This section will provide a brief overview of the Medicaid Transformation Demonstration (MTD). Throughout this chapter it will be referred to as “the Demonstration”. The primary focus in the chapter will focus on Initiative 2 – Long Term Services and Supports (LTSS) and Initiative 3 – Foundational Community Supports (FCS).

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## What is MTD?

MTD or Medicaid Transformation Demonstration (aka the Demonstration) is a five-year 1115 waiver with the Centers for Medicare and Medicaid Services (CMS) that provides up to $1.1 billion federal investment. This funding is not a grant. The 1115 waiver allows the state to “waive” certain Medicaid requirements in order to test innovative, sustainable and systematic changes that will help improve the overall health of Washingtonians. During the five years of the waiver, the state must demonstrate that it will not spend more federal dollars on its Medicaid program than it would have spent without the waiver.

The Demonstration is a part of the Health Care Authority’s (HCA) Healthier Washington Initiative. Over the next five years, the goals of the Demonstration are to:

1. Integrate physical and behavioral health purchasing and service delivery,
2. Convert 90% of Medicaid provider payments to reward outcomes,
3. Implement population health strategies that improve health quality, and
4. Provide targeted services that address the needs of our aging populations and address the key determinants of health.

The five year period for this waiver began on January 9, 2016 and ends December 31, 2021.

## What are the three initiatives of the Demonstration?

The Demonstration consists of three initiatives. They are as follows:

* Initiative 1: Transformation through Accountable Communities of Health

This initiative will provide communities with financial resources to improve health system performance for Medicaid clients at the local level. Each area, through its Accountable Community of Health (ACH), will be able to pursue projects aimed at transforming the Medicaid delivery system to serve the whole person and use resources more wisely.

These projects will be aimed at:

* Health systems capacity building—Support for development of new primary care models; workforce development, including non-conventional service sites; and improvements in data collection and analytic capacity.
* Care delivery redesign—Bi-directional integration of physical and behavioral health care; improved care coordination, including clinical-community linkages; and better transitions between services and settings.
* Prevention and health promotion—Focusing on chronic disease prevention and management, and maternal and child health, for Medicaid beneficiaries.

ACHs and their partners will receive funds only after they meet project goals. In the early years, payments will be made for meeting process milestones. Later, payments will be based on improvements in outcome measures.

* Initiative 2: Long Term Services and Supports

This initiative will broaden the array of service options that enable individuals to remain at home and avoid or delay the need for more intensive care. The state has created a system of care focused on outcomes that support unpaid family caregivers in caring for loved ones, delay or avoid need for more intensive long term services and supports (LTSS), create better linkages within the health care system, and continue its commitment to a robust LTSS system for those who need it. The Initiative 2 services will be provided by two new limited programs – Medicaid Alternative Care (MAC) and Tailored Supports for Older Adults (TSOA).

* Initiative 3: Foundational Community Supports

This initiative includes two new benefits called Supportive Housing and Supported Employment that are built around a growing body of evidence linking homelessness and unemployment with poor physical and mental health. Medicaid funds cannot be used to pay for housing or provide jobs, however, supportive services can promote stability and positive health outcomes while preventing homelessness and dependence on costly medical and behavioral health care and long term institutional care.

## MTD Resources

[MTD Community WorkSpace](https://shared.sp.wa.gov/sites/HCS/SocialServices/1115ws/SitePages/Home.aspx): the MTD SharePoint site that contains useful information, training videos, desk aids, and a Q & A forum called Conversation Cafe`.

[Health Care Authority's Healthier Washington Website](http://www.hca.wa.gov/about-hca/healthier-washington)

[HCS MTD Intranet site](http://intra.altsa.dshs.wa.gov/hcs/MTD.htm)

[ALTSA MTD Internet site](https://www.dshs.wa.gov/altsa/stakeholders/medicaid-transformation-project-demonstration)

## revision history

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| --- | --- | --- | --- |
| DATE | MADE BY | CHANGE(S) | MB # |
| November 2019 | Debbie Johnson | Moved to new template | H19-0xx |
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|  |  |  |  |