ASTHO Medicaid Innovations Group

Association of State and Territorial Health Officials

May 29, 2018
Agenda

- Welcome and Introductions
- Call Objectives
- Presentation: Deeper Dive on Section 1115 Waivers
  - Place-based Waivers
  - Waivers with Healthy Behavior Incentives
- State Round Robin
- Wrap up and Next Steps
Section 1115 Research and Demonstration Waivers: Place-based Initiatives and Healthy Behavior Incentives

Medicaid Innovations Group
May 29, 2018
Alexandra Kearly
Section 1115 Research and Demonstration Waivers: An Update

• Section 1115 Medicaid Research and Demonstration waivers provide an opportunity for states to test new approaches in Medicaid that may differ from federal program rules.

• As of May 16, 2018, there were:
  • 44 approved 1115 waivers across 37 different states.
  • 24 pending 1115 waivers across 23 different states.

What are Place-based Initiatives?

• Term has different meanings to different stakeholders.
• Broadly speaking, place-based initiatives are delivery system reform initiatives with a focus on regional transformation, usually with community involvement and multi-sector collaboration.
• Examples include:
  - State Innovation Models (SIM)
  - Accountable Communities for Health (ACHs)
  - ACH-like initiatives and other “Accountable” entities (e.g. Oregon’s Coordinated Care Organizations and Virginia’s Accountable Care Communities)
Key Elements of ACHs

• Multi-Sector Collaboration
  • Engage multiple sectors rather than only the healthcare delivery system. May include: shared financial incentives, shared data collection, or common interests.

• Community Engagement
  • Dependent on community or regional context.
  • Partnership with community-based organizations and seeking community-level input in determining priorities.

• Governance
  • Centralized governance structure (e.g., multi-stakeholder board or backbone organization)

<table>
<thead>
<tr>
<th>State</th>
<th>Number of ACHs</th>
<th>Geography</th>
<th>Governance/Backbone Organizations</th>
<th>Priority Focus Areas*</th>
<th>Financing</th>
</tr>
</thead>
</table>
| California | 6 ACHs         | Regional                   | - Public health agencies  
- County health departments  
- Medical centers  
- 501c3 non-profit                                                                 | Asthma, violence, obesity, and cardiovascular disease.                                                      | $850,000 per site over three years                                                                      |
| Iowa       | 6 C3s          | Regional                   | - County health departments  
- Medical center  
- Public health agencies  
- County boards of health                                                                 | Tobacco use, obesity, and/or diabetes.  
- May also address SIM strategies of medication safety, patient and family engagement, community resource coordination, social determinants of health, hospital acquired infections, and obstetrics. | $1,300,000 awarded to 6 C3s from March 2016 to January 2017                                               |
| Michigan   | 5 CHIRs        | Regional                   | - Health systems  
- Community-based organizations                                                                 | High ED utilizers, individuals with multiple chronic conditions, and healthy mothers and babies.           | Approximately $500,000 per CHIR                                                                 |
| Minnesota  | 15 ACHs        | Regional (can be overlapping) | - MCOs/ACOs  
- Community Care Teams  
- Medical centers/clinics  
- Physician groups  
- Integrated health systems  
- Health foundation  
- Non-profit community health board  
- Social service agency  
- Non-profit health plan                                                                 | Care coordination for low-income individuals; behavioral health care; diabetes prevention and/or management; linking released correction facilities clients with services; improving health equity; improving capacity to support at-risk youth in crisis; and opioid use in seniors. | $370,000 per site over two years                                                                     |
| Washington | 9 ACHs         | Statewide                  | - Local public health agencies  
- Community-based organizations  
- Non-profit organizations                                                                 | Access to care; behavioral health/integrated care; chronic disease prevention and/or management; obesity/diabetes prevention and management; housing; oral health care; substance use disorders; adverse childhood experiences (ACEs); and health equity. | $150,000 for first pilot ACHs, allocated in 2015 through state legislation;  
$100,000 to seven ACHs, allocated in 2015 through SIM; and  
$810,000 for all nine ACHs, allocated in late 2015 post-designation through 2019. |
Challenges of Accountable Communities for Health

- Demonstrating a return-on-investment (ROI) in a short time period
- Establishing multisector collaboration
- Meaningful community engagement takes time and effort
- Ability to access, link, and utilize cross-sector data
- Identifying diverse financing and creating sustainability

Section 1115 Waivers: Place-based Initiatives

• Several states have used Section 1115 waivers as mechanism to implement place-based initiatives:
  • Implement Delivery System Reform Incentive Payment (DSRIP) initiatives.
  • Invest in delivery system reform initiatives other than DSRIP such as:
    – ACHs
    – Other ACH-like initiatives (E.g. Oregon’s Coordinated Care Organizations and Virginia’s Accountable Care Communities).
Example: Washington

- As part of the Healthier Washington initiative, Washington developed a Medicaid Transformation project through a Section 1115 waiver.

- Medicaid Transformation:
  - Initiative 1: Transformation through Accountable Communities of Health (ACHs).
  - Initiative 2: Long-term Services and Supports.
  - Initiative 3: Supportive Housing and Supporting Employment.
Example: Washington

Example: Washington

- Healthier Washington’s Analytics, Interoperability, and Measurement (AIM) initiative includes data dashboards.
- These dashboards can be viewed by ACH region and sorted by select measures.

Example: Oregon

- Oregon developed Coordinated Care Organizations (CCOs) in 2012 through an 1115 waiver.
  - The 1115 waiver was renewed in January, 2017 for another five years (through 2022).
- The state has a total of 16 CCOs.
- CCO governance boards include health systems, health plans, community representatives, and consumers.
Example: Oregon

Source: Coordinated Care Organization Service Areas, Oregon Health Authority.
Example: Oregon

• Evidence shows that Oregon’s transition to CCOs reduced Medicaid expenditures by 7% from 2012-2017, according to a 2017 evaluation.

• The reduced expenditures are due in part to:
  • Reduced inpatient hospital utilization
  • Avoidable emergency room visits
  • Improvements in appropriate care.

Example: Iowa

- As part of Iowa’s SIM, the state launched the Clinical and Community Care (C3) Initiative.
- C3s span 19 counties throughout the state and consist of locally based coalitions of health and social service stakeholders.
- Two main functions:
  - Improve social determinants of health through care coordination.
  - Implement population health interventions that align with Iowa’s SIM statewide strategies (e.g., tobacco use, obesity, and diabetes).
Example: Iowa

Source: Iowa Community and Clinical Care (C3) Initiative Grantees. Iowa Department of Public Health. 2018.
Example: Iowa

• A 2017 implementation evaluation found:
  • All C3 sites were successful in establishing partnerships, providing care coordination and improving health at the individual and community level.
  • Improved data analysis of all C3 sites and sharing of data using a SIM data portal allowed the state to collectively track improved health outcomes.
  • Identified challenges:
    – Changes in state leadership
    – Obtaining “buy-in” from payers and providers
    – Uncertainty in MCO contracts moving forward

Section 1115 Waivers and Healthy Behavior Incentives
Background

• The use of healthy behavior incentives in Medicaid to encourage enrollees to adopt lifestyle and other behavioral changes has become more common in recent years.

• Examples:
  • Incentivize healthy behaviors (e.g. increasing physical activity or quitting smoking)
  • Encourage use certain healthcare services (e.g. primary care appointments or filling prescriptions)
  • Offer direct financial incentives (e.g. increasing cost-sharing requirements for certain behaviors or cover additional services)
<table>
<thead>
<tr>
<th>State</th>
<th>Target population</th>
<th>Medicaid authority</th>
<th>Incentives used</th>
<th>Targeted behaviors</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>Enrollees with mental health disorders, racial and ethnic minorities, pregnant women and mothers of newborns, enrollees dually eligible for Medicare and Medicaid</td>
<td>MIPCD grant</td>
<td>Money-valued (e.g., gift card), treatment-related</td>
<td>Smoking</td>
</tr>
<tr>
<td>Connecticut</td>
<td>Enrollees with mental health disorders, pregnant women and mothers of newborns, enrollees dually eligible for Medicare and Medicaid</td>
<td>MIPCD grant</td>
<td>Money</td>
<td>Smoking</td>
</tr>
<tr>
<td>Hawaii</td>
<td>Racial and ethnic minorities, enrollees dually eligible for Medicare and Medicaid</td>
<td>MIPCD grant</td>
<td>Money, money-valued (e.g., gift card), prevention-related, points redeemable for rewards, support to address barriers to participation</td>
<td>Diabetes</td>
</tr>
<tr>
<td>Idaho</td>
<td>Children</td>
<td>State Plan Amendment</td>
<td>Reduced premiums</td>
<td>Obesity, preventive care</td>
</tr>
<tr>
<td>Indiana</td>
<td>New adult group</td>
<td>1115 waiver</td>
<td>Reduced cost sharing</td>
<td>Preventive care</td>
</tr>
<tr>
<td>Iowa</td>
<td>New adult group</td>
<td>1115 waiver</td>
<td>Prevention-related incentives, enhanced benefits, reduced premiums or cost sharing</td>
<td>Preventive care</td>
</tr>
<tr>
<td>Michigan</td>
<td>New adult group</td>
<td>1115 waiver</td>
<td>Reduced premiums or cost sharing</td>
<td>Smoking, diabetes, preventive care</td>
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<tr>
<td>Minnesota</td>
<td>Enrollees dually eligible for Medicare and Medicaid</td>
<td>MIPCD grant</td>
<td>Money, prevention-related incentives, support to address barriers to participation</td>
<td>Diabetes, obesity</td>
</tr>
<tr>
<td>Montana</td>
<td>Pregnant women and mothers of newborns, enrollees dually eligible for Medicare and Medicaid</td>
<td>MIPCD grant</td>
<td>Money, support to address barriers to participation</td>
<td>Diabetes, obesity, hyperlipidemia, hypertension</td>
</tr>
<tr>
<td>Nevada</td>
<td>Children, enrollees dually eligible for Medicare and Medicaid</td>
<td>MIPCD grant</td>
<td>Points redeemable for rewards</td>
<td>Diabetes, obesity, hyperlipidemia, hypertension</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>Enrollees with mental health disorders, enrollees dually eligible for Medicare and Medicaid</td>
<td>MIPCD grant</td>
<td>Money, prevention-related incentives, treatment-related incentives, support to address barriers to participation</td>
<td>Smoking, obesity</td>
</tr>
<tr>
<td>New Mexico</td>
<td>Children, enrollees dually eligible for Medicare and Medicaid, those with behavioral health needs, those living with HIV/AIDS, the medically fragile</td>
<td>1115 waiver</td>
<td>Credits redeemable for rewards</td>
<td>Diabetes, preventive care (dental), prenatal care, asthma, schizophrenia</td>
</tr>
<tr>
<td>New York</td>
<td>Pregnant women and mothers of newborns</td>
<td>MIPCD grant</td>
<td>Money</td>
<td>Smoking, diabetes, hypertension</td>
</tr>
<tr>
<td>Texas</td>
<td>Enrollees with mental health or substance use disorders</td>
<td>MIPCD grant</td>
<td>Flexible spending accounts for wellness activities, prevention-related incentives, treatment-related incentives, support to address barriers to participation</td>
<td>Smoking, diabetes, obesity, hyperlipidemia, hypertension</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>Racial and ethnic minorities, pregnant women and mothers of newborns, enrollees dually eligible for Medicare and Medicaid</td>
<td>MIPCD grant</td>
<td>Money, money-valued (e.g., gift card), support to address barriers to participation</td>
<td>Smoking</td>
</tr>
</tbody>
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Section 1115 Waivers: Healthy Behavior Incentives

<table>
<thead>
<tr>
<th>Waiver Provision</th>
<th>Expansion Populations Approved: 6 states Pending: 2 states</th>
<th>Non-Expansion Populations Approved: 5 states Pending: 6 states</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy Behavior Incentives</td>
<td>Approved: AZ, IA, IN, KY, MI, NM</td>
<td>Approved: FL, IN, KY, NM Pending: WI*</td>
</tr>
<tr>
<td>Waive Required Benefits (NEMT)¹</td>
<td>Approved: KY²,³, IA, IN Pending: MA⁴</td>
<td>Approved: KY³</td>
</tr>
<tr>
<td>Copays above statutory limits⁵</td>
<td>Approved: KY⁶ Pending: NM</td>
<td>Approved: KY⁶ Pending: ME, NM, UT*, WI*</td>
</tr>
<tr>
<td>Fees for Missed Appointments</td>
<td>Approved: KY⁶ Pending: NM</td>
<td>Approved: KY⁶ Pending: NM</td>
</tr>
<tr>
<td>Waive EPSDT for 19 and 20 year olds⁷</td>
<td>Pending: NM</td>
<td>Approved: UT⁸ Pending: NM</td>
</tr>
<tr>
<td>Closed Rx Formulary</td>
<td>Pending: MA</td>
<td>Pending: MA</td>
</tr>
<tr>
<td>Restriction on Free Choice of Family Planning Provider</td>
<td></td>
<td>Pending: TX*</td>
</tr>
</tbody>
</table>

*Source: Approved and Pending Eligibility and Enrollment Restrictions. The Kaiser Family Foundation. May 16, 2018.*
Healthy Indiana Plan

• The Healthy Indiana Plan (HIP 1.0) used healthy behavior incentives through Personal Wellness and Responsibility (POWER) accounts, or high-deductible spending accounts, which are intended to incentivize members to proactively manage their care and obtain preventive services.
  • Members made monthly contributions to their POWER accounts on a sliding scale.

• POWER accounts include incentives for:
  • Preventive care: Members can rollover POWER account funds to the following year if they receive specified preventive services (which are covered by first-dollar coverage).
  • Appropriate ER use: HIP uses an ER copayment to incentivize members to seek routine care at appropriate settings. HIP does not charge copayments for other types of care.
Healthy Indiana Plan

• Lessons learned on HIP 1.0 (from an evaluation by Mathematica Policy Research):
  • Over 80% of HIP members who made monthly contributions to their accounts, reported they felt this was affordable.
  • 10% of HIP members disenrolled because they failed to make their monthly contributions.
  • Among former HIP members surveyed, 14% cited cost as a factor for leaving the program.

Healthy Michigan’s Healthy Behavior Incentive Program

- In 2014, Michigan began offering lower premiums to Medicaid expansion enrollees who pursue healthy behaviors.
- The Healthy Michigan Healthy Behavior Incentive Program offers a reduction in monthly enrollee contributions or a gift card of comparative value, if members complete a health risk assessment and agree to address healthy behaviors.
Example: Healthy Michigan’s Healthy Behavior Incentive Program

A 2018 evaluation report found:

- Lack of awareness of rewards among enrollees.
- Most respondents strongly agreed/agreed that info about rewards led them to do something they might not have done otherwise.

Lessons Learned

• If structured appropriately, financial incentives can be effective at encouraging healthy behavior. Research shows that:
  • Incentives are more effective for preventive care requiring a single activity (e.g. vaccinations) than ongoing actions such as smoking cessation.
  • Incentive reward programs that provide immediate rewards are more effective than delayed rewards (e.g. end of year premium adjustments).
  • Cash incentives are preferred to vouchers or gifts.

Challenges Identified

• Research has found challenges associated with:
  • Low levels of incentive program awareness among participants
  • Lack of understanding among participants
  • Lack of understanding among providers
  • Administrative complexities

• There is limited research evaluating the effectiveness of incentive programs within Medicaid programs.
  • Additional evaluations are needed to determine the optimal magnitude and structure of incentive designs in Medicaid.

Additional Resources

6. Coordinated Care Organization Service Areas. Oregon Health Authority.
Questions?
Round Robin
Thank You!

• Contact us with questions, suggestions, and feedback:
  • Deborah Fournier (dfournier@astho.org)
  • Emily Moore (emoore@astho.org)
  • Alex Kearly (akeearly@astho.org)

• Additional resources:
  http://www.astho.org/Programs/Clinical-to-Community/

• Next call: July 2018 (date TBD)