Medicaid transformation - what's next?

The state's recent principled agreement with the Centers for Medicare and Medicaid Services (CMS) represents a “handshake” between the state and federal government, establishing common ground on the financial aspects of the Medicaid transformation demonstration. The next step is developing and reaching agreement on the contract, or special terms and conditions (STCs) for the demonstration waiver. We anticipate reaching final approval this winter.

When the STCs are final, the demonstration period will start and the state will move forward with operations and implementation planning. However, additional ramp-up activities will be necessary before transformation projects and benefits can begin. These activities include developing rules and regulations for benefits, and helping Accountable Communities of Health (ACHs) build capacity as they prepare to coordinate transformation projects.

Because many details are still under development and will be shaped by the STCs, timelines for the initial ramp-up activities for the demonstration are not available. They are likely to be different for the benefits (long-term services and supports, supportive housing, and supported employment) than they are for the regional transformation project investments that ACHs will coordinate.

Throughout the STC negotiations and the development process, we will keep you informed. See the Medicaid transformation web page for updates. Send questions to medicaidtransformation@hca.wa.gov.

The Medicaid Transformation demonstration is a critical part of achieving the vision for a Healthier Washington and will work with many elements already under way. We’ve included some highlights below.
A note from the Director

Medicaid Transformation—The Next Frontier for Healthier Washington

Washington State and the Centers for Medicare and Medicaid Services (CMS) recently reached an agreement in principle on a five-year Medicaid demonstration project (under a Section 1115 demonstration waiver). This demonstration will allow for up to $1.5 billion in investments in Washington State’s Medicaid system over the next five years.

This demonstration will accelerate our progress toward Healthier Washington’s goals, making it possible for us to invest in new and innovative approaches to providing health care. The end goal: Making long-term changes in how we provide and pay for health care to improve outcomes and reduce costs.

This is great news for our Apple Health clients and for providers in our health care system and community who work every day to provide excellent care and services.

The flexibility this demonstration provides will help us make deeper investments in high-quality health care and community-based services,

Accountable Communities of Health

Accountable Communities of Health (ACHs) will be the linchpin for Washington State’s Medicaid transformation. As the body that brings together providers of all types with payers, public health, and local government, each ACH will coordinate its region’s development of—and application for—transformation projects. Once the demonstration begins, the state is committed to providing ACHs with resources and guidance as they plan and build capacity for these projects.

An Accountable Community of Health (ACH) is a group of leaders from public and private sectors in a specific region with a common interest in improving population health.

Payment Redesign

A primary goal for this demonstration—for both the state and federal governments—is to accelerate the move to paying for value instead of volume. These changes can be challenging, so regional transformation projects will be aimed at supporting providers and plans as they build their capacity to transition to these new delivery and payment systems.

Practice Transformation

The Practice Transformation Support Hub will be a key part of the support network for ACHs and their project partners, connecting providers with tools, training, and hands-on technical assistance to help them achieve transformation to value-based payment models.

The Practice Transformation Hub will support local quality improvement efforts by connecting health care providers with tools, training, and hands-on technical assistance to address the needs of the whole person.

Integrated Physical & Behavioral Health
including enhancements to long-term care services, and supportive housing and employment services for those who are most at risk and have complex needs.

This month, our newsletter explains how the different investment areas of the Healthier Washington initiative will intersect with the waiver. In the months ahead, we will continue to share details on this work as it develops.

See the Medicaid transformation web page for updates. Send questions to medicaidtransformation@hca.wa.gov.

A key focus of regional transformation projects will be care delivery redesign, with a focus on integrated delivery of physical and behavioral health services, and care coordination and case management that serves the whole person. We expect that these projects will complement ongoing efforts to integrate physical and behavioral health care purchasing.

The state is fully integrating the financing and delivery of physical health, mental health, and chemical dependency services in the Medicaid program through managed health care.

Performance Measurement

Payment for regional transformation projects will be contingent on achieving agreed-upon milestones. The state is committed to using existing shared performance measures in Medicaid transformation projects.

Statewide measures provide a common way of tracking health and health care performance. This lets us show progress in improving the quality of care.