

Washington's Vision for Health System Transformation

The passage of the Patient Protection and Affordable Care Act in 2010 presented an unrivaled opportunity for change and infusion of resources in Washington state. The state embraced new opportunities to expand coverage and access, participating in the Medicaid expansion and launching a fully operational Health Benefit Exchange in October 2013. These efforts alone are expected to enroll nearly 325,000 new Medicaid clients and over 400,000 individuals and families in the insurance marketplace by the end of 2017, providing an opportunity for many of the state's most vulnerable residents to receive necessary care that until now was not a realistic prospect.

Additionally, more than two dozen public and private entities across Washington have partnered with the federal Center for Medicare and Medicaid Innovation to test innovations such as new payment and service delivery models, the rapid adoption of best practices, and transformation in primary care—building upon the state's existing pioneering efforts.

But access to insurance coverage and limited progress toward better health, better care and lower costs are not enough. When health care services cost a family of four as much as a house payment and the services fail to efficiently and effectively resolve health needs, there's a problem. A majority of state residents continue to suffer from Washington's costly and inefficient non-system, plagued by fragmentation, wasteful care delivery and payment models, and unaligned silos within the public and private sectors. These present barriers to the health and well-being of individuals and their holistic treatment if or when they do enter the health care system.

Perhaps the largest barrier to capitalizing on this unprecedented opportunity for change in health and health care is the lack of a strong, comprehensive action plan that wills the state toward a unified direction. Washington is dependent on a myriad of public and private organizations that together have the ability to drive delivery system and overall health systems transformation, aligned financing and incentives within state systems, and shared performance measures and tools necessary to support provider and community transformation. Unified action toward health transformation is the opportunity presented by the State Health Care Innovation Plan.

This Innovation Plan builds upon the progressive efforts already occurring across the state by providers, health plans, private purchasers, State agencies, consumer groups, industry, communities and more. Innovations such as the Mental Health Integration Program, the Puget Sound Health Alliance, the Health Technology Assessment Program, pioneering shared decision-making programs, the Intensive Outpatient Care Program, and efforts by pioneering regional health improvement collaboratives are uniquely Washington strengths that the Innovation Plan is built upon. The Innovation Plan provides the mechanism to scale and spread these promising practices statewide, and provides the leadership, direction and supports essential to moving the needle on improved health, quality health care and lower costs.

Washington's Health Transformation Aims

Ultimate Aims	Five-Year State Health Care Innovation Plan Aims*
Healthy people and communities	By 2019, 80 percent of Washington residents and their communities will be healthier.
Better care	By 2019, Medicaid clients with physical and behavioral comorbidities will have improved health outcomes and lower costs.
Affordable care	By 2019, annual state-purchased health care cost growth will be 2 percent less than national health expenditure trend.

*All aims have corresponding performance measures to evaluate progress and success

The Innovation Plan's core strategy is for the State to take a lead role as "first mover" in fundamentally reorienting payment toward value rather than volume; incentivizing care delivery redesign; creating regionally centered organizations that support necessary linkages and alignment around community health improvement and cross-sector resource sharing; and building robust health information technology and exchange infrastructure throughout the state. Through strategic leadership and collaborative partnership, Washington will:

- **Lead by example as a purchaser and market organizer.** The State will lead by example in transforming how it purchases care and services in State-purchased insurance programs, and engage multiple payers and purchasers in community-wide adoption of common measures, value-based payment and benefit design strategies. Through new financing and purchasing models, cost and performance transparency, aligned public and private purchaser requirements, and the expectation that care will be delivered based on evidence, Washington will move away from a largely fee-for-service system to an outcomes-based system that delivers better health and better care at lower costs. Specific actions may include:
 - Procure an increasingly integrated and innovative Medicaid program in no more than nine regional service areas, through a phased approach to contracting for services
 - Require all contractors providing state-financed health care benefits to participate in performance measurement and reporting
 - Align public and private purchasers on purchasing expectations and benefit design efforts through the availability of a common RFP
 - Require all contractors providing state-financed health care benefits to implement Dr. Robert Bree Collaborative recommendations around areas of unwarranted variation, prioritizing obstetric services, joint replacement, and end-of-life care and preferences in the first three years

- **Coordinate and integrate the delivery system with community services, social services and public health.** Recognizing health is largely influenced by factors outside the health care system, the Innovation

Plan creates locally governed public-private partnership organizations that will support communities, sectors and systems in nine newly designated regional service areas that also will serve as new Medicaid procurement areas. These Accountable Communities of Health will align State and community priorities and encourage cross-sector resource sharing and funding strategies. Sustainable funding mechanisms will support improvements in public health and create community learning laboratories to support and spread regional innovations throughout the state. Specific actions may include:

- Enable a Transformation Trust Fund as a source of “venture capital” for innovative projects in each regional service area aimed at supporting prevention and strengthened community linkages, and using the Accountable Communities of Health to direct and align action on key priorities
- Require sharing of specific care coordination resources among State payers within each region
- Develop a centralized region-wide health needs assessment

- **Align the implementation of state priorities and provide community practice transformation support to achieve state goals.** To align and amplify the array of exemplary public and private learning collaborative programs currently providing practice and community transformation support, the State will create a Primary Health Care Regional Extension System that operates at the state and community levels. As a statewide transformation “hub,” the extension system will be well connected to the state and national pulse and as such will serve as a convener and coordinator of the state’s many transformation efforts and clearinghouse of tools and resources. At the community level, the “spokes” of the extension system will provide the supports required for practice transformation, increased and efficient workforce capacity, and community collaboration to achieve common goals. Specific actions may include:

- Convene and align the state’s many transformation support entities
- Community based practice transformation support around health information exchange utilization and data-driven quality improvement

- **Enhance data and information infrastructure.** The State will build upon current efforts for performance measurement and price transparency through a planned build out of an all-payer claims database, common performance measures, and expanded health information exchange capacity. Washington’s Innovation Plan also leverages “big data” geo mapping and hot spotting to ensure robust availability of information that enables communities to address health inequities through targeted initiatives aimed to improve the health of those most in need, and effectively measure progress over time. Specific actions may include:

- Bolster best in class geo mapping and hot spotting resources and capabilities through partnerships that assist in evaluating and deploying data to Accountable Communities of Health
- Develop statewide common, high-value consensus measures
- Build upon a common platform to incent the exchange of standardized clinical information across medical and behavioral health providers

- **Grow existing successful Washington payment and delivery models.** The State will expand transformational models such as the Collaborative Care approach for physical and behavioral health integration, and value-based plan design strategies that promote consumer incentives and price

transparency, such as reference pricing, an accountable care organization option for public employees, and tiered/narrowed networks selected on ability to deliver better outcomes and value. These efforts will be supported by new practice transformation support, increased workforce capacity and flexibility, and data sharing and monitoring. Specific actions may include:

- Replicate, spread and sustain bi-directional Collaborative Care Models, building upon evidence and best practices from existing state programs such as the Mental Health Integration Program
 - Emphasize and develop community health worker capacity
 - Market-wide commitment to progressively move from the traditional fee-for-service platform to value-based payment models, including contractual requirements that ensure rapid movement for State-purchased health care programs
 - Implement an ACO and total cost of care payment model in the State's self-insured population
 - Implement reference pricing in public employee benefits contracts by 2016
- **Activate and engage individuals and families in their health and health care.** Washington state residents will be activated and informed consumers of care and in control of their own health. This will occur through robust wellness programs, enhanced community workforce to educate and communicate with individuals and their families, benefit design, and the development and use of tools and resources to help individuals make informed, shared decisions about care with their providers. Specific actions may include:
- Provide a suite of high-quality decision aids, and accompanying provider training support, for use by State contractors and providers, prioritizing obstetric services, joint replacement, and end-of-life care and preferences in the first three years
 - Require all contractors providing state-financed health care benefits to demonstrate meaningful patient engagement and activation
 - Encourage and support the use of Choosing Wisely information and tools by professionals and employers

Beyond specific actions, partnerships and supports identified within the Innovation Plan, a foundational element necessary to ensuring Washington's health and health care system is among the best in the country is true culture change. This Innovation Plan and its implementation over the following five years aims to capitalize on and further build leadership commitment to drive transformative change and ensure:

By 2019, the people of Washington state will be healthier because our state has collectively shifted from a costly and inefficient non-system for health care to aligned health systems approaches focused on achieving common targets for better health, better care, improved quality, lower costs, improved person and family experience, prevention, and reduction of disparities.