Washington State Health Care Authority

Report to the Legislature

State Health Care Innovation Plan Annual Status Report

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Washington State Health Care Authority
Division of Policy, Planning and Performance
PO Box 45502
Olympia, WA. 98504-5502
(360) 725-0857
Fax: (360) 586-9551

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Executive Summary

The five-year State Health Care Innovation Plan created a framework for health system transformation that is far-reaching in its core strategies for achieving better health, better care, and lower costs.

The Innovation Plan, now called Healthier Washington, gained strong support in the 2014 legislative session with bipartisan passage of E2SHB 2572 and related funding to further develop Healthier Washington elements. This was followed by the $65 million federal award of a Round Two Model Test grant, which launched in February 2015. This 2016 annual status report summarizes progress toward achieving the aims of Healthier Washington and anticipated future efforts.

Healthier Washington builds the capacity to move health care purchasing from volume to value, improve the health of state residents, and deliver coordinated whole-person care.

In 2015, Healthier Washington continued to benefit from State-funded startup activities, which were amplified by the infusion of Healthier Washington grant dollars. Activities fulfilled requirements outlined in E2SHB 2572 and early implementation of Healthier Washington efforts broadly. Progress included:

- The award of two pilot **Accountable Communities of Health,** followed by formal designation of the pilots and other communities to continue regional health transformation efforts.
- Design and implementation of **value-based purchasing** activities and strategies, including the identification of two Accountable Care Networks that will deliver quality and value for public employees starting in the Puget Sound region in 2016.
- Operational design of two pathways for **Medicaid purchasing of physical and behavioral health**, providing the critical underpinnings of a transition toward a fully-integrated managed care system that provides physical health and behavioral health services on a statewide basis by 2020.
- Engagement of national and state leaders in the design of a **patient decision aid certification** process to ensure activated and engaged consumers and families.

Healthier Washington also advanced efforts surrounding clinical practice transformation to support providers in moving to integrated and value-based systems, innovative data and analytic solutions, and creation of a state plan to improve population health.

Significant progress has been made in achieving the aims of Healthier Washington. The state's efforts and resources over the years were critical in positioning the state for successful implementation of the four-year Healthier Washington grant. The $65 million infusion of federal resources over four years, as well as continued legislative consultation, will ensure that Washington State remains a leader in health system transformation and engagement.

Background

Building upon previous state efforts to accelerate better health and health care at lower cost, the federal Center for Medicare and Medicaid Innovation (CMMI) in 2013 awarded Washington state nearly $1 million to develop a five-year State Health Care Innovation Plan. Washington was one of three states in the nation to receive a State Innovation Models (SIM) Pre-Testing Award.

With the Health Care Authority (HCA) as the coordinating agency, the planning grant catalyzed bold conversations among a dozen state agencies and more than 1,000 community members and stakeholders about health and health care strategies to achieve better health, better care, and lower costs. It enabled extensive and rapid cross-community and multi-sector engagement to define the elements necessary to achieve transformative health and health care system change. The resulting Innovation Plan, submitted to CMMI in January 2014, created a framework for health system transformation that leverages the state's innovative culture, along with its health and delivery system expertise, to execute Washington's plan, called Healthier Washington.

Healthier Washington encompasses three core strategies:

1. **Pay for value instead of volume, with the state leading by example as "first mover."** Presently, providers of health care services are paid every time they provide a service, even when the service doesn't work. Healthier Washington calls for rewarding providers when they achieve good outcomes. Information on effectiveness and cost will be collected and shared to help providers and consumers choose the best treatment options.

2. **Integrate care and social supports for individuals with physical and behavioral (mental health and substance abuse) comorbidities.** The current system creates barriers to addressing physical health, mental health, chemical dependency, and basic living needs in an integrated and person-centered manner. Healthier Washington calls for methods of integrating care and connecting with community services to achieve the best possible result for individuals. It also adjusts how we pay for services to make care for the whole person possible.

3. **Build healthy communities and people through prevention and early mitigation of disease throughout the life course.** All health care is local. Driven by local partners, Healthier Washington better aligns clinical care delivery and community resources to bring about sustainable health systems change. Working together, communities can bring about sustainable change that will improve health for the people they serve.

Overview of E2SHB 2572

The Innovation Plan gained strong support in the 2014 legislative session with bipartisan passage of E2SHB 2572 and 2SSB 6312, and funding to further develop Innovation Plan elements in anticipation of a second SIM grant opportunity. The passage of these bills provided further support for Healthier Washington elements around quality and price transparency; community mobilization; clinical practice transformation support; and integrated purchasing of physical health, mental health, and substance abuse services on a regional basis.

E2SHB 2572 outlines mechanisms for the State to improve how it purchases health care, a foundational strategy of Healthier Washington.

Provisions include:

- Designating and supporting Accountable Communities of Health (ACHs), regional collaboratives responsible for aligning community actions and initiatives to achieve healthy communities and populations, improve quality and lower costs. This included awarding grants to support the start-up of two pilot communities.

- Using purchasing mechanisms to reduce extraneous medical costs across medical programs. As such, HCA and the Department of Social and Health Services (DSHS) may restructure Medicaid procurement on a phased basis to support integrated physical health, mental health and chemical dependency treatment services, consistent with Senate Bill 6312 and recommendations provided by a behavioral health task force. Additionally, HCA will use purchasing and payment incentives for Medicaid and PEB that promote quality, efficiency, cost savings, and health improvement.

- Establishing a statewide all-payer claims database (APCD)—to which public purchasers must submit claims data—to support transparent public reporting of health care information. Data suppliers, including carriers and self-funded employers, may submit claims data voluntarily.

- Developing standard statewide health performance measures through creation of a Governor-appointed performance measures committee tasked with identifying and recommending statewide performance measures through a transparent process that includes opportunities for public comment.

State Innovation Models Grant

The State Health Care Innovation Plan and landmark legislation form the basis of Washington's State Innovation Models Round Two Model Test grant, which was awarded by CMMI in December 2014. The Healthier Washington grant builds the capacity to move health care purchasing from volume to value, improve the health of state residents, and deliver coordinated whole-person care.

The $65 million effort, launched in February, makes targeted investments in five foundational areas to achieve health system transformation:

1. **Community empowerment and accountability**. Washington is driving local innovation through Accountable Communities of Health (ACHs), which develop a sustainable presence in their communities and partner with the State to achieve Healthier Washington goals. Regionally organized ACHs align the activities and investments of diverse sectors—providers, public health, housing, education, social service providers, health plans, county and local government, philanthropy, consumers, businesses, and Tribes—to drive integrated delivery of health and social services and improve population health. ACHs will be held accountable for performance results and rapid-cycle learning and improvement.

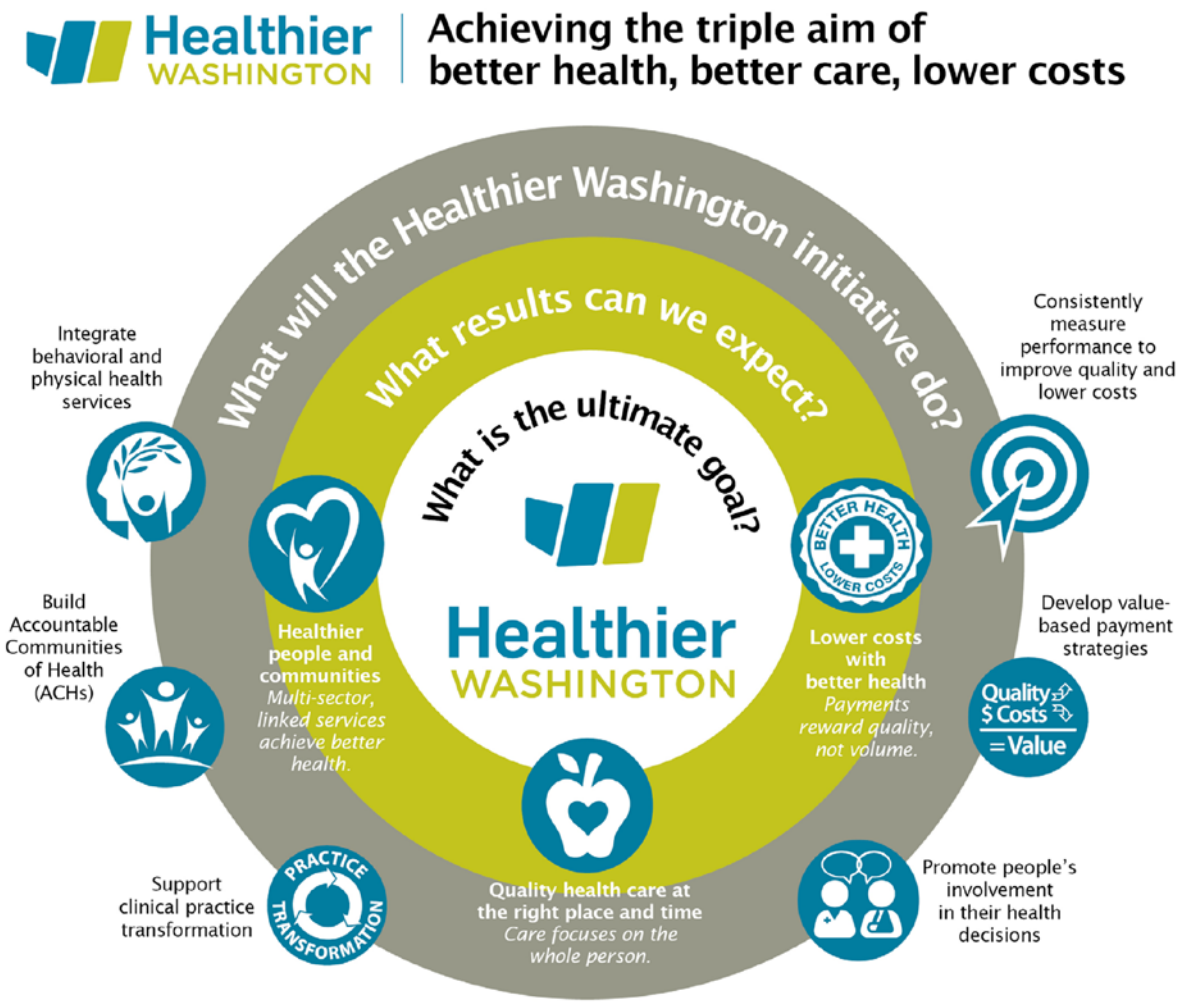
2. **Practice transformation support.** A Practice Transformation Support Hub will support providers across the state to effectively coordinate care, increase capacity, and benefit from

value-based reimbursement strategies. Housed at the Department of Health (DOH), the Hub will capitalize on consultant and community expertise in clinical practice transformation. This investment area also supports shared decision-making tools to engage individuals and families in their health, and strengthens Washington's multi-disciplinary workforce.

3. **Payment redesign.** In partnership with purchasers, providers, and payers, Washington is leveraging its purchasing power to be the first mover in shifting 80 percent of the health care market from traditional fee-for-service to integrated, value-based payment models. Healthier Washington will implement four payment and delivery test models to integrate physical and behavioral health, pioneer new payment methodologies for the state's primary care and rural health delivery system, and apply the State's purchasing power to drive accountable delivery and payment models.

4. **Analytics, interoperability and measurement.** New analytical infrastructure for monitoring and reporting on health system performance will support broad deployment of common performance measures to guide health care purchasing. Healthier Washington invests in an innovative solution portfolio that builds analytic and measurement capacity and develops a diverse tool set needed for the translation and visualization of data from multiple sectors into actionable information.

5. **Project management.** Implementation is coordinated through a public-private leadership network with a dedicated interagency team and legislative oversight. Strategic investments in accountable project management ensure real-time evaluation and continuous improvement on all Healthier Washington initiatives.



The Healthier Washington grant launched in February 2015 with a pre-implementation year, intended to allow for the onboarding of staff and consultants, engaging stakeholders, refining the grant budget, and advancing policy design and development of the efforts under the three-year Model Test. On December 1, HCA submitted to CMMI its SIM Operational Plan, the pre-implementation year grant deliverable that will govern the relationship between CMMI and the State moving forward.

Action and Progress toward Achieving the Aims of the Innovation Plan

Significant progress was made in 2015 in advancing the aims of Healthier Washington. Healthier Washington has multiple implementation mechanisms—including the SIM Test grant, foundational legislation, philanthropic support, and a potential Section 1115 Medicaid transformation waiver. Much of the work accomplished in 2015 implementing elements of Healthier Washington was catalyzed by the SIM Test grant.

The 2014 supplemental budget provided HCA $2.3 million[1] and two FTEs to begin early implementation of Healthier Washington in anticipation of the federal grant award. State investments in 2015 primarily supported ACH pilot funding and Healthier Washington communication efforts. A summary of Healthier Washington grant expenditures to date is included in Appendix A.

Three areas of notable progress are highlighted below: Accountable Communities of Health, paying for value, and shared decision making—all of which have strong legislative foundations and have been guided throughout the year by legislative consultation.

For more information on 2015 accomplishments, please see Appendices B and C for Healthier Washington grant quarterly reports to CMMI.

Accountable Communities of Health

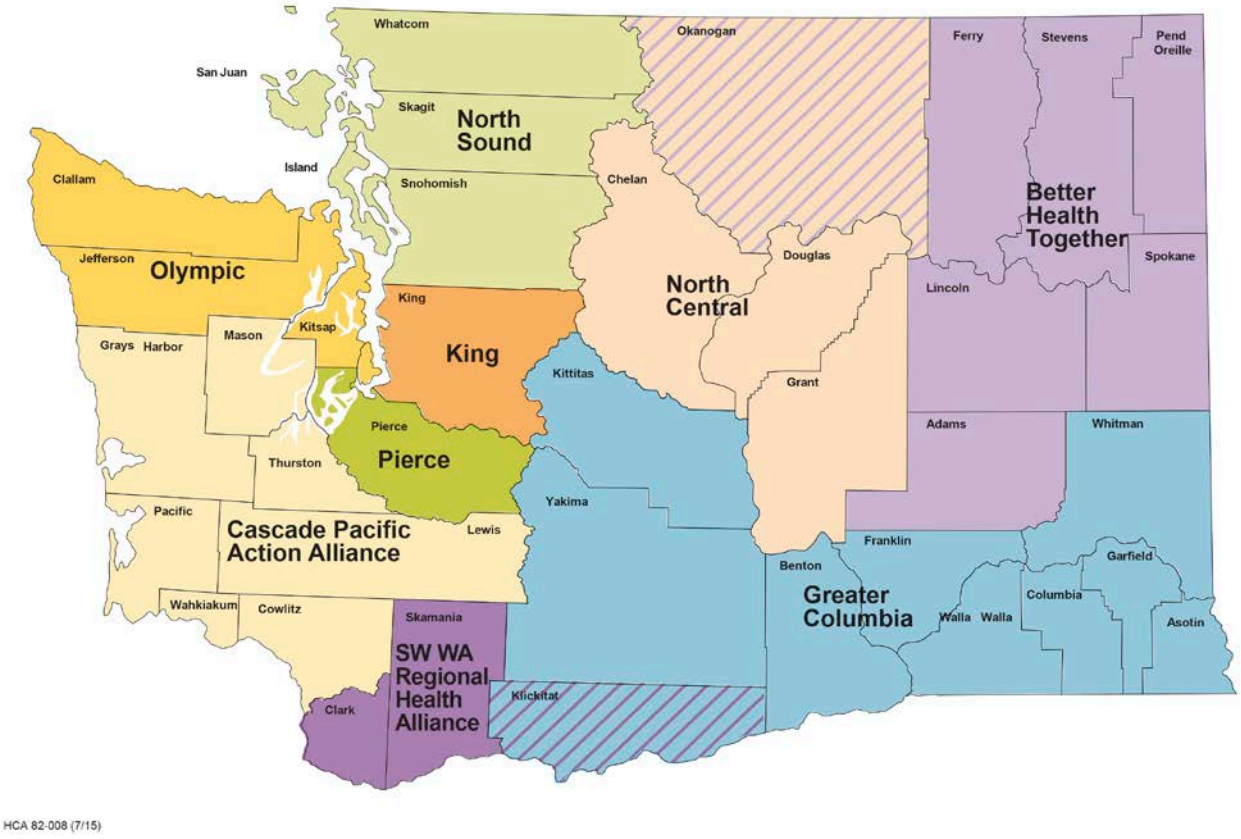
Healthier Washington recognizes and leverages pockets of innovation and collaboration already occurring in local communities by bringing public and private entities together to work on shared health goals. This collaboration is replicated and scaled via nine regional Accountable Communities of Health (ACHs). These diverse multi-sector partnerships are an integral part of achieving the triple aim of better health, better care, and lower costs, as well as an equitable health system. Specifically ACHs are:

- bringing together diverse public and private community partners to identify and work on shared regional health goals;
- identifying opportunities for the ACH and community partners to understand and bridge health and quality of life issues;
- coordinating systems so services address all aspects of health at both the community and individual levels; and
- partnering with the State to inform the development of other Healthier Washington investments, with the recognition that ACHs are the connection to communities and the local conduit to achieve true systems change.

As authorized by E2SHB 2572, two regions— North Sound Accountable Community of Health (North Sound) and Cascade Pacific Action Alliance (CPAA)—were chosen as Pilot communities for January through June 2015 and received funding to support early implementation of the ACH initiative. Within the framework of ACH start-up, the pilots utilized regionally identified projects to demonstrate the significance of an effective governance and engagement model. While emphasizing the role of the two pilot grants funded by E2SHB 2572, the Healthier Washington grant also funded "design grants" to the other seven communities to provide support to regions that could benefit from additional development and engagement, including learning led by the Pilot ACHs.

[1] The appropriation assumed Medicaid match for all related expenditures. Because not all activities are related directly to the administration of the Medicaid program, the full $2.3 million was not expended.

ACH Regions Map



At the end of the Pilot demonstration, North Sound and CPAA submitted designation applications to describe their progress in establishing functional ACHs that exhibit a strong foundation for regional health improvement efforts and collaborative partnership with the State. They also shared progress on their collaborative regional health improvement projects. See Appendix D for the Pilot designation assessment, including an overview of the Pilot projects.

ACH designation allows continued regional health improvement planning and implementation. Consistent with the goals of Healthier Washington, two additional communities—King and Better Health Together—were designated in November 2015, and the State is on track to designate the remaining five communities by February 2016. To demonstrate readiness for the next phase of development and activity, communities are required to meet a set of minimum requirements related to governance, ACH membership, community engagement, backbone functions, sustainability frameworks, progress on regional health assessments, and emerging priorities for a regional health plan.

ACHs will lead local transformation that connects Healthier Washington investments within the context of communities across the state. While ACHs have flexibility to tailor projects based on regional needs, the expectation is that ACHs will employ a “triple aim” strategy that links communities to health care delivery systems, as well as public health and supports that contribute to the health of the individual. By doing so, ACHs will foster better health for people and communities in addition to better care and lower cost. For example, one of the state’s ACHs found unmet needs within its region regarding Adverse

Childhood Experiences (ACEs). The ACH plans to rely on the activities and expertise of school districts, social service organizations, and health care providers within the region to implement a project focused on earlier identification and treatment of children with mental health or chemical dependency issues. This project requires a common agenda across partners with mutually reinforcing activities—a demonstration of regional collaboration that can have a far greater impact than any single organization or sector working independently.

ACHs are key partners in other Healthier Washington initiatives. Below are a few examples:

- When it is finalized, ACHs will play a role in local implementation of the state's Plan for Improving Population[2] Health to address conditions including ACEs, diabetes, obesity, and smoking cessation. The Plan for Improving Population Health will be a valuable resource to guide and enhance ACH investments, but it is not meant to limit the scope of the ACH or the triple aim focus.

- Since ACH regions and the Regional Service Areas for Medicaid purchasing are aligned, ACHs are local partners in Healthier Washington's payment model tests, moving Washington away from traditional fee-for-service and toward paying for value models. For example, the fully integrated managed care payment model being tested in southwest Washington includes an "early warning system" designed by the regional ACH, Southwest Washington Regional Health Alliance. This system will provide an on-the-ground perspective on the transition to fully integrated managed care, including alerts about access issues and impacts on regional/local health and community systems. The ACH will partner with the State and regional partners to recommend adjustments based on this information.

- In addition to value based purchasing, ACHs will play a key role as part of the Practice Transformation Support Hub's regional extension model to promote clinical-community linkages and integration of behavioral and physical health.

- The State's Analytics, Interoperability, and Measurement effort will enable ACHs to make data-driven decisions. This information, coupled with the diverse perspectives within each ACH, should enable them to identify local solutions to statewide priorities.

Paying for Value

Washington aims to drive 80 percent of state-financed health care and 50 percent of the commercial market to value-based payment by 2019. In achieving this vision, Washington's annual health care cost growth will be 2 percent less than the national health expenditure trend. Paying for value is key to achieving the triple aim and—most importantly—ensuring that systems contribute to the health of the whole person. Meeting this goal will require shifting reimbursement and delivery system strategies away from a system that rewards volume of service to one that rewards quality and outcomes as measured by

[2] The Washington State Plan for Improving Population will guide how the state and local communities can best implement population health improvement strategies. For more information, see: http://www.hca.wa.gov/hw/Pages/population_health.aspx.

the common measure set. Washington State will utilize its position in the marketplace to drive transformation as both a "first mover" and "market convener."

Washington State has been striving for the triple aim by leveraging its purchasing influence for the past 30 years, beginning in 1986 when the state Medicaid agency was directed to contract with managed health care systems to provide services to recipients of aid to families with dependent children. Two years later, the Health Care Authority was created to administer the Public Employee Benefits Program, coordinate and develop state health care purchasing strategies that promote cost efficiency and access to quality care, and analyze areas of public and private health care interaction.

Washington State now purchases health care coverage for more than 2.1 million people through Medicaid and the Public Employee Benefits Program. Recognizing opportunities to more effectively manage care and cost, Washington brought purchasing for Medicaid and public employees into the same agency and reinforced the State's commitment to managed care in 2011. In addition to the adoption of E2SHB 2572 in 2014, recent statutory Medicaid managed care requirements include: performance-based managed care for the integrated delivery of medical and mental health services; compliance with network adequacy standards; incentives for chronic care management within health homes; comprehensive medication management; assessment of evidence-based practices utilization in children's services; outcome and performance measures to assess and improve mental health, long-term care, or chemical dependency services; outcome and performance measures developed by the statewide performance measures committee; and integrated managed health and behavioral health care for foster children.

As part of Healthier Washington, the State is leveraging its purchasing power to lead by example and accelerating the adoption of value-based reimbursement and alternative payment strategies. This "Paying for Value" strategy is exemplified by Healthier Washington's payment redesign models. The variations in Healthier Washington's model tests are designed to match the needs and readiness of different regions within the state. Starting in April 2016, Washington will purchase Medicaid services in 10 regional service areas throughout the state. For public employees, our movement toward value begins in the Puget Sound region. While work has progressed on all four Healthier Washington payment model tests in 2015, two models achieved significant milestones that will change care and payment for Washington providers and consumers in 2016.

Accountable Care Networks and Multi-Purchaser Strategy

As a major purchaser of health care coverage in Washington, HCA interacts with other major purchasers every day. Together, we are moving the concept of paying for value forward. The Multi-Purchaser payment model test will first test accountable care delivery and payment strategies for public employees in western Washington, and then spread statewide. Ultimately, we will work with other public and private purchasers to adopt similar shared risk- and value-based strategies.

Accountable Care Benefit offered to state employees in 2016

In June 2015, Puget Sound High Value Network and the University of Washington Medicine Accountable Care Network were selected as the "UMP Plus" networks offered to public employees in the five-county Puget Sound region. Starting in January 2016, providers will be paid based on value of care delivered. Measures of value include state employees' satisfaction with their health care experience, as well as

improved health outcomes. HCA contracts directly with these two clinically integrated delivery systems that are accountable clinically and financially for the care of enrolled state employees and their families.

Both UMP Plus networks have agreed to the following accountability and health transformation requirements:

- **Coordination and standardization of care: Improving outcomes and lowering costs (care transformation).** UMP Plus Networks and their partners are accountable for managing all aspects of their members' care. Both networks are required to:
    - Participate in Healthier Washington initiatives, including shared decision-making pilots (maternity care, total joint replacement and end-of-life care) and ACHs.
    - Produce annual Quality Improvement Plans documenting their progress on implementing Bree Collaborative recommendations for various high-cost, high-utilization and high-variation procedures.
    - Participate in established community quality improvement programs for obstetrics, cardiology and spine care.
    - Adopt certified health information technology infrastructure, including electronic health records, and participate in the Washington State Health Information Exchange.
    - Invest in infrastructure to advance primary care medical home (PCMH) standards across all network partners (as defined by NCQA PCMH Level III standards or equivalent).
- **Member access and experience.** Both networks will offer timely and convenient access to both primary care and specialty providers, as well as expanded service hours for primary care and urgent care, along with 24/7 consulting nurse and tele-urgent care services. The networks will provide enhanced communications to members, including plan-specific websites; dedicated contact centers for scheduling, prescriptions, and additional support services; and proactive member engagement through printed and electronic materials.
- **Integrated financial and quality improvement model.** The networks are risk-based contracts. In other words, there are potential financial consequences to both HCA and the accountable care network plans if financial, quality, and member experience targets are not met. Each accountable care network has agreed to annual targets for financial trend guarantees. If the network exceeds its trend guarantee target—resulting in more savings than the target would have generated—HCA will pay the network a share of the savings. If the network does not achieve its trend guarantee target—resulting in less savings than the target would have generated—the network will pay HCA a share of the deficit. In addition to financial trends, the networks are evaluated using a quality improvement (QI) model that includes 19 measures in the following five categories: chronic conditions, behavioral management, client experience, medical screenings and immunizations, and obstetrical care. These measures are a subset of measures from the Washington Statewide Common Measure set. How much a network gains or loses also depends on how well the network does in the QI model.

To incent state employee participation, the networks offer a unique benefit design to further improve member experience and promote the use of high quality health care services. Features include 30 percent lower monthly premiums than the UMP Classic plan, lower medical and prescription drug deductibles, and no cost-sharing for office visits to primary care network providers. Plus, members who complete a wellness assessment and earn a wellness incentive will pay no or a reduced medical deductible. In addition to these benefits, the UMP Plus network plans offer the same monthly out-of-pocket limits, inpatient and emergency coinsurance rates, and covered services as the current PPO plan.

After the two networks were selected, implementation planning efforts began immediately. Focus groups were conducted with state employees to inform messaging and communication efforts, and a marketing firm was hired to craft messages and produce promotional materials. Besides educating state employees on value-based options and maximizing enrollment in the new networks, these materials promote existing HMO plans. HCA staff also produced an educational webinar and made presentations to different state agencies and state-sponsored groups to spread the word about the new value-based plans.

Open enrollment occurred during the month of November. As of November 30, 4,709 employees were enrolled in these networks, with 9,625 covered lives (subscribers and family members). These numbers were expected to increase even more by the end of November. In previous years, enrollment spikes during the last days of open enrollment.

While targeted, the effects of this payment model test will extend beyond state employees to the Washington delivery system. To meet financial and health transformation contractual requirements, network partners are re-engineering their systems of care infrastructure, which will benefit all people who receive care within the network and its partners, regardless of payer.

Statewide expansion and multi-purchaser strategy

To further scale and spread the accountable care option, this payment model test will be expanded statewide in 2017. The strategy for statewide expansion is currently under review, but options include the growth of current partners' networks beyond the Puget Sound region and new partner selection.

As the model spreads, public and private purchasers will be asked to replicate the payment model test and accountable care strategies (e.g., common measure set). Historically, Washington state purchasers have been passive, typically relying on brokers and health plans to dictate health benefits. Educating purchasers—specifically leadership and benefit managers—on accountable care strategies through different avenues is a key cornerstone of the multi-purchaser strategy, which includes the following activities:

- **Engagement of senior purchaser leaders through the Washington Health Alliance Purchaser Affinity Group.** The Washington Health Alliance will expand its current purchaser group, the Purchaser Affinity Group (PAG), to include C-suite leaders and other large self-insured purchasers who are not currently members of the purchaser group, including Microsoft and Costco. Chaired by the Director of the Public Employee Benefit Board, current PAG membership includes benefit managers from Starbucks, King County, Eddie Bauer, and unions. Anticipated to take place four times annually, the meetings will be a "call to action" and a mechanism to engage and educate benefit decision makers.

- **Targeted presentations to purchaser groups and individual meetings with public and private purchasers**. Healthier Washington staff will proactively arrange individual meetings and presentations with public and private purchasers to further educate and spread the model test and accountable care tools. Public purchasers or political subdivisions (e.g., schools, water districts, cities, and counties) will be able to join the state employee plan and enroll in the payment model test directly (if risk requirements are met).

- **Annual purchaser conference to increase awareness and provide tools to develop and implement accountable care strategies**. HCA, King County, the Washington Health Alliance, and the Washington Roundtable will co-sponsor a statewide purchaser conference on value-based purchasing starting in 2016. HCA will lead a session on the payment model test and steps purchasers can take to replicate the model.

Early adoption of fully integrated managed care

Critical to advancing the health of the whole person is the integration of behavioral health and physical health services in a seamless delivery and payment system. Building upon the commitment by the Governor and legislature in E2SHB 2572 and 2SSB 6312, Washington has the following mandate: By 2020, Medicaid beneficiaries in every service area in Washington will be served by managed care systems providing a fully-integrated set of physical and behavioral health services.

The transition will be accomplished in two phases. The first phase, effective April 1, 2016, will consist of a fully-integrated managed care system in Southwest Washington, with fully integrated Medicaid managed care contracts and agreements for the delivery of crisis services—for physical, mental, and substance use disorder services—to the region's entire population. In the remainder of the state, care will be delivered through separate but closely coordinated behavioral health and physical health managed care contracts. As the managed care systems gain experience with the integrated model in the Southwest region, the remaining regions will be given the opportunity to convert in subsequent contracting cycles; all regions will be converted by 2020. In the meantime, and regardless of service area, residents will have access to the same set of behavioral and physical health services during the progression from current state to full managed care integration in 2020.

Incorporation of behavioral health services into the state's contracts with managed care organizations (MCOs) is consistent with Washington's Medicaid purchasing strategy under the Apple Health program. Nearly all of the state's Medicaid beneficiaries are enrolled in managed care delivery systems for the majority of covered services. The MCOs are responsible for providing accessible, coordinated and appropriate health care for their members, including a comprehensive array of preventive and treatment services through their provider networks. In submitting proposals to offer a fully-integrated set of physical and behavioral health services in Southwest Washington, MCOs have taken the first step toward our 2020 goal.

Following a competitive bid process, in November 2015, HCA selected two health plans— Molina Healthcare of Washington and Community Health Plan of Washington—to offer fully integrated behavioral and physical health services for more than 120,000 Apple Health beneficiaries in Southwest Washington. Apple Health beneficiaries in Clark and Skamania counties will get information in January 2016 about the new plan choices.

Healthier Washington's experience in Southwest Washington has demonstrated the possibilities and the impact of community involvement in planning and executing the transition to fully-integrated managed care. With leadership from the counties and active engagement by the Southwest Washington Regional Health Alliance (the region's ACH), Southwest Washington became the state's first "early adopter" of the integrated managed care model. The ACH has served as an important partner in helping to convene stakeholders and to reinforce communications with a broad audience of providers, consumers, local government and the public at large. This experience will help inform the role of ACHs as other service areas transition to full integration.

The leadership shown by the counties and the ACH in Southwest Washington has also set the stage for longer-term sustainability of the fully-integrated model. Their investment of time, talent and local resources in convening partners and confirming a commitment to the success of the Early Adopter model not only helps assure continuation of services to their own residents, but sets an example for other regions to follow.

The transition to a fully-integrated managed care system in 2020 will be informed by the experience gained in the first Early Adopter region as well as the investments in the Practice Transformation Support Hub. The Hub—focused on delivery system transformation—has designated primary care and behavioral health integration as one of its areas of focus; DOH staff have been collaborating with leaders in Southwest Washington, as well as examining models from around the country for tools that can be brought to clinical practices throughout the state.

Shared Decision Making

In 2007, the State passed the Blue Ribbon Commission bill that promoted a shared decision-making pilot within the state. Additionally, it provided that if a patient signs an agreement to use a "certified decision aid" as part of the informed consent process, there is a presumption that the patient has given his or her informed consent. Consequently, in 2012, the state passed legislation that grants HCA's chief medical officer the authority to certify patient decision aids. Washington state took significant steps in 2015 to build upon this foundational legislation and is leading the nation in efforts to adopt and spread shared decision making as an innovative and evidence-based practice.

Individual and family engagement is a core element of Healthier Washington. By engaging people and their families in health care decisions that have the potential to impact their overall health, providers have the opportunity to improve quality of care and patient satisfaction, while increasing the probability of more positive outcomes. Through this strategy, Washington residents will be better informed consumers of care and services.

With financial support from the Gordon and Betty Moore Foundation, Washington spent 2015 working with state and national experts to develop a process to certify decision aids. This included convening a two-day meeting of experts who provided input on criteria for the certification of patient decision aids. Using the Dr. Robert Bree Collaborative recommendations as a guide to help reduce variations in practice within the state, the first round of reviewed and certified decision aids will address maternity health, followed by decision aids that address joint replacement/spine care, and cardiac/end-of-life care.

Washington will spread the use of shared decision making as a practice, as well as the use of certified patient decision aids through Healthier Washington. In early 2016, HCA, along with the Washington Health Alliance and Group Health, will host a Shared Decision Making 101 training session with the Agency for Healthcare Research and Quality (AHRQ). The two-day training, based on the SHARE curriculum[3], uses a train-the-trainer approach, providing the opportunity to spread the use of shared decision making across Washington by targeting participants from all regions.

The promotion of shared decision making as a practice, including the use of certified decision aids, is embedded into investment areas of Healthier Washington. Providers within the Accountable Care Networks, for example, are required to participate in SHARE training and will pilot the use of certified decision aids that address maternity health. Furthermore, Healthier Washington will offer targeted technical assistance and coaching to providers who are participating in payment model tests, and will also offer scholarships or negotiated reduced fees for providers in need to spread the use of certified patient decision aids.

As Washington state develops a plan for implementation, sustainability, and spread, HCA will enlist a national co-sponsor and connect with other states working on innovative strategies to engage people in their health care, to help create a multi-state shared decision making network to share best practices and spread this model on a national level.

More Healthier Washington Progress

In addition to the accomplishments outlined above, Healthier Washington has made progress on other efforts aimed at supporting the delivery system to effectively coordinate care, increase capacity, and benefit from value-based reimbursement opportunities. These activities are briefly described below.

Practice Transformation

Work accomplished in 2015 includes progress on the Practice Transformation Support Hub and workforce development areas.

Practice Transformation Support Hub

An integral part of all strategies under Healthier Washington, the Practice Transformation Support Hub will accelerate regional and statewide health improvement activities. The Hub will strengthen capacity and support local quality improvement efforts by connecting health care providers with tools, training, and hands-on technical assistance to advance whole person care.

The Practice Transformation Support Hub team devoted 2015 to an environmental scan of primary and behavioral health providers and practice dynamics. The intent of this scan was to identify evidence-based best practices to inform strategic design priorities for the Hub. Based on learnings from this stakeholder effort, the Hub—coordinated by the Department of Health—will focus on the following:

1. Stimulate and accelerate the uptake of integrated and bidirectional behavioral health and primary care

[3] http://www.ahrq.gov/professionals/education/curriculum-tools/shareddecisionmaking/index.html

2. Support payment reform readiness and progress toward value-based payment systems

3. Advance community linkage priorities by supporting practice efforts to identify, connect, and align community-based services to strengthen whole-person care

Beginning in 2016, the Practice Transformation Support Hub will invest in the development of a web-based resource portal, the implementation of a regional extension program that leverages ACHs, and targeted clinical practice coaching and facilitation.

Expanded workforce capacity

In 2015, Healthier Washington convened a Community Health Worker Task Force to develop actionable policy recommendations around roles, skills and capacity of those who do community health work, and how they will align with Healthier Washington and be incorporated into a transforming and transformed delivery system. The task force includes more than 50 representatives including broad representation of workers; health plans; employers, including hospitals and clinics; educators; community-based organizations for physical and behavioral health and social services (e.g., housing); and tribal representatives. The group is building on current experience and desired outcomes to develop recommendations regarding definitions, education, payment, and relationship with other transformation initiatives by mid-December 2015.

Industry Sentinel Network

The Industry Sentinel Network will draw from rapid periodic polling from workforce organizations and employers such as hospitals, clinics, and community-based organizations. It will assess the workforce and areas of additional training needed. These areas could include how to work effectively in teams, function well in in a cross-disciplinary environment, utilize IT tools, and increase individual client engagement and client ownership of effective personal health management. Working in partnership with the Workforce Training and Education Coordinating Board and University of Washington Health Workforce Center, the Network's activities include development of a survey and establishment of an information-sharing portal. The portal will be developed and information is scheduled to begin flowing in the fall of 2016.

Analytics, Measurement and Reporting

Statewide measures provide a common way of tracking health and health care performance to show progress in improving the quality of care and lowering costs. System-wide improvement will occur when public programs and the commercial market use the statewide measures, contribute data to a shared database, and support public reporting of these common measures.

Measurement

The passage of E2SHB 2572 required the development of a statewide core measure set to inform health care purchasing. With the 2014 adoption of a "starter" set of 52 measures across the domains of prevention, chronic illness and acute care, the state's Performance Measures Coordinating Committee continues to evolve with state priorities and will be consistent with other measure sets to reduce provider burden.

The common measure set, as the measurement foundation for all Healthier Washington activities, will measure all aspects of the triple aim, including health, quality, access, and costs. As such, Washington has already begun and will continue to incorporate the common set into Healthier Washington efforts. For example:

- ACHs are using 26 cross-cutting measures—a subset of the common set—to measure long-term outcomes in communities.
- All Medicaid contracts include key common measures. These allow for comparability across both the fully integrated region and other regions.
- A subset of 19 measures from the common measure set is included in the ACPs' shared savings model. Performance on these measures will determine the amount of savings the networks will receive or the deficits they will owe HCA.
- The Plan for Improving Population Health measures will include measures that align, where possible, with the common set. Once the Plan is complete, it will inform the ongoing evolution of the common measure set.

The initial common measure set was finalized in January 2015. Based on the state's focus on behavioral health, the Performance Measures Coordinating Committee asked an ad hoc committee to research and recommend additional measures. This workgroup began meeting in September 2015. As a result of its work, one or more behavioral health measures are expected to be added to the common measure set in 2016.

All-Payer Claims Database

The Legislature in 2015 built upon E2SHB 2572 and passed legislation that established a statewide all-payer health care claims database (APCD) to support transparent public reporting of health care information. All payers in Washington will be required to submit health care information to the APCD. The Office of Financial Management (OFM) is overseeing this work. OFM released a Request for Proposals in late October to find a lead organization to develop the APCD. Selection of a lead organization is expected by early 2016, and it is anticipated that the APCD will be fully functional by summer 2017.

Data and Analytics

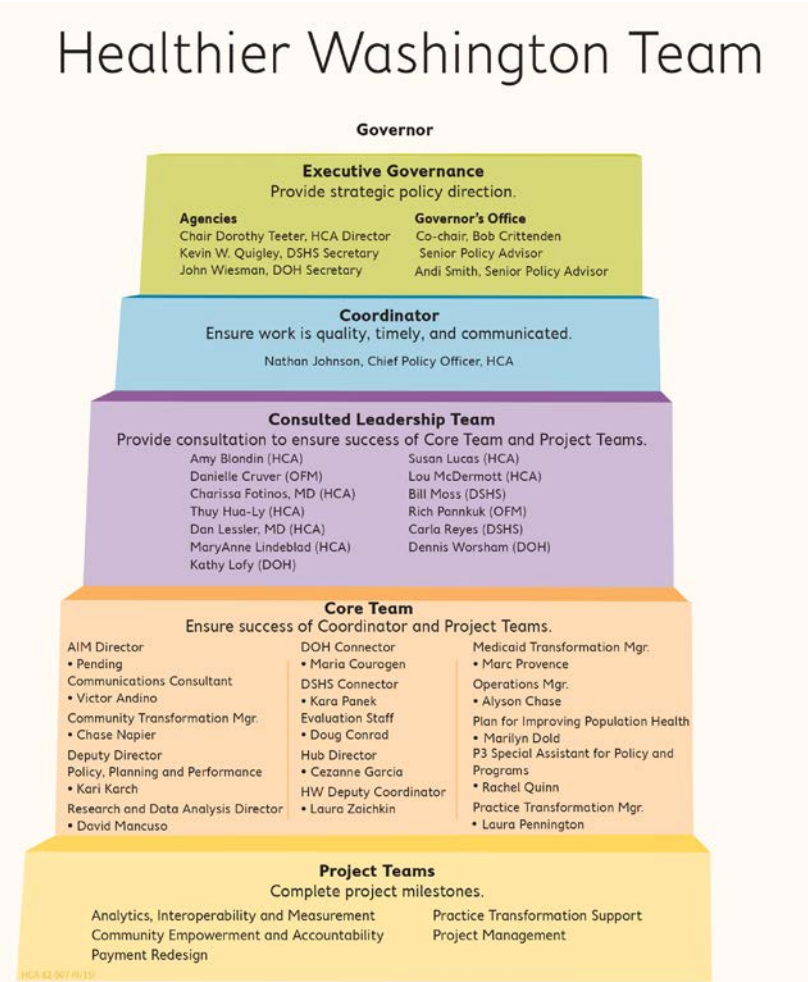
Healthier Washington is tasked with providing an innovative solution portfolio that builds analytic and measurement capacity and develops a diverse tool set needed for the translation and visualization of data from multiple sectors into actionable information. In 2015, HCA engaged a consultant to design a roadmap for this work; implementation will begin in early 2016. The Business Intelligence and Shared Analytics Roadmap includes "business imperatives" that outline recommendations for business intelligence and shared analytics capacity and capabilities, enterprise information management, technology infrastructure, and analytic and interoperability.

Improve Population Health

Building upon the State's 2014 efforts to develop a "Prevention Framework" as a deliverable of the Innovation Plan, the State is required to develop a Plan for Improving Population Health under the Healthier Washington grant. The Plan for Improving Population Health will take the Prevention Framework from the "what" to the "how"—including how strategies and interventions are implemented in order to align efforts across the state, allow for local flexibility, apply the latest evidence-based practices, quantify return on investment, and ensure sustainability. The Department of Health began this effort in 2015 by creating an external advisory committee to inform its development, including engaging a key public health leader from the North Sound region to lead the committee. The plan has an anticipated completion date of September 2016.

Engagement in Healthier Washington

Healthier Washington's multi-sector approach is reflected in its team composition. The initiative is led, managed, and implemented by leveraging the talents and resources of multiple state agencies: the Health Care Authority, the Department of Health, the Department of Social and Health Services, and the Office of Financial Management. All agencies are represented in the Healthier Washington governance structure.

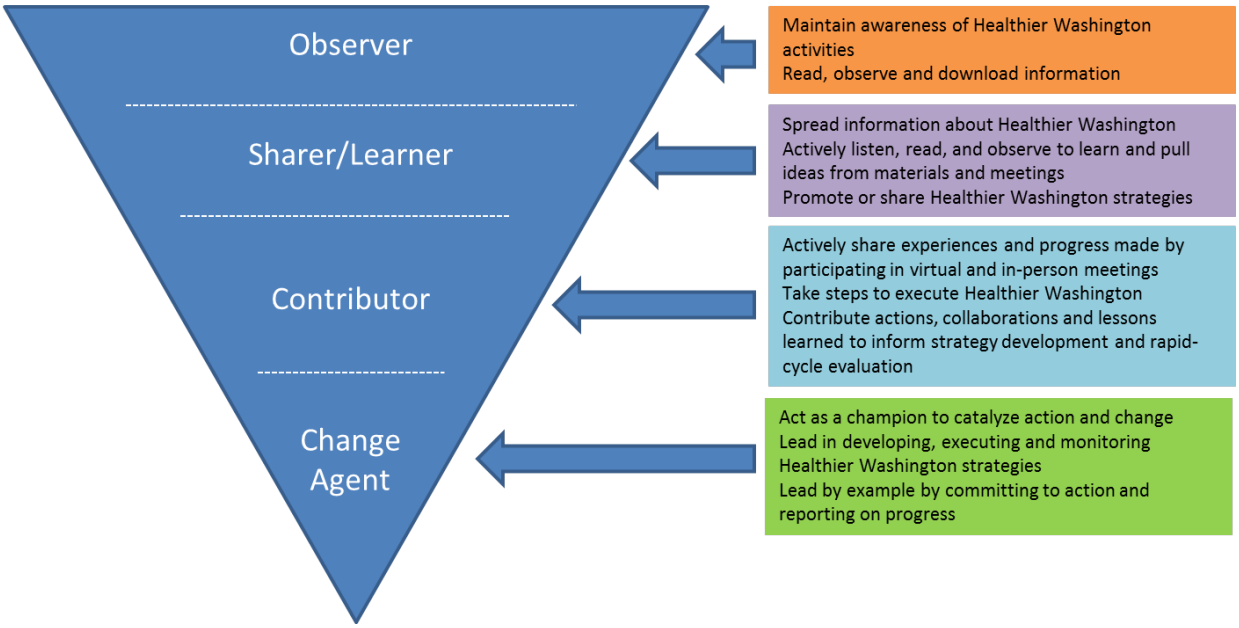


The Healthier Washington initiative recognizes health is a complex interplay of physical health; behavioral health; basic needs such as food, housing, education, and employment; personal and family supports; "livable" communities; and quality of life. Health and recovery services, without a strong foundation of equitable system supports and community services geared to sustain health, do not serve individuals as whole people. Additionally, without supports, such as payment models that incentivize outcomes, the system responsible for health cannot effectively deliver it. There are many interdependencies that are not the responsibility of any single organization or State agency. These complex problems require a new way of doing business that reaches across organizational silos. By their very nature, the interdependent elements of the Healthier Washington initiative necessitate community, health system and marketplace engagement. As such, Healthier Washington partners go beyond payers, providers, purchasers, public health, policymakers, consumers, and Tribes, and reach into communities and to the individuals and organizations that impact the social determinants of health such as housing, education, philanthropy, and social service providers. Healthier Washington's multi-sector approach is reflected in most workgroups and advisory bodies that have been formed under the initiative.

A foundational principle of Washington's 2013 State Health Care Innovation Planning process and the resulting Healthier Washington initiative is that it be transparent and inclusive. Public and private leaders across the state have been and continue to be engaged in an intensive stakeholder engagement and communication effort, with thousands of involved stakeholders throughout the state.

Ongoing activities will rely on stakeholder support, interest, and commitment to transformation. A key component of Healthier Washington is broad engagement of interested stakeholders in order to promote bi-directional dialogue and feedback; connect stakeholders to actions that further augment, accelerate and amplify the effort; and encourage momentum and sustainability of the initiative. The opportunity to engage in the initiative is open to all and allows for various levels of engagement—from listening, observing, and learning to actively promoting change. While some partners, such as members of the initiative's public-private leadership network, are expected to work as change agents and lead the charge, there are many other ways for interested stakeholders to engage. Contributors to Healthier Washington may be participants in Healthier Washington payment model tests or may serve as partner communities; sharers and learners may take part in public comment opportunities and project-specific convenings; or interested stakeholders may simply track the efforts by accessing updates and resources on the website in order to stay informed about work in the field. Healthier Washington's goal is to move as many stakeholders along the continuum of engagement and activate many Washington partners as change agents by the conclusion of the initiative.

Healthier Washington Levels of Engagement



While many stakeholder groups recognize the value of their engagement, Healthier Washington has and will continue to be deliberate about each stakeholder group's role in the initiative.

Tribal Engagement

The State maintains a government-to-government relationship with Tribes. Tribes' ongoing involvement with the Healthier Washington initiative is and will continue to be essential for achieving the aims of the initiative as a whole. Healthier Washington is collaborating with Tribes in a number of ways, including ongoing consultation on Medicaid purchasing and transformation. In 2016, the Tribes are planning to provide recommendations to the State and ACHs on how they can be best informed of, engaged in, and empowered to achieve health systems transformation. There also have been ongoing conversations in the pre-implementation year about how to best communicate with Tribal members, including communicating Healthier Washington stories and updates in tribal newsletters.

Health Innovation Leadership Network

One key to success during Innovation Planning was the commitment of a cross-agency leadership group called the Executive Management Advisory Council (EMAC) that included the Governor's office, HCA, DOH, DSHS, Commerce, Early Learning, the Health Benefit Exchange, Community and Technical Colleges, Labor and Industries, Financial Management, Insurance Commissioner, and the Superintendent for Public Instruction. In the pre-implementation year, EMAC evolved into a public-private Health Innovation Leadership Network (HILN) to accelerate Healthier Washington efforts. The Leadership Network—comprised of providers, business, health plans, consumers, community entities, governments,

tribal entities, and other key sectors[4]—monitors, informs, and accelerates progress, and identifies barriers and opportunities for alignment, scale, and spread.

HILN personifies Healthier Washington's state-level recognition that transformative, lasting changes requires focused and collaborative engagement of the public and private sectors working toward mutual goals. HILN members' overarching role is as accelerators of culture change and as Healthier Washington ambassadors. In addition, HILN has developed subcommittees, called "accelerator committees" that focus on specific and timely efforts that directly impact and drive toward the achievement of Healthier Washington's aims.

HILN Accelerator Committees will:

- Accelerate the goals and objectives of Healthier Washington, rather than simply advising on policy and operational components of the initiative.
- Evolve, expand and disperse over time as Healthier Washington itself evolves in response to rapid-cycle learning and improvement.
- Build upon existing efforts and groups already in place.
- Be reflective of the HILN structure in public-private, multi-sector membership.
- Be championed by HILN members, with membership including leadership from HILN and non-HILN organizations.

The initial Accelerator Committees are:

- **Clinical Engagement**: Accelerates provider commitment to and adoption of Healthier Washington aims and strategies.
- **Communities and Equity**: Elevates and acts on Healthier Washington's commitment to every Washingtonian getting a fair chance to lead a healthy life.
- **Integrated Physical and Behavioral Health**: Accelerates the transition to fully integrated care systems by leveraging cross-sector action.
- **Rural Health Innovation**: Accelerates the uptake and spread of value-based payment and delivery models in the state's rural communities, and influences the uptake of rural health innovations that support these models.
- **Collective Responsibility**: Promotes the concept of shared accountability and collective impact in achieving the aims of Healthier Washington through the development and implementation of an education campaign.

[4] A complete list of HILN members can be found on the Healthier Washington website: http://www.hca.wa.gov/hw/Documents/hiln_roster.pdf.

The work of HILN and its accelerator committees will evolve and advance as Healthier Washington implementation continues.

Next Steps

Washington has applied for a Section 1115 Medicaid Transformation Waiver which builds upon—but does not duplicate—the work initiated under the SIM grant. The Medicaid Transformation Waiver will accelerate the great strides Healthier Washington is making by bringing system transformation to scale for the 25 percent of the state's population that is served by Medicaid. In particular, the Medicaid Transformation Waiver, if granted, will leverage Accountable Communities of Health as coordinating entities to oversee the selection, implementation, and evaluation of regional transformation projects. As Coordinating Entities under the waiver, the ACHs will, in collaboration with the State, build upon such SIM-initiated activities as value-based purchasing; and will make greater use of performance assessment and other tools created under SIM.

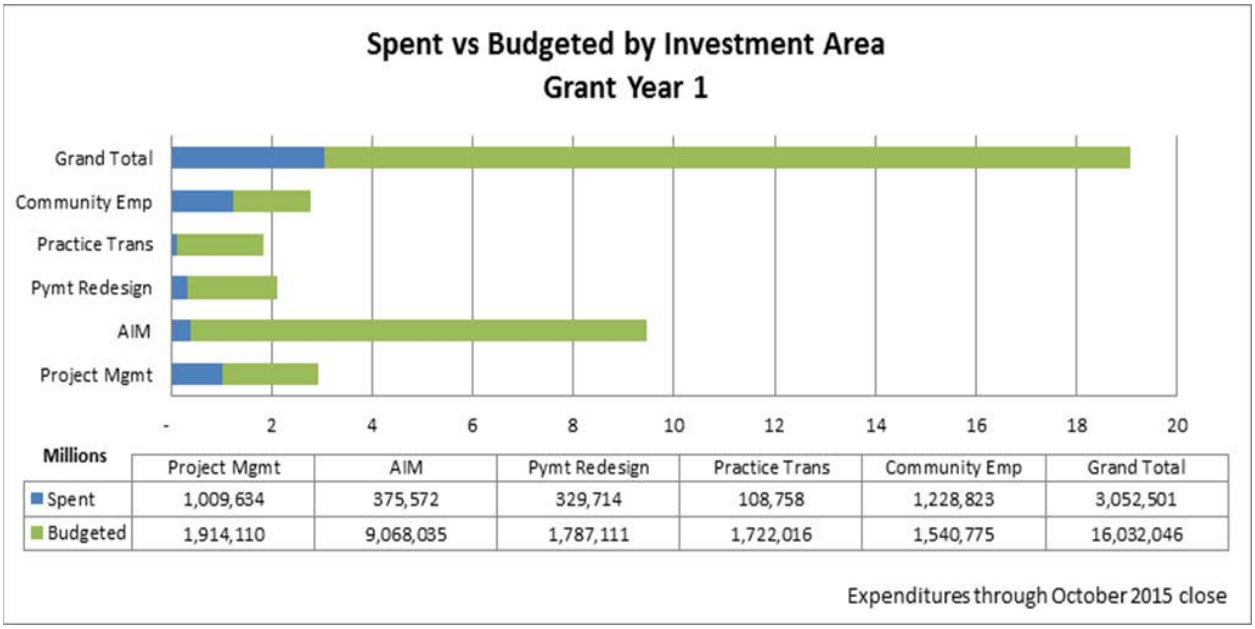
The aims of Healthier Washington—to ensure better health and care for Washington's citizens and communities, and to keep the cost of health care manageable—are more critical than ever. Significant progress has been made in achieving these aims. The State's commitment and investments were instrumental in positioning Washington for success in SIM Round Two. With the conclusion of Year 1 of the four-year SIM grant in January 2016, Healthier Washington is poised to make even greater strides as the initiative's efforts mature and come to scale. The $65 million infusion of federal resources, as well as continued legislative engagement, will ensure that Washington State remains a leader in health system transformation and achieves its goals of better health, better care, and lower costs by 2019.

Appendix A: Healthier Washington Grant Expenditures February-October 2015

During the first year of Washington's State Innovation Models (SIM) Grant, the Health Care Authority (HCA) and our partners focused intensely on collaborative planning and development. In Grant Year (GY) 1, Healthier Washington:

- Leveraged in-kind staff and resources across the enterprise (i.e. Health Care Authority, Department of Social and Health Services, Department of Health, and Office of Financial Management)
- Contributed actuarial work to support Early Adopter (Payment Test Model 1)
- Supported Accountable Care Plan development (Payment Test Model 3)
- Accessed grant funding through the Moore Foundation for Shared Decision Making
- Engaged Gartner Consulting to design a roadmap to build an IT platform

Due to recruitment challenges and procurement delays, the SIM grant will be underspent in GY1; the GY2 budget being requested has been adjusted based on projected GY1 carryover.



Millions	Project Mgmt	AIM	Pymt Redesign	Practice Trans	Community Emp	Grand Total
Spent	1,009,634	375,572	329,714	108,758	1,228,823	3,052,501
Budgeted	1,914,110	9,068,035	1,787,111	1,722,016	1,540,775	16,032,046

Expenditures through October 2015 close

With a clarified vision for Analytics and Interoperability to support the build out of the IT platform and our continuing efforts to recruit key leadership and staff positions necessary to drive the aims and deliverables of the initiative, we are poised to move to transformational action in years two through four of the grant.

Appendix B: Washington State Innovation Models
1st Quarter Progress Report

Under the terms and conditions of Washington's State Innovation Models (SIM) Test Grant, the Healthier Washington team must submit a quarterly report to the Center for Medicare and Medicaid Innovation (CMMI) focusing on the progress made toward the program milestones and goals of the Healthier Washington initiative. The following was submitted to CMMI following the Center's guidance to highlight only a few Healthier Washington elements within each specified progress report domain. Within this summary, you will find highlights of the successes and lessons learned from this past quarter. Please do not hesitate to contact the Healthier Washington team with any questions or feedback.

Success Story or Best Practice

The successful development of a governance structure was a critical first task in Q1. Healthier Washington's structure, along with clear roles and decision pathways, has assisted the complex Healthier Washington team in being nimble and effective. Washington built structures that ensure all have the level of information they desire, without requiring a high volume of meetings. The Healthier Washington structure includes:

- Project teams, responsible for completing initiative milestones;
- The Core Team, which provides policy, program and process coordination and communication for the initiative;
- The Consulted Leadership Team, which provides consultation to ensure success of the Core Team and Project Teams;
- The Healthier Washington Coordinator, who ensures the work of the initiative is quality, timely and communicated; and
- The Executive Governance Council, consisting of State Cabinet members from the three lead agencies and the Governor's Office, who provide strategic policy direction.

Serving as an advisory body to the initiative, Washington also successfully launched in Q1 the Health Innovation Leadership Network (HILN). HILN is a group of about 60 providers, businesses, health plans, consumers, community entities, government entities, Tribes and others—all with the ability to support and influence the systems Healthier Washington aims to transform. At its April kick-off meeting, HILN agreed to:

- Monitor, inform and accelerate Healthier Washington efforts.
- Identify opportunities for alignment, scale and spread.
- Identify and anticipate barriers, and identify barrier resolution strategies.
- Identify and provide in-kind support for Healthier Washington implementation and sustainability.
- Serve as ambassadors for the initiative.

HILN members noted at the conclusion of the kick-off meeting they were inspired and excited. They documented in writing commitments to information sharing and acceleration of the work of Healthier Washington.

Challenges

Contracting. A significant challenge Washington faced in Q1 was the process of getting contract prior approval from CMMI, a required first step to implement contracts. Each of Washington's submissions has required discussion and revisions to the prior approval requests—providing different information and shifting agreed-upon approaches to prior approval. It has often taken more than 30 days for Washington's contracts to be approved, causing significant delay in executing some of our contracts.

Washington has followed up with our grants specialist at CMMI to ensure we understand what is needed for future prior approval requests and to avoid any future delays in the approval process. We are confident that we are providing the information necessary to allow approval from CMMI and are looking forward to our next round of contracts being approved.

Staff recruitment. While most Healthier Washington positions were filled in Q1, some key leadership positions continued to remain vacant. Agency leadership across Health Care Authority, Department of Health, and Department of Social and Health Services are filling these roles in the interim, but dedicated staff are necessary to drive the aims and deliverables of the initiative.

Governance

Healthier Washington Structure. Washington state built in Q1 the critical structural elements necessary to manage and govern the initiative. The Healthier Washington structure includes:

- Project teams, responsible for completing initiative milestones.
- The Core Team, which provides policy, program and process coordination and communication for the initiative. The Core Team meets weekly and identifies issues to raise to the Healthier Washington Coordinator and other leadership.
- The Consulted Leadership Team, which provides consultation to ensure success of the Core Team and Project Teams. The Consulted Leadership Team meets virtually once a week with the Healthier Washington Coordinator to review weekly milestones and challenges, and identify barrier resolution strategies when necessary.
- The Healthier Washington Coordinator, who ensures the work of the initiative is quality, timely and communicated.
- The Executive Governance Council, existing of State Cabinet members from the three lead agencies and the Governor's Office, who provide strategic policy direction. The Executive Governance Council meets monthly with the Coordinator and has provided strategic direction at critical points during Q1.

Health Innovation Leadership Network. Key to success during Innovation Planning was the commitment of a cross-agency leadership group called the Executive Management Advisory Council that included 12 State agencies. In Q1, Washington evolved this group to a public-private Health Innovation Leadership Network (HILN) to accelerate Healthier Washington efforts.

The HILN—comprised of nearly 60 providers, businesses, health plans, consumers, community entities, government entities, and Tribes—agreed during its April kick-off meeting to monitor, inform and accelerate progress as well as identify barriers and opportunities for alignment, scale and spread. The HILN meets quarterly, with its next meeting in July.

Stakeholder Engagement

Key Q1 stakeholder engagement activities included:

- **Accountable Community of Health Design.** Seven design regions statewide moved forward on coordination of ACH activities, including community engagement to support the emerging ACH within each region. Design regions are implementing cascading engagement strategies that focus on participation at the governing board and committee meetings, while recognizing the value of engagement opportunities for other interested parties at the local level.
- **Practice Transformation Support Hub.** An early grounding with key stakeholders provided a foundation for work moving forward. In addition, a calendar of events is in process, listening session support is secured, and documents for feedback during the stakeholder process are in development.
- **Payment Model Test 1.** The Early Adopter fully-integrated Medicaid draft contract was released for a three-week public review period. Additionally, HCA held stakeholder engagement sessions to receive in-person feedback on the contract with MCOs, the Association for County Human Services, Regional Support Networks, and core county staff in the early adopter implementation region. HCA received over 300 pages of comment on the draft contract and is reviewing each comment.
- **Payment Model Test 3**. The Accountable Care Program (ACP) team convened various meetings with the following stakeholders: 1) Delivery systems that responded to the ACP RFA; 2) payers that currently provide health plan products to Washington State PEB to understand their plans to offer more accountable care products to members in 2016; 3) purchasers, primarily monthly phone calls with The Boeing Company, to learn and incorporate early findings from their accountable care program.
- **Performance measurement.** HCA invited members of the Performance Measures Coordinating Committee to continue participation into the ongoing evolution of the Statewide Common Core Measures set. 92 percent agreed to continue to evolve and evaluate the core set.

Population Health

The Washington *Prevention Framework* identifies specific priority areas (e.g., diabetes, tobacco cessation, obesity and behavioral-physical health care integration) and serves as the foundational framework for the development of the Plan for Improving Population Health. Identification of key stakeholders and development of the process to complete the plan has occurred. The ACH measures framework currently being developed and considered is based largely on the priority set developed from the Prevention Framework. ACHs are already considering a priority framework that aligns with this plan, and the state recognizes the importance of aligning these priorities with the work of the ACH.

Health Care Delivery System Transformation

Practice Transformation Support Hub. Early stakeholdering and recruitment of key Hub staff dominated Q1 activities for the Hub. These activities were foundational to Q2 milestones, which will include onboarding of the Hub Director and other staff, and launch of the stakeholdering effort that will inform the design and evaluation of the Hub.

Shared decision making. Q1 activities in shared decision making will provide a foundation for the SIM-funded elements of this work. Through a grant from the Gordon and Betty Moore Foundation, HCA in Q1 engaged stakeholders to develop a draft process to certify patient decision aids in Washington state. Once a process is in place to certify decision aids, Washington under SIM plans to offer technical assistance and training opportunities for providers in shared decision making concepts.

Workforce. Washington developed, circulated and continued to evolve a Workforce/Community Health Worker concept paper with proposed next steps for a Community Health Worker Action Plan. Activities in subsequent quarters will include the development and convening of a broad based task force to participate in public listening sessions addressing a series of questions and to develop recommendations by the end of 2015.

Payment and/or Service Delivery Models

Payment Redesign Model Test 1, Early Adopter. The Early Adopter initiative fully integrates medical, mental health, and substance use disorder benefits (SUD) into managed care by April 2016 in select regions. In Q1, HCA developed an interactive model to demonstrate the potential savings of integrated delivery system reforms HCA anticipates will be accelerated by integrated financing. Additionally, HCA has made progress in merging the Medicaid mental health and SUD program requirements and benefits into the 2016 Apple Health fully integrated managed care contract, and developing a companion non-Medicaid contract for managed care organizations. Collectively these will ensure that Medicaid managed care organizations provide the full continuum of medical, mental health and SUD services to Medicaid enrollees regardless of the funding source. To ensure all federal and state authority is in place by April 2016, HCA engaged with CMS regarding the need for a 1915(b) waiver submission, development of which is underway, and is amending necessary state regulations to ensure program alignment. During this period of program and contract development, HCA has been conducting significant stakeholder engagement, with managed care organizations, providers, and county officials in the early adopter region.

Payment Redesign Model Test 3, Accountable Care Program. In March, finalists were selected Apparent Successful Applicants to enter negotiations with HCA. In-person negotiation meetings and phone calls with the finalists began in mid-March and continued through the end of April. During this time, the initial draft contract was sent to the finalists and edits were shared back in forth through a redline process. May 28 is the target date for signed contracts to allow adequate time for implementation activities to start June 1.

Leveraging Regulatory Authority

Legislation: At the beginning of the 2015-2016 Washington State Legislative session, the Legislature considered a new bill that would amend the existing All Payer Claims Database legislation passed last session. The new bill would mandate payers to submit financial data (data submission was voluntary under the original bill), which will allow for analyses about health-care value, not previously available. The bill passed with bi-partisan and broad stakeholder support (employers, payers, providers and consumers) the end of April and was signed by the Governor in Q2.

Waiver: Efforts are underway in Washington state to pursue a global Section 1115 waiver for Medicaid transformation. This global waiver is designed to leverage, complement and strengthen Healthier Washington initiatives, including the expansion of Medicaid to newly eligible adults. With over 1.7 million enrollees, Apple Health (Medicaid) is a significant player in the Healthier Washington journey. While federal waiver authority is not required to fulfill the state's Round 2 Model Test grant, Medicaid transformation will increase Washington's ability to fully implement the policy direction set by the Governor and legislature, allowing the state to fully capitalize on federal investments and ensure sustainability of a transformed system. Washington's SIM grant is directed at multi-payer systems reform and Washington has recognized the need for additional flexibility, authority and reinvestment capabilities to sustain and transform its Medicaid system.

Workforce Capacity

Washington is addressing workforce capacity through Healthier Washington through several avenues, to include:

- **Community Health Workers**. Washington state engaged in Q1 in discussions to move forward integration of a CHW workforce to achieve individual outcomes and improved population health. In addition to early concept development around a CHW Action Plan, Washington continues to engage with stakeholders interested in advancing CHWs.
- **Practice Transformation Support Hub**. Early stakeholdering into the design of the Hub identified workforce development as a core element the Hub needs to address, not only to ensure practice transformation for the duration of the SIM grant, but for sustainability of continued clinical transformation.
- **Industry Sentinel Network.** Q1 activities included early discussions to scope the work of the Industry Sentinel Network, which will provide real-time, rapid assessment and dissemination of key health care employer and labor projections to inform workforce supply planning.

Health Information Technology

The initiative's Analytics, Interoperability and Measurement (AIM) investment area made good progress in Q1, and remains on schedule to meet the targets identified in Washington's year one goals.

Washington is in the midst of building out the AIM team with a mix of infrastructure, analytics and program management roles. HCA spent Q1 and continues to interview candidates for the AIM Director position, which will be a key resource for guiding the AIM program. As the AIM team is assembled, Washington is developing a HIT governance structure in line with that of the overall Healthier Washington initiative.

It was determined in Q1 to bring in external knowledge to assist in the development of a strategic roadmap for meeting Healthier Washington goals. A precursor to SIM investment, HCA began a contracting process with Gartner to identify a data architecture and management plan, as well a tool acquisition and procurement strategy.

As for data, Washington made significant strides in Q1. We identified eight potential data sources for the data warehouse that will drive Washington's analytics engine, and started conversations with the departments, agencies and outside organizations that own that data on strategies for sharing it, interoperability standards, and a data governance approach.

Continuous Quality Improvement

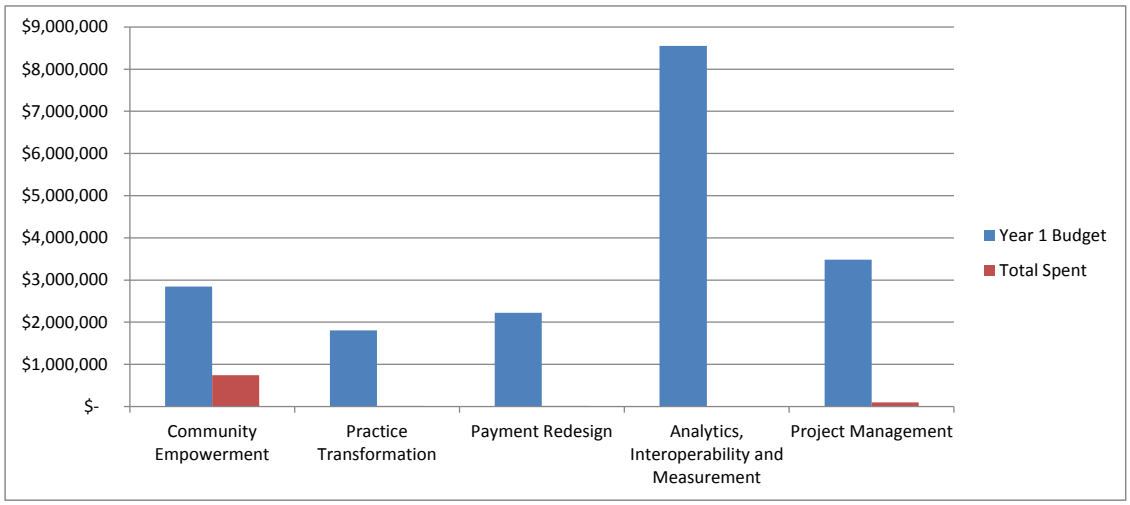
Washington engaged with its state evaluation team in Q1, scoping roles, responsibilities and scope for the evaluation design that will occur in year one. It was determined to contract separately with the University of Washington, Group Health Research Institute, and DSHS' Research and Data Analysis Division for their contributions to the evaluation and its design. The terms of contracts will include expectations around collaboration between UW, GHRI and the State. As the SIM state evaluator, UW will be responsible for the overall design and implementation of a cohesive rapid-cycle and summative Healthier Washington evaluation. Specific research-based programmatic evaluations also were identified as critical. Specifically, GHRI—in collaboration with UW—will lead the formative and summative evaluation of ACHs, and UW will ensure specific focus on the formative and summative evaluation of the Practice Transformation Support Hub. Contract finalization and approval was still in process at the close of Q1, with an anticipated evaluation kick-off in June.

Healthier Washington Quarterly Expenditure Report

YEAR 1

		Quarter 1 (Feb - Apr 2015)	Quarter 2 (May - Jul 2015)	Quarter 3 (Aug - Oct 2015)	Quarter 4 (Nov 2015 - Jan 2016)	Total Expenditures	Budget	Remaining Balance	% Spent
Community Empowerment	A. Personnel	$32,887				$32,887	$308,439	$275,553	11%
	B. Fringe Benefits	$8,929				$8,929	$92,532	$83,603	10%
	C. Travel						$7,623	$7,623	0%
	D. Equipment						$0	$0	
	E. Supplies						$67,080	$67,080	0%
	F. Consultant/Contractual						$1,075,000	$1,075,000	0%
	G. Construction						$0	$0	
	H. Other (e.g., grants)	$699,832				$699,832	$1,279,676	$579,844	55%
	I. Direct	$741,647				$741,647	$2,830,350	$2,088,703	26%
	J. Indirect						$16,695	$16,695	0%
	TOTAL	**$741,647**				**$741,647**	**$2,847,045**	**$2,105,398**	**26%**
Practice Transformation	A. Personnel	$9,746				$9,746	$364,715	$354,970	3%
	B. Fringe Benefits	$2,385				$2,385	$109,414	$107,029	2%
	C. Travel						$640	$640	0%
	D. Equipment						$0	$0	
	E. Supplies						$67,080	$67,080	0%
	F. Consultant/Contractual						$1,170,000	$1,170,000	0%
	G. Construction						$0	$0	
	H. Other (e.g., facilities, services and software)						$79,676	$79,676	0%
	I. Direct	$12,131				$12,131	$1,791,525	$1,779,394	1%
	J. Indirect						$16,695	$16,695	0%
	TOTAL	**$12,131**				**$12,131**	**$1,808,220**	**$1,796,089**	**1%**
Payment Redesign	A. Personnel	$14,595				$14,595	$335,009	$320,414	5%
	B. Fringe Benefits	$3,603				$3,603	$100,503	$96,900	4%
	C. Travel						$2,424	$2,424	0%
	D. Equipment						$0	$0	
	E. Supplies						$67,080	$67,080	0%
	F. Consultant/Contractual						$1,618,887	$1,618,887	0%
	G. Construction						$0	$0	
	H. Other (e.g., facilities, services and software)						$79,676	$79,676	0%
	I. Direct	$18,198				$18,198	$2,203,579	$2,185,381	1%
	J. Indirect						$16,695	$16,695	0%
	TOTAL	**$18,198**				**$18,198**	**$2,220,274**	**$2,202,076**	**1%**
Analytics, Interoperability and Measurement (AIM)	A. Personnel						$1,193,974	$1,193,974	0%
	B. Fringe Benefits						$358,192	$358,192	0%
	C. Travel						$0	$0	0%
	D. Equipment						$1,200,000	$1,200,000	0%
	E. Supplies						$67,080	$67,080	0%
	F. Consultant/Contractual						$2,675,000	$2,675,000	0%
	G. Construction						$0	$0	0%
	H. Other (e.g., technology and data)						$3,039,976	$3,039,976	0%
	I. Direct	$0				$0	$8,534,222	$8,534,222	0%
	J. Indirect						$16,695	$16,695	0%
	TOTAL	**$0**				**$0**	**$8,550,917**	**$17,085,139**	**0%**
Project Management	A. Personnel	$74,120				$74,120	$757,805	$683,685	10%
	B. Fringe Benefits	$20,877				$20,877	$227,341	$206,464	9%
	C. Travel						$22,458	$22,458	0%
	D. Equipment						$0	$0	
	E. Supplies	$633				$633	$67,080	$66,447	1%
	F. Consultant/Contractual						$2,310,000	$2,310,000	0%
	G. Construction						$0	$0	
	H. Other (e.g., facilities, services and software)						$79,676	$79,676	0%
	I. Direct	$95,629				$95,629	$3,464,360	$3,368,731	3%
	J. Indirect						$16,695	$16,695	0%
	TOTAL	**$95,629**				**$95,629**	**$3,481,055**	**$3,385,426**	**3%**
Total Year 1 Budget	A. Personnel	$131,347				$131,347	$2,959,942	$2,828,595	4%
	B. Fringe Benefits	$35,793				$35,793	$887,982	$852,189	4%
	C. Travel						$33,145	$33,145	0%
	D. Equipment						$1,200,000	$1,200,000	0%
	E. Supplies	$633				$633	$335,400	$334,767	0%
	F. Consultant/Contractual						$8,848,887	$8,848,887	0%
	G. Construction						$0	$0	
	H. Other (as noted above)	$699,832				$699,832	$4,558,680	$3,858,848	15%
	I. Direct	$867,605				$867,605	$18,824,036	$17,956,431	5%
	J. Indirect						$83,475	$83,475	0%
	TOTAL	**$867,605**				**$867,605**	**$18,907,511**	**$18,039,906**	**5%**

	Year 1 Budget	Total Spent
Community Empowerment	$ 2,847,045	$ 741,647
Practice Transformation	$ 1,808,220	$ 12,131
Payment Redesign	$ 2,220,274	$ 18,198
Analytics, Interoperability and Measurement	$ 8,550,917	$ -
Project Management	$ 3,481,055	$ 95,629
	$ 18,907,511	$ 867,605



Washington State Innovation Models
2nd Quarter Progress Report

May 1 – July 31, 2015

The Healthier Washington team submits quarterly reports to the Center for Medicare and Medicaid Innovation (CMMI) focusing on the progress made toward the program milestones and goals of the Healthier Washington initiative.

The information here follows CMMI's request to highlight only a few Healthier Washington elements within the specified progress report domains below. Within this summary, you will find highlights of the successes and lessons learned from this past quarter. To submit questions or feedback go to www.hca.wa.gov/hw to contact the Healthier Washington team.

Success Story or Best Practice

The Paying for Value strategy achieved an important milestone in the second quarter. After lengthy negotiations, the Washington State Health Care Authority (HCA) in June named two Accountable Care Program options for public employee benefits:

- University of Washington Accountable Care Network
- Puget Sound High Value Network LLC

These options will be open first to state employees residing in the Puget Sound region beginning in January 2016.

The two selected networks are committed to implementing the contractual requirements of care transformation across all network partners.

Read more about this	
	Paying for value web page
	ACP fact sheet

Challenges

Recruitment. Selecting and hiring a director for the Healthier Washington Analytics, Interoperability and Measurement (AIM) investment area remains a challenge due to the job's complexity. Healthier Washington leadership has addressed this gap by identifying the key accountabilities of the position and assigning responsibilities to other AIM team members, such as project managers, security and data governance specialists, and the HCA's Chief Information Officer.

The lack of a director has not impacted work plans or timeframes because of the swift and adaptive approach to mitigating the gap. However, leadership considers hiring a staff director (as opposed to a contractor) as a key success factor. In the third quarter leadership plan to enlist the assistance of a recruiting firm. Additionally, the Healthier Washington team will continue to identify and mitigate risks associated with having this position unfilled.

Co-location of Healthier Washington staff. An early challenge included team building, coordination and collaboration for a new and forming Healthier Washington team that was spread out across multiple floors and various buildings across town. Via facilities/space planning, the Healthier Washington team within HCA co-located, with ample "float" and collaboration space for team members from other agencies and Healthier Washington consultants. Since co-locating in July, a new and productive energy of collaboration and team emerged.

Governance

Health Innovation Leadership Network (HILN). The second quarterly meeting of the Health Innovation Leadership Network (HILN) took place in July. Building on the first quarter kickoff meeting, during which HILN members agreed to a role focused on action and acceleration, the second meeting focused primarily on the development of subcommittees, called "accelerator committees." The accelerator committees, comprised of leadership from HILN and participants from organizations not represented HILN, will form in the third quarter and focus on specific and timely efforts that directly impact the achievement of Healthier Washington aims.

The role of HILN is documented in meeting summaries available to the public.

Program documents. The program charter, Core Team charter, and decision-making framework were delivered in the second quarter. Detailed program management tools (such as risk logs, issue logs, and work plans for all investment areas) were also successfully deployed and are systematically updated, reviewed regularly and maintained.

Recruitment. Several key leadership positions were successfully filled in the second quarter:

- Medicaid Transformation Manager, responsible for the two Medicaid-focused payment model tests.
- Practice Transformation Support Hub Director.
- Healthier Washington Department of Health Connector was replaced after the departure of the previous incumbent.

With a majority of the Healthier Washington team and key consultants in place, Healthier Washington leadership held a mid-year summit that gathered program team members and consultants for the first time. The summit generated productive team building and identified opportunities for alignment across the complex Healthier Washington initiative.

Stakeholder Engagement

Key second quarter stakeholder engagement activities in the second quarter included:

- A quarterly webinar focused on payment redesign activities. The webinar presented an overview and update of the four payment model tests, followed by questions and answers. Approximately 170 attendees participated virtually and submitted more than 25 questions.
- HCA reviewed and incorporated more than 1,100 comments from stakeholders to the fully-integrated managed care contracts, which integrates behavioral health services (mental health and chemical dependency services) into managed care. This is the "Early Adopter" program or Payment

Model Test 1. HCA also engaged managed care organizations to educate them on the new services that will fall under a fully-integrated model.

- Healthier Washington staff, in partnership with the two designated Accountable Communities of Health (ACHs) and seven design communities, participated in presentations across the state. Topics included SIM activities on governance, practice transformation, Medicaid transformation, and ACH expectations for 2015 and 2016.
- The Practice Transformation Support Hub sponsored a variety of stakeholder engagement and partner activities to ensure service alignment with provider and community needs, including a listening tour that engaged with a variety of community and agency groups.
- The Performance Measures Coordinating Committee reconvened in June to continue to evolve the Statewide Common Measure Set. Engagement with commercial payers delivered a key accomplishment: an agreement to voluntarily participate in reporting from the 52 common measures and submit data for each of those measures.

Read more about this
Paying for value web page
Accountable Communities of Health
Practice Transformation Support Hub Fact Sheet
Integrated Physical and Behavioral Health
Performance Measures

Population Health

The Plan for Improving Population Health will build on the work of the Prevention Framework, including the framework's identified focus areas, objectives, strategies and interventions. The goal of the plan is to provide ways for improving population health on a regional level and develop a toolkit of evidence-based practices. It was determined in the second quarter that the timeframe for development of the plan is now August 2015 to September 2016.

The project lead met with internal and external leadership and partners, developed a draft charter, and hired a dedicated position to manage the plan's development and completion. Plans are in place to form internal and external advisory committees, establish assessment and evaluation plan requirements, and establish communication structures.

Two pilot Accountable Communities of Health (ACH) were officially designated as ACHs. North Sound ACH and Cascade Pacific Action Alliance demonstrated a strong foundation for regional health improvement efforts and collaborative partnership with the state.

Designation allows continued regional health improvement planning and implementation. The ACH framework calls for regions to identify and consider existing community needs assessments, initiatives and assets. This information informs the development of regional strategies to address ACH priorities. As an example, the Cascade Pacific Action Alliance is currently implementing a Youth Behavioral Health Coordination Project to identify children with behavioral health challenges as early as possible in both

educational and health care settings, and connect at-risk children bi-directionally with community-based interventions and treatment services.

The Plan for Improving Population Health will align with and serve as a resource to ACHs as they identify priorities and corresponding evidence-based practices and strategies.

Health Care Delivery System Transformation

The Practice Transformation Support Hub began its design and development phase in the second quarter. Key activities and deliverables included:

- Hired a Practice Transformation Support Hub Director.
- Hired a DSHS Practice Transformation Consultant.
- Developed work plans and aligned cross-agency staff and accountabilities.
- Developed a communications strategy map to guide cross-agency stakeholder engagement and messaging efforts.
- Developed and implemented a stakeholder engagement plan to apply user-centered design strategy to inform development, phased implementation, and prioritization of Hub services.
- Held three listening sessions with providers and provider organizations across the state to inform Hub design and priorities.
- Developed a plan to build on existing quality improvement and practice transformation resources and efforts to provide tools, resources, and technical assistance for practice transformation activities.
- Initiated inventory assessment of publicly-funded practice facilitation agencies in the state to better understand their current and three-year priorities for their services. Interviews looked for insights on how to align these practice facilitation initiatives and promote cross-agency synergy.

Read more about this	
	Practice Transformation Hub web page
	Practice Transformation Support Hub Fact Sheet

Payment and/or Service Delivery Models

Payment Model Test 1-Early Adopter. HCA finalized the managed care contracts to integrate mental health and chemical dependency services into physical health managed care plans. HCA drafted a request for proposals to procure managed care organizations (MCOs) to provide fully-integrated services in the southwest regional service area and established new standards to measure adequacy of substance use disorder services.

Per CMMI's request for clarification in the first quarter report, the Early Adopter "interactive model" allows users to choose from a menu of evidence-based physical and behavioral health interventions that could be accelerated in this model. Users can choose how many (and which) interventions to implement, which population to apply the intervention to, and the level of resources to direct toward the intervention. The model provides an estimated cost savings based on the users' choices and parameters.

Payment Model Test 2–Encounter-based to Value-based. Representatives of Critical Access Hospitals met to discuss challenges and opportunities to realizing the value-based purchasing goals. Subsequently, Critical Access Hospital executives submitted letters of intent to work with HCA to develop new payment and delivery approaches. Additionally, an RFP was released to recruit an expert to help navigate alternative payment model development with Federally Qualified Health Centers and Rural Health Clinics.

Payment Model Test 3–Accountable Care Program. See *Success Story* on page 1.

Payment Model Test 4–Greater Washington Multi-Payer. Healthier Washington reached the final stages of model test 4 design, with plans to release a Request for Application in the third quarter. This multi-payer initiative aims to advance value-based purchasing across Washington by empowering providers to take on risk, better coordinate care, and more effectively manage population health through an innovative claims and clinical data aggregation platform.

Read more about this	
	Paying for value web page
	ACP fact sheet

Leveraging Regulatory Authority

Medicaid Transformation Waiver. Washington intends in the third quarter to submit an application for a Medicaid Section 1115 Waiver designed to bring key SIM initiatives to scale. The waiver builds on elements of value-based purchasing and fully-integrated care, with particular reliance on the role of ACHs as entities that will foster and coordinate those elements. During this reporting period, Washington issued a concept paper to the public, followed by release of a draft waiver application. The Healthier Washington team engaged the public through a series of webinars and presentations, including extensive discussions with ACHs, tribes and many stakeholder organizations. Considerable feedback was collected and incorporated into the draft.

Read more about this	
	Medicaid Transformation web page
	Paying for value web page

All-Payers Claims Database (APCD). The Washington State Legislature established a statewide all payer health care claims database to support transparent public reporting of health care information. The Office of Financial Management (OFM) is the agency overseeing this work. OFM will release a Request for Proposals to find a lead organization in the third or fourth quarter to oversee the development of the Washington APCD. Selection of a lead organization is expected by January 2016.

The APCD is projected to be built in phases with financial support from another federal grant (Cycle III and IV). Phase I is slated to be operational by October 2016 and will include state-financed data (state employee and Medicaid) and commercial plans. Phase 2 is slated to be operational by January 2017 and will include state workers' compensation data and additional voluntary data.

Workforce Capacity

In preparation for the Community Health Worker Task Force convening in the third quarter, Healthier Washington engaged in planning for a robust task force progression with actionable policy recommendations to inform the SIM operational plan. The task force, with the HCA Director and Secretary of Health as co-executive sponsors, will be an extensive and broad based task force with membership including representation by those working in the field as well as representatives of clinical, community, physical and behavioral health, employer, nursing, tribal, labor, education, and legislative sectors.

Read more about this	
	Community Health Worker Task Force web page

Health Information Technology

The Analytics, Interoperability and Measurement (AIM) program made great progress in the second quarter, with activities and milestones as follows:

- Formed an AIM-specific governance structure while aligned with the overall governance structure of the Healthier Washington initiative. The two primary groups in the governance model include:
  - AIM Steering Committee, consisting of Healthier Washington leadership from HCA, DOH and DSHS. This body is chartered to make decisions about AIM's program scope, cost and schedule, or to escalate to the Core Team or the Healthier Washington Consulted Leadership as needed.
  - AIM team, consisting of AIM-funded personnel, as well as key staff from HCA, DOH and DSHS.
- Built a high-level work plan for AIM, which covers the remainder of 2015 and includes expected deliverables from a Business Intelligence/Shared Analytics (BI/SA) roadmap effort. The major planning deliverable for AIM was creation of a charter, to be approved by the AIM Steering Committee in the third quarter.
- The BI/SA roadmap effort led to a set of business imperatives (i.e., goals and objectives) for the Healthier Washington initiative. The business imperatives were accepted by the AIM Steering Committee and adopted into the AIM Charter.
- The AIM team hired its first two SIM-funded staff: a Healthier Washington privacy and security officer and a project manager.

Continuous Quality Improvement

The University of Washington was brought on board as the state's evaluator in the second quarter and established regular meetings and assigned responsibilities for aspects of the evaluation design. An Evaluation Council was convened and meets monthly.

The evaluation team completed a robust set of meetings and conversations in order to understand the data sources and availability; the activities of the DSHS Research and Data Analysis group, data infrastructure, and the evaluation component relative to physical and behavioral health integration; the activities of the ACH evaluators; the four payment models; and the Practice Transformation Hub.

The information gathered during the second quarter will inform a conceptual model, to be delivered in the third quarter, to guide the qualitative and quantitative analyses of the SIM evaluation. The framework will include but not be limited to a driver diagram that articulates the relationships between:

- Specific interventions and the three core strategies underlying SIM.
- The five strategic investment areas and the three core strategies they support.
- The core strategies and the "Triple Aim" they are attempting to achieve.

Status reporting, budget reporting and milestone tracking have been in place since mid-June. The creation of the program work plan and milestone chart enabled date tracking at the milestone level and the next step will be to standardize metrics for gauging project health, such as timely completion of key milestones, risk mitigations, and issues resolved in a timely manner.

Additional Information

Communication. Communication activities occurred in the second quarter to respond to requests to help tell the story of Healthier Washington and what it will achieve:

- HILN members received an "Ambassador's Toolkit," a set of communication tools that include summaries of initiative efforts, fact sheets and graphics.
- A series of four videos were completed to illustrate the diversity of collaboration occurring to achieve the aims of Healthier Washington, as well as tell stories of how lives are affected by current system inefficiencies and how Healthier Washington will assist in necessary health systems transformation.

Shared decision making. Healthier Washington, through a grant from the Gordon and Betty Moore Foundation, convened state and national stakeholders in May to discuss the process for certifying patient decision aids in Washington. The feedback led to a draft process document, updated WAC language, and an application process for developers to submit patient decision aids for consideration. Once a certification process is in place, Healthier Washington will spread the use of certified decision aids across the state.

Healthier Washington change management. HCA sponsored several staff members to attend change management training in support of grant-funded activities. As a result, a change management proposal is being developed on how to better support leaders in both primary sponsor and sponsor coalition roles, to help them lead transformational activities and teams, particularly relating to the Healthier Washington team structure.

Healthier Washington Quarterly Expenditure Report

YEAR 1

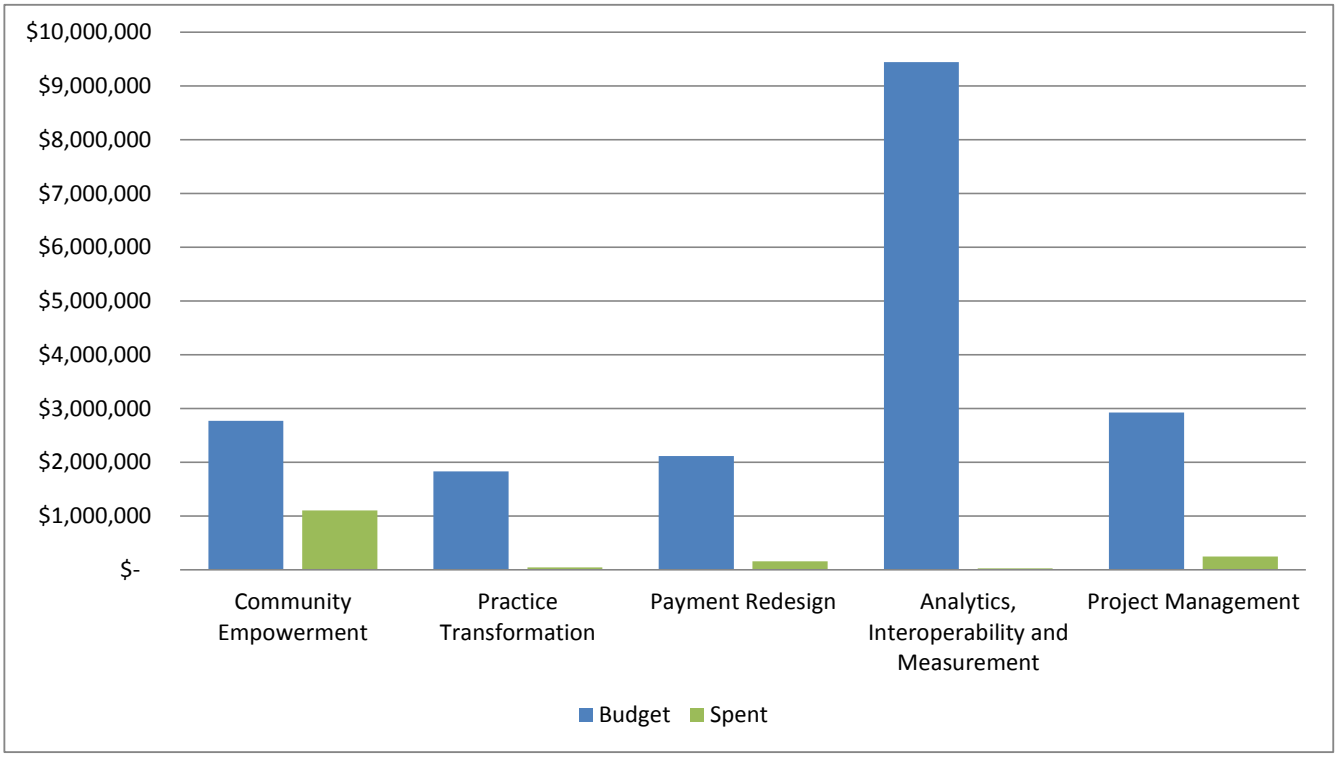
		Quarter 1 (Feb - Apr 2015)	Quarter 2 (May - Jul 2015)	Quarter 3 (Aug - Oct 2015)	Quarter 4 (Nov 2015 - Jan 2016)	Total Expenditures	Budget	Remaining Balance	% Spent
Community Empowerment	FTE's	2.33							
	A. Personnel	$24,925	$49,375			$74,300	$252,330	$178,030	29%
	B. Fringe Benefits	$7,497	$14,142			$21,639	$75,699	$54,060	29%
	C. Travel		$338			$338	$7,623	$7,285	4%
	D. Equipment					$0	$0	$0	
	E. Supplies		$986			$986	$64,900	$63,914	2%
	F. Consultant/Contractual					$0	$1,075,000	$1,075,000	0%
	G. Construction					$0	$0	$0	
	H. Other (e.g., grants)	$699,832	$307,037			$1,006,868	$1,277,352	$270,484	79%
	I. Direct	$732,254	$371,878			$1,104,131	$2,752,903	$1,648,773	40%
	J. Indirect					$0	$16,695	$16,695	0%
	TOTAL	**$732,254**	**$371,878**			**$1,104,131**	**$2,769,598**	**$1,665,468**	**26%**
Practice Transformation	FTE's	0.67							
	A. Personnel	$6,497	$20,761			$27,258	$308,606	$281,348	9%
	B. Fringe Benefits	$1,811	$6,392			$8,202	$92,582	$84,380	9%
	C. Travel					$0	$640	$640	0%
	D. Equipment					$0	$0	$0	
	E. Supplies		$904			$904	$64,900	$63,996	1%
	F. Consultant/Contractual		$1,425			$1,425	$1,270,000	$1,268,575	0%
	G. Construction					$0	$0	$0	
	H. Other (e.g., facilities, services and software)		$7,024			$7,024	$77,352	$70,328	9%
	I. Direct	$8,308	$36,506			$44,814	$1,814,079	$1,769,266	2%
	J. Indirect						$16,695	$16,695	0%
	TOTAL	**$8,308**	**$36,506**			**$44,814**	**$1,830,774**	**$1,785,961**	**1%**
Payment Redesign	FTE's	1.73							
	A. Personnel	$9,158	$48,108			$57,265	$350,350	$293,085	16%
	B. Fringe Benefits	$2,644	$19,029			$21,673	$105,105	$83,432	21%
	C. Travel		$144			$144	$2,424	$2,280	6%
	D. Equipment					$0	$0	$0	
	E. Supplies		$904			$904	$64,900	$63,996	1%
	F. Consultant/Contractual		$66,519			$66,519	$1,500,000	$1,433,481	4%
	G. Construction					$0	$0	$0	
	H. Other (e.g., facilities, services and software)		$7,024			$7,024	$77,352	$70,328	9%
	I. Direct	$11,801	$141,728	$0	$0	$153,529	$2,100,130	$1,946,602	7%
	J. Indirect						$16,695	$16,695	0%
	TOTAL	**$11,801**	**$141,728**	**$0**	**$0**	**$153,529**	**$2,116,825**	**$1,963,297**	**7%**
Analytics, Interoperability and Measurement (AIM)	FTE's	0.25							
	A. Personnel		$11,621			$11,621	$1,191,815	$1,180,194	1%
	B. Fringe Benefits		$4,347			$4,347	$357,544	$353,197	1%
	C. Travel					$0	$0	$0	
	D. Equipment					$0	$1,200,000	$1,200,000	0%
	E. Supplies		$904			$904	$64,900	$63,996	1%
	F. Consultant/Contractual					$0	$3,575,000	$3,575,000	0%
	G. Construction					$0	$0	$0	
	H. Other (e.g., technology and data)		$7,003			$7,003	$3,037,652	$3,030,649	0%
	I. Direct		$23,875			$23,875	$9,426,911	$9,403,036	0%
	J. Indirect						$16,695	$16,695	0%
	TOTAL		**$23,875**	**$0**	**$0**	**$23,875**	**$9,443,606**	**$9,419,731**	**0.3%**
Project Management	FTE's	6.51							
	A. Personnel	$57,096	$117,498			$174,594	$755,646	$581,052	23%
	B. Fringe Benefits	$17,912	$42,283			$60,194	$226,694	$166,500	27%
	C. Travel					$0	$22,458	$22,458	0%
	D. Equipment					$0	$0	$0	
	E. Supplies	$550	$904			$1,454	$64,900	$63,446	2%
	F. Consultant/Contractual					$0	$1,760,000	$1,760,000	0%
	G. Construction					$0	$0	$0	
	H. Other (e.g., facilities, services and software)	$83	$7,534			$7,617	$77,352	$69,735	10%
	I. Direct	$75,640	$168,219			$243,859	$2,907,049	$2,663,191	8%
	J. Indirect						$16,695	$16,695	0%
	TOTAL	**$75,640**	**$168,219**	**$0**	**$0**	**$243,859**	**$2,923,744**	**$2,679,886**	**8%**
Total Year 1 Budget	TOTAL FTE's	11.49							
	A. Personnel	$97,675	$247,363	$0	$0	$345,038	$2,858,747	$2,513,709	12%
	B. Fringe Benefits	$29,863	$86,193	$0	$0	$116,056	$857,624	$741,568	14%
	C. Travel	$0	$483	$0	$0	$483	$33,145	$32,662	1%
	D. Equipment	$0	$0	$0	$0	$0	$1,200,000	$1,200,000	0%
	E. Supplies	$550	$4,604	$0	$0	$5,153	$324,500	$319,347	2%
	F. Consultant/Contractual	$0	$67,944	$0	$0	$67,944	$9,180,000	$9,112,056	1%
	G. Construction	$0	$0	$0	$0	$0	$0	$0	
	H. Other (as noted above)	$699,915	$335,621	$0	$0	$1,035,535	$4,547,060	$3,511,525	23%
	I. Direct	$828,003	$742,207	$0	$0	$1,570,209	$19,001,072	$17,430,867	8%
	J. Indirect	$0	$0	$0	$0	$0	$83,474	$83,474	0%
	TOTAL	**$828,003**	**$742,207**	**$0**	**$0**	**$1,570,209**	**$19,084,546**	**$17,514,341**	**8%**

Note: State Financial data has been adjusted to fit Federal Budget Categories

For questions or supporting documents: contact Lori Anthonsen 725-1854 or Savannah Parker 725-1321

SIM Federal Grant - Year 1 Quarter 2 - Healthier Washington
February 1, 2015 - July 31, 2015
From: Enterprise Agency Financial Reporting

	Year 1 Budget	Total Spent
Community Empowerment	$ 2,769,598	$ 1,104,131
Practice Transformation	$ 1,830,774	$ 44,814
Payment Redesign	$ 2,116,825	$ 153,529
Analytics, Interoperability and Measurement	$ 9,443,606	$ 23,875
Project Management	$ 2,923,744	$ 243,859
	$ 19,084,547	$ 1,570,209



Accountable Communities of Health

Demonstration of Readiness for Designation

July 2015

Prepared for the Health Care Authority
By the Center for Community Health and Evaluation

Background

Accountable Communities of Health (ACH) were designed to recognize and leverage the innovation and collaboration occurring in local communities by bringing public and private entities together to work on shared health goals. Through these diverse multi-sector partnerships, ACHs will be an integral part of the statewide Healthier Washington initiative.

As part of the ACH continuum of development, two regions were chosen as Pilot Communities for January – June 2015. These Pilots were: North Sound Accountable Community of Health (North Sound) and Cascade Pacific Action Alliance (CPAA).

At the end of this Pilot demonstration, North Sound and CPAA submitted designation applications to describe their progress in establishing functional ACHs that exhibit a strong foundation for regional health improvement efforts and collaborative partnership with the State. To demonstrate readiness for the next phase of development and activity, Pilots were required to meet a set of minimum requirements related to governance, ACH membership, community engagement, backbone functions, sustainability frameworks, progress on regional health assessments, and emerging priorities for a regional health plan. They also shared progress on their collaborative regional health improvement projects.

ACH designation allows continued regional health improvement planning and implementation. The following summaries include highlights and quotes from each region's demonstration of readiness proposals and are informed by intial conversations with their backbone organizations about the regions' strengths and progress during the demonstration grant period.

North Sound Accountable Community of Health

The Washington State Health Care Authority designated North Sound ACH as an Accountable Community of Health on July 1, 2015. Collaboration in this region spans five counties: Island, San Juan, Skagit, Snohomish, and Whatcom. During the Pilot demonstration period, North Sound successfully transitioned from an Organizing Committee to a Governing Body structure, guided by a mutually agreed upon common agenda. This Body leveraged a strong regional history of collective action on key health issues, the expertise of its members, and existing partnerships between many stakeholders to help build trust and a functioning governance structure for the ACH. One of North Sound's key pilot

> "At the core of a successful Accountable Community of Health are working relationships built on inclusiveness, trust, respect, transparency, continuous learning, and data-driven decision-making."
> *- North Sound Common Agenda*

accomplishments was to expand its Governing Body's membership to include representatives from housing, first responders, small business, and three tribes. The ACH prioritized outreach to tribes because they "consider all eight tribes in the North Sound region [to be] essential partners in health innovation." As a result of these efforts, North Sound ACH welcomed representatives from the Lummi, Upper Skagit, and Swinomish Tribes. The ACH also transitioned to a managed care organization caucus format that allows for one vote for the caucus on the Governing Body.

North Sound adopted bylaws early in the Pilot period and continued to refine them as the group gained experience. The ACH developed an Interim Steering Committee to review key briefings, prepare for Governing Body meetings, and "consult with [backbone] staff as time sensitive questions regarding administrative matters arise." This group reflects the multi-sector composition of the ACH and will soon transition to a formal Steering Committee. The backbone organization for this designated ACH is the Whatcom Alliance for Health Advancement (WAHA), due to its "experience working with coalitions of diverse interests, and its integral involvement in the pre-planning process for the North Sound."

"Governing Body members are expected to represent the interests, needs, and concerns of their sector they were appointed to represent, not only the organization or agency for which they work."
– North Sound Bylaws

During the Pilot period, a Regional Health Needs Inventory work group updated an analysis of local Community Health Assessments (CHAs) and Community Health Needs Assessments (CHNAs) to better understand the region's needs. The group also expanded existing inventories and collected additional data to better understand the work already occurring in the region within the areas that the ACH names as the "broad priorities that have consistently come to the forefront: **care management and behavioral health**." To augment these data, they interviewed additional health leaders and service providers and implemented an online survey of North Sound residents.

North Sound's first regional project is the CASE initiative: **C**oordinate, **A**lign, **S**tandardize, **E**nhance and **E**xpand Care Coordination Efforts in North Sound. This effort is considered "a critical first step in developing a collaborative, regional safe table to facilitate shared learnings." This work was re-scoped during the Pilot phase to develop a set of lessons learned, an inventory of existing care coordination programs, and a survey of existing related measures, as well as a look at future collaboration.

"The single biggest lesson learned in the initial stages of CASE was that trust is critical and must be built and nurtured before collaboration can happen. More simply put, **collaboration moves at the speed of trust**."

North Sound developed a set of sustainability considerations to help guide discussions and highlight possibilities for long term sustainability of the ACH and the CASE initiative.

The North Sound ACH Readiness Proposal can be found online:
http://whatcomalliance.org/wp-content/uploads/2015/06/North-Sound-ACH_Readiness-Proposal.pdf

Cascade Pacific Action Alliance (CPAA)

The Washington State Health Care Authority designated CPAA as an Accountable Community of Health on July 2, 2015. Collaboration in this region spans seven counties: Cowlitz, Grays Harbor, Lewis, Mason, Pacific, Thurston, and Wahkiakum. CPAA has developed a "shared and distributed leadership approach" designed to bring together a diverse group of stakeholders while also ensuring all members have equal voice. The CPAA Charter orients their work around four core values: inclusiveness, equality, consensus, and shared learning. Decisions are made at the CPAA Regional Coordinating Council through a consensus based decision making

process, which is perceived to be effective at building stakeholder trust while still making difficult decisions. The CPAA governance structure "carefully balances geographic representation with sector diversity." As part of the structure, each county established a local forum that meets regularly and is formally linked to the regional effort through one or more county-specific representatives on the CPAA Council. The Council also includes county-specific representation from medical care, public health, and elected officials, as well as representatives from behavioral health, multiple managed care organizations, and other key stakeholders that work across counties on issues such as housing, education, and social services. A Support Team, consisting of volunteers from the Council, works closely with backbone staff to frame issues and work on policy recommendations in advance of Council meetings. The backbone organization for CPAA is CHOICE Regional Health Network. As stated in their ACH Pilot application, CHOICE was appointed the backbone for CPAA due to its "long history of leading collaborative efforts in the health care arena" and previous partnerships on health improvement initiatives in the region.

"Our region also decided early on to build on existing community structures to the greatest extent possible and adopt a bottom-up approach that links individual communities in the seven counties coming together within the CPAA with a regional coordinating group."

CPAA identified five regional health priority areas: access to services, care coordination and integration, chronic disease prevention and management, preventing and mitigating Adverse Childhood Experiences (ACES), and enhancing economic and educational opportunities. They collected region wide metrics, identified a set of objectives for each area, and are now working to develop 'actionable strategies', with a goal of completing a Regional Health Improvement Plan by the end of 2015.

The goal of the ACH's pilot project—the **Youth Behavioral Health Coordination Pilot Project**—is to "identify children with behavioral health challenges (mental health and chemical dependency) as early as possible in both education and health care settings, and connect at-risk children with community-based interventions and treatment services." During the pilot period a work group selected behavioral health screening tools, inventoried existing community based resources, and mapped potential workflows between members of the educational and medical sectors. They successfully identified four project test sites through a process that included developing selection criteria, researching potential school partners, designing a scoring matrix, and reaching out to selected schools. The region is "eager to move from planning to action" in the second half of 2015.

"This pilot project is an excellent illustration of what can be achieved in a very short time by different community sectors working together toward a common goal."

CPAA also examined long-term ACH sustainability and started to identify potential funding sources. Their readiness proposal "lays out a logical progression for attracting potential funding sources over time (three-phase approach) based on potential funders' relative risk tolerance."

The Cascade Pacific Action Alliance ACH Readiness Proposal can be found online:
https://crhn.org/Files/ach/CPAA_DesignationProposalPortfolio.pdf

Summary

In July 2015, Washington State officially recognized two regions as Accountable Communities of Health (ACH). These two regions were North Sound Accountable Community of Health (North Sound) and Cascade Pacific Action Alliance (CPAA). This brief summary document has been prepared by the Center for Community Health and Evaluation, in partnership with the Health Care Authority.