State of Washington Specialty Chemical Dependency Treatment Waiver

Application for

Section 1915(b) (4) Waiver Fee-for-Service Selective Contracting Program

Tuesday, May 27, 2014 – draft 3

Application for Section 1915(b) (4) Waiver
Fee-for-Service (FFS) Selective Contracting Program

Facesheet

The **State of Washington** requests a waiver/amendment under the authority of section 1915(b) of the Act. The Medicaid agency will directly operate the waiver.

The **name of the waiver program** is Chemical Dependency Treatment Program.
(List each program name if the waiver authorizes more than one program.).

Type of request. This is:
_X_ an initial request for new waiver. All sections are filled.
___ a request to amend an existing waiver, which modifies Section/Part ____
___ a renewal request

Section A is:
___ replaced in full
___ carried over with no changes
___ changes noted in **BOLD**.

Section B is:
___ replaced in full
___ changes noted in **BOLD**.

Effective Dates: This waiver/renewal/amendment is requested for a period of two years beginning October 1, 2014 and ending September 30, 2016.

State Contact: The state contact person for this waiver is Chris Imhoff and she can be reached by telephone at (360) 725-3770, or fax at (360) 725-2280, or e-mail at chris.imhoff@dshs.wa.gov. (List for each program)

Section A – Waiver Program Description

Part I: Program Overview

Tribal Consultation:
Describe the efforts the State has made to ensure that Federally-recognized tribes in the State are aware of and have had the opportunity to comment on this waiver proposal.

The Department of Social and Health Services, Aging and Disability Services, Behavioral Health and Service Integration Administration, Division of Behavioral Health and Recovery (DSHS) complies with Section 1902(a)(73) of the Social Security Act (the Act), and has met the Tribal Consultation Requirements under the Act as specified in the Washington State Medicaid State Plan, TN #11-25, effective July 1, 2011.

DSHS sent a notification of the tribal consultation to tribal leaders on May 19, 2014. The letter included:

- A request and due date for review and comment.
- The statement that DSHS anticipates this waiver will not have any impact on the services provided by the tribes.
- A statement that no state contracts with tribes will be impacted by the waiver.
- A description of the purpose of the waiver.
- Contact information for questions from the tribe.

DSHS engaged in a formal consultation on June 3, 2014. The following is a summary of the agreement from the consultation on June 3, 2014:

- (To be completed after 6-3-14 consultation)

Program Description:
Provide a brief description of the proposed selective contracting program or, if this is a request to amend an existing selective contracting waiver, the history of and changes requested to the existing program. Please include the estimated number of enrollees served throughout the waiver.

All Medicaid outpatient chemical dependency treatment services for youth and adults are managed through a DSHS contract offered to each of the 39 counties in the state (some counties jointly manage these funds). Each county is responsible for contracting with chemical dependency treatment providers who may offer multiple programs in single or multiple sites. DSHS also contracts with counties to manage acute and sub-acute detoxification services.

DSHS is requesting to waive the **Section 1902(a) (23) - Freedom of Choice** and will contract with counties to manage the local network of chemical dependency treatment providers. Any chemical dependency treatment provider accepted into the county's provider network and certified by the State of Washington will receive a Core Provider Agreement to serve Medicaid-eligible clients.

DSHS has developed estimates of the average monthly counts of all persons who will receive chemical dependency services for the period covered under this waiver. These estimates were combined with the 2013-15 Affordable Care Act (ACT) appropriation information. The monthly treatment counts include clients who are Medicaid and non-Medicaid eligible to account for the shift of persons not previously Medicaid eligible into Medicaid eligibility under the ACA.

The March 2014 data show that 79.2% of clients (all ages) receiving DBHR services in that month were enrolled in Medicaid. When the 79.2% is applied as a means of determining the total Medicaid eligible population the number of individuals are:

- FFY 2015: Average 27,231 Medicaid clients per month (all ages, any DBHR service modality).
- FFY 2016: Average 28,533 Medicaid clients per month (all ages, any DBHR service modality).
- FFY 2017: Average 29,307 Medicaid clients per month (all ages, any DBHR service modality).

Waiver Services:
Please list all existing State Plan services the State will provide through this selective contracting waiver.

DSHS will contract with county governments to provide the following State Plan services:

- Detoxification
- Outpatient Treatment
- Case Management

A. Statutory Authority

1. **Waiver Authority.** The State is seeking authority under the following subsection of 1915(b):
   X **1915(b) (4) - FFS Selective Contracting program**

2. **Sections Waived.** The State requests a waiver of these sections of 1902 of the Social Security Act:

a.___ **Section 1902(a) (1) - Statewideness**
b.___ **Section 1902(a) (10) (B) - Comparability of Services**
c._X_ **Section 1902(a) (23) - Freedom of Choice**
d.___ **Other Sections of 1902** – (please specify)

B. Delivery Systems

1. **Reimbursement.** Payment for the selective contracting program is:
   _X_ the same as stipulated in the State Plan
   ___ is different than stipulated in the State Plan (please describe)

2. **Procurement**. The State will select the contractor in the following manner:
   ___ **Competitive** procurement
   ___ **Open** cooperative procurement
   ___ **Sole source** procurement
   _X_ **Other** (please describe):

   DSHS contracts solely with the 39 Washington counties under the authority of Revised Codes of Washington (RCW) 70.96a.

C. Restriction of Freedom of Choice

1. **Provider Limitations**.
   ___ Beneficiaries will be limited to a single provider in their service area.
   _X__ Beneficiaries will be given a choice of providers in their service area.

   (NOTE: Please indicate the area(s) of the State where the waiver program will be implemented)

   The DSHS Waiver program is statewide.

2. **State Standards.**
   Detail any difference between the state standards that will be applied under this waiver and those detailed in the State Plan coverage or reimbursement documents.

   There are no differences between the state standards that will be applied under this waiver and those detailed in the State Plan coverage or reimbursement documents. All standards are applied uniformly across the state.

D. Populations Affected by Waiver

(May be modified as needed to fit the State's specific circumstances)

1. **Included Populations**. The following populations are included in the waiver:

_X_ Section 1931 Children and Related Populations
_X_ Section 1931 Adults and Related Populations
_X_ Blind/Disabled Adults and Related Populations
_X_ Blind/Disabled Children and Related Populations
_X_ Aged and Related Populations
_X_ Foster Care Children
_X_ Title XXI CHIP Children

2. **Excluded Populations.** Indicate if any of the following populations are excluded from participating in the waiver:
___ Dual Eligibles
___ Poverty Level Pregnant Women
_ __ Individuals with other insurance
___ Individuals residing in a nursing facility or ICF/MR
___ Individuals enrolled in a managed care program
___ Individuals participating in a HCBS Waiver program
___ American Indians/Alaskan Natives
___ Special Needs Children (State Defined). Please provide this definition.
___ Individuals receiving retroactive eligibility
_X_ Other (Please define): The following categories of individuals, insofar as they do not have full scope Medicaid coverage, are excluded:
    - Individual in the Alien Emergency Medical (AEM) program – Emergency and Related Services Only (ERSO)
    - Individuals eligible only for family planning services
    - Individuals eligible only for the Breast and Cervical Cancer Treatment Program (BCCTP)
    - Individual in the Medicare Savings Program:
        - Qualified Medicare Beneficiary (QMB)
        - Qualified Disabled W orking Individual (QDWI)
        - Special Low Income Medicare Beneficiary (SLMB)
        - Qualified Individual-1 (QI-1)
    - Individuals in spend down
    - Individuals in the Limited Casualty – Medically Needy Program (LCP-MNP) receiving Hospice Services

Part II: Access, Provider Capacity and Utilization Standards

A. Timely Access Standards

Describe the standard that the State will adopt (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State has adopted) defining timely Medicaid beneficiary access to the contracted services, *i.e.*, what constitutes timely access to the service?

1. How does the State measure (or propose to measure) the timeliness of Medicaid beneficiary access to the services covered under the selective contracting program?

   DSHS uses data management tools to monitor the number of clients accessing treatment and the amount of time between approval for treatment and treatment start date. This measure is known as "Capacity Management" and is described in more detail in Part III: Quality, A. Quality Standards and Contract Monitoring of this waiver.

2. Describe the remedies the State has or will put in place in the event that Medicaid beneficiaries are unable to access the contracted service in a timely fashion.

   DSHS monitors access and capacity issues and adjusts contracts to address identified capacity needs. The steps DSHS takes to address limited access are described in Part III: Quality, A. Quality Standards and Contract Monitoring Section of this waiver.

B. Provider Capacity Standards

Describe how the State will ensure (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State has ensured) that its selective contracting program provides a sufficient supply of contracted providers to meet Medicaid beneficiaries' needs.

1. Provide a detailed capacity analysis of the number of providers (e.g., by type, or number of beds for facility-based programs), or vehicles (by type, per contractor for non-emergency transportation programs), needed per location or region to ensure sufficient capacity under the selective contracting program.

   DSHS contracts with all 39 counties for outpatient treatment. Per the State Plan, outpatient chemical dependency treatment providers must be certified by DSHS to ensure the program meets all standards and processes necessary to be a certified chemical dependency service provider (treatment program) according to DBHR WAC. Washington State has 494 certified agencies, of which 240 are contracted with counties to provide treatment to the Medicaid population.

To assure sufficient access to services, DSHS works with each of the counties to ensure that they provide publically funded treatment. The number of providers, clients served, and clients in need of treatment are demonstrated below.

DSHS monitors capacity management as well as the penetration rate to determine if an increase or decrease in capacity is needed. On a monthly basis, meetings are held with the Designated County Substance Use Disorder Program Coordinators to review trends in outpatient treatment including the need for services, under-utilization, and capacity determined by the length of time it takes an individual to access treatment services; this is measured by the date of the assessment to the time that an individual is admitted to treatment.

2. Describe how the State will evaluate and ensure on an ongoing basis that providers are appropriately distributed throughout the geographic regions covered by the selective contracting program so that Medicaid beneficiaries have sufficient and timely access throughout the regions affected by the program.

   DSHS requires the county to include in their strategic plan a section that describes how the county will ensure access to services for clients. Access to services includes factors such as transportation, hours of service, and accommodations for individuals with special needs. DSHS determines the appropriateness of the access section of the strategic plan by monitoring the Capacity Management standard outlined in the contract. Capacity Management is tracked by looking at each agency's data within a county to determine the length of time it takes for an individual to be placed in the appropriate treatment services from the date of first contact to assessment date, and assessment date to admission to treatment. If capacity, based on those elements, falls below the state standard, action is taken through the counties to review and improve processes within the agency for timely admittance to treatment or to determine if expanded or additional providers are needed in the particular county. The steps DSHS takes to address limited access are described in Part III: Quality, A. Quality Standards and Contract Monitoring Section of this waiver.

Utilization Standards

Describe the State's utilization standards specific to the selective contracting program.

1. How will the State (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State) regularly monitor(s) the selective contracting program to determine appropriate Medicaid beneficiary utilization, as defined by the utilization standard described above?

Data on Medicaid beneficiary usage is monitored and evaluated for each separate county every three months. DSHS uses data systems to review "date of first contact," "access wait times," and community capacity.

What specific data is used, how it is analyzed, and what actions do we take based on this data.

TARGET data for date of first contact to assessment date to admission is also reviewed for each agency on a quarterly basis.

2. Describe the remedies the State has or will put in place in the event that utilization falls below the utilization standards described above.

   DBHR uses a data management tool to monitor Medicaid beneficiary usage. When there is a capacity issue, DBHR works with counties to expand the provider network.

   - The county is offered technical assistance using multiple sources; i.e. Behavioral Health Program Manager, NIATx Website (niatx.net), and Northwest Frontier on Addiction Technologies Transfer Center (NWFATTC) or similar process improvement technologies available.
   - If capacity does not improve, the county will be required to develop a plan to address how patients on long wait lists will be entered into treatment; i.e. referrals to similar services in other agencies, expansion of capacity within the organization, etc.
   -

Part III: Quality

A. Quality Standards and Contract Monitoring

1. Describe the State's quality measurement standards specific to the selective contracting program.

   a. Describe how the State will (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State):

      i. Regularly monitor(s) the contracted providers to determine compliance with the State's **quality standards for the selective contracting program**.

         Providers must enter all data into the state data reporting system (TARGET) within seven days of services, submit monthly billings to the state and bill all

Medicaid services through Provider One for services provided and reimbursed under the Medicaid State Plan.

DSHS staff compares the TARGET data against the contract qualifying standard known as "Capacity Management." This standard is "within 14 days of assessment, 66 percent of the clients should be admitted into treatment." In the event a county's provider is below the 66 percent, DSHS requires the county to implement corrective action based on following criteria:

Step 1. The provider will be offered technical assistance using multiple sources; i.e., Behavioral Health Program Manager, NIATx Website (niatx.net), Northwest Frontier on Addiction Technologies Transfer Center (NWFATTC), or similar process improvement technologies available.

Step 2. If the provider's performance does not improve at least 5 percent after step one within two calendar quarters, the provider will be required to develop a plan to address how patients on long wait lists will be handled; i.e., referrals to similar services in other agencies, expansion of capacity within the organization, etc.

Step 3. Following another two calendar quarters, if the provider's performance does not improve at least 5 percent the county and/or DSHS will issue an inquiry to determine if there are other providers who can add capacity. DSHS will verify the results of a request for inquiry to determine if there were any providers who were overlooked in the process and the viability of such agencies to provide services to Medicaid clients.

In addition, the chemical dependency treatment provider's capacity is monitored using DSHS's data management tool known as TARGET to track the number of days from an assessment and referral to treatment against the actual date of admission to treatment. Additionally, wait times for treatment services are monitored to track accessibility of treatment services and resource allocations. The information is used to monitor trends and project future needs and challenges so that resources may be reallocated to other areas, if warranted.

ii. Take(s) corrective action if there is a failure to comply.

DSHS employs staff whose primary responsibility is to monitor service provided though county networks. The DSHS staff monitor using the tools and data described above in Part III, Quality, A,1,a,1. If deficiencies are identified, the county is required to develop a corrective action plan. Through the corrective action and monitoring process, DSHS reviews usage and compares it to number of Medicaid eligible clients as a measure of capacity. This monitoring guides the

DSHS staff in determining when a county has reached capacity and should expand their existing provider network.

2. Describe the State's contract monitoring process **specific to the selective contracting program.**

a. Describe how the State will (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State):

i. Regularly monitor(s) the contracted providers to determine compliance with the contractual requirements of the selective contracting program.

DSHS conducts regularly scheduled on-site reviews at least once every two years and more frequently if problems are identified or technical assistance needs are identified. DSHS monitoring staff provide written on-site reports that evaluate contract compliance and non-compliance.

ii. Take(s) corrective action if there is a failure to comply.

- Failure to implement the plan may result in the discontinuation of publicly-funded provider status with consistently low performing agencies.

DSHS staff document findings of on-site visits in the DSHS contracts management system known as EACD in order to track follow-up activities, including, but not limited to Corrective Action Plans and the county's compliance with the DSHS standards.

B. Coordination and Continuity of Care Standards

Describe how the State assures that coordination and continuity of care is not negatively impacted by the selective contracting program.

Counties submit strategic plans that identify opportunities to expand access and capacity. Each county's strategic plan incorporates how Medicaid expansion will be monitored and how the determination will be made to increase capacity.

Part IV: Program Operations

A. Beneficiary Information

Describe how beneficiaries will get information about the selective contracting program.

DSHS uses a variety of approaches to inform our providers, counties, tribes, and stakeholders of the selective contracting process. DSHS uses the existing groups and advisory councils/committees to garner input into proposed/planned changes.

DSHS distributes information though several options. These are:

- Email directly to key stakeholder groups including county and tribal governments, chemical dependency provider associations, advocacy associations, superior court judges association, and medical community.
- The DSHS website's new page.
- The DSHS monthly newsletter.
- Letters to federally recognized tribal chairs and county governments' executive branch office.
- DSHS Boards including Consumer Affairs Boards, CJTA Oversight Panel.

B. Individuals with Special Needs.

_X__ The State has special processes in place for persons with special needs (Please provide detail).

Each county and member of a provider network is required to ensure all services and activities are delivered in a manner sensitive to the needs of all diverse populations. DSHS staff monitor the county and members of their provider network to ensure there is an ongoing effort to improve services to underserved or particularly vulnerable populations.

Section B – Waiver Cost-Effectiveness & Efficiency

Efficient and economic provision of covered care and services:

1. Provide a description of the State's efficient and economic provision of covered care and services.

   DSHS contracts with counties and Federally-Recognized Tribes allow for identification of local needs and leveraging of local funds to support behavioral health services in each community.

   The following items will be completed by the Budget office by June 15, 2014.

2. Project the waiver expenditures for the upcoming waiver period.

   Year 1 from: __/__/____ to __/__/____

Trend rate from current expenditures (or historical figures): _____%

Projected pre-waiver cost _____
Projected Waiver cost _____
Difference: _____

Year 2 from: __/__/____ to __/__/____

Trend rate from current expenditures (or historical figures): _____%

Projected pre-waiver cost _____
Projected Waiver cost _____
Difference: _____

Year 3 (if applicable) from: __/__/____ to __/__/____
(*For renewals, use trend rate from previous year and claims data from the CMS-64*)
Projected pre-waiver cost _____
Projected Waiver cost _____
Difference: _____

Year 4 (if applicable) from: __/__/____ to __/__/____
(*For renewals, use trend rate from previous year and claims data from the CMS-64*)

Projected pre-waiver cost _____
Projected Waiver cost _____
Difference: _____

Year 5 (if applicable) from: __/__/____ to __/__/____
(*For renewals, use trend rate from previous year and claims data from the CMS-64*)

Projected pre-waiver cost _____
Projected Waiver cost _____
Difference: _____