Federal initiatives & waivers

HEALTHIER WASHINGTON MEDICAID TRANSFORMATION

SYNOPSIS

The Healthier Washington Medicaid Transformation is the result of a Section 1115 waiver, a contract between federal and state governments that waives certain Medicaid requirements, under which Washington has committed to use Medicaid funds for innovative projects, activities, and services that would not otherwise be allowed.
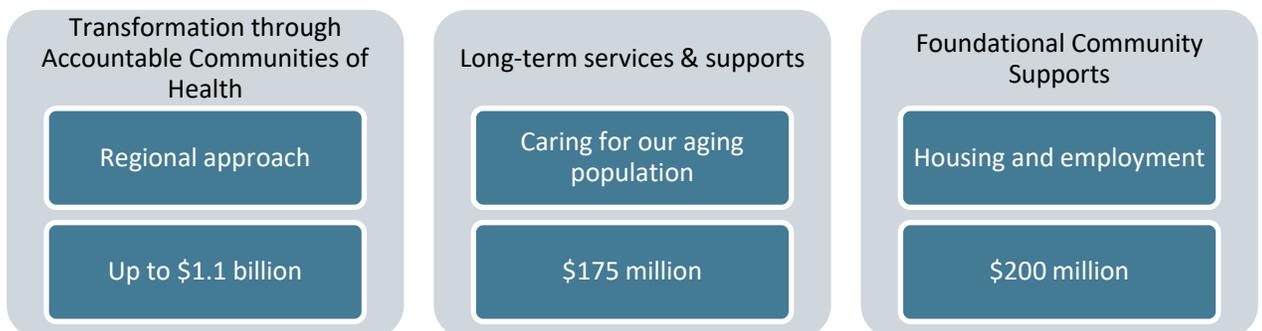
GOAL

Medicaid Transformation aims to improve the health system by addressing local health priorities, improve population health, reward cost-effective care that treats the whole person, and create sustainable linkages between clinical and community-based services.

DESIRED OUTCOMES

- Integrate physical and behavioral health purchasing and service delivery
- Convert 90 percent of Medicaid provider payments to reward outcomes
- Support provider capacity to adopt new payment and care models
- Implement population health strategies that improve health equity
- Provide new targeted services that address the needs of the state's aging populations and address key determinants of health

HOW IT WORKS

Transformation through Accountable Communities of Health	Long-term services & supports	Foundational Community Supports
Regional approach	Caring for our aging population	Housing and employment
Up to $1.1 billion	$175 million	$200 million

THE CHALLENGE

Washington Apple Health (Medicaid) covers more than 1.8 million individuals, amounting to nearly one in four Washingtonians. The federal government and several states recognize the best way to control costs and improve health is to transform the delivery model to reward providers and health plans for better health. Transformation investments allow the state to spend Medicaid dollars in different ways to reward providers and health plans based on the quality of care rather than the number of procedures and services provided. Medicaid Transformation focuses largely on supporting providers and plans as they switch to these new delivery and payment systems.

DESCRIPTION

Under a five-year agreement with the Centers for Medicare and Medicaid Services (CMS), the state will address the aims of the Medicaid Transformation project through three core initiatives:

- Transformation through Accountable Communities of Health (ACHs) and Delivery System Reform Incentive Payment (DSRIP) program
- Long-term Services and Supports (LTSS)—Medicaid Alternative Care (MAC) and Tailored Supports for Older Adults (TSOA)
- Foundational Community Supports (FCS)—Targeted Home and Community-based Services (HCBS) for eligible individuals

HOW WE GET THERE

Transformation through ACHs and the DSRIP program respond to the fact that our health, and the health services we receive, are often shaped by where we live. Improving health care for all Washington's residents requires regional understanding, experience, and advocacy. The nine regionally based ACHs are the hubs for this work and each region is pursuing transformation projects that are tailored to their specific needs.

Federal funding is dependent upon the achievement of transformation targets. This means that payments are earned when these targets, such as value-based payment adoption and quality outcomes, are met.

Long-term Services and Supports (LTSS) allow the state to offer services for older adults and the people who care for them, through two new eligibility categories: Medicaid Alternative Care (MAC) and Tailored Supports for Older Adults (TSOA). These services help people stay at home and delay or avoid the need for more intensive care.

Foundational Community Supports (FCS) include targeted Home and Community-based Services (HCBS) for our most vulnerable people to get and keep housing and jobs. These new services embrace the reality that without stable housing and income, it is extremely difficult for people and their families to be healthy and stay healthy.

RESULTS

The state aims to reduce avoidable use of intensive services and settings such as acute care hospitals, nursing facilities, psychiatric hospitals, traditional long-term services and supports, and jails; improve population health by focusing on prevention; accelerate the transition to value-based payment; and ensure Medicaid cost growth is below national trends.