



STATE OF WASHINGTON
HEALTH CARE AUTHORITY

626 8th Avenue, SE • P.O. Box 45502 • Olympia, Washington 98504-5502

August 26, 2014

Re: Input on Joint HCA-DSHS Designation of Regional Service Areas for 2016 Medicaid Purchasing

Dear Medicaid Partners:

Effective health system transformation in Washington state depends on coordinating and integrating the health care delivery system with community services, social services and public health. During the 2014 Legislative session, enactment of 2SSB 6312¹ established a pathway to define a regional structure to improve these linkages and increase accountability for health and outcomes. Over the summer, critical tasks were completed to meet the Legislative directive.

- In early June, the HCA and DSHS published an overview of the regionalization link with Medicaid purchasing and community mobilization - included as attachment 1.
- In mid-July, the Washington Association of Counties submitted two alternative proposals for the geographic composition of regional services areas to the Adult Behavioral Health Task Force - included as attachment 2.
- The task force adopted the Counties' recommendations and submitted its guidance to Governor Inslee on July 29 with configuration options for Chelan and Douglas counties pending further local discussion and agreement - included as attachment 3.

As directed by 2SSB 6312, the Health Care Authority (HCA) and Department of Social and Health Services (DSHS) must now jointly decide on common regional service areas for Medicaid purchasing of physical and behavioral health care beginning in 2016. Within each region, counties have the opportunity to collectively decide to adopt one of two Medicaid managed care delivery system options:

- Early adopting regions will have physical and behavioral health services purchased on a fully integrated basis, leveraging financing to support the integrated delivery of whole-person care. Counties in these regions will share 10% of resulting state savings.
- Other regions will begin the transition to a fully integrated purchasing model by having care delivered through separate but coordinated behavioral health and physical health managed care contracts.

To meet critical path milestones for the 2016 regionalization of Medicaid purchasing, designation of regional service areas will be needed by October 2014. We intend to base our determination on the

¹ See <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6312&year=2013>.

Adult Behavioral Health Task Force guidance, with an assessment of the degree to which geographic boundaries:

- Support naturally occurring health care delivery system and community service referral patterns across contiguous counties
- Reflect active collaboration and alignment with community planning that prioritizes the health and well-being of residents
- Serve as a platform to expedite fully integrated Medicaid purchasing of physical and behavioral health services by 2020, as directed by statute
- Include a critical mass of beneficiaries to ensure active and sustainable participation by risk-bearing organizations that serve whole region(s) and promote integrated delivery of care
- Ensure access to adequate provider networks, considering typical utilization and travel patterns, the availability of specialty services, and continuity of care as enrollee circumstances change, and
- Avoid disruption of business relationships (i.e., provider, payer and community) that have evolved over time.

Your input to this landmark decision is very important to ensure that potential implications for critical Medicaid partners are considered. Please forward any comments to my assistant Tamarra Paradee (Tamarra.paradee@hca.wa.gov) by Tuesday September 9th, 2014.

Thank you for your ongoing effort on behalf of Washington's Medicaid clients.

Sincerely,



MaryAnne Lindeblad
Director, Medicaid

Enclosure

cc: Jane Beyer, Assistant Secretary, Behavioral Health Service Integration Administration, DSHS
Preston Cody, Assistant Director, Health Care Services, HCA
Bob Crittenden, Health Policy Advisor, Governor's Office
Chris Imhoff, Director, Division of Behavioral Health and Recovery, DSHS
Nathan Johnson, Assistant Director, Policy Planning and Performance, HCA
Kevin Quigley, Secretary, DSHS
Dorothy Teeter, Director, HCA

Regionalization: Medicaid Purchasing and Community Mobilization

Why Regionalize?

Currently, regional service areas differ for many state-financed health care, social support and other essential state services. A common regional approach:

- Aligns state efforts across common regions.
- Recognizes that health and health care are local.
- Promotes shared accountability within each region for the health and well-being of its residents.
- Empowers local and county entities to develop bottom-up approaches to transformation that apply to community priorities and environments.

Regional Service Areas will drive accountability for health and outcomes by defining the structure for health and community linkages. They will comprise the new service areas for Medicaid purchasing of physical and behavioral health care and serve as a foundational component of the aligned state agencies' "Health in all Policies" approach.

Common Regional Service Areas for Medicaid Purchasing and Accountable Community of Health Regions.

Washington health system transformation depends upon coordinating and integrating the delivery system with community services, social services and public health. This strategy will be greatly enhanced by the development of a single Accountable Community of Health within each Regional Service Area. Though not legally required, it is desirable from an administrative, business, and community linkages perspective to align Medicaid purchasing regions and Accountable Communities of Health to the greatest degree possible.

2SSB 6312 calls for the joint creation of the common regional service areas by the Health Care Authority and Department of Social and Health Services, informed by recommendations from the Washington State Association of Counties, the Adult Behavioral Health System Task Force, and broader community input.

The Community of Health Planning grant opportunity, which aims to prepare communities and the state for Accountable Community of Health designation, requires communities to identify a proposed geographic population. While proposed geographic boundaries are non-binding on eventual Accountable Communities of Health, they are strong indications of regional alignment that should be considered when designating Regional Service Areas. We are asking that communities, as part of their planning process, consider how the Accountable Communities will align with the anticipated fall 2014 designation of Regional Service Areas.



Washington State Association of Counties

Legislative Steering Committee

ISSUE PAPER

Date	July 17, 2014
Category	Decision
Policy Area	Human Services
Subject	Adult Behavioral Health Legislative Task Force
Staff Contact	Abby Murphy: amurphy@wacounties.org

Background

SB 6312, Concerning the Integration of Mental Health and Chemical Dependency Programs, created a Legislative Task Force (Task Force) to provide recommendations for the integration of the chemical dependency treatment and mental health treatment systems. As such, the first priority of the Adult Behavioral Health Integration Task Force is to provide the Department of Social and Health Services (DSHS) and the Health Care Authority (HCA) with recommendations regarding the geographical groupings of counties in which citizens receive behavioral health services. SB 6312 requires the Washington State Association of Counties (WSAC) to submit recommendations on these Regional Service Areas to the Task Force no later than August 1, 2014.

The HCA and DSHS presented their criteria for Regional Service Areas to the Task Force on April 22, 2014. These criteria included:

1. Regional Service Areas must consist of whole, contiguous counties
2. Regional Service Areas must reflect natural referral and travel patterns for residents seeking treatment, and
3. Regional Service Areas must contain a minimum number of Medicaid covered lives to sufficiently bear the risk of providing services. On 6/9/14 it was clarified that the recommended number of covered lives be greater than 60,000 Medicaid enrollees per Regional Service Area.

In order to provide counties with the opportunity to voice individual preferences, WSAC requested that each Chair of the County Board of Commissioners, County Council, or County Executive submit a letter stating their County's intent to remain in their current Regional Support Network configuration, or to inform us of their preference to alter their regional alignment. As of May 30th, WSAC received responses from all 39 counties. Several counties utilized this opportunity to ask for further clarification on specific issues, convey a need for additional data or inform us that further discussion was needed in order to reach a final decision.

As requested by the Task Force, WSAC reported our progress on reaching our Regional Service Area recommendations at the June 13th, 2014 Legislative Task Force meeting. We called attention to the outstanding unanswered questions and discussed the local consequences, benefits and general issues Counties are experiencing while working to reorganize our service areas. We also reported that we expected to be ready to give our final recommendations at the July 18th, 2014 Task Force Meeting. We have since received further clarifications and data to aid many counties in making their final recommendations to WSAC.

As indicated above, all 39 counties were asked to report on their individual recommendations. The Legislative Steering Committee voted to adopt the recommendations from the counties that intend to remain within their current Regional Support Network configuration. Thurston-Mason, King, Pierce, and the counties within the current Regional Support Networks of Peninsula, North Sound and Spokane RSNs intend to remain in the same configurations.

The Counties that indicated potential changes to their service areas were Chelan and Douglas RSN, Grays Harbor RSN, Cowlitz County and Klickitat Co. These Counties have worked to reach the following individual recommendations:

- Grays Harbor RSN and Cowlitz County have chosen to merge with Timberlands RSN, forming a 5 County Regional Service Area
- By 2016, Klickitat County will move into the SW Washington Regional Service Area that will consist of Clark, Skamania and Klickitat Counties.
- Chelan-Douglas RSN has engaged in continued talks with Spokane RSN and Greater Columbia RSN. They intend to exchange data in order to allow all three RSNs the opportunity to assess risk. They anticipate a final agreement will be reached by August 1st.

Staff Recommendation

WSAC staff recommends that we present our final recommendation on Regional Service Areas to the Task Force on July 18th. This final recommendation would be that we move forward with the detailed recommendations above. WSAC staff also recommends that we ask Chelan-Douglas RSN to complete their data exchange with Greater Columbia and Spokane RSN's in order to reach a final recommendation and report their decision to WSAC by July 31st. WSAC will forward the recommendation to the Task Force in writing no later than August 1st, the Legislative deadline.

Action

The Legislative Steering Committee adopted the staff recommendation. Commissioner Price-Johnson moved to accept the staff recommendation. Commissioner Stedman seconded the motion. The motion passed.



Washington State Legislature

Legislative Building • Olympia, Washington 98504

July 29, 2014

Governor Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

Dear Governor Inslee,

As co-chairs of the Adult Behavioral Health System Task Force, we are writing to inform you of the recommendation of the Task Force related to creation of regional service areas.

Chapter 225, Laws of 2014 (2SSB 6312) directs the Washington State Association of Counties (WSAC) to submit recommendations related to the composition of common regional service areas for purchasing behavioral health services and medical care services to the Department of Social and Health Services, the Health Care Authority, and the Task Force by August 1, 2014. The law instructs the Task Force to provide its own guidance for the creation of common regional service areas to the Governor, after taking into consideration WSAC's proposal. The Task Force recommendations are due to the Governor by September 1, 2014.

The Task Force received a report of WSAC's recommendations on July 18, 2014. This report consisted of two alternative options for regional service area configurations, each endorsed by WSAC. Both options are based on the current regional support network boundaries. Maps of these options are attached. These options may be described as adopting the regional support network boundaries with the following changes:

- Move Klickitat County into Southwest Washington RSN, which will now consist of Clark, Skamania and Klickitat counties.
- Merge Cowlitz County and Grays Harbor RSN into Timberlands RSN, eliminating the Grays Harbor RSN.
- Merge Chelan-Douglas RSN with either Spokane RSN or Greater Columbia RSN.

At its July 18 meeting, the Task Force unanimously adopted the following motion. This constitutes the Task Force recommendation concerning regional service areas:

I move that the Task Force adopt the recommendation for Regional Service Areas made by the Washington Association of Counties as its own recommendation, with the following addition: when designating Regional Service Area boundaries, the Health Care Authority and the Department of Social and Health Services must ask the governing board of the Chelan-Douglas Regional Support Network to state its preference between the maps and accept the decision, provided there is mutual agreement between the affected regional support networks.

All eleven members of the task force were present at this meeting, with one Task Force member (DSHS Secretary Kevin Quigley) represented by a designated alternate, for a final vote of 11-0 on the recommendation.

We appreciate your consideration of this recommendation and we thank your staff at the Department of Social and Health Services and the Health Care Authority for their assistance throughout this process.

Sincerely,



Senator Linda Evans Parlette
Co-chair, ABHS Task Force



Representative Jim Moeller
Co-chair, ABHS Task Force

cc:

ABHS Task Force members and alternates

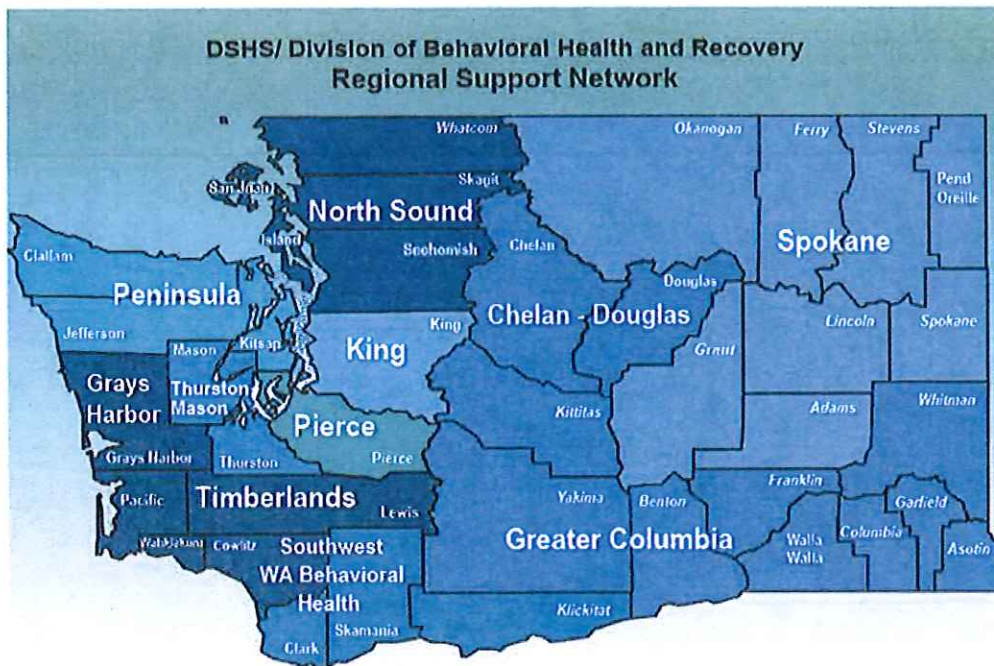
Jane Beyer, DSHS

MaryAnne Lindeblad, HCA

Nathan Johnson, HCA

Abby Murphy, WSAC

WSAC Proposal Map #1 (CDRSN merge with GCRSN):



WSAC Proposal Map #2 (CDRSN merge with Spokane RSN):

