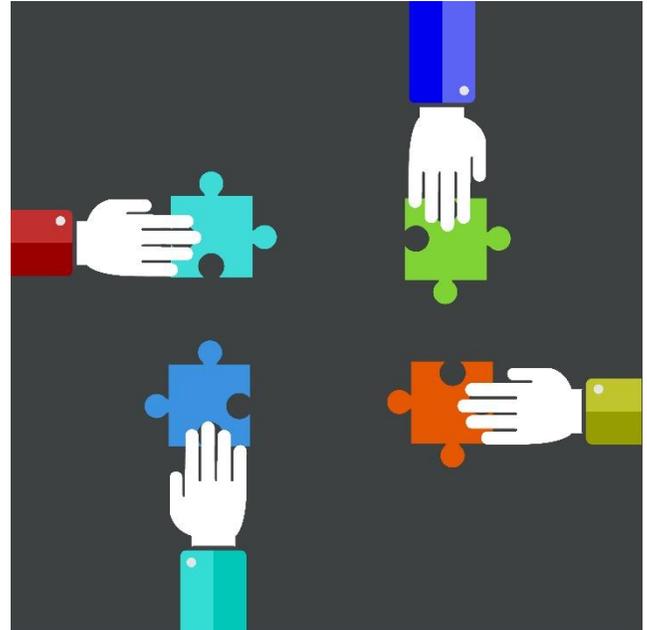




Author: Alexandra Milutin, Analyst

Overview

Washington State has proposed a Section 1115 Medicaid waiver with the goal to transform the current delivery system for Medicaid providers and beneficiaries. The waiver is a system transformation initiative that will significantly change the way care is delivered to low-income patients. Medicaid patients are entitled to accessible, coordinated and quality health care that is supported by robust community support services. This multi-faceted approach to patient care and wellness lays the foundation for CMS-driven payment reform, such as value-based purchasing.

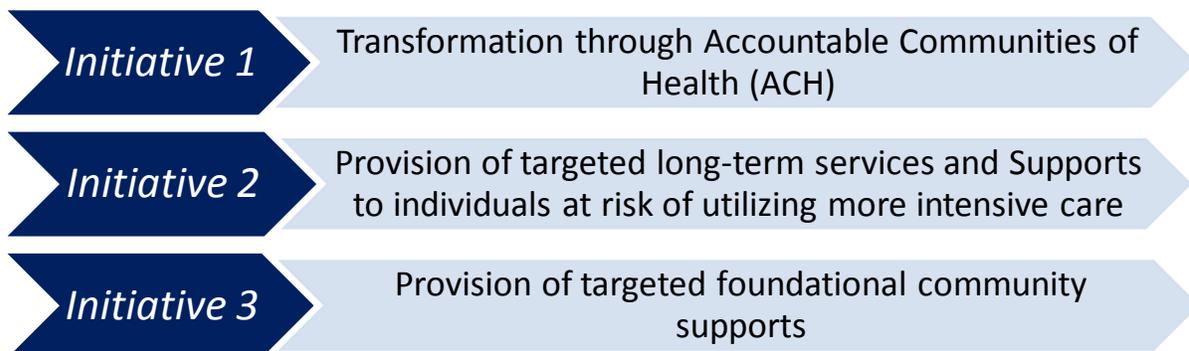


Over the past two years, Washington Medicaid enrollment has increased by 44%. The majority of Apple Health (the name of the Medicaid program) enrollees are new to Medicaid and have previously unmet healthcare needs. Delivery system reform is necessary to address the needs of this population. In order to do so, the \$3 billion proposal takes a four-pronged approach to achieve the Triple Aim (improved health, better care and lower costs).

A major component of this approach includes the *transition to value-based purchasing* through infrastructure and organizational changes. Additionally, the \$3 billion will be used to fund projects designed to *reduce avoidable use of intensive services, improve population health* based on measurable outcomes, and ensure Medicaid cost growth is at least *two points below the national average*. This approach aims to redesign Apple Health into an accountable and streamlined Medicaid program producing reliable and measureable outcomes with the ultimate goal of 80% of all state health dollars contracted under value-based purchasing by 2020.

Washington State submitted the waiver proposal in October 2015 and is currently awaiting feedback on their proposal for eventual approval. It is likely that negotiations will take place over the course of the next several months.

The following three initiatives have been proposed to achieve system transformation goals:



Initiative 1: Transformation through Accountable Communities of Health (ACH)

Initiative 1 involves the creation of ACHs, which are closely aligned with the Performing Provider Systems (PPSs) established under DSRIP in New York. ACHs are designed to align priorities, actions and investments to facilitate and support their memberships to develop and sustain more accountable and integrated care delivery. ACHs will create regional collaboratives which will be essential for “*organizing local services, managing the financing and implementation of transformation projects, and building and brokering clinical-community linkages to establish effective models of coordinated care*” (waiver application). Although ACHs will not deliver services, they will be responsible for leading clinical and non-clinical providers in the region, bringing a “*local and diverse perspective on system transformation needs and priorities.*”

The three main functions of ACHs include: (1) selection of transformation projects based on community needs, (2) lead project implementation efforts including provider assessments, reporting and contracting and (3) assure project accountability by providing support to providers during the project implementation process. COPE Health Solutions specializes in establishing communities of health such as ACHs and can be a valuable partner when implementing the 1115 Waiver in Washington using lessons learned in New York and Texas.

Designated ACHs should prepare themselves to perform the multitude of DSRIP coordination activities and to develop core infrastructure to set a foundation for success. These activities include:

1. Education of provider staff
2. Stakeholder and public education on 1115 Waiver
3. Funds flow development
4. Performing contracting and other legal administration
5. Project implementation and management
6. Lead steering, clinical, IT and other workgroups
7. Assess and build IT infrastructure needs for the region to implement 1115 projects. Develop timely, accurate, and actionable reports that can be analyzed for rapid process improvement
8. Lead the region in developing clinical priorities and selecting appropriate activities
9. Fund new services designed to reduce unnecessary intensive services consistent with the Triple Aim

Initiative 2: Provision of targeted Long-Term Services and Supports to individuals at risk of utilizing more intensive care

Washington state Long-Term Services and Supports (LTSS) is recognized for its high performance -- ranked second in the nation by AARP. Initiative 2 will focus on building upon the successes of the current system and creating a “next generation” system of care that focuses on targeted needs in the community. With a 12% increase in biennial expenditures for Medicaid-funded LTSS since 2001 and a rapidly growing aging population, this initiative will address gaps in care due to increased caseload by “focus[ing] on outcomes, supporting families in caring for loved ones, delaying or avoiding the need for more intensive Medicaid-funded LTSS where possible, creating better linkages to a reformed healthcare system and continuing its commitment to a robust Medicaid LTSS system for those who need it.”

Initiative 2 of the waiver has three main LTSS components: *Medicaid Alternative Care (MAC)* supporting unpaid caregivers for eligible Medicaid beneficiaries who are not accessing Medicaid-funded LTSS; *Targeted Support for Older Adults (TSOA)* establishing a new eligibility category and benefit package for those who are not currently eligible for Medicaid and are at risk of Medicaid LTSS utilization in the future; and *De-linking Nursing Facility Level of Care* which will increase functional eligibility for nursing home services requiring individuals with the lowest needs to utilize community based services for care, reducing unnecessary use of nursing facilities. In addition to these components, the waiver also includes supportive housing and employment benefits for a targeted group of Medicaid individuals.

Initiative 3: Provision of targeted foundational community supports

Initiative 3 of the 1115 waiver focuses on developing criteria to target community based supports such as housing and employment services that benefit low-income and Medicaid individuals. Individuals who cannot access these types of services are likely to not have a usual source of care which leads to increased utilization due to postponed need for medical care. Targeting these vulnerable populations through stable housing and employment services will complement the regional transformation projects by proactively addressing the needs of the highest risk/highest cost individuals in the community.

Bridging the Gap

COPE Health Solutions has deep expertise in clinical redesign and business requirements development for population health and integrated delivery systems. We understand the complex Medicaid waiver implications for health system lead agencies and partners. Our team has unparalleled experience and a proven track record of success from planning to implementation to measurement with 1115 Medicaid Waivers in New York, Texas and California. For more information on our experience, please refer to our services [here](#).

For more information about how COPE Health Solutions is helping clients across California, New York, Washington and Texas prepare for and improve reporting practices, please contact: dsrip@copehealthsolutions.org.

