

April 12, 2012

Re: Pathways to Health: Medicare and Medicaid Integration in Washington State Proposal

On behalf of the Community Health Plan of Washington, we would like to offer comments on the Health Care Authority/Department of Social and Health Services draft “Pathways to Health: Medicare and Medicaid Integration in Washington State” that was released on March 12, 2012. We have also offered comments on the companion proposal related to Washington State’s plan for health homes (which are attached).

As a health plan with over 20 years of experience serving those who rely on Washington’s public health care programs including Medicaid, Medicare, CHIP, Medical Care Services (formerly the Disability Lifeline Program) and Basic Health, we are extremely familiar with the needs of the population and have significant experience in developing more effective models of care to serve them. Our plan serves over 275,000 enrollees, including close to 5,700 dual eligible enrollees in a dual eligible Special Needs Plan, primarily through our network of 19 community health centers across the state. Our health centers are the health care home for these individuals and many other high risk/high cost populations who often lack coverage.

Our recent success with Medical Care Services (formerly Disability Lifeline) has demonstrated how providing high touch mental health services within the primary care setting can drastically improve patient outcomes while saving dollars. We are hopeful that the model that we have pioneered serving this population can be expanded to serve dual eligible enrollees in order to meet the full range of services they may need, including behavioral health services and long-term services and supports in an integrated fashion that best meets their needs.

Given our past experience in serving this specific population as well as other high risk/high cost enrollees, we would like to share the following suggestions to further strengthen Washington’s proposal to better serve dual eligible enrollees.

General Comments

Overall it is important to acknowledge the context in which this proposal is made and why Washington differs from other states seeking to improve care for dual eligible enrollees. Washington has been a leader in moving Medicaid enrollees into managed care; similarly, Washington has been recognized for its efforts to move individuals who need long-term services and supports from institutional settings to home and community-based settings. These are important facts in attempting to design an integrated system of care for dual eligible enrollees.

Specifically, because Washington has fewer individuals being served in institutional settings than most other states, our state has less opportunity for Medicaid savings from moving these individuals to home and community-based settings. Furthermore, because Washington has comparatively few people continuing to be served in institutions, we are ineligible to receive any of the new rebalancing dollars available to states for these efforts. Essentially this means that, compared to other states, fewer dollars are available to Washington to support efforts to better integrate care for dual eligibles. As a result, any strategy that Washington pursues must leverage more of the projected Medicare savings to fund the up-front efforts to better serve this population. It is critical that our efforts focus on the opportunity to generate savings from a robust health home model that is focused on managing care across the spectrum for dual eligibles. Health homes must be embedded within or at minimum closely linked to primary care. Our comments are focused on Strategy #2 because it offers the best opportunity to achieve cost savings and clinical outcomes, has the most guidance available from the Centers for Medicare and Medicaid Services (CMS) and seeks to change the status quo by offering a new way to deliver fully integrated care for dual eligibles.

Strategy #1

While all three strategies build upon the use of health homes to better integrate care for high cost/high needs populations, Strategy #1 relies the most on this in a managed fee-for-service environment. Please see our specific comments on the state's health homes proposal related to this strategy.

Strategy #2

As mentioned earlier, we encourage the state to pursue Strategy #2, allowing for a fully integrated model of care that would provide the full range of services a dual eligible individual might need—including behavioral health services and long term services and supports. While this is a challenge because of the current payment and service delivery streams, we know that we can make this strategy work by collaborating with local governments and local providers.

Phased Approach Built on Strong Local Support that Challenges the Status Quo

Given the tight timeline for implementation, we encourage the state to focus its energy on making this strategy work where there is support from local government and community-based organizations to pursue it. Our experience with the Medical Care Services program has shown the vital role that community-based organizations have played in ensuring successful outcomes and cost-savings. Having had this experience, we recommend that community-based services participation and engagement be a requirement for implementation. By taking a regional approach that emphasizes strong community based partnerships, it will provide the opportunity to test and refine the model and identify lessons learned. This type of phased approach is how the Medical Care Services program was implemented, which was initiated with a two county pilot.

Rate Setting Should Be Transparent and Acknowledge Washington's Unique Situation

It is critical that rate setting be established in a transparent fashion where plans have access to sufficient data about potential enrollees from CMS and the state throughout the process. Our state should proceed cautiously because there are fewer Medicaid dollars available to support the efforts to integrate care. We strongly support the idea of risk-adjusted rates that factor in the higher risks associated with assuming the full range of services for the population. We also encourage the state to consider the use of risk corridors to protect health plans from unanticipated high costs in taking on this new population and the long term care benefits. While our state has some experience providing behavioral health services via managed care agreements, we have no experience providing long term care via capitated agreements and it is important to protect plans from costs that could undermine the goals of the demonstration.

Assignment Should Not Follow the Algorithm as the Healthy Options Contract Beginning 7/1/2012

In order to allow for substantial enough enrollment to justify the infrastructure and contracting required and to ensure the opportunity to demonstrate outcomes, assignment should not follow same algorithm as the HCA Healthy Options contract beginning July 1, 2012. If a member opts out of one plan, rather than immediately moving them to fee-for-service, the enrollee should be given the opportunity to select another plan.

Timeline

We acknowledge that the January 1, 2013 implementation outlined in CMS guidance that has been made available to date is aggressive. While this type of integrated model is optimal, we think it is more important that implementation be done correctly. If it is not feasible to secure the agreements and the support from community based organizations and local government necessary to implement by January 1, 2013, we urge the state to consider postponing implementation until January 1, 2014.

Strategy #3

Similar to Strategy #1, Strategy #3 does little to change the status quo. It allows for a three-way capitated agreement between CMS, the State and a health plan for health care services, but it still envisions the behavioral health services and the long term care services being provided and financed the way they are today—albeit with the use of financial incentives to align care better delivered through a health home. Please see our specific comments on the state's health homes proposal related to this strategy.

We appreciate the opportunity to comment on the HCA/DSHS “Pathways to Health: Medicare and Medicaid Integration in Washington State” proposal. We look forward to working with you on this proposal and its companion proposal related to health homes in the coming months.

Sincerely,



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