

# Health Innovation for Washington

**A Comprehensive Blueprint for Modernizing  
Medicaid, Improving Quality of Care and more  
Effectively Containing Costs**

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**Ninth Annual Health Care Conference**  
**Washington Policy Center**  
**Seattle, Washington**  
**June 7, 2011**

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## Five Principles for Health Care under Governor Gregoire:

- Emphasize evidence-based health care
- Promote prevention, healthy lifestyles and healthy choices
- Better chronic care management
- Create more transparency for clients and providers
- Make better use of information technology

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## Medicaid Bending the Cost Curve:

- Per capita health care inflation in Washington held to 2.6 percent last year
- National average of 4.2 percent

**Washington reduced prescription drug costs by 23 percent – saving taxpayers \$100 million a year *despite* increasing caseloads during the recession**

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## Medicaid and Health Care Authority Improvements Already in Place:

- Preferred Drug List
- Generics First Initiative
- HTA Reviews: Saving \$31 million a year
- Chronic Care Management
- Narcotics Utilization
- Program Integrity
- Medical Supplies

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## Modeling in part on HCA Experience:

- Medicaid dollars for prevention/wellness
  - Smoking cessation
  - Responsible lifestyle changes
- Cost-sharing to change behaviors
  - Non-emergency visits to ER
  - Co-pays for brand-name drugs
- One-size-fits-all benefit design
  - Tailor benefits to specific populations
- Fee-for-service payment system
  - Paying for volume, not for outcomes

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## Additional Federal Funding

### Federal dollars supporting health reform in Washington State

	Apply	Accepted	Amount
Chronic Disease Prevention Incentives	May 2011		\$7 million/4 years
Electronic Health Records funding	TBD		\$60 million*
Health Information Exchange		2010	\$11.3 million
Bonus – Children’s Health Outreach		2010	\$17.6 million
State Health Access Program (SHAP)		2009	\$35 million/5 years (Years 3-5 eliminated)
Exchange Planning Grant		9/1/2010	\$1 million
Exchange Establishment Grant		2011	\$23 million
Future Exchange Work (2012-13)	Early 2012		\$55 million (estimate)
Transitional Bridge Demonstration Waiver		1/1/2011	\$140 million/year
Dual Eligibles Integration Planning Grant		2011	\$1 million
Medicaid Health Homes Pilot	2011		90/10
Early Retiree Reinsurance Program		2011	\$12 million
<b>TOTAL FEDERAL FUNDS SUPPORTING HEALTH CARE REFORM</b>			<b>\$363.9 million</b>
* <b>NOTE:</b> Estimated total incentive grants for Washington State health care providers and hospitals			

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## Washington's Proposal

(Sent to HHS Secretary Sebelius on April 29)

1. Value-Based Benefit and Payment Reforms
2. Delivery System Reforms
3. Consumer Engagement
4. Prevention and Wellness
5. Administrative Simplification
6. Stakeholdering

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## What Washington State is asking for....

- Flexibility
- Fiscal Resources
- Technical Assistance

**Timeline:** Approval by September 1



# Value-Based Benefit and Payment Reform

## Need Resources, Flexibility or Assistance to:

- Replace fee-for-service system for aged, blind, and disabled, SSI, dual eligibles, and foster children
- Evidence-based purchasing for all public coverage, including enforceable preferred drug list
- Adoption of payment reforms for integrated delivery systems
- Adopt national payment reform for “never” events, hospital readmissions, etc.
- Payment reform that reflects provider performance
- Payment for new treatment only after proof of clinical value

# Delivery System Reforms

## Need Flexibility, Resources, Assistance:

- Expand care management for chronic/behavioral conditions
- Secondary health homes for multiple or severe conditions
- Implement dual eligible care systems
- Expand DOH prescription monitoring program
- Combine public financing sources to fund behavioral health and long term care

# Consumer Engagement

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## Need Flexibility and Resources to:

- Implement cost-sharing options that promote cost-effective treatments, devices, and providers
- Expand state's "Quit Line" model to include nutrition and physical activity

# Prevention and Wellness

## Need Flexibility, Resources or Assistance to:

- Work with communities to address needs of low-income and minority groups
- Address ongoing gaps in services to under-served communities
- Think across silos to implement public health interventions that prevent multiple conditions

# Administrative Simplification

## Need Resources to:

- Require paperless transactions for:
  - Provider communications
  - Claims submissions
  - Authorization of services
- Align income eligibility standards for a seamless eligibility process for individuals who move between Medicaid and other coverage through the exchange by January 1, 2014.

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## Stakeholder Involvement:

- Seek the input of advocates, providers, Tribes, health plans, local government, general public and Regional Support Networks (RSNs)
- Engage counties in discussing “wraparound” services like housing and employment
- Review needs of long term care and developmental disability communities
- High priority on payment reform strategies and their impact – these will form the foundation for further change and reform

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QUESTIONS?