

**Responses from Washington State Health Care Authority Conferees  
to December 15, 2020, Committee Questions on Integrated Care**

**Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and  
KanCare Oversight**

On December 15, 2020, Alice Lind, BSN, MPH, Washington State Health Care Authority, provided the following responses to questions posed on the same day by Committee members, including the Evaluation of Integrated Managed Care in North Central: Findings through March 2019.

- How has the budget neutrality been affected and how have you been able to prove budget neutrality in the 1115 waiver?
  - WA state's budget neutrality under the 1115 waiver was significantly impacted by increases in Medicaid long-term services and supports (LTSS) costs. LTSS increases were driven by voter initiatives and federal rule changes, which were not part of the baseline calculations that was originally negotiated with the Centers for Medicare and Medicaid Services (CMS). As a result of the LTSS increases, WA state was projected to exceed budget neutrality over the lifetime of the waiver. We were required to submit a corrective action plan in order to come into compliance with the CMS Special Terms and Conditions. After months of negotiations, WA and CMS agreed to budget neutrality adjustments including removing LTSS costs from the calculation, effective January 2019 and program reductions across all waiver initiatives. With these adjustments, WA state is now projecting to meet budget neutrality.
  
- How difficult has it been for the managed care organizations to orchestrate the difference in the billing under integrated care?

The transition for providers to switch from billing one organization to several MCOs has required a lot of effort in preparation, training, technical assistance, retraining, and follow up involving the state agency staff. The MCOs who have been most successful replicated the payment policies to the extent possible, for example if the provider had been paid on a per capita basis, that was continued. Most providers were successfully managing the flow of funds within a few months, but a few really struggled and needed hands-on support.
  
- Have the numbers after 2017 still held up? Would you be able to provide more recent data?

We also received evaluation data on the 2018 implementation (using 2019 data), see attached powerpoint; these finding are more neutral.

2020 evaluation results have not been released but we can update that information in the next few months.