



April 13, 2012

Bea Rector
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Aging and Disability Services Administration
Department of Social and Health Services
State of Washington
P.O. Box 45600
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Kathy Pickens-Rucker
Project Management Office Manager
Health Care Authority
State of Washington
P.O. Box 42682
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Submitted electronically to duals@dshs.wa.gov

Re: Invitation to Provide Public Comment on “Pathways to Health: Medicare and Medicaid Integration in Washington State”

Dear Ms. Rector and Ms. Pickens-Rucker:

Thank you for the opportunity to provide comment to the Washington Department of Social and Health Services Aging and Disability Services Administration (DSHS/ADSA) and the Health Care Authority (HCA) on the joint proposal to integrate care for Medicare-Medicaid dual eligible Washingtonians.

Amerigroup appreciates the State’s decision to accelerate dual eligible integration, especially in a manner that engages stakeholder input, perspective and expertise. We support this effort and are committed to helping build a successful integrated care system for these members in Washington State.

Amerigroup – which refers to Amerigroup Corporation, Amerigroup Washington Inc. and our other affiliate health plans – welcomes the opportunity to share our thinking on Medicare-Medicaid integration. Amerigroup helps improve health care access and quality for more than 2 million low-income individuals in 12 states nationwide by developing innovative care management programs and services. We are greatly looking forward to offering Medicaid managed care services in the State of Washington, our 13th state, later this year.

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With more than 18 years of experience solely focused on government-sponsored health programs, Amerigroup brings a balanced, national perspective to planning for coordinated primary, specialty and behavioral health care and long-term services and supports for dual eligible members. In the design of dual eligible integration models, we encourage the DSHS/ADSA and HCA to consider the demonstrated accomplishments of capitated managed care in the coordination and management of Medicare and Medicaid services for dual eligible members.¹

To this end, we have organized our comments around specific elements of the proposal to allow the State to build on its capabilities – and those of Managed Care Organizations (MCOs) – for the benefit of dual eligibles. In general, however, we believe there is one area of the proposal deserving of renewed discussion: timing. While Amerigroup understands and supports the desire to advance with urgency the cause of integration, the timeframe presented by the Centers for Medicare & Medicaid Services (CMS) in its demonstration guidance is aggressive.

We believe it is in the best interest of the State’s dual eligible members to adhere to the 2013 implementation period only if the DSHS/ADSA and HCA are comfortable the proposal can be implemented successfully for the demonstration population with minimal disruption of care and services. Amerigroup suggests Washington agencies be pragmatic and objective in evaluating progress toward implementation and consider deferring to a January 2014 start date as a contingency if, at any point, the likelihood of a smooth implementation appears compromised.

Strategy 1: Health Homes for High-cost/High-risk Duals (January 2013)

While we fully understand the importance of and applaud the State of Washington in its efforts to promote beneficiary choice, we urge the State to reconsider voluntary participation in health homes. Voluntary participation is likely to distort the risk profile of the enrolled population, create adverse selection and prevent optimal delivery of care to the intended group, the “5/50.” Members’ choices will have a significant effect on the health status profile of the enrolled populations, their needs for care and subsequent costs. Amerigroup recommends a passive enrollment mechanism with an opt-out feature. In addition, we encourage the State to share data on the experience and outcomes of similar voluntary programs, in addition to the Washington Medicaid Integration Partnership.

Strategy 2: Fully Integrated Model Purchased Through Health Plans (January 2013)

Amerigroup strongly believes Strategy 2 – a three-way contract approach using capitated managed care to advance full integration across both financial and care delivery components – is the best way to improve the coordination and management of Medicare and Medicaid services for dual eligible members. To this end, we encourage the State consider carefully the interplay between FFS-based health homes (as described in Strategy 1) and participating MCOs to ensure the success of Strategy 2.

As discussed throughout the proposal, strong coordination is critical to achieving higher quality and better care, integration of care and services across Medicare and Medicaid, and increased cost effectiveness for both programs. Within the managed care environment, health plans are creating, or have created, coordinated resources; some known as primary care medical homes, while others are health homes developed in accord with the health reform law. Specifically, health plans, like Amerigroup, leveraging a payer-driven, patient-centric health homes approach should be permitted to

1. Kenneth E. Thorpe, Emory University, “Estimated Federal Savings Associated with Care Coordination Models for Medicare-Medicaid Dual Eligibles” (September 2011), <http://www.ahipcoverage.com/wp-content/uploads/2011/09/Dual-Eligible-Study-September-2011.pdf> (accessed April 2, 2012).

assign members to their respective resource. These care management structures and processes, augmented with nonmedical services in the community, should meet the needs of dual eligibles with even the most complex of care and services needs.

However, the proposal includes a burdensome process for certifying health homes within MCOs. Amerigroup cautions this is an unnecessary requirement that emphasizes structure and process over what is most important: improved health outcomes for members. As a result, we believe the DSHS/ADSA and HCA should stress the intended results of care and empower delivery systems and their managers to figure out how to deliver them. To this end, Amerigroup urges the State to reconsider this extra process of certifying health homes within MCOs in exchange for clear, complete descriptions of expected outcomes. We support subsequent reviews – such as annual audits and review of member experience – to ensure MCOs, through these health home approaches, deliver on the promise of improved health.

In the proposal's discussion of health home coordination, while the Predictive Risk Intelligence System (PRISM), as developed, may be unavailable to MCOs, health plans have designed systems of care performing similar functions. For example, our Chronic Illness Intensity Index (CI3) platform, as demonstrated to the HCA, combines claims and risk identification information to provide case managers important insights in the development of personalized care management plans. We recognize the forward-thinking nature of PRISM but ask the proposal permit health plans to use similar technologies as available, such as CI3.

As echoed in our earlier comments on Strategy 1, Amerigroup strongly supports inclusion of a passive enrollment mechanism with an opt-out feature. We believe this is a sound and important feature of the proposal's second strategy. However, during the subsequent 90-day retention period, Amerigroup recommends the proposal empower health plans to align provider reimbursement to what would have been paid otherwise (from the combination of Medicare and Medicaid reimbursement) prior to the demonstration. In addition, we ask the State provide flexibility for such payment and adequate funding.

We commend the State for its inclusion of all categories of full-benefit dual eligibles in the integrated care proposal, including those with developmental disabilities. Our experience in other states shows this population can benefit from improved care management. While we are disappointed to see the State's exclusion of 1915(c) services from capitated managed care, Amerigroup commits to working with the State and stakeholders toward the future inclusion of these services in managed care. We are open to addressing stakeholder concerns and working collaboratively on a solution. Our unique focus on government-sponsored health programs allows Amerigroup to bring promising practices and tested experiences from other states to bear in Washington – to find, together, what works best for dual eligibles with developmental disabilities.

Strategy 3: Modernized and Consolidated Service Delivery With Shared Outcomes and Aligned Financial Incentives (January 2014)

Leading up to implementation of integrated service delivery under Strategy 3 in 2014, we would like to know more about how the State will determine a method of integration that would (a) be inwardly collaborative between both programs and (b) outwardly seamless to the member. We would like to understand the differences between Strategy 2 and Strategy 3 beyond the descriptions referenced in the proposal (e.g., year of implementation, reduced scope of benefits for capitated MCOs, areas

ineligible for Strategy 2, continuation of certain service payments through the FFS system, etc.). In particular, Strategy 3 includes a number of contract mandates not present in Strategy 2.

Again, Amerigroup applauds the DSHS/ADSA and HCA for the decision to leverage new federal opportunities to improve the quality, coordination and cost effectiveness of care and services for the State's dual eligible members. This draft proposal is an exciting next step in changing the paradigm of care and services for dual eligibles in Washington.

Thank you for the opportunity to comment on this draft dual eligible integration proposal and the important care delivery issues it examines. We look forward to continuing to work with you – and all stakeholders – as the State and CMS make final decisions on this integrated care and shared savings plan in the months ahead.

Sincerely,

A handwritten signature in black ink that reads "Aileen McCormick". The signature is written in a cursive style with a prominent initial "A" and "M".

Aileen McCormick
President and Chief Executive Officer
Amerigroup Washington Inc.