

Medicaid Transformation: *The Potential for a Global Waiver*

Medicaid Transformation—An essential part of Healthier Washington: Better Health, Better Care, Lower Cost

The policy direction has been set and the blueprint has been drawn to achieve Governor Jay Inslee’s vision for a healthier Washington. To fully capitalize on federal investment made through the State Innovation Model Test grant and Medicaid expansion, while also preparing for a rapidly aging population, our state needs complementary Medicaid flexibility, authority, and opportunity to reinvest savings.

What is a Section 1115 Demonstration Waiver?

Section 1115 of the Social Security Act gives the Secretary of Health and Human Services (HHS) the authority to approve experimental, pilot, or demonstration projects that promote the objectives of Medicaid programs. It provides flexibility and expenditure authority for states to design and improve the Medicaid program to fit the needs of that state. When Washington discusses the need for a “global” Medicaid waiver, this means the 1115 will be comprehensive in scope and population.

Why does Washington need a Global Medicaid Waiver?

A global waiver would provide the opportunity to:

- Have the flexibility to use past and anticipated future federal savings for strategic, targeted investments.
- Promote further transformation of long term services and supports systems to provide timely supports to delay and divert the need for Medicaid.
- Address underlying health care delivery gaps through implementation of meaningful reforms and through paying for services not typically covered by Medicaid.
- Take advantage of work done to date and increase access to community based options, strengthen community accountability and empowerment, and positively impact social determinants of health.
- Enable administrative simplification and standardized performance measurement across systems.
- Phase in innovations with demonstrated returns on investment.

For more information:

- Contact us at medicaidtransformation@hca.wa.gov
- Visit the [Healthier Washington Medicaid Transformation](#) website

What would a transformed Medicaid system look like?

- Physical and behavioral health services are *fully integrated*, providing whole person care
- Individuals’ social and community-based service needs are addressed and they are engaged in their care, improving the odds for better health outcomes
- Cost-effective care and support systems are in place, making it possible for individuals to delay or avoid more expensive services, such as long-term care
- Sustainable funding streams are developed through value-based purchasing and payment, with 80% of payments to providers based on value rather than volume.

Core Waiver Characteristics

- The waiver is a five year demonstration, with expected savings and performance outcome milestones achieved within that time. Transformation is expected to be sustainable after the demonstration ends.
- The waiver must be budget neutral in that it must result in federal expenditures for the five year demonstration period that are no more than would have been spent in the absence of the waiver.
- Comprehensive evaluation is required to confirm or test the degree to which the program achieves the intended benefits.
- A key element of the Medicaid Global Waiver being explored by Washington is the *Delivery System Reform Incentive Payment (DSRIP)* program, which creates performance based incentives to support Medicaid innovation efforts and achieve delivery system reform.

What's Next?

Washington State is receiving technical assistance from the National Governor's Association Center for Best Practice to identify ways to support statewide Medicaid transformation and accelerate engagement with CMS. The Health Care Authority (HCA) has initiated conversations with the Centers for Medicare & Medicaid Services to explore what would be needed for a successful Medicaid global waiver application.

- The next step in pursuing this waiver is the development of a concept paper which will be available by late spring.

