



STATE OF WASHINGTON

December 18, 2018

Dear Members of the Joint Select Committee on Health Care Oversight:

SUBJECT: Quarterly Report on the Medicaid Transformation Project Demonstration

Pursuant to SSB 5883, Sections 213(1)(e)&(f), 204(3)(b), and 206(25)(a)&(b), enclosed please find two documents reporting on the activities, outcomes, financial status, and expenditures of the Medicaid Transformation Project Demonstration. The first is a copy of our recently-submitted report to the federal Centers for Medicare and Medicaid Services (CMS). Under the terms of our agreement with CMS, the state is required to report quarterly on the activities and accomplishments of the Demonstration. Given that the information contained in the report is the same as what we believe to be required under SSB 5883, we respectfully suggest that the same report can fulfill both needs. However, please let us know if there is additional information you require.

The second document is a quarterly expenditure and FTE report covering all three initiatives of the Demonstration.

If you have questions or require additional information, please do not hesitate to contact us.

Sincerely,

Susan E. Birch, MBA, BSN, RN
Director
Health Care Authority

Cheryl Strange, LMHC, MPA
Secretary
Department of Social and Health Services

Enclosures

By email

cc: Senate Ways and Means Committee
House Appropriations Committee
Greg Attanasio, Counsel, Joint Select Committee on Health Care Oversight
Chris Blake, Counsel, Joint Select Committee on Health Care Oversight
Evan Klein, Counsel, Joint Select Committee on Health Care Oversight
Jim Morishima, Counsel, Joint Select Committee on Health Care Oversight
Kim Weidenaar, Counsel, Joint Select Committee on Health Care Oversight

Quarterly Medicaid Transformation Incentive Report

The purpose of this report is to detail Delivery System Reform Incentive Payment (DSRIP) program funding activity related to the Healthier Washington Medicaid Transformation. In accordance with the Transformation's Special Terms and Conditions (STCs), DSRIP incentive funds earned by Accountable Communities of Health (ACHs) are held in accounts managed by an independent Financial Executor. The Financial Executor distributes these funds to ACHs and their partnering providers through a web-based portal, called the Financial Executor Portal, under the direction of ACHs.

This report describes the total amount of incentive funds earned and distributed during the first three quarters of 2018 (January – September). ACHs earned a total of **\$179,379,251**, and distributed a total of **\$69,800,117** during this time.

Throughout the reporting period, ACHs earned the following types of incentives:

- **Project Incentives.** Earned through successful submission, and full valuation, of ACH Project Plans. Each ACH earned incentives associated with each of their selected projects. More information about each project can be found in the [Project Toolkit](#).¹
- **Project Plan Bonus Pool Incentives.** Additional project incentives earned by ACHs that selected more than four projects in their Project Plans.
- **Integration Incentives.** Earned by achieving milestones associated with the transition to integrated managed care.

In this report, distributed incentives are categorized by **Use Categories**. ACHs must identify payments to themselves and partnering providers using standardized Use Categories in the Financial Executor Portal. Use Categories and associated definitions were developed by the state, with input from ACHs. More information about Use Categories can be found in the [ACH DSRIP Use Categories](#) fact sheet.²

Please note: Figures in this report are not to be used for ACH-to-ACH comparisons. Each ACH has a budget and funds flow model specific to its region, approved by the ACH's decision-making body. While Use Categories are used by all ACHs to identify the use of funds, each ACH may use them differently.

For more information, please visit [Healthier Washington Medicaid Transformation](#).³

¹ <https://www.hca.wa.gov/assets/program/project-toolkit-approved.pdf>

² <https://www.hca.wa.gov/assets/use-categories-fact-sheet.pdf>

³ <https://www.hca.wa.gov/about-hca/healthier-washington/medicaid-transformation>



Table A shows the **total funds earned and distributed** by ACHs through the Financial Executor Portal from January through September, 2018.

Table A. Total funds earned and distributed by ACHs through the portal, January - September 2018.			
ACH	Total Funds Earned by ACHs	Total Funds Distributed by ACHs	Total Funds Remaining
Better Health Together	\$15,839,109	\$10,593,370	\$5,245,739
Cascade Pacific Action Alliance	\$15,855,032	\$7,349,366	\$8,505,666
Greater Columbia ACH	\$24,232,432	\$7,141,526	\$17,090,906
HealthierHere	\$37,633,736	\$12,606,549	\$25,027,187
North Central ACH	\$10,968,229	\$4,344,104	\$6,624,125
North Sound ACH	\$27,872,344	\$12,242,900	\$15,629,444
Olympic Community of Health	\$7,215,518	\$3,372,937	\$3,842,581
Pierce County ACH	\$21,007,743	\$8,889,602	\$12,118,141
SWACH	\$18,755,108	\$3,259,763	\$15,495,345
Total	\$179,379,251	\$69,800,117	\$109,579,134

Table B shows the **total funds earned** by ACHs through the Financial Executor Portal from January through September, 2018, categorized by incentive type.

Table B. Total funds earned by ACHs by incentive type, January - September 2018.				
ACH	Project Incentives	Project Plan Bonus Pool	Integration Incentives	Total
Better Health Together	\$15,839,109	-	-	\$15,839,109
Cascade Pacific Action Alliance	\$14,399,190	\$1,455,842	-	\$15,855,032
Greater Columbia ACH	\$20,158,866	-	\$4,073,566	\$24,232,432
HealthierHere	\$31,678,219	-	\$5,955,517	\$37,633,736
North Central ACH	\$7,199,595	\$1,455,842	\$2,312,792	\$10,968,229
North Sound ACH	\$21,598,786	\$1,941,123	\$4,332,435	\$27,872,344
Olympic Community of Health	\$5,759,676	\$1,455,842	-	\$7,215,518
Pierce County ACH	\$17,279,028	-	\$3,728,715	\$21,007,743
SWACH	\$10,079,434	-	\$8,675,674	\$18,755,108
Total	\$143,991,903	\$6,308,649	\$29,078,699	\$179,379,251



Table C shows the **total funds distributed** by ACHs through the Financial Executor Portal from January through September, 2018, categorized by Use Category.

Table C. total funds distributed by ACHs by Use Category, January - September 2018.									
	BHT	CPAA	GCACH	HH	NC	NS	OCH	PCACH	SWACH
Administration	\$566,671	\$176,384	\$679,000	-	-	\$1,833,126	\$11,081	-	-
Community Health Fund	-	\$940,715	-	-	-	\$1,800,000	-	-	-
Health Systems & Community Capacity Building	\$835,000	\$219,536	-	-	\$104,000	\$189,400	-	\$517,085	-
Integration Incentives	\$1,430,000	-	-	-	\$35,872	-	-	\$1,715,209	-
Project Management	-	\$999,510	\$287,000	-	\$323,797	\$96,238	-	-	-
Provider Engagement, Participation & Implementation	\$3,256,000	\$329,184	\$441,000	\$3,595,150	\$1,832,390	\$1,820,000	\$1,723,420	\$1,742,000	\$392,500
Provider Performance & Quality Incentives	-	-	-	-	-	-	-	-	-
Reserve / Contingency Fund	-	\$587,947	-	-	-	\$360,000	-	-	-
Shared Domain 1 Incentives	\$4,505,699	\$4,096,090	\$5,734,526	\$9,011,399	\$2,048,045	\$6,144,136	\$1,638,436	\$4,915,308	\$2,867,263
Total	\$10,593,370	\$7,349,366	\$7,141,526	\$12,606,549	\$4,344,104	\$12,242,900	\$3,372,937	\$8,889,602	\$3,259,763



The following tables provide additional detail regarding the funds earned and distributed by each ACH.

Better Health Together

Table D. Better Health Together: Total Funds Earned				
Incentive Type	Q1	Q2	Q3	Total
Project 2A	\$4,184,238	\$3,495,331	-	\$7,679,569
Project 2B	\$2,876,663	\$2,403,040	-	\$5,279,703
Project 2C	-	-	-	-
Project 2D	-	-	-	-
Project 3A	\$523,030	\$436,916	-	\$959,946
Project 3B	-	-	-	-
Project 3C	-	-	-	-
Project 3D	\$1,046,059	\$873,833	-	\$1,919,892
Project Plan Bonus Pool	-	-	-	-
Integration Incentives	-	-	-	-
Total	\$8,629,990	\$7,209,119	-	\$15,839,109

Table E. Better Health Together: Total Funds Distributed				
Use Category	Q1	Q2	Q3	Total
Administration	-	\$431,500	\$135,171	\$566,671
Community Health Fund	-	-	-	-
Health Systems and Community Capacity Building	-	\$400,000	\$435,000	\$835,000
Integration Incentives	-	\$1,135,000	\$295,000	\$1,430,000
Project Management	-	-	-	-
Provider Engagement, Participation and Implementation	-	\$2,395,000	\$861,000	\$3,256,000
Provider Performance & Quality Incentives	-	-	-	-
Reserve / Contingency Fund	-	-	-	-
Shared Domain 1 Incentives	-	\$4,505,699	-	\$4,505,699
Total	-	\$8,867,199	\$1,726,171	\$10,593,370

Cascade Pacific Action Alliance

Table F. Cascade Pacific Action Alliance: Total Funds Earned				
Incentive Type	Q1	Q2	Q3	Total
Project 2A	\$2,988,741	\$2,496,664	-	\$5,485,405
Project 2B	\$2,054,760	\$1,716,457	-	\$3,771,217
Project 2C	\$1,214,176	\$1,014,270	-	\$2,228,446
Project 2D	-	-	-	-
Project 3A	\$373,593	\$312,083	-	\$685,676
Project 3B	\$466,991	\$390,104	-	\$857,095
Project 3C	-	-	-	-
Project 3D	\$747,185	\$624,166	-	\$1,371,351
Project Plan Bonus Pool	\$1,455,842	-	-	\$1,455,842
Integration Incentives	-	-	-	-
Total	\$9,301,288	\$6,553,744	-	\$15,855,032

Table G. Cascade Pacific Action Alliance: Total Funds Distributed				
Use Category	Q1	Q2	Q3	Total
Administration	-	\$176,384	-	\$176,384
Community Health Fund	-	\$940,715	-	\$940,715
Health Systems and Community Capacity Building	-	-	\$219,536	-
Integration Incentives	-	-	-	-
Project Management	-	\$999,510	-	\$999,510
Provider Engagement, Participation and Implementation	-	\$120,096	\$209,088	\$120,096
Provider Performance & Quality Incentives	-	-	-	-
Reserve / Contingency Fund	-	\$587,947	-	\$587,947
Shared Domain 1 Incentives	-	\$4,096,090	-	\$4,096,090
Total	-	\$6,920,742	\$428,624	\$6,920,742



Greater Columbia Accountable Community of Health

Table H. Greater Columbia ACH: Total Funds Earned				
Incentive Type	Q1	Q2	Q3	Total
Project 2A	\$6,166,245	\$5,151,013	-	\$11,317,258
Project 2B	-	-	-	-
Project 2C	\$2,505,037	\$2,092,599	-	\$4,597,636
Project 2D	-	-	-	-
Project 3A	\$770,781	\$643,877	-	\$1,414,658
Project 3B	-	-	-	-
Project 3C	-	-	-	-
Project 3D	\$1,541,561	\$1,287,753	-	\$2,829,314
Project Plan Bonus Pool	-	-	-	-
Integration Incentives	\$4,073,566	-	-	\$4,073,566
Total	\$15,057,190	\$9,175,242	-	\$24,232,432

Table I. Greater Columbia ACH: Total Funds Distributed				
Use Category	Q1	Q2	Q3	Total
Administration	-	\$679,000	-	\$679,000
Community Health Fund	-	-	-	-
Health Systems and Community Capacity Building	-	-	-	-
Integration Incentives	-	-	-	-
Project Management	-	\$287,000	-	\$287,000
Provider Engagement, Participation and Implementation	-	\$169,000	\$272,000	\$441,000
Provider Performance & Quality Incentives	-	-	-	\$0
Reserve / Contingency Fund	-	-	-	\$0
Shared Domain 1 Incentives	-	\$5,734,526	-	\$5,734,526
Total	-	\$6,869,526	\$272,000	\$7,141,526

HealthierHere

Table J. HealthierHere: Total Funds Earned				
Incentive Type	Q1	Q2	Q3	Total
Project 2A	\$9,689,814	\$8,094,449	-	\$17,784,263
Project 2B	-	-	-	-
Project 2C	\$3,936,487	\$3,288,370	-	\$7,224,857
Project 2D	-	-	-	-
Project 3A	\$1,211,227	\$1,011,806	-	\$2,223,033
Project 3B	-	-	-	-
Project 3C	-	-	-	-
Project 3D	\$2,422,453	\$2,023,612	-	\$4,446,065
Project Plan Bonus Pool	-	-	-	-
Integration Incentives	\$5,955,517	-	-	\$5,955,517
Total	\$23,215,498	\$14,418,238	-	\$37,633,736

Table K. HealthierHere: Total Funds Distributed				
Use Category	Q1	Q2	Q3	Total
Administration	-	-	-	-
Community Health Fund	-	-	-	-
Health Systems and Community Capacity Building	-	-	-	-
Integration Incentives	-	-	-	-
Project Management	-	-	-	-
Provider Engagement, Participation and Implementation	-	-	\$3,595,150	\$3,595,150
Provider Performance & Quality Incentives	-	-	-	-
Reserve / Contingency Fund	-	-	-	-
Shared Domain 1 Incentives	-	\$9,011,399	-	\$9,011,399
Total	-	\$9,011,399	\$3,595,150	\$9,011,399

North Central Accountable Community of Health

Table L. North Central ACH: Total Funds Earned				
Incentive Type	Q1	Q2	Q3	Total
Project 2A	\$1,364,426	\$1,139,781	-	\$2,504,207
Project 2B	\$938,042	\$783,600	-	\$1,721,642
Project 2C	\$554,298	\$463,036	-	\$1,017,334
Project 2D	\$554,298	\$463,036	-	\$1,017,334
Project 3A	\$170,553	\$142,473	-	\$313,026
Project 3B	-	-	-	-
Project 3C	-	-	-	-
Project 3D	\$341,106	\$284,945	-	\$626,051
Project Plan Bonus Pool	\$1,455,842	-	-	\$1,455,842
Integration Incentives	\$2,312,792	-	-	\$2,312,792
Total	\$7,691,357	\$3,276,872	-	\$10,968,229

Table M. North Central ACH: Total Funds Distributed				
Use Category	Q1	Q2	Q3	Total
Administration	-	-	-	-
Community Health Fund	-	-	-	-
Health Systems and Community Capacity Building	-	-	\$104,000	\$104,000
Integration Incentives	-	\$15,000	\$20,872	\$35,872
Project Management	-	\$4,666	\$319,131	\$323,797
Provider Engagement, Participation and Implementation	-	\$1,762,390	\$70,000	\$1,832,390
Provider Performance & Quality Incentives	-	-	-	-
Reserve / Contingency Fund	-	-	-	-
Shared Domain 1 Incentives	-	\$2,048,045	-	\$2,048,045
Total	-	\$3,830,101	\$514,003	\$4,344,104

North Sound Accountable Community of Health

Table N. North Sound ACH: Total Funds Earned				
Incentive Type	Q1	Q2	Q3	Total
Project 2A	\$3,765,814	\$3,145,797	-	\$6,911,611
Project 2B	\$2,588,997	\$2,162,736	-	\$4,751,733
Project 2C	\$1,529,862	\$1,277,980	-	\$2,807,842
Project 2D	\$1,529,862	\$1,277,980	-	\$2,807,842
Project 3A	\$470,727	\$393,225	-	\$863,952
Project 3B	\$588,408	\$491,531	-	\$1,079,939
Project 3C	\$353,045	\$294,919	-	\$647,964
Project 3D	\$941,454	\$786,449	-	\$1,727,903
Project Plan Bonus Pool	\$1,941,123	-	-	\$1,941,123
Integration Incentives	\$4,332,435	-	-	\$4,332,435
Total	\$18,041,727	\$9,830,617	-	\$27,872,344

Table O. North Sound ACH: Total Funds Distributed				
Use Category	Q1	Q2	Q3	Total
Administration	-	\$1,800,000	\$33,126	\$1,833,126
Community Health Fund	-	\$1,800,000	-	\$1,800,000
Health Systems and Community Capacity Building	-	-	\$189,400	\$189,400
Integration Incentives	-	-	-	-
Project Management	-	\$3,850	\$92,388	\$96,238
Provider Engagement, Participation and Implementation	-	\$1,092,000	\$728,000	\$1,820,000
Provider Performance & Quality Incentives	-	-	-	-
Reserve / Contingency Fund	-	\$360,000	-	\$360,000
Shared Domain 1 Incentives	-	\$6,144,136	-	\$6,144,136
Total	-	\$11,199,986	\$1,042,914	\$12,242,900

Olympic Community of Health

Table P. Olympic Community of Health: Total Funds Earned				
Incentive Type	Q1	Q2	Q3	Total
Project 2A	\$1,544,949	\$1,290,584	-	\$2,835,533
Project 2B	-	-	-	-
Project 2C	-	-	-	-
Project 2D	\$627,636	\$524,300	-	\$1,151,936
Project 3A	\$193,119	\$161,323	-	\$354,442
Project 3B	\$241,398	\$201,654	-	\$443,052
Project 3C	\$144,839	\$120,992	-	\$265,831
Project 3D	\$386,237	\$322,646	-	\$708,883
Project Plan Bonus Pool	\$1,455,842	-	-	\$1,455,842
Integration Incentives	-	-	-	-
Total	\$4,594,020	\$2,621,498	-	\$7,215,518

Table Q. Olympic Community of Health: Total Funds Distributed				
Use Category	Q1	Q2	Q3	Total
Administration	-	-	\$11,081	\$11,081
Community Health Fund	-	-	-	-
Health Systems and Community Capacity Building	-	-	-	-
Integration Incentives	-	-	-	-
Project Management	-	-	-	-
Provider Engagement, Participation and Implementation	-	-	\$1,723,420	\$1,723,420
Provider Performance & Quality Incentives	-	-	-	-
Reserve / Contingency Fund	-	-	-	-
Shared Domain 1 Incentives	-	\$1,638,436	-	\$1,638,436
Total	-	\$1,638,436	\$1,734,501	\$3,372,937

Pierce County Accountable Community of Health

Table R. Pierce County ACH: Total Funds Earned				
Incentive Type	Q1	Q2	Q3	Total
Project 2A	\$4,564,623	\$3,813,087	-	\$8,377,710
Project 2B	\$3,138,178	\$2,621,498	-	\$5,759,676
Project 2C	-	-	-	-
Project 2D	-	-	-	-
Project 3A	\$570,578	\$476,636	-	\$1,047,214
Project 3B	-	-	-	-
Project 3C	-	-	-	-
Project 3D	\$1,141,156	\$953,272	-	\$2,094,428
Project Plan Bonus Pool	-	-	-	-
Integration Incentives	\$3,728,715	-	-	\$3,728,715
Total	\$13,143,250	\$7,864,493	-	\$21,007,743

Table S. Pierce County ACH: Total Funds Distributed				
Use Category	Q1	Q2	Q3	Total
Administration	-	-	-	-
Community Health Fund	-	-	-	-
Health Systems and Community Capacity Building	-	\$307,450	\$209,635	\$517,085
Integration Incentives	-	\$1,715,209	-	\$1,715,209
Project Management	-	-	-	-
Provider Engagement, Participation and Implementation	-	\$710,000	\$1,032,000	\$1,742,000
Provider Performance & Quality Incentives	-	-	-	-
Reserve / Contingency Fund	-	-	-	-
Shared Domain 1 Incentives	-	\$4,915,308	-	\$4,915,308
Total	-	\$7,647,967	\$1,241,635	\$8,889,602

SWACH

Table T. SWACH: Total Funds Earned				
Incentive Type	Q1	Q2	Q3	Total
Project 2A	\$2,662,698	\$2,224,301	-	\$4,886,999
Project 2B	\$1,830,604	\$1,529,207	-	\$3,359,811
Project 2C	-	-	-	-
Project 2D	-	-	-	-
Project 3A	\$332,837	\$278,038	-	\$610,875
Project 3B	-	-	-	-
Project 3C	-	-	-	-
Project 3D	\$665,674	\$556,075	-	\$1,221,749
Project Plan Bonus Pool	-	-	-	-
Integration Incentives	\$8,675,674	-	-	\$8,675,674
Total	\$14,167,487	\$4,587,621	-	\$18,755,108

Table U. SWACH: Total Funds Distributed				
Use Category	Q1	Q2	Q3	Total
Administration	-	-	-	-
Community Health Fund	-	-	-	-
Health Systems and Community Capacity Building	-	-	-	-
Integration Incentives	-	-	-	-
Project Management	-	-	-	-
Provider Engagement, Participation and Implementation	-	-	\$392,500	\$392,500
Provider Performance & Quality Incentives	-	-	-	-
Reserve / Contingency Fund	-	-	-	-
Shared Domain 1 Incentives	-	\$2,867,263	-	\$2,867,263
Total	-	\$2,867,263	\$392,500	\$3,259,763