



STATE OF WASHINGTON
HEALTH CARE AUTHORITY

626 8th Avenue, SE • P.O. Box 45502 • Olympia, Washington 98504-5502

May 10, 2017

Dear County Commissioners and County Executives:

SUBJECT: Considerations for Behavioral Health Integration

The Health Care Authority (HCA), through the vision for a healthier Washington, continues working to improve access and care for Washingtonians. A key effort is integrated purchasing of physical and behavioral health services for Apple Health (Medicaid) clients. In 2014, the Legislature mandated that this integrated purchasing model take full effect by January of 2020.

Building on this past legislation, active legislation (HB 1388) is pending, which includes negotiated language with the counties that provides regions a choice for a more active role with regards to this important work. Moving forward on this now is critical to provide county authorities enough time to make a decision about whether or not to: (1) form an inter-local leadership team to decide on the terms of integrating care ahead of the 2020 mandate, which we call becoming a mid-adopter; and (2) make the necessary county and regional commitment to become a mid-adopter by this September so there is enough time in advance of 2019 start date.

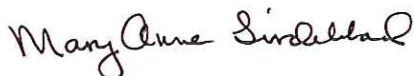
The implementation pathway for full integration requires regions to opt for a date by which they will achieve full integration. At this time, there are two dates (2019 or 2020) to choose for full implementation. This communication outlines key pieces of information for your county to consider:

1. **Timeline for implementation and local decisions needed for mid-adopter:**
 - a. 2019: Choosing this year will place a region in the category of mid adopter. With this option, there are two approaches that a region can choose:
 - i. Integrated managed care plans assume all funding and functions for Medicaid covered behavioral health services by January of 2019; or
 - ii. Integrated managed care plans assume all funding for Medicaid covered behavioral health services by January 2019, with certain functions subcontracted for one year to the regional Behavioral Health Organization/counties as agreed to by the county inter-local leadership structure specified in the pending legislation.
 - b. 2020: Integrated managed care plans assume all funding and functions for Medicaid covered behavioral health services by January of 2020.
- * Regardless of the choices outlined above, all regions must also decide whether to develop a county based or procured behavioral health administrative services organization which would assume administration of the crisis system and certain non-Medicaid funded activities.

2. **Demonstration Incentive Funds:** Pending final legislative approval, significant funding would be available to mid-adopter regions to support integration through a Medicaid Transformation Demonstration Waiver that the state successfully negotiated, ranging from \$4.9 to \$16.6 million, based on the number of Medicaid clients within a region.
3. **Procurement Process and Role:** Regions that choose to be a mid-adopter will need to play an active role in the transition and implementation design. In keeping with the commitment to local leadership, regions that choose to be a mid-adopter will be granted significant support to successfully implement by 2019.
4. **Binding Letter of Intent to become a mid-adopter is due by September 15, 2017.** Due to the timing needed to prepare for a January 2019 start date, regions who do not wish to submit a letter of intent by September 15, 2017, will not be eligible to receive mid-adopter incentive funds. HCA is prepared to assist regions with planning as soon as we receive a binding letter of intent.

Regardless of the implementation date you select, HCA is committed to achieving successful statewide integration to better serve Washingtonians, and we look forward to partnering with your inter-local leadership team in these efforts including helping to shape your region's plan. If you have questions about how we can support your deliberations, please contact Isabel Jones, Integration Policy Manager via email at isabel.jones@hca.wa.gov or Alice Lind, Grants and Program Development Section Manager via email at alice.lind@hca.wa.gov.

Sincerely,



MaryAnne Lindeblad, BSN, MPH
Medicaid Director

Enclosure(s): Incentives for Mid-Adopters of Integrated Managed Care
Instructions for Submitting a Binding Letter of Intent
BHO Regional Service Area Map

cc: Dorothy Teeter, Director, HCA
Pat Lashway, Acting Secretary, DSHS
Bob Crittenden, Special Assistant for Health Care Reform, GOV
Jason McGill, Senior Health Policy Advisor, GOV
Nathan Johnson, Chief Policy Officer, PPP, HCA
Alice Lind, Grants and Program Development Section Manager, MPOI, HCA
Isabel Jones, Integration Policy Manager, PPP, HCA
County Board and Council Clerks

INCENTIVES FOR MID-ADOPTERS OF INTEGRATED MANAGED CARE

Counties that commit to implementing integrated managed care before 2020 will be eligible for significant incentive funds to deliver improved coordinated health care for people in their region.

How does Medicaid Demonstration incentive funding work?

This information is dependent on the approval of the Funding and Mechanics Protocol currently under review by CMS, and pending Washington legislative appropriation for the Medicaid Demonstration:

As currently proposed, here's how the math works: The incentive payments eligible to each region is calculated using a base rate of up to \$2 million and a per member rate based on total attributed Medicaid beneficiaries.

Proposed integration incentive methodology = [\$2 million] + [\$36 x Total Attributed Medicaid Beneficiaries] x [Phase Weight]

The incentives for integrated managed care will be distributed in two phases: delivery of binding letter(s) of intent and implementation. These phases represent two key activities towards integration. ACHs and partnering providers are eligible for an incentive payment for completion of each phase.

Based on the proposed methodology, estimates for incentives available to each region are as follows:

Accountable Community of Health*	Regional Client Count	Eligible Incentives for Binding Letter of Intent	Eligible Incentives for Implementation	Total Incentives for Integrated Managed Care
Better Health Together	188,757	\$3,518,000	\$5,277,000	\$8,795,000
Cascade Pacific Action Alliance	179,382	\$3,382,000	\$5,074,000	\$8,457,000
Greater Columbia ACH	243,934	\$4,312,000	\$6,468,000	\$10,781,000
King County ACH	407,352	\$6,665,000	\$9,998,000	\$16,664,000
Olympic Community of Health	81,819	\$1,978,000	\$2,967,000	\$4,945,000
Pierce County ACH	221,396	\$3,988,000	\$5,982,000	\$9,970,000
North Sound ACH	267,923	\$4,658,000	\$6,987,000	\$11,645,000

**Southwest ACH and North Central ACH have already committed to or implemented integrated managed care and are not reflected in this table as a result.*

A FEW BASIC FACTS

1. Integration of physical and behavioral health care for Apple Health (Medicaid) clients is on a firm path.

The state Health Care Authority (HCA) is moving forward to meet the legislative direction under [E2SSB 6312](#) to integrate behavioral health benefits into the Apple Health managed care program so that clients have access to the full complement of medical and behavioral health services through a single managed care plan. Regions statewide are required to integrate no later than 2020.

2. Evidence supports integrated health care is better for patients.

A strong body of evidence for integrated care has emerged over the past 20 years, particularly for depression but increasingly for other conditions, including anxiety disorders, PTSD and co-morbid medical conditions such as heart disease, diabetes and cancer. While mental health and primary care historically have been siloed, evolving payment models are spurring more integrated models of care. This wave of innovation is particularly important in safety net health systems, which serve a high proportion of uninsured and Medicaid patients — and where poverty, language barriers, and other social determinants of health may contribute to the complex physical and behavioral health needs of patients.

3. Regions that move to integrated care before 2020 can earn additional incentive funds.

Senate Bill 6312 allows the county authority or authorities within a region to elect to move forward with integrated managed care on an earlier timeline if desired. Under the Medicaid Demonstration, regions that implement integrated managed care before 2020 will be eligible for additional incentive payments through their Accountable Community of Health. These “mid-adopter” regions can earn these particular incentive dollars. The incentive would be in addition to funds ACHs and regional partners can receive for implementing a set of projects selected from the Demonstration Project Toolkit, pending legislative appropriation of these incentives.

4. By design, counties and BHOs play important roles in the transition so that local needs are addressed.

The transition to integrated managed care starts by building from the strong foundation set by behavioral health organizations (BHOs), which have taken the first step in integrating behavioral health services (E2SSB 6312 directed the integration of mental health and chemical dependency purchasing as a first step to full integration by 2020). The MCO contracts require that the MCO coordinate with county-managed programs, criminal justice, long-term supports and services, tribal entities, etc. via an Allied System Coordination Plan.

5. Two key steps will signal a region’s eligibility for incentive payments.

The incentives for integrated managed care will be distributed in two phases:

1. The county submits binding letter(s) of intent to the state Medicaid director no later than September 1, 2017.
2. Implementation of new integrated MCOs in the region begins on November 1, 2018, OR January 1, 2019. Regions are eligible for an incentive payment for completion of each phase, pending legislative appropriation of these incentives.

Next steps

1. How can the Accountable Community of Health in my region earn the Demonstration incentives?

Regions are eligible to earn the Demonstration incentives if they elect to move forward with integrated managed care on an earlier timeline than is required in [Senate Bill 6312](#).

The incentives will be provided, pending legislative appropriation, through ACHs in two installments based on the achievement of:

1. Submission of a binding letter of intent signed by the County Authority or authorities in the region to the Washington State Health Care Authority by **September 1, 2017**;
2. Implementation of integrated managed care effective November 1, 2018, or January 1, 2019.

2. Who has the authority to sign the binding letter of intent?

In statute, the county authority is defined as “the board of county commissioners, county council, or county executive having authority to establish a community mental health program, or two or more of the county authorities specified in this subsection which have entered into an agreement to provide a community mental health program.” (RCW 71.24.025). In a multi-county regional service area, the county authorities for *all counties in the region* must sign the binding letter of intent. The Health Care Authority will send a formal letter to all counties informing them of the date and process to submit a binding letter of intent.

3. Do the incentive dollars have to be used for the transformation projects that are selected by the ACH?

No. These incentives are for partnering providers in regions that implement integrated managed care before January 1, 2020. They are complementary to but separate from funds for specific transformation projects.

4. If the incentives are not going to be used to fund the projects, what are they for?

The incentive payments earned for integrated managed care milestones are intended to be used to assist providers and the region with the process of transitioning to integrated managed care. This could include using funds to assist with the uptake of new billing systems or technical assistance for behavioral health providers who are not accustomed to conducting traditional medical billing or working with managed care plan business processes. Additionally the incentive payments can further support and build upon the region’s work to implement integrated clinical models.

Before funds are disbursed to providers, they must be reflected in project plans. These plans are reviewed by an independent assessor, and ultimately approved by the Health Care Authority.

5. Why would a region choose to implement in November 2018 versus January 2019? Are there additional incentives for choosing November 2018?

The transition to integrated managed care requires significant focus, resources and dedication from the Health Care Authority, DSHS, providers, the transitioning BHO, and managed care plans. The HCA strongly recommends regions consider a November 2018 start date so that mid-adopter implementation can be staged. This will allow resources for each region to be more focused during the critical transition days. Incentive funds for November and January start dates are the same, pending legislative appropriation.

6. If the region does not want to move forward early, when will the region transition to integrated managed care? If the region does not move forward early, will there still be incentive dollars available?

Senate Bill 6312 directs the state to fully integrate the purchasing of medical and behavioral health services through a managed care health system no later than January 1, 2020. An integrated managed care model will be in place in all regions by January 1, 2020. Only “mid-adopter” regions can receive the proposed incentive dollars tied to integrated managed care.

7. My region needs more information. Who do we contact?

For questions about integrated managed care, please contact Isabel Jones: Isabel.Jones@hca.wa.gov or 360-725-0862.

For questions about the Medicaid Demonstration funds, please contact Kali Klein: Kali.Klein@hca.wa.gov or 360-725-1240.

**INSTRUCTIONS FOR SUBMITTING
BINDING LETTER OF INTENT
MID-ADOPTER**

Legislation requires that in order to move forward earlier, county authorities must make a request of HCA in order for DSHS and HCA to jointly purchase physical and behavioral health benefits for the region.

Letters of Intent for becoming a mid-adopter can be submitted as an attachment (Microsoft Word or Adobe PDF file) and sent via email to MaryAnne Lindeblad, Washington State Medicaid Director, at MaryAnne.Lindeblad@hca.wa.gov. Emails should be received *no later than 5:00 PM Pacific Time on Friday, September 15, 2017*.

The Letter of Intent must be signed by the County authority. In multi-county Regional Service Areas (RSAs), letters must be signed by *all* county authorities within the RSA. **These signatures represent the region's binding intent to pursue the mid-adopter pathway to fully-integrated managed care.**

Letters of Intent should include:

1. Regional Description

Please identify the name of the RSA you are submitting a Letter of Intent for, including a list of all the Counties in the RSA, if the RSA is a multi-county RSA.

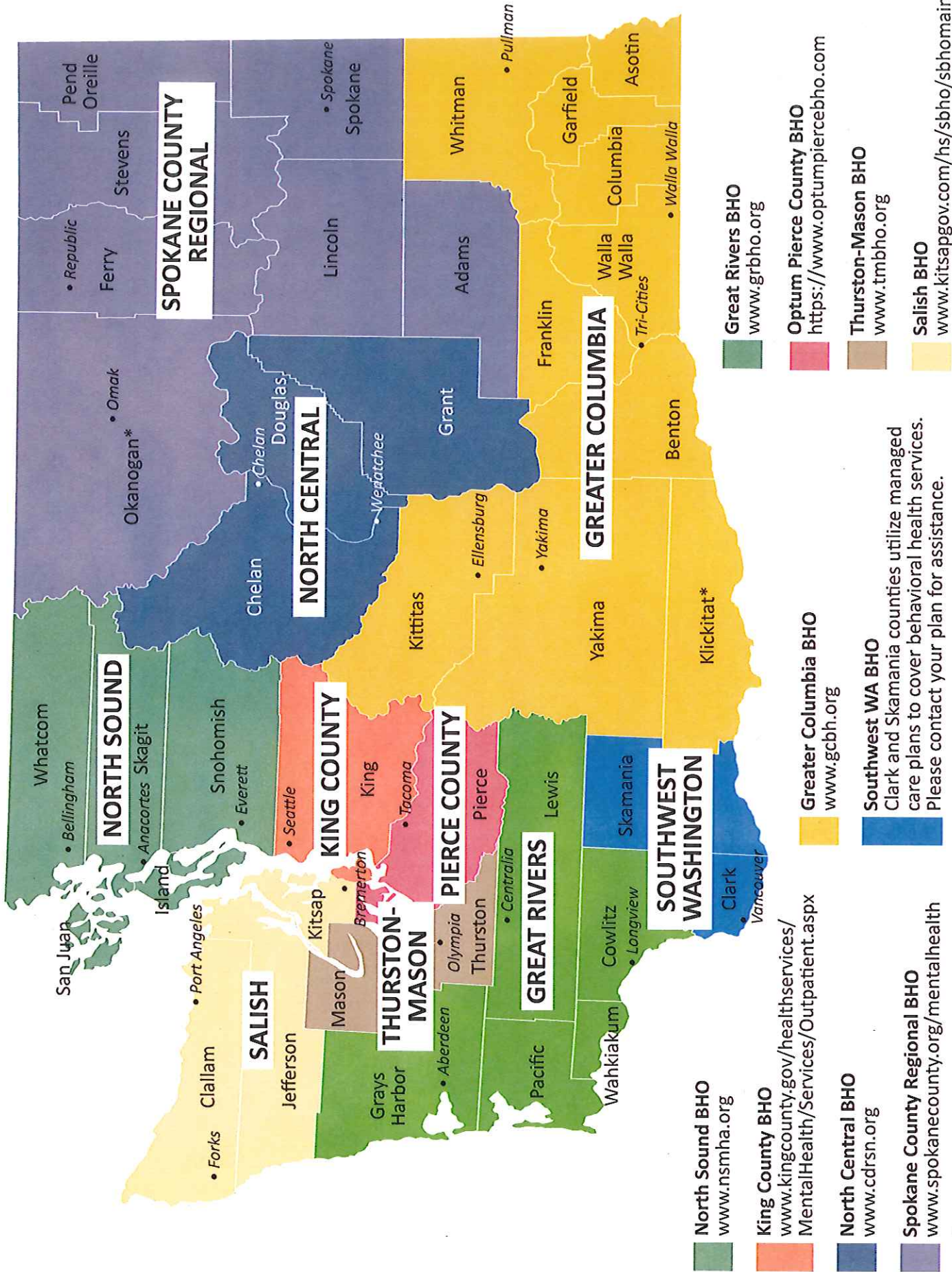
2. Intent to Pursue Becoming a Mid-Adopter

Please include an affirmative statement indicating the intent of every County in the RSA to opt-in to the mid-adopter track to pursuing integrated managed care on January 1, 2019.

3. Expected Capacity for Engagement

Please indicate the Counties' expected capacity for engagement. For example, do County officials intend to participate in the Implementation Team? Do the County officials expect to have capacity to continue monthly meetings with HCA and DSHS during the implementation period between now and implementation? If necessary, do County officials have capacity to provide HCA with recommendations regarding the administration of non-Medicaid services in their region?

Behavioral Health Regional Service Areas



* When Spokane and Greater Columbia regions move to integrated managed care, Okanogan and Klickitat counties will transition permanently to the North Central and Southwest regional services areas, respectively.