

WASHINGTON  
COMMUNITY  
MENTAL HEALTH  
COUNCIL



*...creating healthy and  
secure communities  
through partnerships...*

Member:  
National Council for Community  
Behavioral Healthcare

August 21, 2015

Dorothy Teeter, Director  
Washington State Health Care Authority  
PO Box 42710  
Olympia, Washington 98504

Re: 1115 Global Medicaid Waiver Application

Dear Director Teeter:

I am writing on behalf of the Washington Community Mental Health Council (Council) to provide comments on Washington State's Medicaid Transformation Waiver Application. The Council is the statewide association of licensed community mental health agencies (CMHAs) that provide a full range of outpatient, evaluation and treatment, and residential and inpatient mental health treatment to approximately 120,000 low-income individuals each year. Most are also dually licensed by the state to provide outpatient substance use disorder treatment. Thank you for the opportunity to provide input on your bold proposal to transform the healthcare delivery system into one that better manages health across systems and drives population health improvement.

We are encouraged by Healthier Washington's progress to achieve the triple aim of better health, better care, and lower costs. We are particularly pleased to see that the waiver application acknowledges that the reinvestment strategy must align incentives across systems of care and the continuum of providers. Our comments below focus on Initiative 1 and Initiative 3 of the waiver application, as well as the recent CMS letter regarding 1115 waiver opportunities for individuals with substance use disorders. We hope these comments will promote additional dialogue on how to realize the full potential of an 1115 global waiver.

**Initiative 1 – Transformation through Accountable Communities of Health (ACHs)**

- **Community Representation:** As regional coordinating entities, ACHs will be central to organizing local services, implementing transformation projects, and building clinical-community linkages. Despite initial support through the State Innovation Model grant, it remains unclear how exactly ACHs will ensure that the 80/20 proposition related to social determinants of health is addressed. In order for the ACHs to succeed in this role, the state must measure and evaluate whether ACHs are achieving meaningful community involvement and multisector engagement. To prevent important sectors from being underrepresented in a region, the state should also require each ACH to include a mandated list of membership in order to receive a designation. Finally, the state must ensure the broad governance structure described in the application guarantees that the smaller ACH members are not left out of key decisions.

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- **Performance Measures:** Although the waiver application states that process and performance measures for payments for transformation projects will align with measures included in Medicaid MCO and BHO contracts, it is still unclear how ACHs and BHOs/MCOs will work together to adopt more integrated and accountable models of care. Using a regional approach to health transformation is well-intentioned, but the state should be more specific about how ACHs will drive coordination and integration at the delivery system level to include community services, social services, and public health.
- **Transformation Projects:** We agree that ACHs should have the flexibility to select transformation projects based on the needs of their communities. It is important, however, to use the 1115 waiver to fund certain statewide interventions. For example, bidirectional integrated care management is a care delivery redesign model that addresses the needs of the whole person by integrating physical and behavioral healthcare at whichever location an individual receives most of his or her care. The model has also been proven to reduce hospitalizations and result in net Medicaid savings.

Additionally, it is important for common statewide transformation projects to address the needs of children and youth. While we appreciate the need to focus the waiver application for high-cost Medicaid beneficiaries as a mechanism for containing cost growth, we must also invest upstream. For example, a statewide early identification initiative for transition age youth experiencing a first episode of psychosis would be a worthwhile population health improvement project because this is a population who is on the path toward adult Medicaid. Such an investment could prevent these youth from a lifetime of disability.

Finally, workforce capacity and attrition continues to be a challenge. Core competency trainings and boosters on evidence-based practices would be one health systems capacity building project that could increase providers' capabilities and improve treatment outcomes without overly burdensome fidelity requirements. We urge you to be more explicit about how the state intends to use the 1115 waiver or other aspects of the Healthier Washington plan to address workforce-related issues.

### Initiative 3 – Targeted Foundational Community Supports

Knowing that supportive housing and supported employment improve health outcomes and likely reduce costs, we are pleased to see that both supports will be offered on a statewide basis to Medicaid beneficiaries who meet eligibility criteria. We would appreciate, however, more information about what will be included in the eligibility criteria. In particular, we strongly believe that the supportive housing benefit be aimed at individuals being discharged from institutional settings such as hospitals and jails.

- **Supportive Housing:** As the waiver application acknowledges, there is a growing awareness of the social determinants of health and the link between housing and health. We fully agree that the 1115 waiver is a promising mechanism to ensure access to supportive housing services for Medicaid beneficiaries. However, we also urge you to keep in mind that *access to effective treatment for mental illness and addictions is essential to achieving housing stability* and overall health and wellness.
- **Supported Employment:** The benefits of supported employment are a little less championed than supportive housing, and therefore, we are especially excited to see the

state taking the lead on this evidence-based practice. Employment is a core component of full community reintegration and economic security for people who are homeless, many of whom also suffer from mental illness or addiction. Research shows that working can reduce negative symptoms and prevent hospitalizations.

In particular, we appreciate that this benefit will be offered to youth ages 16 and older. As previously mentioned, transition age youth who have a serious mental illness are on the pathway to adult Medicaid, but Individual Placement and Support in employment provides a connection to the community, enhances self-esteem, increases income, and allows young people (and adults) to learn new skills.

### **CMS Letter Regarding New Service Delivery Opportunities for Individuals with Substance Use Disorder**

On July 27, 2015, CMS sent a letter to all state Medicaid directors informing them of opportunities to design service delivery systems for individuals with substance use disorders (SUD), including demonstration projects approved under an 1115 waiver. As you know, there is currently a payment exclusion policy that prevents community-based substance use treatment providers with more than 16 beds from participating in Medicaid (i.e., the Institutions for Mental Disease exclusion). The result of the IMD exclusion policy is that states do not receive federal matching funds for services provided in most residential substance use settings, hindering patients' access to care.

The letter highlighted a new opportunity for states to use an 1115 waiver to test Medicaid coverage of a full continuum of addiction treatment settings, including settings that would otherwise be prohibited under the IMD exclusion. Although CMS has not gone so far as to amend the IMD policy, it recognizes that the IMD payment exclusion "challenges states' abilities to offer a full continuum of care and effectively treat individuals living with substance use disorders."

Using the waiver to create an SUD benefit aligns with Washington State's progression toward full integration of physical health and behavioral health. The Council strongly encourages the state to take advantage of this new opportunity as it proceeds with negotiations with CMS.

Thank you again for the opportunity to comment on the state's 1115 Global Medicaid Waiver Application. We continue to be impressed with the steps our state is taking to provide better health, better care, and lower costs for beneficiaries. If you have any questions, please do not hesitate to contact me by email at [achristian@wcmhcnet.org](mailto:achristian@wcmhcnet.org) or by phone at 206-628-4608 ext. 14.

Sincerely,

A handwritten signature in black ink that reads "Ann Christian". The signature is written in a cursive, flowing style.

Ann Christian, CEO