

HCA Overview

House Health Care & Wellness

Dr. Charissa Fotinos, Medicaid Director

January 10th, 2023

Washington State
Health Care Authority

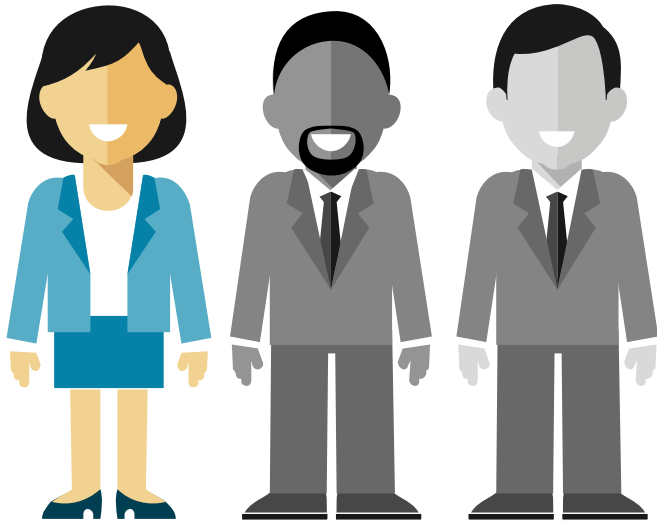
Agenda

- ▶ Agency Overview
- ▶ Apple Health
- ▶ Behavioral Health Delivery

Agency overview

The state's largest health care purchaser

We purchase care for
1 in 3 non-Medicare
Washington residents.



- ▶ We currently purchase health care for nearly 3 million Washington residents through:
 - ▶ Apple Health
 - ▶ The Public Employees Benefits Board (PEBB) Program
 - ▶ The School Employees Benefits Board (SEBB) Program
- ▶ Designated Single State Authority for Behavioral Health

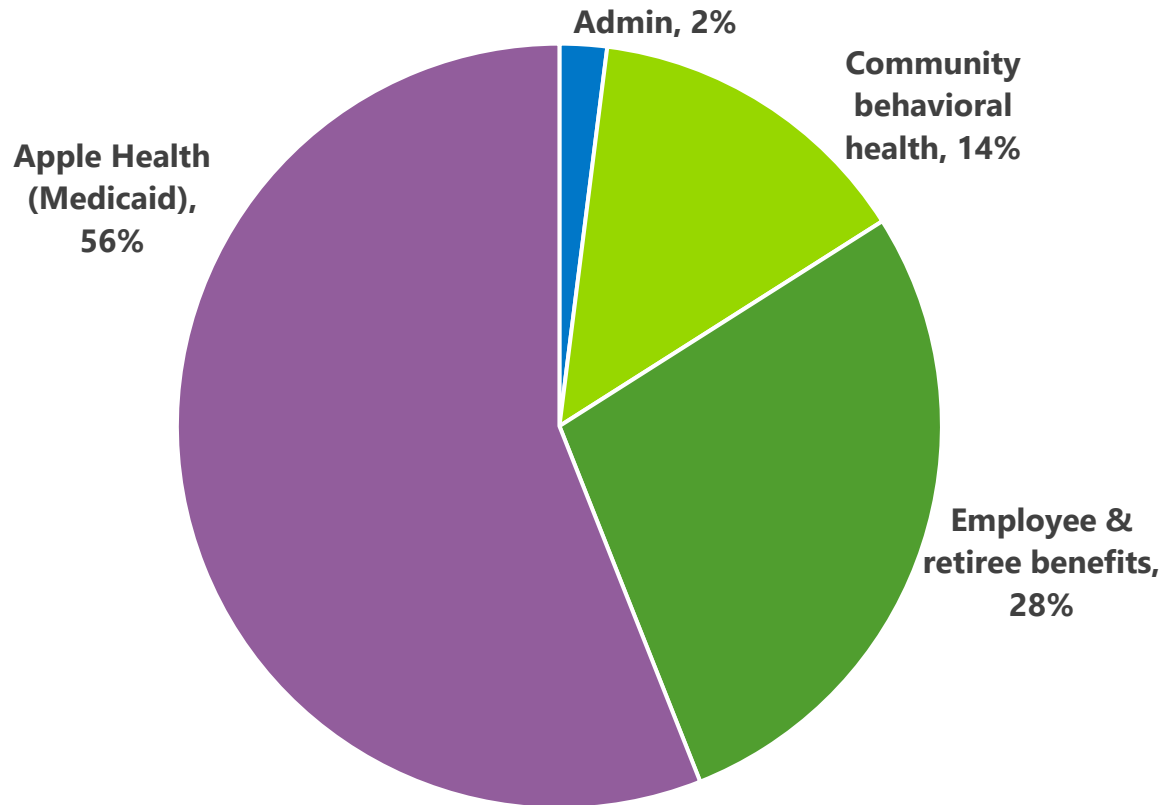
About us

- ▶ Single State Medicaid Agency
 - ▶ Medicaid Director oversees Medicaid programs across agencies
 - ▶ Administer Apple Health FFS program
 - ▶ Contract for and administer Apple Health Managed Care
- ▶ Designated Single State Authority for Behavioral Health
- ▶ Program administrator for Employee and Retiree Benefits (PEBB/SEBB)

Major highlights

- ▶ Lead Cascade Care procurement, in coordination with HBE/OIC partners
- ▶ Staff the Health Care Cost Transparency and Prescription Drug Affordability Boards & Universal Health Care Commission
- ▶ Member of HHS Coalition, focused on customer experience centered IT innovation
- ▶ Oversee program integrity and audit functions for Apple Health

Agency budget (2021-23 biennium)



Administration	\$0.8 billion	2%
Community behavioral health	\$4.8 billion	14%
Employee & retiree benefits	\$9.3 billion	28%
Medicaid	\$18.8 billion	56%
Total budget*	\$33.6 billion	100%

Total employees (full-time equivalents): 1,509

Sources: Agency Financial Reporting System (AFRS)

Allotments

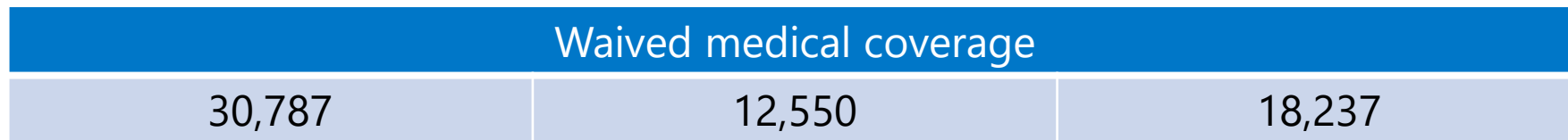
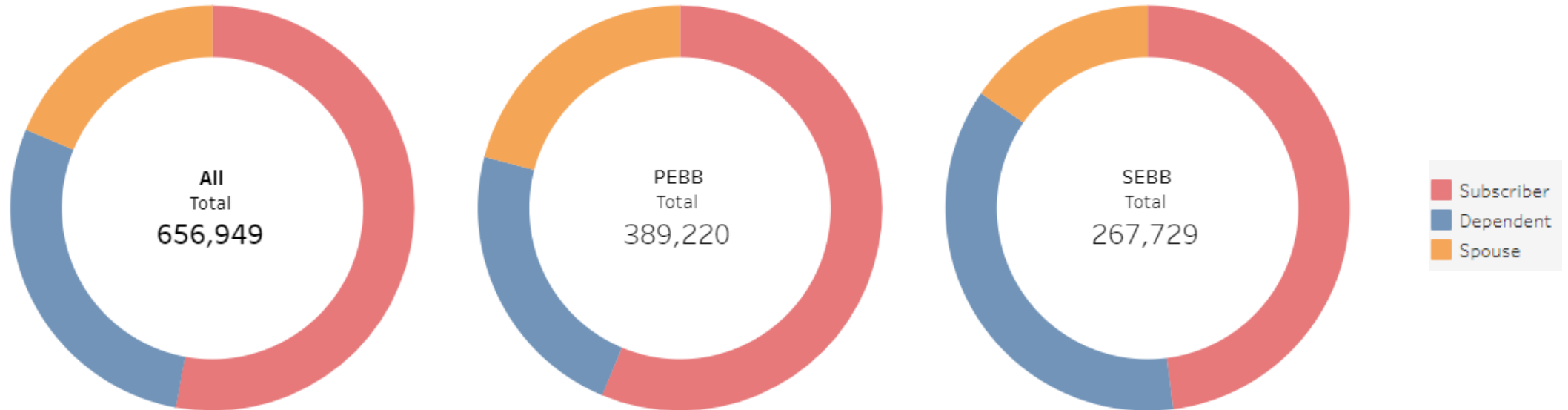
** Based on 2021-23 Biennial budget ESSB 5092*

** Excludes Health Benefit Exchange budget*

PEBB & SEBB programs

- ▶ Commercial insurance program with fully- and self-insured health plan options, administered by HCA
- ▶ **PEBB**
 - ▶ State agencies, all higher education institutions, and elected officials (legislators, statewide elected officials, judges/justices)
 - ▶ *Optional participation by all higher education institutions, and elected officials (legislators, statewide elected officials, judges/justices)*
- ▶ **SEBB**
 - ▶ All employees of school districts and charter schools, plus represented employees of Educational Service Districts (ESD)
 - ▶ Non-represented employees of ESD required participation effective January 1, 2024
- ▶ Two risk pools: Non-Medicare and Medicare

PEBB & SEBB covered lives (October 2022)



There are an additional ~50,000 members enrolled only in dental and/or vision.

Shared expertise and efficiency

Washington is one of a handful of states that have combined purchasing and expertise across markets (commercial and Medicaid).

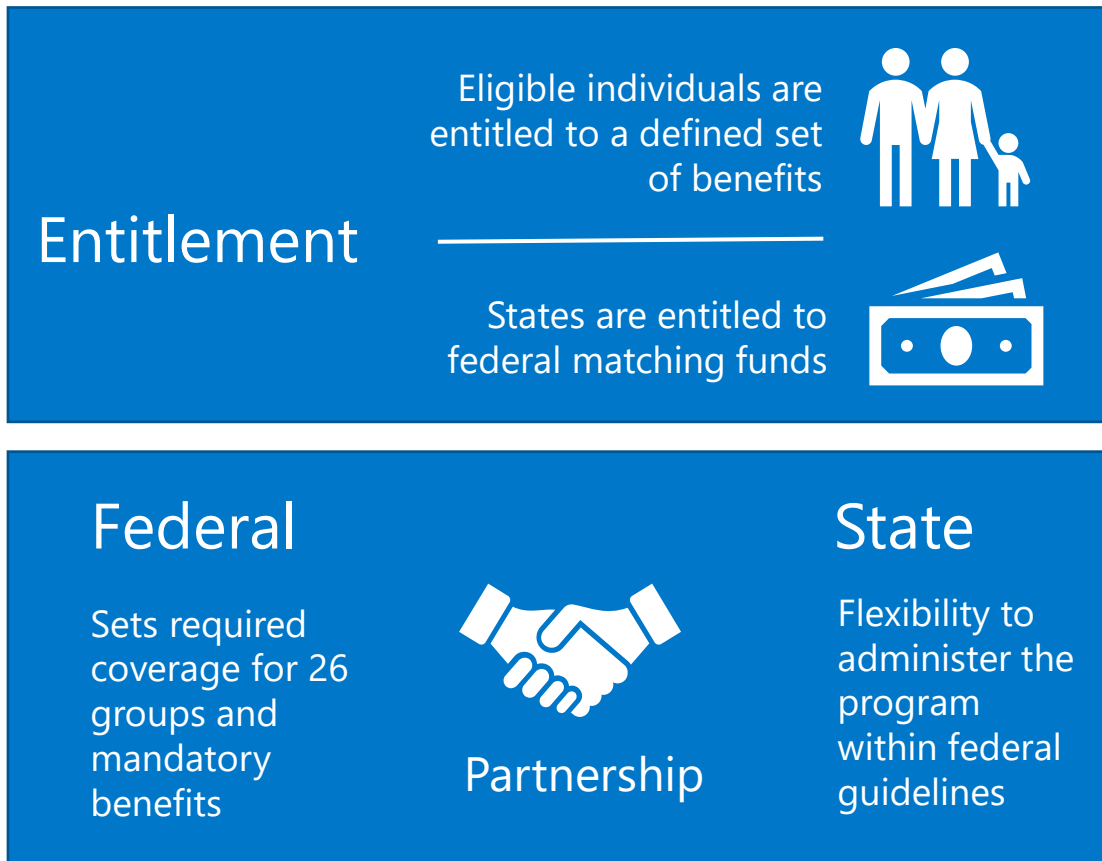
- ▶ Shared purchasing strategies:
 - ▶ Paying for value and outcomes.
 - ▶ Driving cost controls.
 - ▶ Utilizing data-informed approach.
 - ▶ Enhancing customer experience.
 - ▶ Focused on social determinants of health.

Apple Health

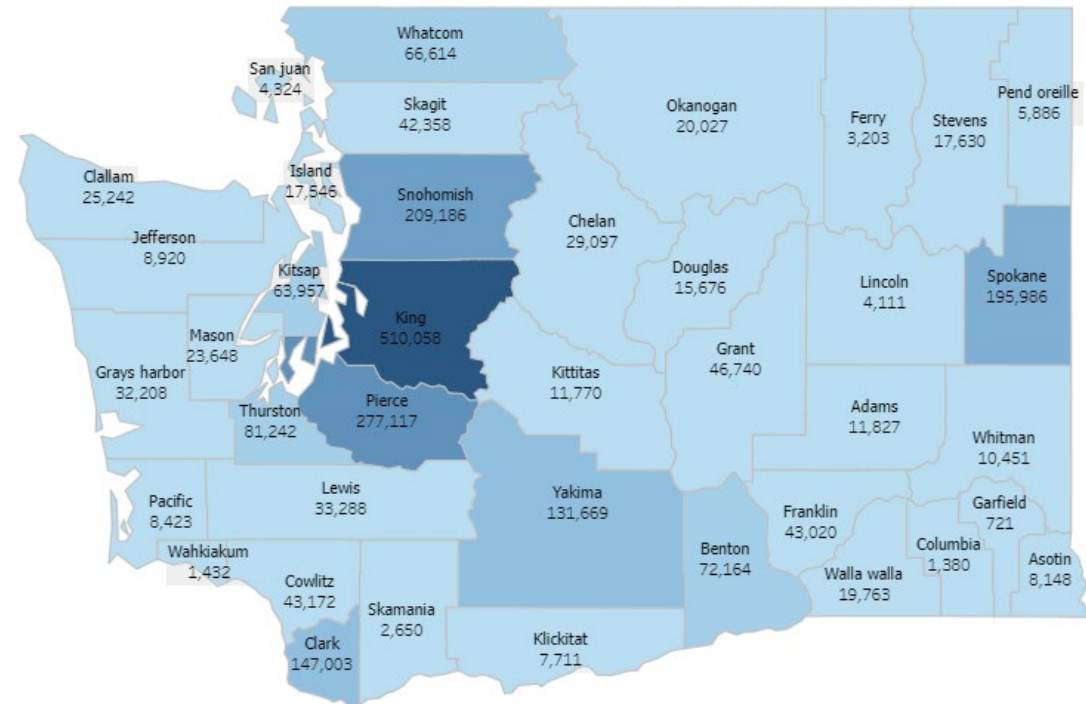
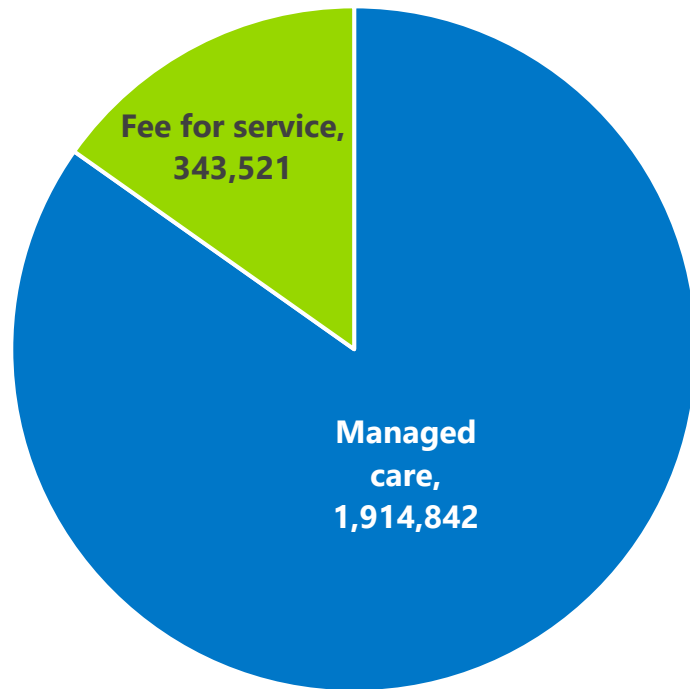
Apple Health

- ▶ The Medicaid State Plan is the contractual agreement between the state and the federal government authorizing Medicaid.
- ▶ Each state plan designates a single agency to administer or supervise the administration of the state plan, of which in Washington state
- ▶ The Health Care Authority is designated the single state agency in Washington state, responsible to:
 - ▶ Oversee & monitor the state plan and program functions to ensure system cohesiveness and effectiveness (e.g., managed care, behavioral health personal care, discharge transitions, etc.)
 - ▶ Determine eligibility
 - ▶ Act as state spokesperson with CMS for waiver and other major decisions (e.g., Medicaid Director issues final orders)
 - ▶ Maintain a process to ensure Indian Health Programs and Tribal Health Organizations are consulted
 - ▶ Administer and decide upon fair hearings
 - ▶ Delegate a limited set of responsibilities to other agencies (DSHS primarily)

Medicaid & CHIP: state-federal partnership



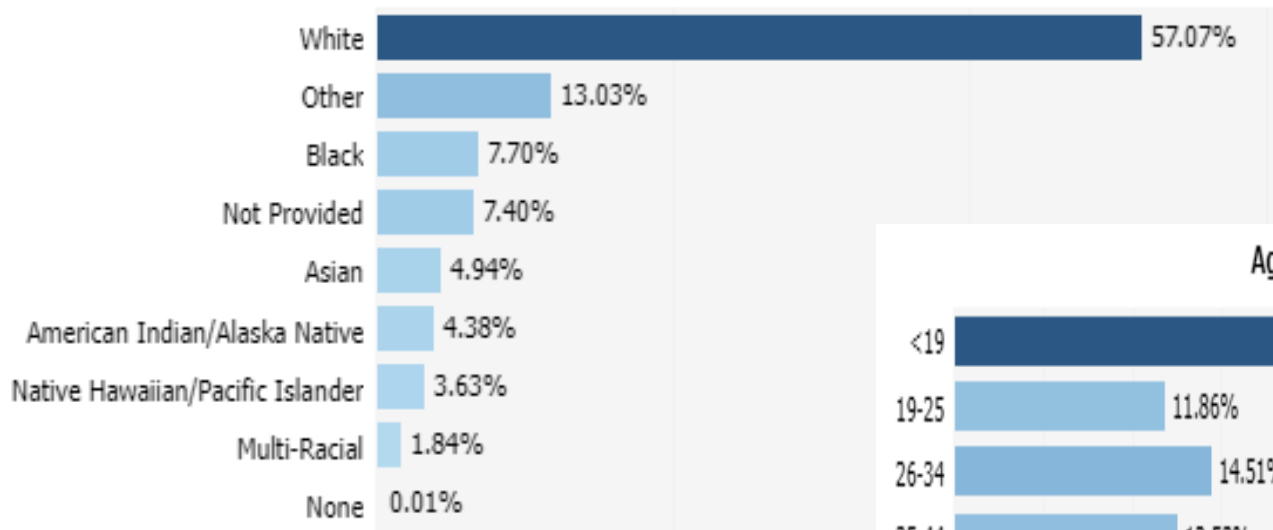
Current Apple Health enrollment



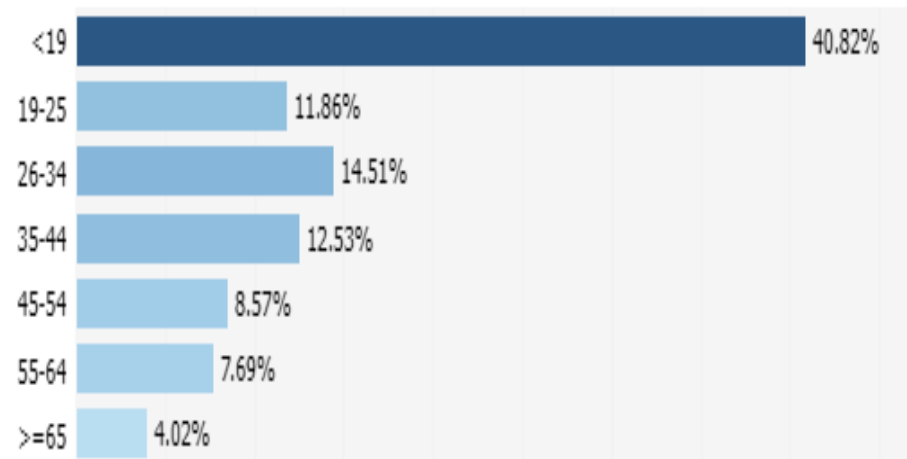
Fee-for-service chiefly American Indian/Alaskan Native and dually eligible Medicare and Medicaid population (with behavioral health offered under managed care)

Race, age, and languages

Race

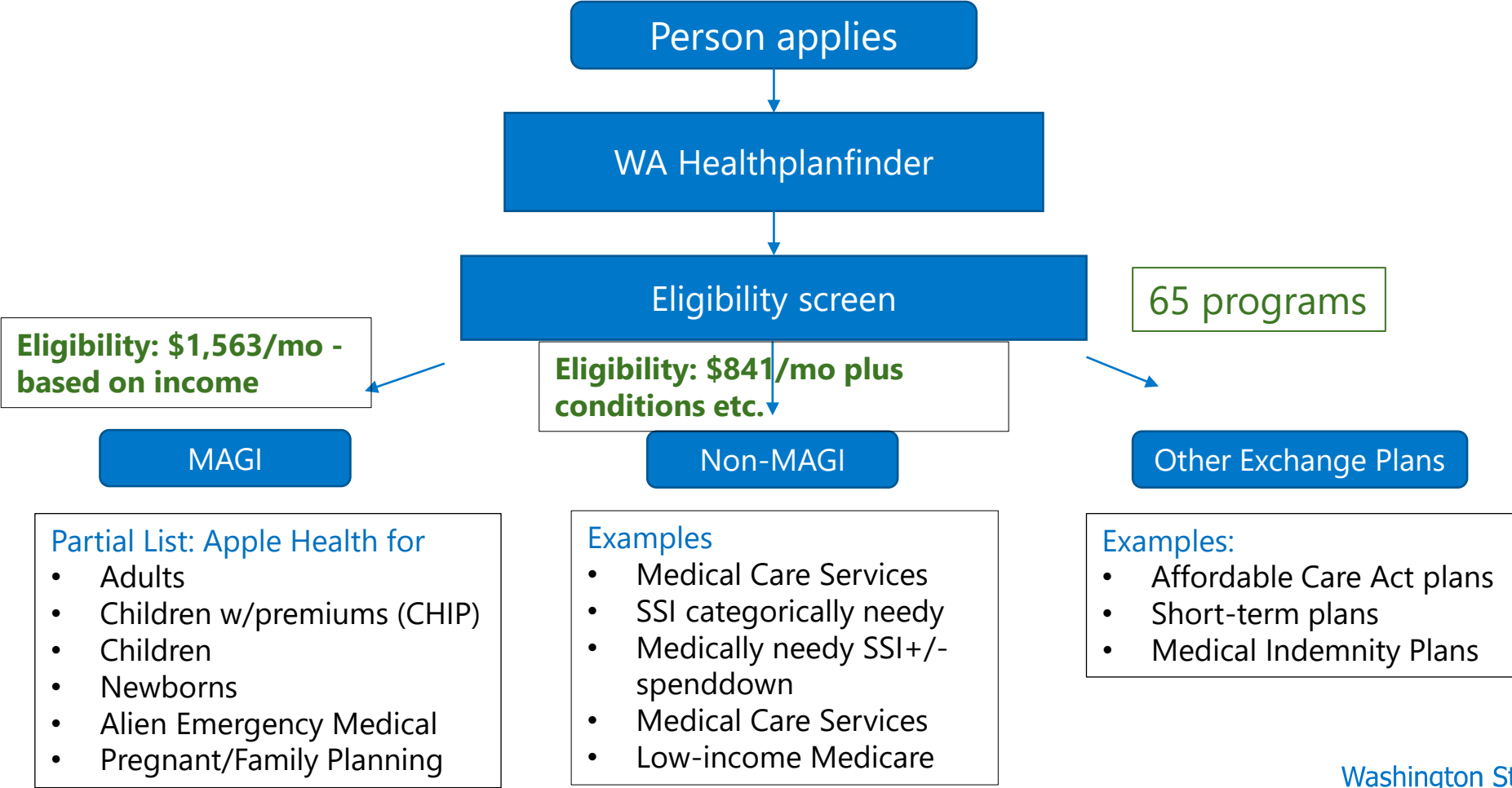


Age group



Preferred Written Language	Number of Clients
Summary	2257304
English	1942468
Spanish; Castilian	202523
Russian	21657
Vietnamese	13707
Chinese	11034
Ukrainian	8819
Dari	5674
Arabic	4896
Korean	4528
Somali	3556
Amharic	2368
Panjabi; Punjabi	2037
Cambodian/Khmer	1991
Other Language	1858
Tigrinya	1761
Pushto	1671
Farsi	1486
Portuguese	1456
Burmese	1088
French	1015
Tagalog	1004
Romanian	718
Chuukese	572
Oromo	562
Swahili	519

Determining eligibility



Medicaid benefits & services

Apple Health offers complete physical and behavioral health coverage for eligible individuals, including:

Appointments with a doctor or health care professional for necessary care

Medical care in an emergency

Maternity and newborn care

Mental health services

Treatment for chemical or alcohol dependence

Pediatric services, including dental and vision care

Limited dental and vision care for adults

Prescription medications

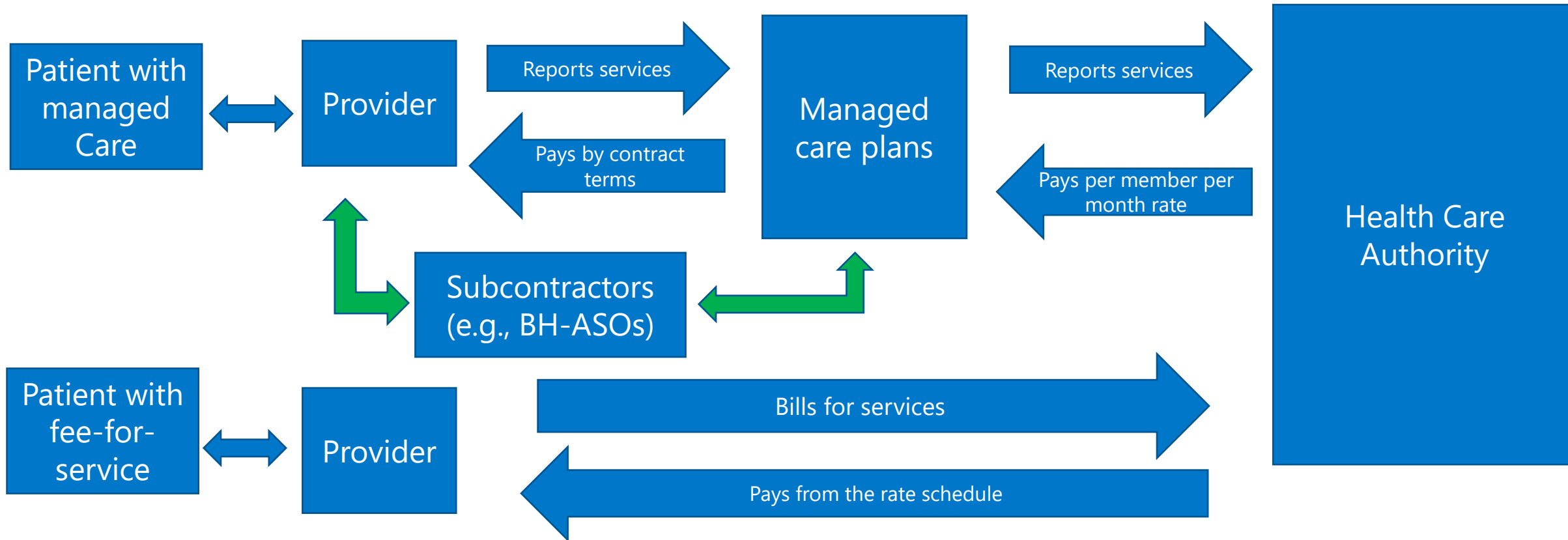
Laboratory Services

Hospitalization

Non-Emergency Medical Transportation (NEMT)

Interpreter Services

Managed Care Vs. Fee for Service



Managed care today and into the future

- ▶ 1.9 million members receive services from five managed care organizations (MCOs)
- ▶ Values of managed care
 - ▶ The MCOs bare some risk for over-utilization, whereas the state is at risk under fee-for-service.
 - ▶ MCOs are not held to a strict fee schedule
 - ▶ Have the flexibility to pay providers based on needs like network, access, quality achievement, reduction of ER and hospital utilization, including value-based purchasing approaches such as capitation and bundled payments.
 - ▶ Improve quality and accountability
 - ▶ Improve care coordination – offers a care coordination benefit whereas fee-for-service does not
 - ▶ Claims management, timely provider payment
 - ▶ Complex case management, care coordination, disease management, and health education
 - ▶ Utilization management – right care: medically necessary
 - ▶ Test new ways of purchasing health care
- ▶ Program integrity is key

Network adequacy is critical for access to care

- ▶ HCA oversees MCO networks to ensure they are meeting timely access and distance standards for enrollees for all medically necessary services.
- ▶ Managed care contracts now define mental health and substance use providers, and youth and adult behavioral health agency providers, as critical provider types.
- ▶ HCA continues to focus on improvements to behavioral health network standards through a major taskforce effort.

Who pays for Apple Health services?

▶ **Medicaid and the Children's Health Insurance Program (CHIP)**

- ▶ Federal/state partnership.
- ▶ Overarching rules set by CMS. States have discretion within those parameters on what populations to cover and what services to offer.
- ▶ Federal Medical Assistance Percentage (FMAP): the share of costs that the federal government pays. Varies by client and services type.

▶ **State only programs**

- ▶ The state pays all the costs associated with these clients.
- ▶ Programs include Children's Health Program, non-citizen pregnant people in their post partum period, Medical Care Services program.

How does Washington estimate the cost of Apple Health services?

- ▶ HCA's services costs depend on:

- ▶ The cost per person.
- ▶ The number of people that receive services.

- ▶ These two elements form the basis for HCA's maintenance level budget.

- ▶ **Cost per person**

- ▶ HCA works with OFM and legislative fiscal staff to produce a per capita forecast that estimates the cost per person for physical health services.
- ▶ A similar process estimates costs for behavioral health services.

- ▶ **Number of people**

- ▶ The Caseload Forecast Council forecasts the number of people by broad eligibility group.

How does Washington pay for Apple Health services?

HCA purchases and delivers health care services on either a fee-for-services (FFS) basis or through contracts with managed care plans.

Fee-for-service

- ▶ HCA pays health care providers directly for each service delivered to a client.
 - ▶ 15 percent of clients enrolled in fee-for-service.

Managed care

- ▶ HCA pays managed care organizations a predetermined monthly payment to provide a specific set of services to enrolled clients.
 - ▶ 85 percent of clients are enrolled in managed care.
 - ▶ 73 percent of expenditures are paid through managed care.

Clinical policies in Medicaid

- ▶ Federal Medicaid dollars can only be used to pay for care deemed **medically necessary** through utilization review programs, including prior authorization and program integrity functions

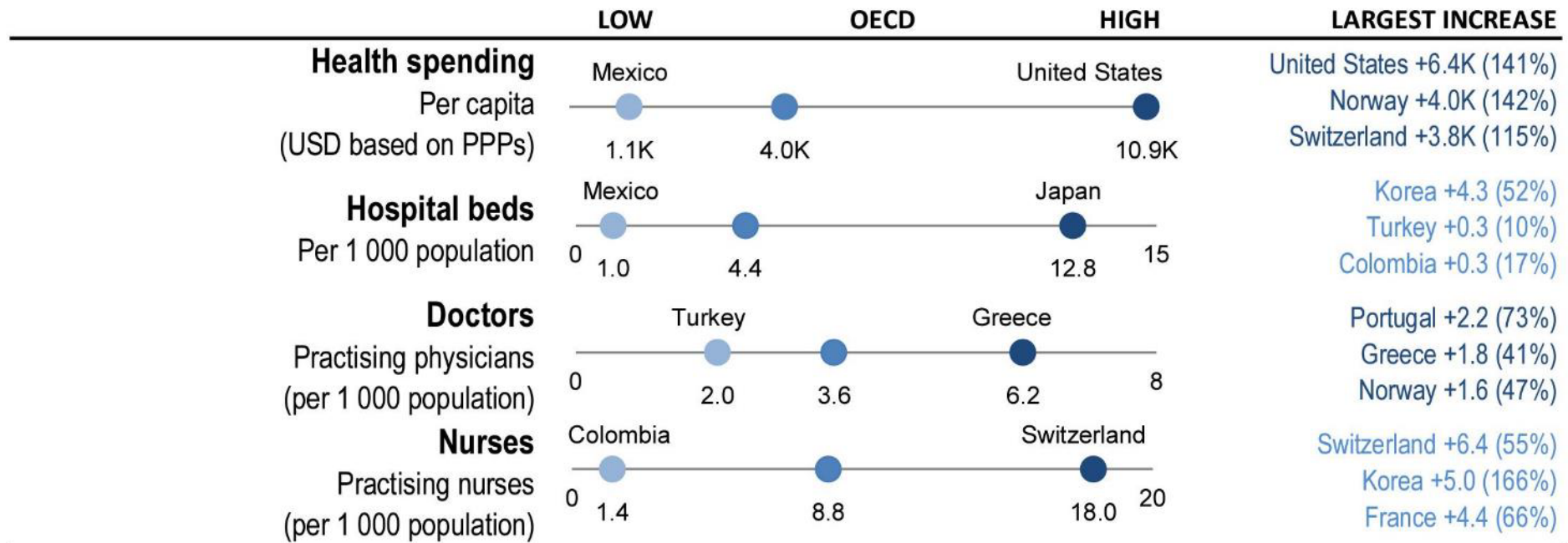
"Medically necessary" is a term for describing requested service which is **reasonably calculated to prevent, diagnose, correct, cure, alleviate or prevent worsening of conditions** in the client that endanger life, or cause suffering or pain, or result in an illness or infirmity, or threaten to cause or aggravate a handicap, or cause physical deformity or malfunction. There is **no other equally effective, more conservative or substantially less costly course of treatment available or suitable** for the client requesting the service. – WAC 182-500-0070

Paying for value

- ▶ Fee-for-service and managed care arrangements are ways in which providers are paid
- ▶ Managed care allows the flexibility to support care delivery in a way fee for service can't
- ▶ Just because a test or treatment can be provided to a person, doesn't mean it should
- ▶ Judicious stewardship of tax-payer dollars requires paying for the right intervention at the right time for the right person
- ▶ HCA's clinical staff evaluate the 'evidence' and put into place clinical policies that assure quality and outcomes

Health expenditures in the U.S. are higher while outcomes are poorer

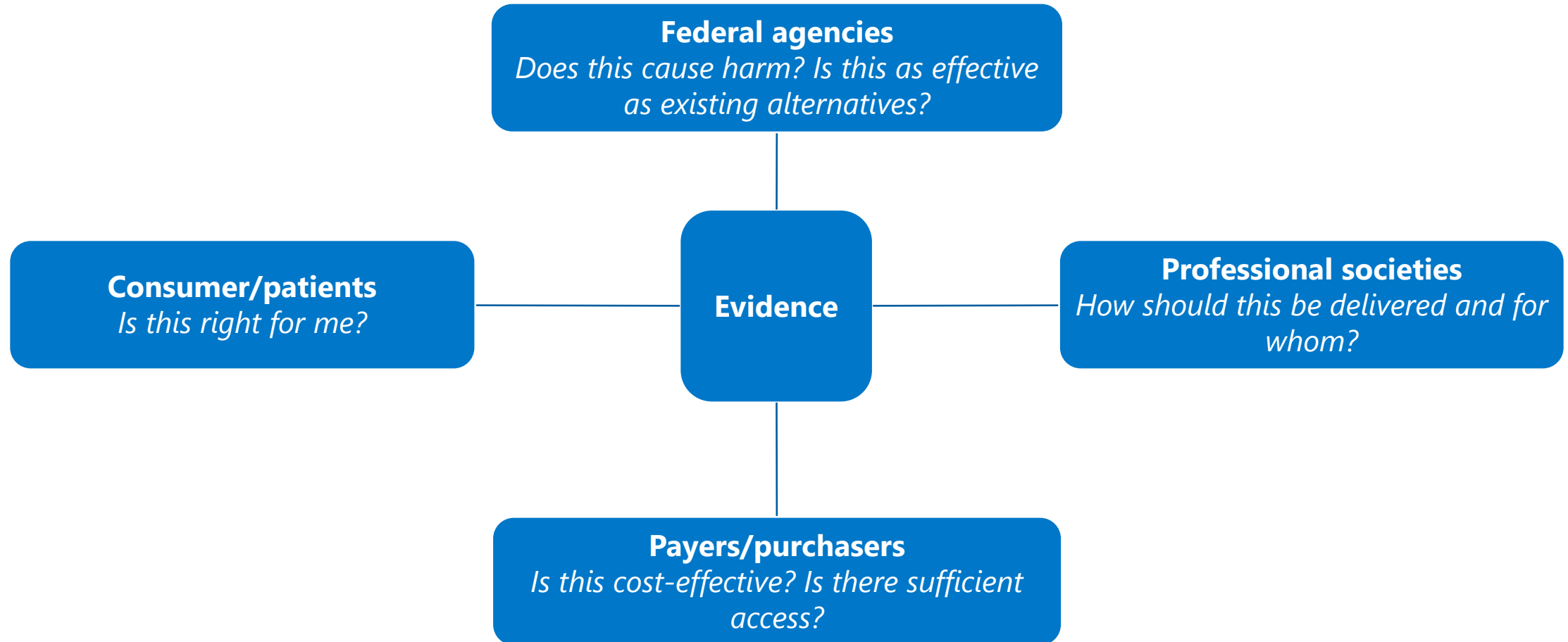
Health system capacity and resources across the OECD, 2019 (or nearest year)



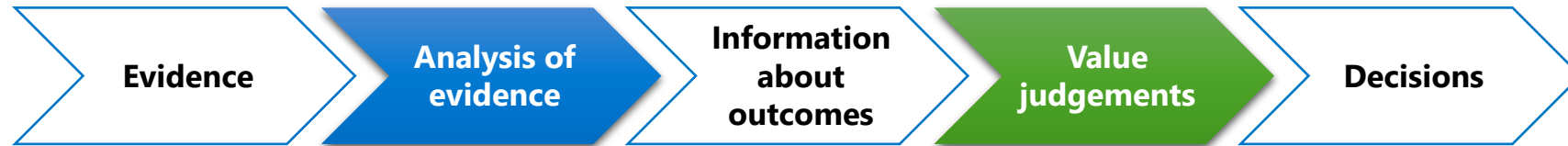
Note: Largest increase shows countries with largest changes in absolute value over time (% change in brackets).

Source: OECD Health Statistics 2021.

How does evidence inform care delivery?



Evidence-informed policy making



Modified from a graphic published in D.M. Eddy, (1990). "Clinical Decision Making: From Theory to Practice—Anatomy of a Decision." Journal of American Medical Association, 263(3): 441-3.

- ▶ Review and determine strength of highest quality evidence available
- ▶ Factor in other considerations
 - ▶ State/federal requirements
 - ▶ HCA/state purchasing experience (data)
 - ▶ Patient preferences
 - ▶ Equity and access
 - ▶ Budget and cost

Examples of evidence-informed policy making

▶ HCA's Health Technology Assessment (HTA) Program

- ▶ HTA Program created in 2006 (HB 2575) to use an evidence report and a clinician panel to make coverage decisions based on:
 - ▶ Safety
 - ▶ Efficacy/effectiveness
 - ▶ Cost-effectiveness

▶ Robert Bree Collaborative (2011 ESHB 1311)

- ▶ Process for public and private health care purchasers, health plans, providers, hospitals, and quality improvement organizations to improve health care quality and outcomes

Monitoring Performance

- ▶ Handle audits, investigations, and clinical review
- ▶ Oversee managed care plans
 - ▶ Review MCO program integrity activities
 - ▶ Enforce federal program integrity requirements
 - ▶ Enforce contractual requirements
- ▶ Manage provider application and enrollment process for Medicaid

Medicaid program integrity

An integrated system of activities to ensure compliance with federal, state, and agency rules, regulations, and policies

Encourages compliance where providers and managed care entities can self-disclose improper payments

Holds managed care entities accountable to prevent improper billing and payments

Recognizes areas of vulnerabilities that adversely affect Apple Health programs

Ensures providers and clients meet program participation requirements

Ensures Apple Health is the payor of last resort, except for an eligible client covered under Indian Health Service (IHS)

Investigates evidence of potential fraud, waste, or abuse

Conducts activities to detect and prevent fraud, waste, and abuse, and identify any associated improper payments

Quality oversight is key for managed care

- ▶ Plan report cards and star ratings using HEDIS and CHAPS

VBP metrics – 2 percent withhold

- ▶ TEAMonitoring is our key program to ensure contract compliance, accountability and corrective action

2022 Washington Apple Health Plan Report Card



This report card shows how Washington Apple Health plans compare to each other in key performance areas. You can use this report card to help guide your selection of a plan that works best for you.

Performance areas	Amerigroup Washington	Coordinated Care of Washington	Community Health Plan of Washington	Molina Healthcare of Washington	United Healthcare Community Plan
Getting care	★☆☆	★★★	★★★	★★★	★★★
Keeping kids healthy	★☆☆	★★★	★★★	★★★	★★★
Keeping women and mothers healthy	★☆☆	★★★	★★★	★★★	★★★
Preventing and managing illness	★☆☆	★★★	★★★	★★★	★★★
Ensuring appropriate care	★☆☆	★★★	★★★	★★★	★★★
Satisfaction of care provided to children	★☆☆	★★★★	★★★	★★★	★★★
Satisfaction with plan for children	★★★	★★★	★★★	★★★	★★★

KEY: Performance compared to all Apple Health plans	
Above average	★★★★
Average	★★★
Below average	★★★

These ratings were based on information collected from health plans and surveys of health plan members in 2021. (Some of the data used in the Getting Care category is from 2020).

The information was reviewed for accuracy by independent auditors.

Health plan performance scores were not adjusted for differences in their member populations or service regions.

Performance area definitions

Getting care

- Members have access to a doctor
- Members report they get the care they need, when they need it

Keeping kids healthy

- Children in the plan get regular checkups
- Children get important immunizations
- Children get the appropriate level of care when they are sick

Keeping women and mothers healthy

- Women get important health screenings, such as cervical cancer screenings
- New and expecting mothers get the care they need

Preventing and managing illness

- The plan helps its members keep long-lasting illness under control, such as asthma, high blood pressure or diabetes
- The plan helps prevent illnesses with screenings and appropriate care

Ensuring appropriate care

- Members receive the most appropriate care and treatment for their condition

Satisfaction with care provided to children

- Members report high ratings for doctors, specialists and overall health care

Satisfaction with plan for children

- Members report high ratings for the plan's customer service and the plan overall

HCA 19-057 (9/22)



Upcoming areas of focus

- ▶ Public Health Emergency unwind
- ▶ Managed care procurement
- ▶ Negotiation with CMS and implementation of the transformation waiver (housing, health-related services, reentry etc.)
- ▶ Continued integration across physical and behavioral health
- ▶ Acute ⇌ post-acute transitions of care
- ▶ Partner to build an IT infrastructure that supports providers, health systems, plans and community-based organizations
- ▶ Support the clinical and social determinant needs of Medicaid clients
- ▶ Incredible workforce challenges and volume of other system changes stemming from the pandemic and major systemic shifts (e.g., difficult to discharge and multi-system work)

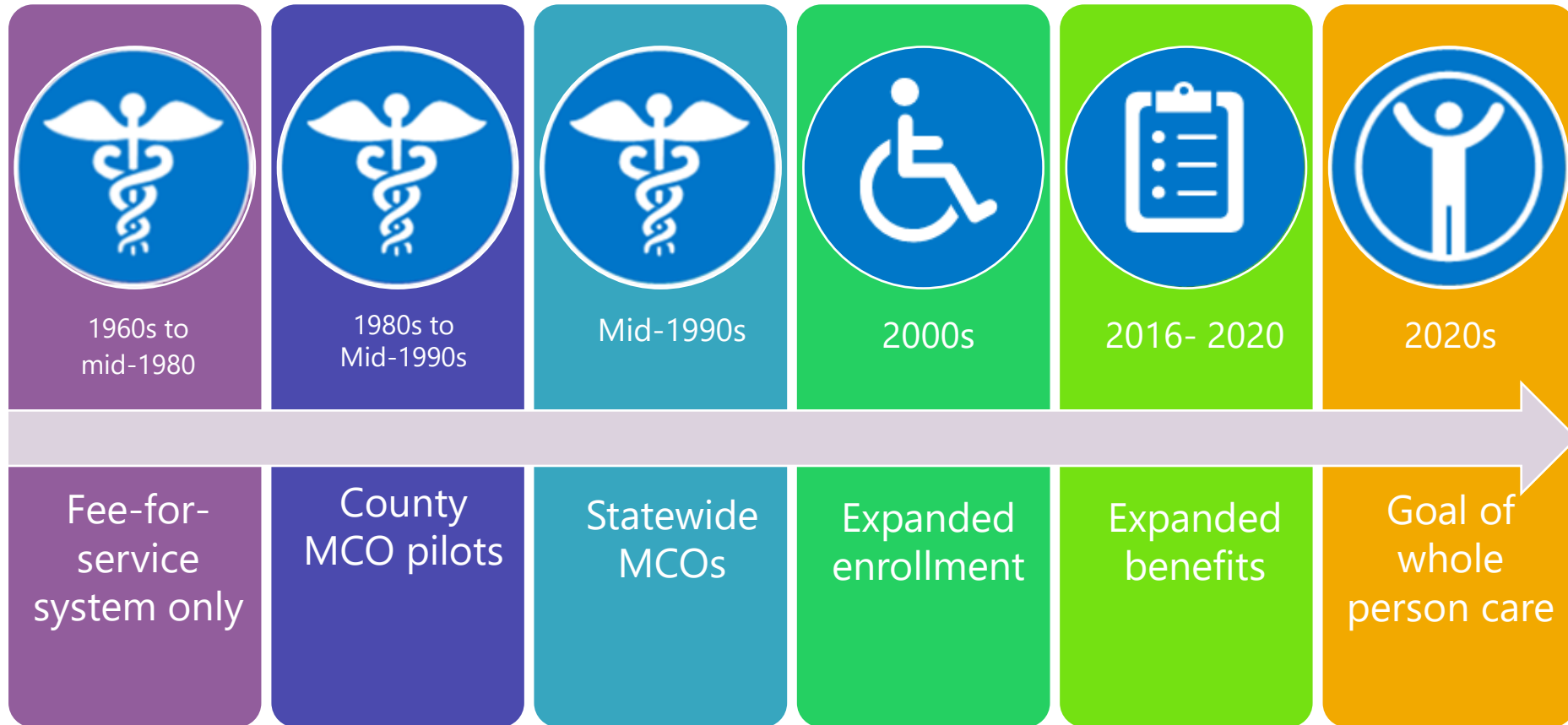
Behavioral health delivery

Behavioral Health - Single State Authority (SSA)



- ▶ **Evolution of Behavioral Health in Washington**
 - ▶ In 2009, the Division of Alcohol and Substance Abuse and Mental Health Division combined to become the Division of Behavioral Health and Recovery (DBHR).
 - ▶ In 2018 DBHR moved from the Department of Social and Health Services and became part of HCA.
- ▶ **Integration of Community Behavioral Health services with Medicaid - 2020**
- ▶ **Safety net**
 - ▶ HCA treatment resources are a safety net for those who do not have private insurance to pay for critical treatment services.
 - ▶ Prevention, outreach and engagement, and recovery support services are available to Washingtonians regardless of insurance status.

Whole-person care (physical and behavioral health integration – 2016 legislation) – *Timeline to Integrated Care (prior to Covid 19):*





Background: Behavioral
Health - Primary Care
Bidirectional Integration






Who did we serve in the Behavioral Health Delivery system in FY 2022?

- ▶ **446,546** individuals received Mental Health treatment services.
- ▶ **89,447** individuals received SUD treatment services.
- ▶ **12,516** individuals received prevention services.



● Mental Health Treatment Services
● Substance Use Disorder Treatment Services
● Substance Use Disorder Prevention Services
1 figure = approx. 3,000 people

Behavioral health services program categories

-  Substance use prevention and mental health promotion
-  Prenatal through age 25 behavioral health treatment services
-  Mental health and substance use disorder treatment services
-  Problem gambling services
-  Recovery support services

Behavioral health contracting

Prevention

Delivered through contracts with counties, CBOs, and Tribes

Outreach / Engagement

Delivered through contracts with BHASOs, CBOs

Crisis

Delivered through contracts with BHASOs

Treatment

Delivered through contracts with BHASOs, MCOs, fee-for-service, and Tribes

Recovery

Delivered through contracts with BHAOs, MCOs, CBOs, and Tribes

Behavioral health funding sources

Medicaid

State allocated funding

Federal block grants

Federal discretionary grants

Local tax funding

Workforce challenges

- ▶ Demands for service exceeds the supply of available workers.
- ▶ Workforce shortages span prevention, treatment, and recovery support service careers, affecting provider recruitment and retention efforts for critical roles, including clinical, administrative and other support roles.
- ▶ Training continues to be necessary to build capacity, but difficult to schedule due to staffing shortages.
- ▶ COVID-19 impact has declined, but agencies still feeling the impact with workforce.
- ▶ Fentanyl is adding to the complexity of the clinical work.
- ▶ Navigating the next phase of Behavioral Health integration.

Workforce opportunities

Behavioral health careers marketing campaign at startyourpath.org

Investments in workforce technical assistance and continuing education

Investments in UW Behavioral Health Institute

Teaching clinic enhancement rate

Current workforce investments



\$100 million in provider relief to behavioral health providers contracted with a BH-ASO or MCO



7% increase to all behavioral health providers coming in 2023



HCA has certified more than 6,000 peer specialists, with more than 70 trainings in 2022; BIPOC peer recruitment efforts continue

Questions



Contact us

Evan Klein, evan.klein@hca.wa.gov

Shawn O'Neill, shawn.oneill@hca.wa.gov

Charissa Fotinos, charissa.fotinos@hca.wa.gov

Keri Waterland, keri.waterland@hca.wa.gov



hca.wa.gov

[@WAHealthCareAuthority](https://twitter.com/WAHealthCareAuthority)

[@WA_Health_Care](https://twitter.com/WA_Health_Care)