UPDATE:
Medicaid Expansion, Implementation of HB 2572, Medicaid Managed Care

Joint Select Committee on Health Care Oversight
July 17, 2014

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Overview of Today’s Topics

- Medicaid Expansion
  - Background
  - Enrollment
- Implementation of HB 2572
  - CMMI Grant Opportunity
  - The Work Toward a Healthier Washington
- Medicaid Managed Care Costs
Medicaid Expansion—Background
Apple Health – Foundation of the 2014 Coverage Continuum

* The ACA’s “133% of the FPL” is effectively 138% of the FPL because of a 5% across-the-board income disregard

** Based on a conversion of previous program eligibility standards converted to new MAGI income standards
Medicaid Eligibility Overview

“New Eligibles” - Medicaid expansion to 138% of the FPL for adults under age 65 not receiving Medicare*

- **Modified Adjusted Gross Income (MAGI) methodology** defines how income is counted, and how household composition and family size are determined
- **MAGI** will determine eligibility for children, pregnant women, parents and all adults in the new adult category

**Washington’s new Medicaid adult group** includes:

- **Childless adults** with incomes below 138% of the FPL
- **Parents** with incomes between ~54% and 138% of the FPL (based on MAGI)

**Medicaid eligibility standards** did not change for aged, blind, disabled, SSI, and foster children

* The ACA’s “133% of the FPL” is effectively 138% of the FPL because of a 5% across-the-board income disregard
No Wrong Door to Coverage

http://www.wahealthplanfinder.org/
Medicaid Expansion—Enrollment
Non-Lagged Medical Programs Enrollment  June 2013-May 2014

Growth has been among expansion adults

Thousands


1,240  1,243  1,247  1,246  1,244  1,248  1,254  1,456  1,501  1,581  1,601  1,611
“Welcome Mat” in Line with Projections*

* The “welcome mat” includes adults and children who would have been eligible for Medicaid based on standards before the ACA implementation, but they never enrolled at that time. It specifically reflects caseload growth resulting from ACA implementation that is beyond historical growth averages. For further details on the welcome mat impact see June Caseload Forecast Council update June 18, 2014.
Static 4-year Trend for Children Interrupted

Apple Heath for Kids
Monthly Enrollment and Rate of Growth (Jan '09 - Mar '14)

Enrollment

Rate of Growth

HealthPlanFinder begins
### Chronology of Progress: Medicaid Expansion Reached January 2014 Goal

**TOTAL NEW ADULT CLIENTS = 121,164**

**Percent of Overall Target Met Statewide = 99.5%**

As of January 2, 2014

*94 additional clients do not map to Washington counties.

**SOURCE:** Washington State Health Care Authority, January 6, 2014.
# Chronology of Progress: Medicaid Expansion Goal Doubled by April 2014

TOTAL NEW ADULT CLIENTS = 268,164*

Target for April 1, 2014 = 136,220

Percent of Overall Target Met Statewide = 197%

Between October 1, 2013 and March 27, 2014

*203 additional clients do not map to Washington counties. **Includes 408,806 Apple Health (Medicaid) applications and recertifications as well as new clients.

### Percent of goal met

<table>
<thead>
<tr>
<th>County</th>
<th>ADULT CLIENT COUNT</th>
<th>Percent of goal met</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Juan</td>
<td>911</td>
<td>322%</td>
</tr>
<tr>
<td>Whatcom</td>
<td>9,334</td>
<td>308%</td>
</tr>
<tr>
<td>Jefferson</td>
<td>1,790</td>
<td>257%</td>
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<tr>
<td>Spokane</td>
<td>23,048</td>
<td>257%</td>
</tr>
<tr>
<td>Wahkiakum</td>
<td>177</td>
<td>252%</td>
</tr>
<tr>
<td>Thurston</td>
<td>10,047</td>
<td>224%</td>
</tr>
<tr>
<td>King</td>
<td>74,330</td>
<td>223%</td>
</tr>
<tr>
<td>Chelan</td>
<td>3,667</td>
<td>218%</td>
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<tr>
<td>Columbia</td>
<td>158</td>
<td>213%</td>
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<tr>
<td>Kitsap</td>
<td>8,361</td>
<td>206%</td>
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<tr>
<td>Pierce</td>
<td>29,356</td>
<td>206%</td>
</tr>
<tr>
<td>Skagit</td>
<td>4,913</td>
<td>203%</td>
</tr>
<tr>
<td>Okanogan</td>
<td>2,216</td>
<td>203%</td>
</tr>
<tr>
<td>Douglas</td>
<td>1,601</td>
<td>197%</td>
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<tr>
<td>Pacific</td>
<td>1,084</td>
<td>193%</td>
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<tr>
<td>Snohomish</td>
<td>23,469</td>
<td>185%</td>
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<tr>
<td>Clallam</td>
<td>3,121</td>
<td>183%</td>
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<tr>
<td>Walla Walla</td>
<td>2,158</td>
<td>181%</td>
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<tr>
<td>Asotin</td>
<td>799</td>
<td>176%</td>
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<tr>
<td>Clark</td>
<td>16,037</td>
<td>175%</td>
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<tr>
<td>Adams</td>
<td>875</td>
<td>174%</td>
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<tr>
<td>Klickitat</td>
<td>944</td>
<td>173%</td>
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<tr>
<td>Lincoln</td>
<td>382</td>
<td>162%</td>
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<tr>
<td>Grays Harbor</td>
<td>3,621</td>
<td>161%</td>
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<tr>
<td>Island</td>
<td>2,448</td>
<td>159%</td>
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<tr>
<td>Stevens</td>
<td>1,874</td>
<td>155%</td>
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<tr>
<td>Pend Oreille</td>
<td>566</td>
<td>155%</td>
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<tr>
<td>Garfield</td>
<td>62</td>
<td>150%</td>
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<tr>
<td>Mason</td>
<td>2,392</td>
<td>145%</td>
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<tr>
<td>Franklin</td>
<td>3,494</td>
<td>142%</td>
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<tr>
<td>Lewis</td>
<td>3,326</td>
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<tr>
<td>Cowlitz</td>
<td>4,524</td>
<td>139%</td>
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<tr>
<td>Benton</td>
<td>6,636</td>
<td>138%</td>
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<tr>
<td>Ferry</td>
<td>309</td>
<td>126%</td>
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<tr>
<td>Grant</td>
<td>3,401</td>
<td>119%</td>
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<tr>
<td>Yakima</td>
<td>13,237</td>
<td>119%</td>
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<tr>
<td>Kittitas</td>
<td>1,818</td>
<td>109%</td>
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<tr>
<td>Skamania</td>
<td>296</td>
<td>106%</td>
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<tr>
<td>Whitman</td>
<td>1,382</td>
<td>102%</td>
</tr>
</tbody>
</table>

Every county in the state met or exceeded its goal for April 1, 2014.

Enrollment exceeded the overall Medicaid expansion goal for January 1, 2018.

Close to 800,000 individuals in new or continuing coverage thanks to “health care reform.”

SOURCE: Washington State Health Care Authority, April 1, 2014.
Chronology of Progress: Medicaid Expansion Surpassed 2018 Goal

Total New Adult Clients = 326,447*

Target for January 1, 2018 = 252,576

Percent of 2018 Target Met Statewide = 129%

Between October 1, 2013 and June 5, 2014

*109 additional clients do not map to Washington counties.

Nearly 60% of Newly Eligible Adults Under Age 35

Distribution of Newly Eligible Medicaid Adults by Age
(May 2014)

- Up to age 25: 34%
- Age 26-34: 23%
- Age 35-54: 31%
- Age 55-64: 12%
Apple Health New Adults Enrollment by Age (May 2014)

Actual Enrollment as of May 9, 2014
Estimated Newly Eligible Adults

1 Source: Urban Institute estimates assuming full take up rate and the Medicaid expansion in effect in 2011 (http://www.hca.wa.gov/hcr/me/documents/ACA_Medicaid_Expansion_WA_State.pdf)
Apple Health New Adults Enrollment by Race/Ethnicity (May 2014)

* The Hispanic category includes all enrollees who indicated they are of Hispanic origin regardless of their race.
Success Factors for Medicaid Expansion

Outreach, marketing, education & collaboration

- Healthplanfinder online portal
- Community-based volunteers & partners
- Community-based specialists in every county (~50)
- Specialized HCA regional representatives

Resources

- Training modules
- Enrollment process descriptions
- Customer support referral guides
- General webinars & training
- Outreach toolkit
- Guide to Apple Health coverage

http://www.hca.wa.gov/hcr/me/Pages/training_education.aspx
Apple Health – 12 Month Look at Renewal Rates

% Who Did Not Renew - Pre MAGI

% Who Did Not Renew - Post MAGI

HealthPlanFinder begins (MAGI eligibility determination)
Implementation of HB 2572—CMMI Grant Opportunity
Center for Medicare and Medicaid Innovation (CMMI) State Innovation Models (SIM) Testing Grant

- **Round 1 - Test and Design Grants:** $250 million to Arkansas, Oregon, Maine, Massachusetts, Vermont ($50 million max)

- **Round 2 - Test and Design Grants:** $700 million to up to 12 states ($20 to $100 million per state, based on scope and population distributed over four years)

- **Round 2 Timeline:**
  - Mandatory Letter of Intent: June 6, 2014
  - Application Due: July 21, 2014
  - Announcement of Awards: October 31, 2014
  - Period of Performance: January 1, 2014 - December 31, 2018
# Washington’s Grant Application to CMMI

## SIM FOA DOMAINS:
- Plan for population health
- Health care delivery system transformation approach
- Quality measure alignment
- Payment and/or service delivery system model
- Leverage regulatory authority
- Health information technology
- Stakeholder engagement

## SIM FOA Domains:

### Washington’s Approach to Innovation

#### Strategies:
1. Healthy communities
2. Integrated care & social support
3. Pay for value — State as first mover

#### Investments:
1. Community empowerment & accountability
2. Practice transformation support
3. Payment redesign
4. Information exchange & performance measures
5. Project management

#### Goals:
- Improve population health
- Transform delivery systems
- Reduce per capita spending

#### A Healthier Washington

**Legislative Support:**
- HB 2572
- SB 6312

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*Washington State Health Care Authority*
Implementation of HB 2572—The Work Toward a Healthier Washington
10 Regional Awards from Washington State for Communities of Health Planning Grants

- 10 regions received up to $50,000 each
- Regions proposed by the 10 awardees
- Accountable Communities of Health (ACHs) have not yet been officially designated in Washington
Communities of Health Planning Grant Awardees

- Pre-Existing Health Collaborative Organization: 50%
- New Entity Created Specifically for this Project: 10%
- Pre-Existing Health/Social Service Provider: 10%
- Accountable Care Organization: 10%
- Public Health Department/County Based Entity: 10%
State & Communities of Health Awardee Relationship

COLLABORATIVE PARTNERSHIPS

- Innovation Alignment
- Tailored Support
- Information Sharing
- Regional Flexibility
Communities of Health Planning Grant Milestones

Key:
Brown - Specific to Communities of Health Planning Grants
Green - SIM Round 2, Innovation Plan and “Other”
Performance Measures: Evolution of Common Measure Sets in WA

- **Medicaid Adult Quality Measures**: CMS grant supporting use of Medicaid core measure set for WA adults.

- **SB 5732/HB 1519 Requirements for Performance Measures**: Cross-System Steering Committee and work groups develop measures for state agencies contracting with RSNs, county chemical dependency coordinators, Area Agencies on Aging and managed health care plans.

- **SB 2572 in Support of the State Health Care Innovation Plan**: Statewide “health performance” measures by Jan. 1, 2015

- **Performance Measures Coordinating Committee (PMCC) and Workgroups Formed**: Led by HCA and Washington Health Alliance; 29 health care leaders plus state agency representatives. Four meetings through Dec. 17, 2014

- **Final PMCC Recommendations**: Due to HCA by January 1, 2015.
To obtain details on providers and health plans’ current capacity and readiness to test accountable delivery and payment models

Based on the Washington Health Alliance Purchaser Expectations for Accountable Care Organizations

Results

- 34 responses, representing over 98% of public and private covered lives in Washington
- All responders already moving away from fee for service toward adoption of value-based reimbursement (VBR) models
- Barriers to implementing VBR models: current claims payment systems, lack of clinical data to measure outcomes, inability to share data across health care settings
- Health plans as well as providers are eager to partner with HCA and further test different value-based models such as Shared Savings
Medicaid Managed Care Costs
Approx. 1.4 million individuals receive their full health benefits coverage from Medicaid/CHIP (excludes duals, partial duals, family planning-only and alien emergency medical.)

2014 – 5 managed care organizations (MCOs)
- Amerigroup
- Community Health Plan of Washington
- Coordinated Care
- Molina Healthcare
- UnitedHealth

Key:
- Offers QHPs in 2014 Exchange
- Proposed 2015 QHPs

- Foster and Adoption Support Children1 19% of FFS
- Exempt Groups (e.g., AI/AN, limited county choice) 51% of FFS
- Undocumented pregnant women & children 18% of FFS
- Non-dual Aged, Blind, Disabled 12% of FFS

1 Currently planned to move to managed care in 2015
Source: HCA Quarterly Enrollment Reports
### Managed Care Expenditures FY 2014 To-Date

Source: May 2014 MFSR

<table>
<thead>
<tr>
<th>Managed Care Expenditures FY2014 To-Date</th>
<th>Fiscal Year 2014 Total Projected Expenditures</th>
<th>Per member, per month (PMPM) *</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Dollars in Thousands)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>State Dollars</td>
<td>Federal Dollars</td>
</tr>
<tr>
<td>Apple Health Family</td>
<td>$ 704,729</td>
<td>$ 803,969</td>
</tr>
<tr>
<td>Apple Health Blind/Disabled</td>
<td>$ 447,845</td>
<td>$ 460,368</td>
</tr>
<tr>
<td>Medicaid Expansion</td>
<td>$ 30,952</td>
<td>$ 1,114,092</td>
</tr>
<tr>
<td>Other (WMIP, PACE, WMIP, HPW)</td>
<td>$ 28,297</td>
<td>$ 34,303</td>
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<tr>
<td><strong>Total Managed Care</strong></td>
<td><strong>$ 1,211,823</strong></td>
<td><strong>$ 2,412,732</strong></td>
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</table>

*PMPM does not include carve-out benefits.
Managed Care Forecast – Includes Expansion

Factors Impacting Future Costs:
- WA Caseload Forecasts
- Hepatitis C Treatment/Sovaldi
- State Health Care Innovation Plan

Source: February 2014 Forecast D6 & Supplemental 2014

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Managed Care Forecast - Includes Expansion</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total 13-15</td>
</tr>
<tr>
<td>Apple Health Family</td>
<td>$3,066,576</td>
</tr>
<tr>
<td>Apple Health Blind/Disabled</td>
<td>$2,015,836</td>
</tr>
<tr>
<td>Medicaid Expansion</td>
<td>$2,183,313</td>
</tr>
<tr>
<td>Other (WMIP, PACE, WMIP, HPW)</td>
<td>$205,046</td>
</tr>
<tr>
<td><strong>Total Managed Care</strong></td>
<td><strong>$7,470,770</strong></td>
</tr>
</tbody>
</table>
Contacts for More Information

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