

Washington State Medicaid Transformation Project (MTP) Demonstration
Section 1115 Waiver Quarterly Report
Demonstration Year: 1 (January 9, 2017 to December 31, 2017)
Reporting Quarter: October 1, 2017 to December 31, 2017

Contents

- Introduction**..... 4
- Quarterly Report – October 1, 2017 to December 31, 2017** 5
 - Summary of key accomplishments of the quarter 5
- Stakeholder and partner engagement** 6
 - Demonstration-wide stakeholder engagement..... 6
 - Tribal partner engagement 6
 - DSRIP program stakeholder engagement activities..... 7
 - LTSS program stakeholder engagement activities..... 8
 - FCS program stakeholder engagement activities 8
- DSRIP program implementation accomplishments** 10
 - ACH Project Plan submission 10
 - Independent assessment 10
 - Financial Executor 12
 - DSRIP performance measurement development 12
- Other DSRIP program activities** 13
 - DSRIP Support Team 13
 - Medicaid Value-based Payment Action Team 13
 - Demonstration waiver amendment 14
- Upcoming activities**..... 14
- Long-term Services and Supports (LTSS) implementation accomplishments**..... 15
 - Network adequacy for LTSS programs, MAC and TSOA 15
 - Assessment and systems update 15
 - Staff readiness and training 15
 - Data and reporting..... 15
 - State rule making 16
- Other LTSS program activities**..... 16
 - Conflict Free Case Management..... 17
- Upcoming activities** 17
- Foundational Community Supports (FCS) implementation accomplishments** 18
 - Third Party Administrator procurement 18
 - State rule making 18
- Other FCS program activity** 18
- Upcoming activities** 18

Quarterly expenditures	19
Overall demonstration development/issues	20
Operational/policy issues.....	20
Financial/budget neutrality development/issues.....	20
Financial	20
Budget neutrality	20
Designated State Health Programs (DSHP).....	20
Consumer issues	20
Quality assurance/monitoring activity.....	21
Demonstration evaluation	21
Health IT.....	21
Summary of additional resources, enclosures and attachments	22
Additional resources	22
Summary of enclosures and attachments	22
Attachment A: State contacts	23

Introduction

On January 9, 2017, the Centers for Medicare and Medicaid Services (CMS) approved Washington State's request for a Section 1115 Medicaid demonstration, entitled "Medicaid Transformation Project." The activities under the demonstration are targeted to improve the system to address local health priorities, deliver high-quality, cost-effective care that treats the whole person, and create sustainable linkages between clinical and community-based services.

Over the next five years, Washington aims to:

- Integrate physical and behavioral health purchasing and service delivery to better meet whole person needs.
- Convert 90 percent of Medicaid provider payments to reward outcomes instead of volume
- 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.

The state will address the aims of the demonstration through three programs:

- 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

Healthier Washington

The Washington State Health Care Authority (HCA) manages the work of the demonstration under the banner of Governor Jay Inslee's Healthier Washington initiative. Healthier Washington is a multi-sector partnership working to improve health, transform care delivery, and reduce costs.

To learn more about Healthier Washington, visit www.hca.wa.gov/hw.

Quarterly Report – October 1, 2017 to December 31, 2017

This quarterly report summarizes the Medicaid Transformation Project (MTP) activities from October 1, 2017 through December 31, 2017. This quarterly report includes details pertaining to MTP implementation activities, including stakeholder education and engagement, planning and implementation activities, and development of key policies and procedures.

Summary of key accomplishments of the quarter

Highlights of the quarter described in the report:

- All nine ACHs submitted their Project Plan portfolios
- Independent assessment of Project Plans commenced
- Implementation and enrollment of beneficiaries into MAC and TSOA
- MAC and TSOA provider network development
- Foundational Community Supports services launched

Stakeholder and partner engagement

Demonstration-wide stakeholder engagement

During the reporting quarter, the state continued its robust stakeholder communication strategy:

- Final, CMS-approved protocols were posted to the Medicaid Transformation webpage for public review. Draft protocols and other relevant program documents were updated on the webpage for public review and transparency with stakeholders.
- Program-specific frequently asked questions were routinely updated in response to public interest and inquiry. Questions were generated from a variety of forums, including webinars, presentations and stakeholder interaction, and used to clarify and define programmatic development.
- One-page documents summarizing the three MTP initiatives continue to be available online, and new materials are continually developed for and updated on the webpage.
- Broad communication with stakeholders and the general public was maintained through existing communication channels belonging to Healthier Washington, HCA, the Department of Social and Health Services (DSHS) and partner agencies, including emails to the Healthier Washington “Feedback Network” mailing lists, social media posts and quarterly email newsletter digests.

Tribal partner engagement

Major milestones of tribal partner engagement during the reporting period include:

- November 6, 2017: HCA submitted the Indian Health Care Provider (IHCP) Protocol for CMS approval.
- November 21, 2017: HCA Tribal Affairs facilitated an ACH Tribal Workshop for the Southwest Washington ACH.
- November 21, 2017: HCA and DSHS sent a Dear Tribal Leader letter regarding the state’s intent to pursue waiver amendment(s) to authorize the use of Medicaid dollars to cover substance use disorder (SUD) and mental health services in institutions for mental disease (IMDs) for more than 15 days, as well as technical corrections to the MTP’s Special Terms and Conditions (STCs).
- December 6, 2017: HCA and DSHS held the first tribal round table session regarding the waiver amendment(s) for IMD services and STC technical corrections.
- December 29, 2017: The American Indian Health Commission of Washington State (AIHC) submitted the IHCP Planning Funds Plan to HCA in accordance with the IHCP Protocol. The Plan included Tribal Services profile information for 27 of the 29 tribes in Washington and both Urban Indian Health programs. It was developed over the course of 12 meetings, with contributions from 15 tribes, both UIHPs, the Northwest Portland Area Indian Health Board, and AIHC.

The Aging and Long-Term Support Administration within the Department of Social and Health Services participated in the following tribal engagement activities during the reporting period:

- October 10, 2017: DSHS Indian Policy Advisory Subcommittee meetings for Aging and Developmental Disability Services; discussed the August 4, 2017 Dear Tribal Leader letter on MAC/TSOA contracting.
- October 16, 2017: DSHS/ALTSA worked to create and finalize tribal FAQ's concerning MTP with CMS.
- October 19, 2017: Discussed MAC/TSOA and other contracting opportunities at the Sauk-Suiattle Tribe meeting.
- October 25, 2017: Discussed Nursing services, residential services and MAC/TSOA services at the Nisqually Tribe meeting.
- October 26, 2017: Presented information on Alzheimer's disease, caregiver services, tribal initiatives and MAC/TSOA at the South Puget Sound Intertribal Planning Agency tribal gathering (Chehalis, Nisqually, Shoalwater Bay, Skokomish, and Squaxin Island Tribes).
- November 2, 2017: Discussed Kinship Care, respite services and MAC/TSOA at the Port Gamble S'Klallam Tribe meeting.

DSRIP program stakeholder engagement activities

Representatives of HCA have participated in numerous stakeholder engagement activities, including public forums, presentations, emails, webinars, and direct technical assistance.

- October 10, 2017: HCA facilitated joint office hours with the Independent Assessor and the Financial Executor to provide direct technical assistance to ACHs regarding Project Plan assessment and portal development and registration.
- October 18-19, 2017: HCA hosted the Healthier Washington Symposium for ACHs, providers, state partners, and other stakeholders.
- October 26, 2017: Following the public comment period, HCA and the Independent Assessor held a public webinar on the Project Plan assessment and scoring tool.
- November 7, 2017: HCA facilitated and presented at the Medicaid Value-based Payment Action Team meeting. Key topics discussed during the meeting included:
 - Understanding HCA's VBP Roadmap and its implications for ACHs, providers, and payers
 - Examining the barriers to VBP adoption by providers, and identifying opportunities for support from ACHs
- December 5, 2017: The Financial Executor conducted a webinar training for ACHs on the Financial Executor portal and provider registration.
- December 8, 2017: HCA and Cascade Pacific Action Alliance (ACH) staff presented at the Governor's Interagency Council on Health Disparities regarding current health equity efforts through the MTP.

LTSS program stakeholder engagement activities

The Department of Social and Health Services (DSHS)/Aging and Long-Term Support Administration (AL TSA) held a formal stakeholder meeting on October 23, 2017. At this meeting the state presented:

- Current enrollment numbers
- Summary of MAC and TSOA implementation progress
- Updates on the statewide marketing campaign

DSHS/AL TSA solicited input from stakeholders to gather feedback regarding what they were hearing in their communities about the new programs. Input was limited but positive.

DSHS/AL TSA continues to collaborate with:

- Columbia Legal Services, a client advocacy stakeholder, in efforts to update an informative and easily understood Q&A document for individuals interested in the MAC and TSOA programs.
- Northwest Health Law Advocates (NoHLA) to refine the state rules related to the MAC and TSOA programs.

FCS program stakeholder engagement activities

Supported employment provider Technical Assistance:

- Staff from DSHS/Behavioral Health Administration (BHA) conducted site visits and technical assistance sessions for 10 supported employment providers, and partnered with HCA staff on a regional behavioral health provider presentation in Spokane.

Stakeholder and partner presentations:

- Established an FCS subcommittee of the Health Innovation Leadership network (HILN) Community & Equity Accelerator Committee, charged with exploring opportunities to pursue health equity via the FCS program.
- October 3, 2017: FCS presentation at the Washington Affordable Housing Conference in Spokane. Audience included housing service providers and funders.
- October 7, 2017: FCS presentation at the Washington Workforce Conference. Audience included employment services providers, including behavioral health, vocational rehabilitation, and other community based organizations.
- October 10, 2017: FCS presentation at the Washington College of Emergency Physicians Summit. Audience included physicians and other representatives from hospital emergency departments across the state.
- October 17, 2017: FCS presentation at the Washington Tribal Summit. Audience included representatives from tribes, tribal providers and tribal health systems.

- December 21, 2017: FCS presentation for the Washington Association of Community Action Programs (CAP) state meeting. Audience included representatives of CAP organizations and providers.

DSRIP program implementation accomplishments

ACH Project Plan submission

On November 16, 2017, all nine Accountable Communities of Health (ACHs) submitted their Project Plan portfolios to the state’s Independent Assessor (IA). The Project Plans describe not only what transformation efforts will be undertaken in each region, but also preliminary thinking on how each ACH will implement the projects. Project Plan submission marks an important milestone on the way to the final implementation plans, which are due in Demonstration Year (DY) 2.

Project Plans contain two key components:

1. ACH-level information
2. Project-level information, including strategies and expected outcomes in their region.

ACHs developed Project Plans that built on Phase I and Phase II certification applications and in collaboration with community stakeholders. The Project Plans were required to respond to community-specific needs, and to support MTP objectives.

ACHs proposed to implement a range of four to eight projects from the Project Toolkit, as shown in the table below:

Project Selection by ACH									
	BHT	CPAA	GCACH	KCACH	NCACH	NSACH	OCH	PCACH	SWACH
2A: Bi-directional Integration of Care	•	•	•	•	•	•	•	•	•
2B: Community-based Care Coordination	•	•			•	•		•	•
2C: Transitional Care		•	•	•	•	•			
2D: Diversions Interventions					•	•	•		
3A: Addressing Opioid Use	•	•	•	•	•	•	•	•	•
3B: Reproductive and Maternal and Child Health		•				•	•		
3C: Access to Oral Health Services						•	•		
3D: Chronic Disease Prevention and Control	•	•	•	•	•	•	•	•	•

Project Plans will be assessed by the IA, Myers and Stauffer, LC. Project Plan submissions can be found on the state’s [Medicaid Transformation webpage](#) under the “Initiative 1” tab.

Independent assessment

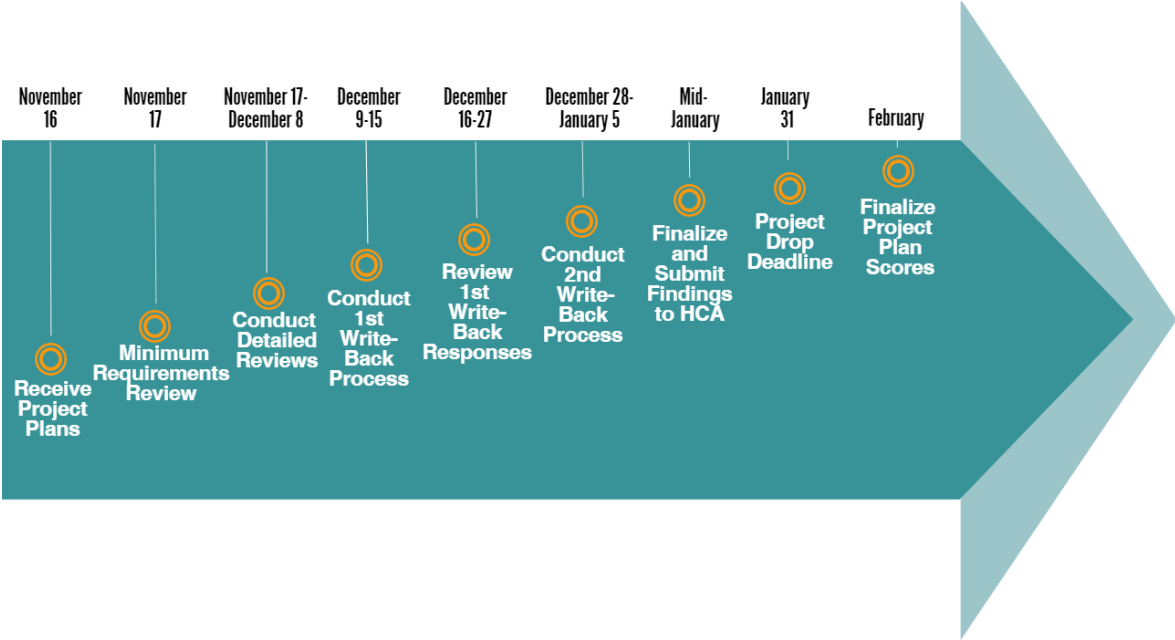
The draft Project Plan review tool and scoring criteria were posted publicly from September 28 through October 13, 2017. The IA held meetings with ACHs to discuss scoring criteria and answer

questions. On October 26, HCA and the IA co-facilitated a public webinar to provide additional details on Project Plan scoring, the assessment process, and to address comments and questions raised during public comment. Following the public webinar, the final Project Plan review tool and assessment criteria were posted to the Medicaid Transformation webpage.

After the November submission of Project Plans, the IA started its assessment of Project Plans. The independent assessment includes the following components:

- **Minimum submission requirements review** to confirm that all required information was provided, so that the IA can provide immediate notification to an ACH regarding missing information.
- **Detailed assessments** conducted by IA primary and secondary reviewers. Primary reviewers conducted comprehensive Project Plan assessments for completeness, clarity, specificity, and logic (as outlined in the assessment criteria). Secondary reviewers assessed subsections and projects across all ACH Project Plans to cross verify the content of the Project Plan areas to which they were assigned.
- **Subject matter expert (SME) assessment and quality checks.** SMEs reviewed specific subsections of ACH Project Plans. Quality checks were conducted after primary and secondary assessments to increase consistency and objectivity.
- **Write-back process** to address Project Plan deficiencies. The IA implemented an iterative process through which ACHs could receive up to two rounds of feedback about their Project Plan. The “write-back” allowed for ongoing communication between the IA and ACHs to resolve Project Plan areas with insufficient detail that could cause challenges in further project planning, implementation, and project performance.

The assessment followed the timeline below, as presented by the IA in the October 26 webinar:



As of the end of this reporting quarter the IA and ACHs were engaged in the second write-back process, which lasts through January 5, 2018.

Financial Executor

Public Consulting Group (PCG), the state's DSRIP Financial Executor, continues to work with the state to develop and establish:

- The web portal to facilitate Financial Executor functions
- The provider registration process
- The DSRIP funds distribution plan.

ACHs received training on the Financial Executor portal and registration process on December 5, 2017 in a webinar facilitated by PCG. The state anticipates the Financial Executor portal to go live after conclusion of the Project Plan independent assessment.

DSRIP performance measurement development

HCA continued to develop its measurement strategy during the reporting quarter. Key elements were:

- Measurement Guide development
- Pay-for-Performance (P4P) and Pay-for-Reporting (P4R) metric specification
- Definition of standard P4P measurement concepts
- DSRIP dashboard planning

Measurement Guide. The guide details how performance will be measured for accountable entities participating in the MTP. It contains technical specifications for performance metrics, and the production and reporting procedures for assessing performance during the DSRIP program. The intended audience of the guide is comprised of interested and/or engaged partners in Medicaid Transformation efforts, including but not limited to ACHs, MCOs, transformation partners, state agencies, and legislative staff. The guide will be updated at least annually and evolve over time.

For the first iteration of the guide, the state is focused on defining the specifications, calculation, and reporting procedures for ACH Project Toolkit P4P metrics. This will comprise the majority of the content in the version released for public review in February 2018. During the reporting quarter, the state conducted various design sessions and development of P4P technical specifications with the Clinical Quality and Care Transformation team at HCA. Forthcoming releases of the guide will define other DSRIP program components, including specifics related to statewide accountability, how funds will be earned based on ACH High Performance metrics, and P4R metric specification. Design work related to these components continued during Q4.

P4R refinement. HCA began the process of refining reporting requirements as defined in the STCs, protocols and Project Toolkit. The aim is to simplify the ACH reporting structure and clearly define the documentation that will serve as proof of milestone completion.

A P4R metric collection instrument will be developed into a workbook format. P4R metric workbooks are intended to collect information that cannot easily be obtained through other means (e.g. narrative response) and to provide more detailed information about implementation progress. Refined to capture raw information, P4R metrics are reported at the participating provider site/location level. These data will be aggregated by the state into project monitoring reports for ACHs.

Other DSRIP program activities

DSRIP Support Team

The DSRIP Support Team continued to support the MTP by helping ACHs in the development of Project Plan portfolios, developing technical assistance resources for ACHs, and assisting HCA to develop key MTP policies and procedures. Highlights of the technical assistance provided by the DSRIP Support Team during this quarter included:

- Presentations to ACHs and others regarding Project Plan scoring, Bonus Pool, and the High Performance Fund.
- Updated DSRIP fund allocation and DSRIP calculator tools, providing decision support to ACHs in modeling their potential DSRIP program project incentive revenue under various scenarios.
- Coordination for an ACH peer learning opportunity with the Bronx Partners for Healthy Communities (New York City PPS).

Direct DSRIP Support Team technical assistance to ACHs concluded after the submission of ACH Project Plans in November.

Medicaid Value-based Payment Action Team

A critical component of delivery system reform is the pursuit and achievement of value-based payment goals. The Health and Community Capacity Building component (Domain 1) of the Project Toolkit recognizes the importance of guiding and supporting ACHs and their partnering providers as they work to integrate VBP goals into their transformation projects. The Medicaid Value-based Payment (MVP) Action Team has continued to provide guidance to HCA, ACHs, MCOs and partnering providers, and serve as a learning collaborative to support Medicaid value-based payment targets.

The 20-member Action Team represents all five MCOs, all nine ACH regions, providers from a variety of organizations, behavioral health providers, and tribal health leaders. The MVP Action team met once during this reporting quarter. The meeting covered the following topics:

- Understanding HCA's VBP Roadmap and its implications for ACHs, providers, and payers
- Examining the barriers to VBP adoption by providers, and identifying opportunities for support from ACHs.

Demonstration waiver amendment

In response to the Washington State Legislature's direction, HCA started to develop its approach to allow for the full cost of stays in institutions for mental disease (IMDs) for substance use disorder (SUD) services. During this reporting quarter, HCA followed CMS's guidance in the November 1, 2017 Dear Medicaid Director letter regarding 1115 waiver authority on this topic, and also received direct technical assistance from CMS regarding an amendment to the MTP on this topic. The state anticipates submitting its amendment request to CMS by March 2018 following a public comment period.

Upcoming activities

- Continued ACH Project Plan assessment, *November 2017 through January 2018*
- Measurement Guide public comment period, *February 2018*
- Launch of the Financial Executor portal, *March 2018*
- Continued engagement with stakeholders and tribal partners on waiver amendment, *Ongoing*

Long-term Services and Supports (LTSS) implementation accomplishments

This report summarizes LTSS program development and implementation activities conducted from October 1, 2017 through December 31, 2017. Key accomplishments for this quarter include:

- Staff readiness activities related to implementation were completed.
- On September 11, 2017, MAC and TSOA programs were officially implemented and enrollment of beneficiaries began.
- AL TSA and HCA websites were updated with MAC and TSOA program information including caregiver resource materials and referral/intake guidance.
- Post implementation support for case management staff was activated and completed.
- In November 2017, Governor Inslee recognized these new programs as part of Family Caregiver Month. The availability of the programs has received considerable media attention, including media interviews and articles in local newspapers as well as national interest
- Caregiver Media campaign launched and two articles were published in business journals

Network adequacy for LTSS programs, MAC and TSOA

All 13 Area Agencies on Aging (AAAs) have submitted their milestone documentation and statewide are at 92 percent compliance with network adequacy requirements. DSHS/AL TSA will continue to monitor network adequacy and provide technical assistance to the AAAs as requested.

Assessment and systems update

Following implementation in early September, HCA and AAA staff continue to identify, track and prioritize corrections and enhancements necessary in the systems that support MAC and TSOA service delivery.

Staff readiness and training

Post-implementation activities and training for case managers continued throughout this quarter. Following implementation in September, biweekly statewide debrief webinars were held with field supervisors and managers to identify and track any system, policy and training issues. Based upon feedback from these meetings, training and guidance meetings were held weekly with case managers to address identified needs. Additional training webinars were also held every other week with topics focused on key areas like nursing facility level of care (NFLOC) determinations and necessary elements to complete accurate Medicaid authorizations. Post implementation activities and support will continue into the next quarter. Staff have access to a SharePoint site that offers training videos and a mechanism for real-time response from policy staff should questions come up that need to be addressed outside of the established training and meeting schedule.

Data and reporting

Four additional MTP reports were completed and tested this quarter, for a total of seven MAC and TSOA reports. Four new reports have been identified and are under development with completion expected by the end of next quarter. Three dashboard reports are also under development. These

reports will assist AL TSA to gather necessary information for CMS quarterly and annual reports, and will provide data for AL TSA and AAAs to monitor and manage the MAC and TSOA programs.

LTSS Beneficiaries by Program as of 12/31/17	
MAC	TSOA
10	455

Number of New Person-centered Service Plans by Program	
MAC	TSOA
3	156

Number of Beneficiaries Self-directing Services under Employer Authority	
MAC	TSOA
At this time, self-directing services are not a part of MAC and TSOA.	

There was good response to the new programs since implementation in September, which resulted in many clients being referred. As a result of completed report development and initial data analysis on these initial enrollments, AL TSA found that additional training was needed on completion of care plans. AL TSA will now focus on this work and will report progress in the next quarterly report.

State rule making

The programs continue to operate under emergency rule. The state extended the emergency rule based on feedback from stakeholders to allow time to incorporate the necessary changes into the permanent rule. Permanent rule language was posted via the Washington State Register for public review and comment on December 6, 2018. A public hearing is scheduled for January 23, 2018 with the public comment period ending at 5 p.m. on that same date. The permanent rule making process will continue during the next quarter and is anticipated to be complete by March 2018.

Other LTSS program activities

Provider billing guides and training materials were finalized and posted on HCA’s website.

The MAC and TSOA outreach campaign was initiated this quarter. Activities included the following:

- Statewide webinar with community health partners explaining MAC and TSOA as well as information on how to make referrals to the new programs.
- Statewide webinar with Health Home Coordinators explaining MAC and TSOA services, how to make referrals and how to identify unpaid caregivers.
- Release of the first radio advertisements and community newspaper articles.
- Completion of the MAC/TSOA brochure to be distributed in the community and for use at events such as caregiver conferences, senior lobby events, etc.

Conflict Free Case Management

CMS provided feedback on the proposed Conflict Free Case Management policy to DSHS/ALISA in mid-September. The revised Conflict Free Case Management policy was submitted to CMS in early December and DSHS/ALISA expects to receive final response from CMS next quarter.

Upcoming activities

- First internal audit of Presumptive Eligibility screenings will be conducted in early January for enrollments completed from September 11, 2017 through December 31, 2017.
- Systems modifications and additional staff training activities will be completed in order to increase proficiency in development of service plans.
- Continue work on the Conflict Free Case Management policy implementation and monitoring process with AAA.
- Focused activities aimed at increasing enrollment in MAC and TSOA.

Foundational Community Supports (FCS) implementation accomplishments

This report summarizes FCS program development and implementation activities conducted from October 1, 2017 through December 31, 2017. Key accomplishments for the quarter include:

- Final approval of the FCS protocol received from CMS on November 21, 2017.
- January 2, 2018 launch date for FCS services established.

Third Party Administrator procurement

Provider network development initiated in preparation for initial service launch. Third Party Administrator (TPA) Amerigroup is working with approximately 80 providers to establish contracts during the initial months of service delivery. Statewide networks for Community Support Services and Supported Employment services are expected to be established within the first year of program implementation.

State rule making

Emergency rules were established to revise existing WACs to ensure consistency with final FCS protocol language.

Other FCS program activity

HCA and DSHS worked with the Medicaid Forecast Work Group to establish appropriate rates for FCS services, satisfying the legislative requirement.

Upcoming activities

Q1 of DY2 will focus on building the provider network for FCS services and initial enrollment of eligible individuals into the program. HCA anticipates having an initial provider network of approximately 80 providers by the end of the quarter.

In addition, extensive community outreach and provider technical assistance efforts will continue in coordination with DSHS and Amerigroup TPA.

Quarterly expenditures

During the period of October 1 through December 31, 2017, there were no new DSRIP funding expenditures to report. The TSOA and MAC programs each had service expenditures during this reporting quarter, including caregiver assistance services, training and education supports, specialized equipment and supplies, as well as personal assistance services.

DSRIP Funding					
	Q1	Q2	Q3	Q4	DY1 DSRIP Total
Accountable Community of Health (ACH)	January 9 – March 31, 2017	April 1 – June 30, 2017	July 1 – September 30, 2017	October 1 – December 31, 2017	January 1 – December 31, 2017
Better Health Together		\$1,000,000	\$5,000,000		\$6,000,000
Cascade Pacific Action Alliance		\$1,000,000	\$5,000,000		\$6,000,000
Greater Columbia		\$1,000,000	\$5,000,000		\$6,000,000
King County		\$1,000,000	\$5,000,000		\$6,000,000
North Central		\$1,000,000	\$5,000,000		\$6,000,000
North Sound		\$1,000,000	\$5,000,000		\$6,000,000
Pierce County		\$1,000,000	\$5,000,000		\$6,000,000
Olympic Community of Health		\$1,000,000	\$5,000,000		\$6,000,000
Southwest Washington		\$1,000,000	\$5,000,000		\$6,000,000

Service Expenditures					
	Q1	Q2	Q3	Q4	DY1 Total
	January 9 – March 31, 2017	April 1 – June 30, 2017	July 1 – September 30, 2017	October 1 – December 31, 2017	January 1 – December 31, 2017
Tailored Supported for Older Adults	–	–	–	\$61,871	\$61,871
Medicaid Alternative Care	–	–	–	\$2,801	\$2,801
Foundational Community Supports	–	–	–	–	–

Overall demonstration development/issues

Operational/policy issues

Implementation activities for DSRIP, LTSS, and FCS are currently underway.

There are continued challenges with educating DSRIP stakeholders and partners, especially as the program is refined. Given the anticipated reduction in the total amount of available project incentives under Initiative 1 (see Designated State Health Programs (DSHP) section below), the state has been in regular contact with ACHs to discuss the implications and mitigation strategies. During this reporting quarter, the state worked closely with ACHs, the Independent Assessor, and other contracted support to refine the Project Plan scoring methodology and submission requirements in order to better respond to the dynamic nature of the programmatic design of the MTP.

Financial/budget neutrality development/issues

Financial

As questions arise, the state and CMS have leveraged monthly CMS monitoring calls to address technical and operational finance related questions.

Budget neutrality

According to STC 105, a draft working version of the budget neutrality monitoring tool was to be available for inclusion in the state's first quarterly report. Per CMS guidance, the state is awaiting further direction from CMS with respect to the status of this tool. It is critical that guidance is provided soon to ensure we are able to monitor and analyze actual expenditures subject to budget neutrality. HCA will continue to raise this issue during monthly monitoring calls.

Designated State Health Programs (DSHP)

HCA is still projecting actual realized expenditures authorized under the MTP for the Designated State Health Programs (DSHP) to be lower than originally anticipated. Due to the shortage in DSHP, HCA has communicated a reduction in the total amount of available project incentives under Initiative 1. HCA has been in regular communication with external stakeholders and ACH partners to discuss the impact it will have on the availability of funding for Initiative 1. This will affect how much money ACHs will receive to carry out their planned transformation projects; therefore, regular updates are being provided to ACHs notifying them of any significant changes to the DSHP projections.

Consumer issues

The state has not experienced any major consumer issues for the DSRIP and FCS programs during this reporting quarter, other than general inquiry about benefits available through the MTP.

During the implementation of MAC and TSOA the state became aware that some consumers were choosing to give up their Medicaid medical coverage in order to access the TSOA benefit. Many of these individuals are dual eligible and did not seem to be aware of the coverage and benefits they

would be giving up. To ensure staff had the information and resources to assist consumers in making the best decisions for themselves the state scheduled statewide webinars to educate staff and answer questions on the impacts of such a decision. We also collaborated with the Health Care Authority to develop joint consumer materials outlining the benefits of Medicaid. The state continues to monitor enrollments to ensure it is responding to any needs that arise.

Quality assurance/monitoring activity

Not applicable for DSRIP and FCS during this reporting quarter.

Internal work continued this quarter on development of the Quality Improvement Score (QIS) for the LTSS program. The state's proposal was submitted to CMS and, based on guidance provided by CMS in November, the state will use this format for future reporting under STC 54. DSHS/ALISA continues to refine the internal processes that will be used to comply with the QIS activities.

Plans for internal audit of Presumptive Eligibility (PE) screenings by ALISA Quality Assurance Unit were finalized this quarter. In compliance with STC 56(c)(i) The first PE audit will be completed in early January 2018 focusing on implementation. Results will be included in the next quarterly report.

Demonstration evaluation

After receiving CMS approval for the evaluation design plan, the state began drafting the Request for Proposals (RFP) to procure an independent evaluator. The RFP was released on January 2, 2018, with a target effective date of April 1, 2018.

Health IT

HCA continued to develop and refine its Health IT Strategic Roadmap with CMS and other partners. The Health IT Strategic Roadmap identifies activities necessary to advance the use of interoperable Health IT and HIE across the care continuum in support of the programmatic objectives of the MTP. HCA submitted its Health IT Strategic Roadmap and Operational Plan on December 1, 2017.

Summary of additional resources, enclosures and attachments

Additional resources

More information about Washington’s demonstration is available at:

<https://www.hca.wa.gov/about-hca/healthier-washington/medicaid-transformation>.

Interested parties can sign up to be notified of demonstration developments, release of new materials, and opportunities for public comment through the Healthier Washington listserv.

Summary of enclosures and attachments

Attachment Reference	Document Title/Description
A	State Contacts
B	Independent External Evaluator Request for Proposals

Attachment A: State contacts

Identify the individual(s) that CMS may contact should any questions arise:

Area	Name	Title	Phone
MTP and quarterly reports	Kali Klein	Manager, Medicaid Transformation	(360) 725-1240
DSRIP program	Kali Klein	Manager, Medicaid Transformation	(360) 725-1240
LTSS program	Kelli Emans	Managed Care Program Manager, DSHS	(360) 725-3213
FCS program	Jon Brumbach	Senior Health Policy Analyst, Medicaid Transformation	(360) 725-1535

For mail delivery, use the following address:

Washington Health Care Authority
Division of Planning, Policy and Performance
Mail Stop 45502
628 8th Ave SE
Olympia, WA 98501