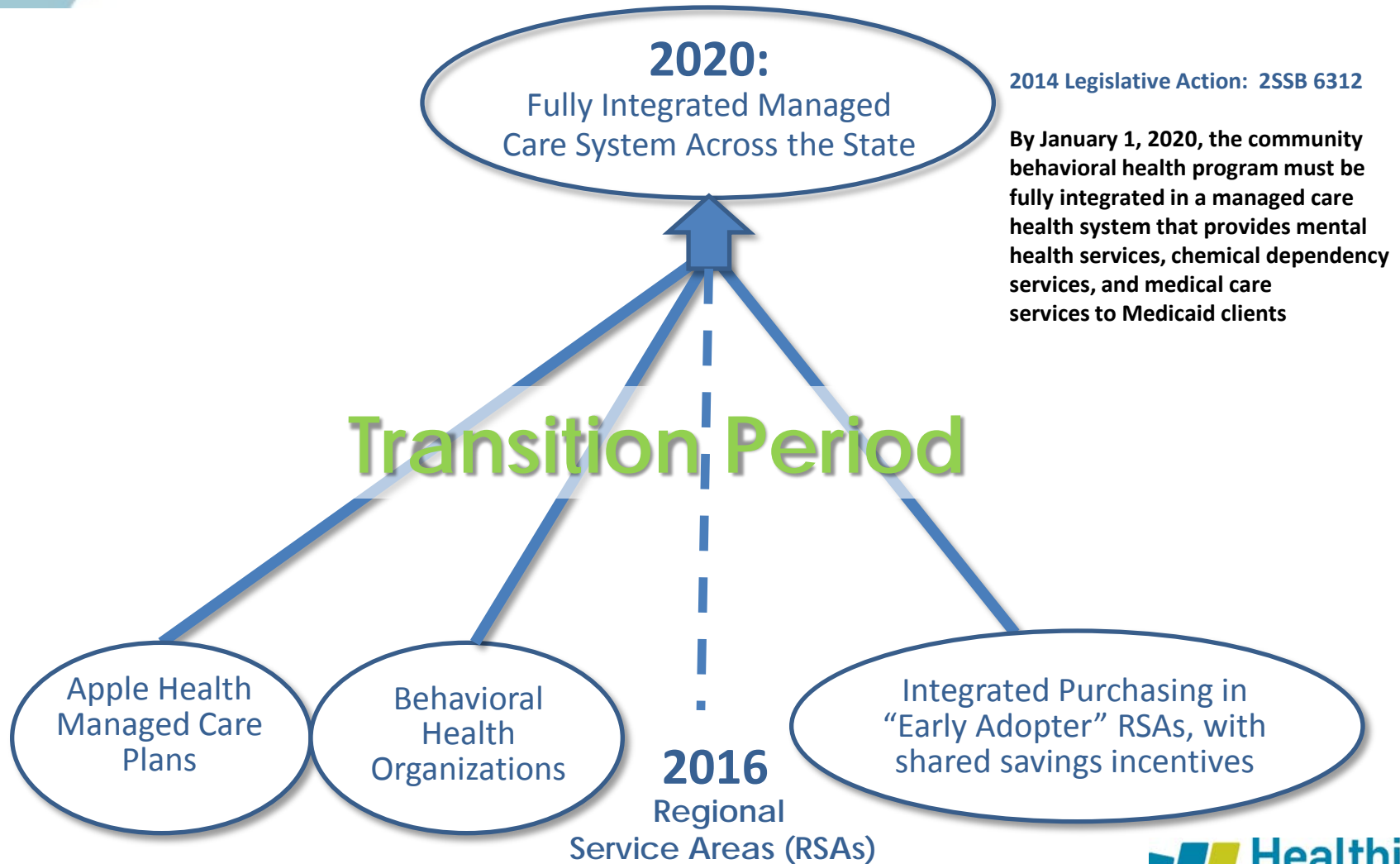
A common regional purchasing approach:

- Recognizes that health and health care are local.
- Promotes shared accountability within each region for the health and well-being of its residents.
- Empowers local and county entities to develop bottom-up approaches to transformation that apply to community priorities and environments.
- Aligned with Accountable Communities of Health

# Regional Service Areas



# Medicaid integration pathway



# Purchasing in “Early Adopter” RSAs

Standards developed jointly by the HCA and DSHS

- Agreement by county authorities in a regional service area
- Shared savings incentives
  - Payments targeted at 10% of savings realized by the State
  - Based on outcome and performance measures
  - Available for up to 6 years or until fully integrated managed care systems statewide
- HCA will contract with MCOs; MCOs at risk for full scope of Medicaid physical and behavioral health services
- Operational and contract requirements will be consistent at the State level
  - Populations enrolled, enrollment processes
  - Fully-integrated Medicaid capitated payment to MCOs
  - Covered benefits
- Each RSA will have no fewer than 2 MCOs that serve entire region
- Medicaid benefits will continue to be defined by the State plan and will apply in EA and BHO regions
- All benefits (Medicaid and non-Medicaid) will be assigned to a responsible entity



# Early Adopter Criteria for MCO Participation

## **Demonstrated Ability to:**

- Build partnerships with community service agencies;
- Develop appropriate systems of care to meet the needs of enrollees by linking crisis, community resources, and clinical services;
- Develop network to ensure continuity, comprehensive and close proximity of care to behavioral health services within the RSA
- Show progress on payment systems that move towards value-based purchasing;
- provide the full continuum of comprehensive services, including primary care, pharmacy, mental health and substance use disorder treatment.

## **Assurance that:**

- Disruption in ongoing treatment regimens will not occur;
- MCOs must be licensed by the Washington State insurance commissioner as an insurance carrier;
- Meet quality, grievance and utilization management and care coordination standards and achieve NCQA accreditation by December 2015;
- Pass HCA readiness review.



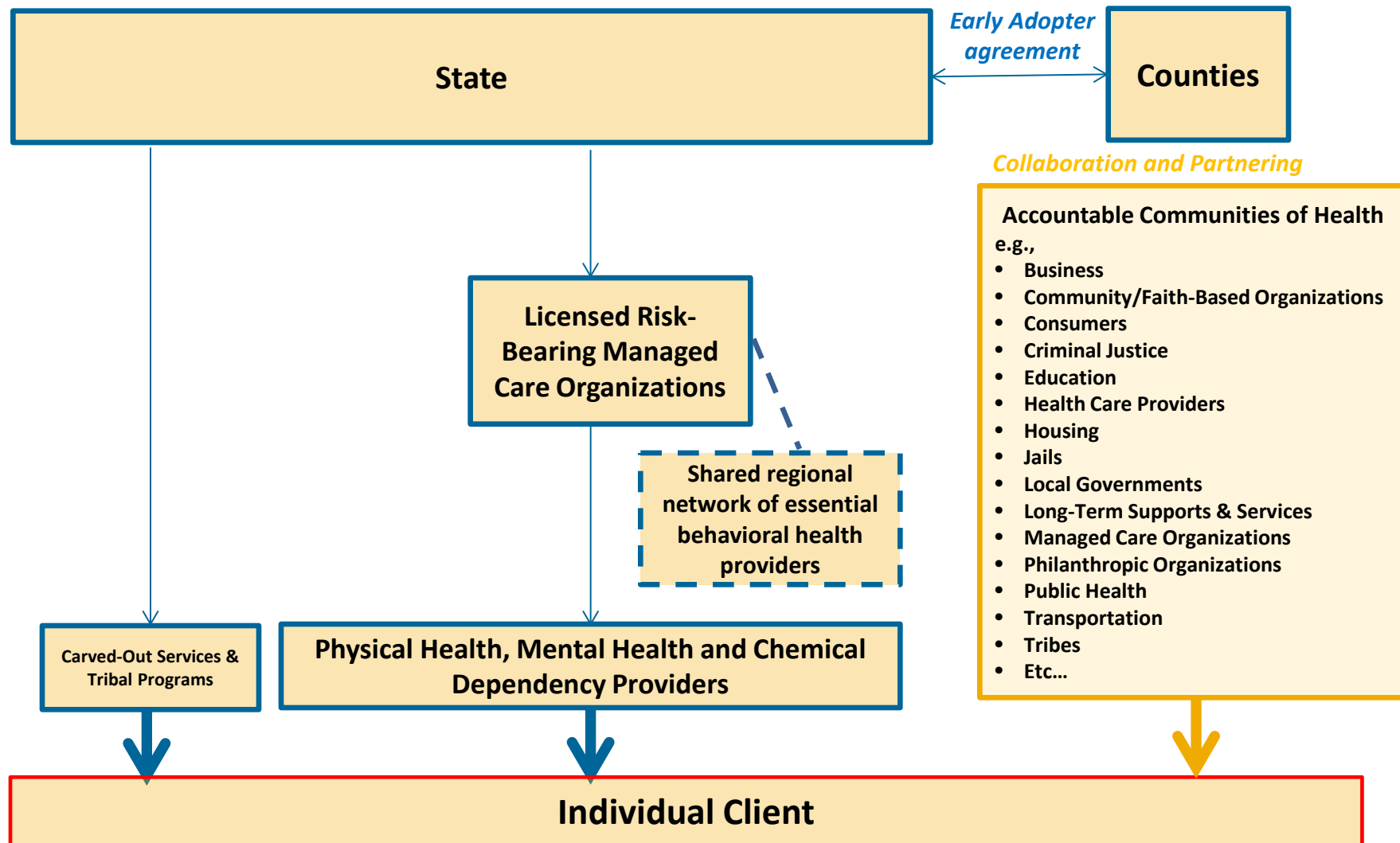
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# Fully Integrated Physical & Behavioral Health Purchasing Managed Care Arrangements in Early Adopter Regions

**DRAFT**

**DRAFT**



# Medicaid Integration Timeline

2014

2015

2016

## Early Adopter Regions

JUN Prelim. models  
JUL Model Vetting

OCT-DEC Regional data; purchasing input

JAN-MAY Full integ. Draft contracts MCO/Stakeholder Feedback

JUN Full integ. RFP Draft managed care contracts Release

AUG MCO Responses Due

SEP Vendors selected

OCT - JAN Final managed care contracts signed; conduct readiness review

## Common Elements

MAR SB 6312; HB 2572 enacted

JUL Prelim. County RSAs

SEP Final Task Force RSAs

NOV DSHS/HCA RSAs Joint purchasing policy development

MAY-AUG Submit 2016 federal authority requests Provider network review P1 correspondence

DEC- JAN Federal authority approval; Readiness review begins

MAR CMS approval complete

APR Integrated coverage begins in RSAs

## BHO/ AH Regions

OCT-DEC BHO Stakeholder work on rates; benefit planning for behavioral health

DEC-FEB Review and alignment of WACs for behavioral health

MAR-MAY Development of draft contracts and detailed plan

JUL BHO detailed plan requirements Draft BHO managed care contracts 2016 AH MCOs confirmed AH RFN (network)

OCT BHO detailed plan response AH network due

NOV AH contract signed

JAN BHO detailed plans reviewed Revised AH MC contract

APR Final BHO and rev. AH contracts

RSA – Regional service areas

MCO – Managed Care Organization

BHO – Behavioral Health Organization

AH – Apple Health (medical managed care)

SPA – Medicaid State Plan amendment

CMS – Centers for Medicare and Medicaid Services

Early Adopter Regions: Fully integrated purchasing

BHO/AH Regions: Separate managed care arrangements for physical and behavioral health care

April 16, 2015

Key Opportunities for Feedback and Engagement  
\*\* County Letters of Intent Due: January 16, 2015



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# Stakeholder Engagement

HCA is committed to active stakeholder engagement throughout the Early Adopter implementation process, including:

- Focus group and work group sessions with Adult Behavioral Health Task Force Full Integration Subgroup
- Establishment of Implementation Teams with EA County Authorities to develop contracts and procurement documents in partnership
  - Provision of technical assistance funds to EA regions to support implementation team work
  - Weekly calls/meetings
- Release of Early Adopter contracts for external review
- Vetting Early Adopter model design proposals with county authorities and interested stakeholders



# Practice Transformation Support Hub

Support providers across the state to effectively coordinate care, increase capacity, and adapt to value-based reimbursement strategies.

- Help providers with integration of physical and behavioral health.
- Help providers move from volume to value-based care.
- Help build broader community clinical linkages in service of the whole person.

Strategy 3: Improve how we pay  
for services

# Four payment redesign models

- **Model Test 1: Early Adopter of Medicaid Integration**  
Test how integrated Medicaid financing for physical and behavioral health accelerates delivery of whole-person care
- **Model Test 2: Encounter-based to Value-based**  
Test value-based payments in Medicaid for federally qualified health centers and rural health clinics; pursue new flexibility in delivery and financial incentives for participating Critical Access Hospitals
- **Model Test 3: Puget Sound PEB and Multi-Purchaser**  
Through existing PEB partners and volunteering purchasers, test new accountable network, benefit design, and payment approaches
- **Model Test 4: Greater Washington Multi-Payer**  
Test integrated finance and delivery through a multi-payer network with a capacity to coordinate, share risk and engage a sizeable population

None of this can happen without  
some key foundational elements



# Measurement and transparency

- Common performance measures required in HB 2572.
- “Starter set” completed and approved December 2014.
- Leverage measures to statewide reporting on cost and quality performance.
- Must be transparent for consumers, providers, and purchasers to ensure improved quality and informed decision making.



# Measuring Performance in Early Adopter Regions

- Performance measures selected across Medicaid purchasing initiatives need to align and be consistent with Washington's priorities
- Performance measures will evolve as Medicaid transitions from 2016 to 2020
  - Key measures should be consistent across regional service areas (*i.e., in all Apple Health contracts with managed care health systems*)
- RCW 71.24 requires:
  - DSHS and HCA to include performance measures for shared outcomes in MCO and BHO contracts beginning in 2016 (*with contractor performance reported publically*)
  - Shared measures be calculated using the same methodology and by the same entity (*to permit apples to apples comparison*)
  - Continued attention to administrative streamlining (*including avoiding duplicate data submission by contractors*)

# Steps Underway

- Catalog of Measures being developed to:
  - Clarify 2015 baseline and expected 2016 performance measures
  - Identify data source (claims/encounters, clinical, other existing source - survey etc., new requirement)
  - Target accountability for analysis/reporting (e.g., MCO, RDA)
  - Reflect methodology for measure calculation (*identify where there are material differences*)
  - Establish framework for *evolution* of performance measures
- Data Collection: HCA-DSHS meetings underway to align information tracking system needs for common behavioral health-related data collection
- Performance Reporting: Collaboration on 2016 Apple Health contracts to support common performance reporting across regions (*RDA & others*)
- Planning (on the radar) to:
  - Link with EQRO data collection and reporting
  - Align with other Medicaid delivery system transformation initiatives (e.g., Health home evolution, 1115 Global waiver, Healthier Washington activities)



# Data-driven decision-making

- Enhance information exchange so our providers can access clinical data at point of service.
- Bolster analytic capacity at state level to support informed purchasing.
- Essential to evaluate and monitor the grant, and for health care improvement that is sustainable beyond the life of the grant.

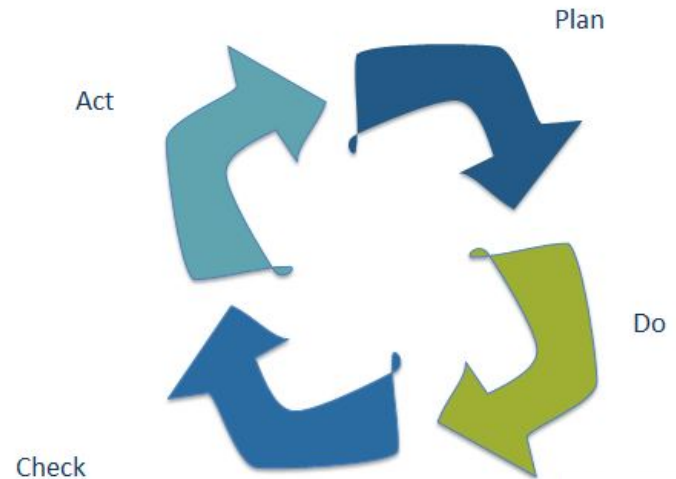


# Consumer and family engagement

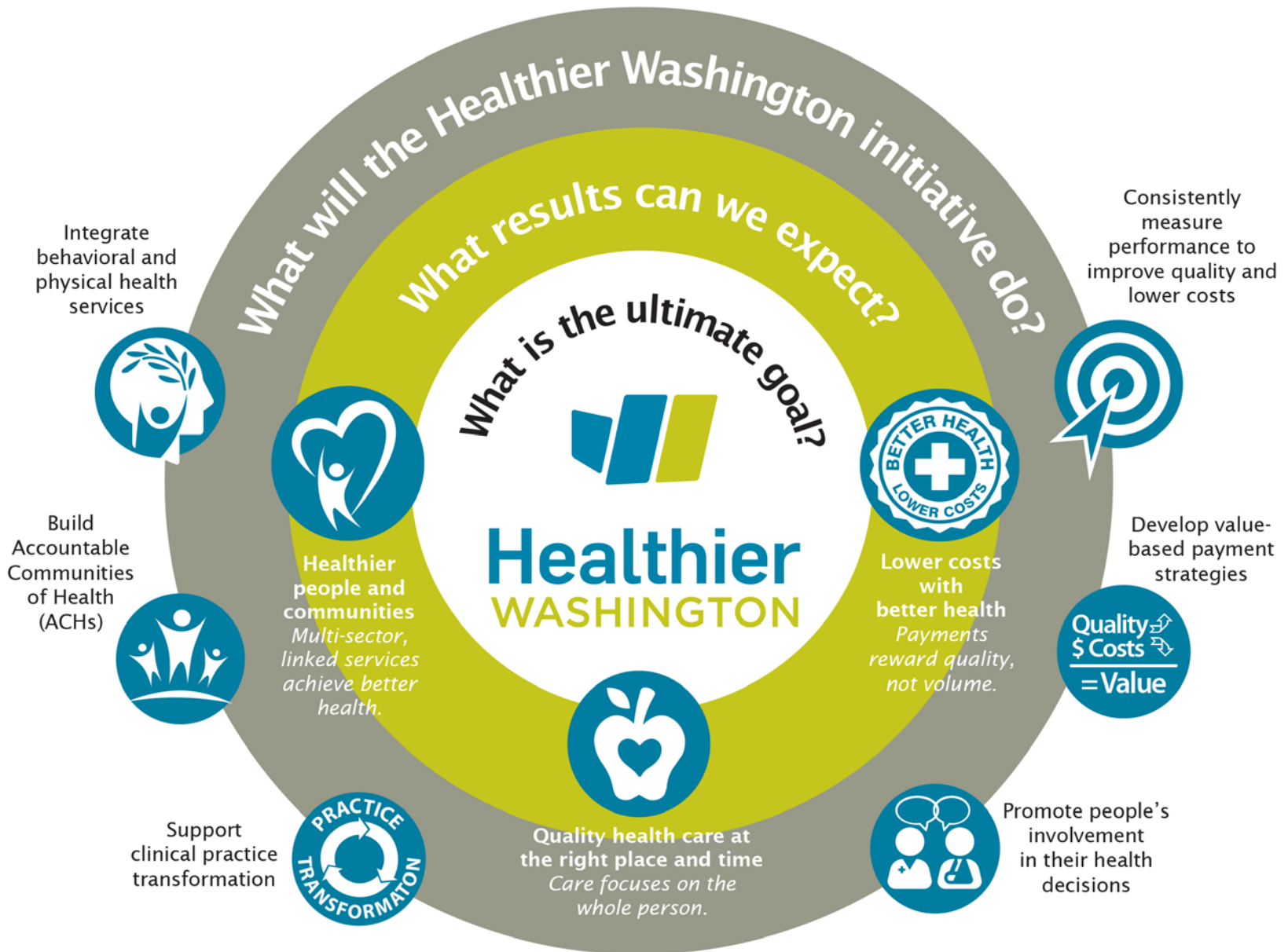
- Deploy shared decision-making tools.
- Engage individuals and their health care providers in care decisions.
- Help ensure people understand risk, benefits and cost of different choices.

# Learning and evaluation

- Continuous rapid-cycle evaluation to learn, adjust, and improve in real time.
- Evaluation led by the University of Washington.



We have four years—let's go!



Join the Healthier  
Washington  
Feedback  
Network:  
[healthierwa@hca.wa.gov](mailto:healthierwa@hca.wa.gov)

Learn more:  
[www.hca.wa.gov/hw](http://www.hca.wa.gov/hw)

