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Measurement, Monitoring, and Evaluation of State Demonstrations to Integrate Care for Dual Eligible Individuals

Washington Capitated Evaluation Design Plan

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Executive Summary

The Washington capitated demonstration under the Financial Alignment Initiative, known as HealthPath Washington, will contract with Medicare-Medicaid Integration Plans (MMIPs) to deliver all Medicare and Medicaid services, including behavioral health and long-term services and supports (LTSS), to full-benefit Medicare-Medicaid enrollees ages 21 and older. The capitated demonstration will operate in two counties, King and Snohomish; the other counties in the State are participating in Washington's managed fee-for-service demonstration under the Financial Alignment Initiative. MMIP care managers will assess health risks, develop Individualized Care Plans, and coordinate care, including referrals to covered and noncovered services. Opt-in enrollment will begin no sooner than October 1, 2014. The demonstration will continue until no sooner than December 31, 2017, unless terminated prior to the planned end date, per the terms of the three-way contract (CMS and State of Washington, 2013).

CMS contracted with RTI International to monitor the implementation of demonstrations under the Financial Alignment Initiative, and to evaluate their impact on beneficiary experience, quality, utilization, and cost. The evaluation includes an aggregate evaluation and State-specific evaluations. This report describes the State-specific Evaluation Plan for the Washington capitated demonstration as of June 3, 2014. The evaluation activities may be revised if modifications are made to either the Washington capitated demonstration or to the activities described in the *Aggregate Evaluation Plan* (Walsh et al., 2013). Although this document will not be revised to address all changes that may occur, the annual and final evaluation reports will note areas where the evaluation as executed differs from this evaluation plan.

The goals of the evaluation are to monitor demonstration implementation, evaluate the impact of the demonstration on the beneficiary experience, monitor unintended consequences, and monitor and evaluate the demonstration's impact on a range of outcomes for the eligible population as a whole and for subpopulations (e.g., people with mental illness and/or substance use disorders and LTSS recipients). To achieve these goals, RTI will collect qualitative and quantitative data from Washington each quarter; analyze Medicare and Medicaid enrollment and claims data; conduct site visits, beneficiary focus groups, and key informant interviews; and incorporate relevant findings from any beneficiary surveys conducted by other entities. Information from monitoring and evaluation activities will be reported in a 6-month initial implementation report to CMS and the State, quarterly monitoring reports provided to CMS and the State, annual reports, and a final evaluation report. The key research questions and data sources for each are summarized in ***Table ES-1***.

The principal focus of the evaluation will be at the demonstration level. CMS has established a contract management team and engaged an operations support contractor to monitor fulfillment of the demonstration requirements outlined in the Memorandum of Understanding (MOU) and three-way contracts, including MMIP-level monitoring. RTI will integrate that information into the evaluation as appropriate.

Table ES-1
Research questions and data sources

Research questions	Stakeholder interviews and site visits	Beneficiary focus groups	Claims and encounter data analysis	Demonstration statistics[1]
1) What are the primary design features of the Washington capitated demonstration, and how do they differ from the State's previous system?	X	X	—	X
2) To what extent did Washington implement the capitated demonstration as designed? What factors contributed to successful implementation? What were the barriers to implementation?	X	—	—	X
3) What impact does the Washington capitated demonstration have on the beneficiary experience overall and for beneficiary subgroups? Do beneficiaries perceive improvements in how they seek care, choice of care options, how care is delivered, personal health outcomes, and quality of life?	X	X	—	X
4) What impact does the Washington capitated demonstration have on cost and is there evidence of cost savings? How long did it take to observe cost savings? How were these savings achieved?	—	—	X	—
5) What impact does the Washington capitated demonstration have on utilization patterns in acute, long-term, and behavioral health services, overall and for beneficiary subgroups?	X	X	X	X
6) What impact does the Washington capitated demonstration have on health care quality overall and for beneficiary subgroups?	—	—	X	X
7) Does the Washington capitated demonstration change access to care for medical, behavioral health, long-term services and supports (LTSS), overall and for beneficiary subgroups? If so, how?	X	X	X	X
8) What policies, procedures, or practices implemented by Washington in its capitated demonstration can inform adaptation or replication by other States?	X	X	—	X
9) What strategies used or challenges encountered by Washington in its capitated demonstration can inform adaptation or replication by other States?	X	X	—	X

— = not applicable.

[1] Demonstration statistics refer to data that the State, CMS, or other entities will provide regarding topics, including enrollments, disenrollments, grievances, appeals, and the number of Medicare-Medicaid Integration Plans.

Demonstration Implementation. Evaluation of demonstration implementation will be based on case study methods and quantitative data analysis of enrollment patterns. We will monitor progress and revisions to the demonstration and will identify transferable lessons from the Washington capitated demonstration through the following: document review, ongoing submissions by the State through an online State Data Reporting System (SDRS; e.g., enrollment and disenrollment statistics and qualitative updates on key aspects of implementation), quarterly key informant telephone interviews, and at least two sets of site visits. We will also monitor and

evaluate several demonstration design features, including the progress in developing an integrated delivery system, integrated delivery system supports, care coordination/case management, benefits and services, enrollment and access to care, beneficiary engagement and protections, financing, and payment elements. ***Table 6*** in ***Section 3*** of this report provides a list of the implementation tracking elements that RTI will monitor for each design feature. Examples of tracking elements include efforts to build plan and provider core competencies for serving beneficiaries with various disability types; requirements for coordination and integration of clinical, LTSS, and behavioral health services; documentation of coordination activities between MMIPs and community-based organizations; phase-in of new or enhanced benefits, and methods to communicate them to eligible populations; and strategies for expanding beneficiary access to demonstration benefits.

The data we gather about implementation will be used for within-State and aggregate analyses; included in the 6-month implementation report to CMS and the State, and annual reports; and will provide context for all aspects of the evaluation.

Beneficiary Experience. The impact of this demonstration on beneficiary experience is a critical focus of the evaluation. Our framework for evaluating beneficiary experience is influenced by work conducted by the Center for Health Care Strategies (CHCS) on the elements of integration that directly affect beneficiary experience for Medicare-Medicaid enrollees. ***Table 8*** in ***Section 4*** of this report aligns key elements identified in the CHCS framework with the demonstration design features listed in the demonstration implementation section. The goals of these analyses are to examine the beneficiary experience and how it varies by subpopulation, and whether the demonstration has had the desired impact on beneficiary outcomes, including quality of life.

To understand beneficiary experience, we will monitor State-reported data quarterly (e.g., reports of beneficiary engagement activities) and discuss issues related to the beneficiary experience during quarterly telephone follow-up calls and site visits with the State and with stakeholders. We will also obtain data on grievances and appeals from CMS and, as available, other sources. Focus groups will include Medicare-Medicaid enrollees from a variety of subpopulations, such as people with mental health conditions, substance use disorders, LTSS needs, and multiple chronic conditions. Relevant demonstration statistics will be monitored quarterly, and quantitative and qualitative analyses of the beneficiary experience will be included in annual State-specific reports and the final evaluation report.

Analysis Overview. Quality, utilization, access to care, and cost will be monitored and evaluated using encounter, claims, and enrollment data for a 2-year predemonstration period and during the course of the demonstration. The evaluation will use an intent-to-treat (ITT) approach for the quantitative analyses, comparing the eligible population for the Washington capitated demonstration with a similar population that is not affected by the demonstration (i.e., a comparison group). Under the ITT framework, outcome analyses will include all beneficiaries eligible for the demonstration in the demonstration area, including those who opt out, participate but then disenroll, and those who enroll but may not seek services, and a group of similar individuals in the comparison group. This approach diminishes the potential for selection bias and highlights the effect of the demonstration on all beneficiaries in the demonstration-eligible

population. RTI will compare the characteristics of those who enroll with those who are eligible but do not enroll and conduct analyses to further explore demonstration effects on demonstration enrollees, acknowledging that selection bias must be taken into account in interpreting the results.

Identifying Demonstration and Comparison Groups. To identify the population eligible for the capitated demonstration, Washington will submit demonstration evaluation (finder) files to RTI on a quarterly basis. RTI will use this information to identify the characteristics of demonstration-eligible beneficiaries for the quantitative analysis. ***Section 4.2.2.1*** of this report provides more detail on the contents of the demonstration evaluation (finder) files. Identifying the comparison group members will entail two steps: (1) selecting the geographic area from which the comparison group will be drawn and (2) identifying the individuals who will be included in the comparison group. Because Washington intends to implement its capitated and managed fee-for-service demonstrations statewide (collectively), RTI will consider an out-of-State comparison group. We will use cluster analysis to identify potential comparison Metropolitan Statistical Areas (MSAs) that are most similar to areas participating in the Washington capitated demonstration in regard to costs, care delivery arrangements, and State policy affecting Medicare-Medicaid enrollees.

Once comparison MSAs are selected, all Medicare-Medicaid enrollees in those States or areas who meet the demonstration's eligibility criteria will be selected for comparison group membership based on the ITT study design. The comparison group will be refreshed annually to incorporate new entrants into the eligible population as new individuals become eligible for the demonstration over time. We will use propensity-score weighting to adjust for differences in individual-level characteristics between the treatment and comparison group members, using beneficiary-level data (demographics, socioeconomic, health, and disability status) and county-level data (health care market and local economic characteristics). We will remove from the comparison group any beneficiaries with a propensity score lower than the lowest score found in the demonstration group.

The comparison areas will be determined within the first year of implementation in order to use the timeliest data available. The comparison group members will be determined retrospectively at the end of each demonstration year, allowing RTI to include information on individuals newly eligible or ineligible for the demonstration during that year.

Analyses. Analyses of quality, utilization, and cost in the Washington evaluation will consist of the following:

1. A monitoring analysis to track quarterly changes in selected quality, utilization, and cost measures over the course of the Washington capitated demonstration.

2. A descriptive analysis of quality, utilization, and cost measures with means and comparisons for subgroups of interest, including comparison group results, for annual reports. This analysis will focus on estimates for a broad range of quality, utilization, and cost measures, as well as changes in these measures across years or subgroups of interest within each year.

3. Multivariate difference-in-differences analyses of quality, utilization, and cost measures using a comparison group.

4. A calculation of savings twice during the demonstration. RTI is developing the methodology for evaluating savings for capitated model demonstrations, which will include an analysis of spending by program (Medicaid, Medicare Parts A & B services, Medicare Part D services).

Subpopulation Analyses. For the Washington capitated demonstration, individuals receiving mental health services, chemical dependency services, and LTSS are subpopulations of interest for this evaluation. For these subpopulations and others, we will evaluate the impact of the demonstration on quality, utilization, and access to care for medical, LTSS, and behavioral health services, and we will also examine qualitative data gathered through interviews, focus groups, and surveys. Descriptive analyses for annual reports will present results on selected measures stratified by subpopulations (e.g., those using and not using behavioral health services, LTSS). Multivariate analyses performed for the final evaluation will account for differential effects for subpopulations to understand whether quality, utilization, and cost are higher or lower for these groups.

Utilization and Access to Care. Medicare, Medicaid, and MMIP encounter data will be used to evaluate changes in the levels and types of services used, ranging along a continuum from institutional care to care provided at home and including changes in the percentage of enrollees receiving supports in the community or who reside in institutional settings (see ***Table 15*** of this report for more detail).

Quality. Across all demonstrations, RTI will evaluate a core quality measure set for monitoring and evaluation purposes that are available through claims and encounter data. RTI will obtain these data from CMS (see ***Table 16*** of this report). We will supplement these core measures with the following:

- Additional quality measures specific to the Washington capitated model that RTI may identify for the evaluation, which will also be available through claims and encounter data that RTI will obtain from CMS. These measures will be finalized within the first 6 months of implementation.

- Quality of life, satisfaction, and access to care information derived from the evaluation as discussed in ***Section 4.1*** and ***Section 4.2***.

- HEDIS measures that MMIPs are required to submit, as outlined in the Medicare-Medicaid Capitated Financial Alignment Model Reporting Requirements (CMS, 2013).

- Beneficiary surveys, such as HOS and CAHPS, that MMIPs are required to report to CMS.

Cost. To determine annual total costs (overall and by payer), we will aggregate the Medicare and Medicaid per member per month (PMPM) payments paid to the MMIP and the

costs for the eligible population that is not enrolled in the demonstration, per the ITT evaluation design. This approach will help us to detect overall cost impact and eliminate the effects of potential selection bias among beneficiaries who participate in the demonstration and those who opt out or disenroll. We will also include Part D PMPM and any PMPM reconciliation data provided by CMS in the final assessment of cost impact to ensure that all data are available. Cost savings will be calculated twice for capitated model demonstrations using a regression-based approach. The methodology for determining cost savings for capitated model demonstrations is currently under development and will be reviewed and approved by the CMS Office of the Actuary.

Summary of Data Sources. ***Table ES-2*** displays the sources of information the RTI evaluation team will use to monitor demonstration progress and evaluate the outcomes of the demonstrations under the Financial Alignment Initiative. The table provides an overview of the data that Washington will be asked to provide and evaluation activities in which State staff will participate. As shown in this table, the RTI evaluation team will access claims, encounter, and other administrative data from CMS. These data, and how they will be used in the evaluation, are discussed in detail in this evaluation plan and in the *Aggregate Evaluation Plan* (Walsh et al., 2013).

Table ES-2
Sources of information for the evaluation of the demonstrations under the Financial Alignment Initiative

RTI will obtain data from:	Type of data
CMS	● Encounter data (Medicare Advantage, Medicaid, and MMIP) ● HEDIS measures ● Results from HOS and CAHPS survey data ● Medicare and Medicaid fee-for-service claims ● Medicare Part D costs ● Nursing facility data (MDS) ● CMS-HCC and RXHCC risk scores ● Demonstration quality measures that Washington is required to report to CMS (listed in MOU) ● Demonstration reporting measures that health plans are required to report to CMS (listed in three-way contracts or other guidance) ● Other administrative data as available
State	● Detailed description of State's method for identifying eligible beneficiaries ● File with monthly information identifying beneficiaries eligible for the demonstration (submitted quarterly)[1] ● SDRS (described in detail in Section 4 of the *Aggregate Evaluation Plan*) quarterly submissions of demonstration updates including monthly statistics on enrollments, opt-outs, and disenrollments ● Participation in key informant interviews and site visits conducted by RTI team ● Results from surveys, focus groups, or other evaluation activities (e.g., EQRO or Ombuds reports) conducted or contracted by the State,[2] if applicable ● Other data State believes would benefit this evaluation, if applicable
Other sources	● Results of focus groups conducted by RTI subcontractor (Henne Group) ● Grievances and appeals ● Other sources of data, as available

CAHPS = Consumer Assessment of Healthcare Providers and Systems; EQRO = external quality review organization; HCC = hierarchical condition category; HEDIS = Healthcare Effectiveness Data and Information Set; HOS = Health Outcomes Survey; MDS = Minimum Data Set; MMIP = Medicare-Medicaid Integration Plan; RXHCC = prescription drug hierarchical condition category; SDRS = State Data Reporting System.

[1] These data, which include both those enrolled and those eligible but not enrolled, will be used (in combination with other data) to identify the characteristics of the total eligible and the enrolled populations. More information is provided in ***Section 4*** of this report.

[2] States are not required to conduct or contract for surveys or focus groups for the evaluation of this demonstration. However, if the State chooses to do so, the State can provide any resulting reports from its own independent evaluation activities for incorporation into this evaluation, as appropriate.

References

Centers for Medicare & Medicaid Services (CMS) and the State of Washington: Memorandum of Understanding (MOU) Regarding a Federal-State Partnership to Test a Capitated Financial Alignment Model for Medicare-Medicaid Enrollees. HealthPathWashington: Medicare-Medicaid Integration Demonstration. 2013. http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/WACAPMOU.pdf.

Walsh, E.G., Anderson, W., Greene, A.M., et al.: Measurement, Monitoring, and Evaluation of State Demonstrations to Integrate Care for Dual Eligible Individuals: Aggregate Evaluation Plan. Contract No. HHSM500201000021i TO #3. Waltham, MA. RTI International, December 16, 2013. http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Evaluations.html.

1. Introduction

1.1 Purpose

The Medicare-Medicaid Coordination Office (MMCO) and Innovation Center at the Centers for Medicare & Medicaid Services (CMS) have created the Financial Alignment Initiative for States to test integrated care models for Medicare-Medicaid enrollees. The goal of these demonstrations is to develop person-centered care delivery models integrating the full range of medical, behavioral health, and long-term services for Medicare-Medicaid enrollees, with the expectation that integrated delivery models would address the current challenges associated with the lack of coordination of Medicare and Medicaid benefits, financing, and incentives.

CMS contracted with RTI International to monitor the implementation of the demonstrations and to evaluate their impact on beneficiary experience, quality, utilization, and cost. The evaluation includes an aggregate evaluation and State-specific evaluations.

This report describes the State-specific Evaluation Plan for the Washington capitated demonstration as of June 3, 2014. The evaluation activities may be revised if modifications are made to either the Washington capitated demonstration or to the activities described in the *Aggregate Evaluation Plan* (Walsh et al., 2013). Although this document will not be revised to address all changes that may occur, the annual and final evaluation reports will note areas where the evaluation as executed differs from this evaluation plan. This report provides an overview of the Washington capitated demonstration and provides detailed information on the framework for quantitative and qualitative data collection; the data sources, including data collected through RTI's State Data Reporting System (SDRS, described in detail in the *Aggregate Evaluation Plan* [Walsh et al., 2013]); and impact and outcome analysis (i.e., the impact on beneficiary experience and quality, utilization, access to care, and costs) that will be tailored to Washington.

1.2 Research Questions

The major research questions of the Washington evaluation are presented in ***Table 1*** with an identification of possible data sources. The evaluation will use multiple approaches and data sources to address these questions. These are described in more detail in ***Sections 3*** and ***4*** of this report.

Unless otherwise referenced, the summary of the Washington capitated demonstration is based on the Memorandum of Understanding (MOU) between CMS and the State (CMS and State of Washington, 2013; hereafter MOU, 2013); the State's proposal submitted to CMS on April 26, 2012 (Washington State Department of Social & Health Services and Washington State Health Care Authority, 2012); the State's Request for Application to solicit Medicare-Medicaid Integration Plans (Washington State Health Care Authority, 2013); and discussions and e-mail communications with MMCO staff at CMS and State staff regarding the demonstration as of June 3, 2014. The details of the evaluation design are covered in the three major sections that follow:

- An overview of the Washington capitated demonstration
- Demonstration implementation, evaluation, and monitoring
- Impact and outcome evaluation and monitoring

Table 1
Research questions and data sources

Research questions	Stakeholder interviews and site visits	Beneficiary focus groups	Claims and encounter data analysis	Demonstration statistics[1]
1) What are the primary design features of the Washington capitated demonstration, and how do they differ from the State's previous system?	X	X	—	X
2) To what extent did Washington implement the capitated demonstration as designed? What factors contributed to successful implementation? What were the barriers to implementation?	X	—	—	X
3) What impact does the Washington capitated demonstration have on the beneficiary experience overall and for beneficiary subgroups? Do beneficiaries perceive improvements in how they seek care, choice of care options, how care is delivered, personal health outcomes, and quality of life?	X	X	—	X
4) What impact does the Washington capitated demonstration have on cost and is there evidence of cost savings? How long did it take to observe cost savings? How were these savings achieved?	—	—	X	—
5) What impact does the Washington capitated demonstration have on utilization patterns in acute, long-term, and behavioral health services, overall and for beneficiary subgroups?	X	X	X	X
6) What impact does the Washington capitated demonstration have on health care quality overall and for beneficiary subgroups?	—	—	X	X
7) Does the Washington capitated demonstration change access to care for medical, behavioral health, long-term services and supports (LTSS), overall and for beneficiary subgroups? If so, how?	X	X	X	X
8) What policies, procedures, or practices implemented by Washington in its capitated demonstration can inform adaptation or replication by other States?	X	X	—	X
9) What strategies used or challenges encountered by Washington in its capitated demonstration can inform adaptation or replication by other States?	X	X	—	X

— = not applicable.

[1] Demonstration statistics refer to data that the State, CMS, or other entities will provide regarding topics, including enrollments, disenrollments, grievances, appeals, and the number of Medicare-Medicaid Integration Plans.

2. Washington Capitated Demonstration

2.1 Demonstration Goals

Washington's capitated demonstration under the Financial Alignment Initiative, known as HealthPath Washington, is testing an integrated financing and service delivery model to alleviate the fragmentation and improve coordination of services for Medicare-Medicaid enrollees, enhance quality of care, and reduce costs for both the State and Federal government. Key objectives include improving beneficiary experience in accessing care, promoting use of person-centered planning, promoting independence in the community, assisting beneficiaries in getting the right care at the right time and place, and achieving cost savings through improvements gained in an integrated delivery system (MOU, 2013, pp. 3–4).

2.2 Summary of Demonstration

Washington will contract with Medicare-Medicaid Integration Plans (MMIPs) to provide care coordination and a full array of services to Medicare-Medicaid enrollees in King and Snohomish counties. To participate in the capitated demonstration, MMIPs had to meet the State's requirements set forth in the Request for Application; CMS requirements outlined in the Medicare Advantage plan application process and multiple sets of Capitated Financial Alignment Model Plan guidance; and pass a joint CMS/State readiness review. The competitively selected MMIPs will sign three-way contracts with CMS and the State and will be paid a blended capitated rate covering all Medicare (Parts A, B, and D) and Medicaid services, including institutional, behavioral health, and home and community-based long-term services and supports (LTSS). MMIPs will have the option of offering flexible benefits within the capitation rate, as specified in the enrollee's Individualized Care Plan (MOU, 2013, p. 94).

Full-benefit Medicare-Medicaid enrollees ages 21 and older who reside in King and Snohomish counties are eligible for the capitated demonstration, including individuals with end stage renal disease. The following Medicare-Medicaid enrollees are not eligible to enroll: individuals with developmental disabilities residing in a residential habilitation center or community intermediate care facility, or participating in the Developmental Disabilities Administration 1915(c) HCBS waiver; Money Follows the Person program participants; individuals receiving hospice services at the time of enrollment; Medicaid spend-down participants; and individuals with comprehensive third-party insurance. Individuals enrolled in the Program of All-Inclusive Care for the Elderly (PACE) and enrollees in Medicare Advantage plans whose parent organizations are not offering an MMIP will not be passively enrolled in the demonstration, but may enroll in the demonstration if they choose to disenroll from PACE or the Medicare Advantage plan. Individuals enrolled in Medicare Advantage plans whose parent organization is offering an MMIP may be passively enrolled into that organization's MMIP under the demonstration. Enrollment will begin with a period of opt-in enrollment, beginning no sooner than October 1, 2014. Medicare-Medicaid enrollees who do not select to opt in or opt out will be passively enrolled in three waves currently planned for January 1, 2015, March 1, 2015, and May 1, 2015. American Indian/Alaska Native individuals are eligible to enroll but will not be passively enrolled (MOU, 2013, pp. 9–12; 68–71). The demonstration will continue until no

sooner than December 31, 2017, unless terminated prior to the planned end date, per the terms of the three-way contract.

Prior to the demonstration, health care financing and service delivery for Medicare-Medicaid enrollees was fragmented, with limited coordination of medical care, behavioral health, and LTSS. Most enrollees received Medicaid physical health and LTSS services through the fee-for-service system, and Medicaid mental health services through Prepaid Inpatient Health Plans, while a small number of Medicare-Medicaid enrollees in Snohomish County participated in a voluntary managed care program that capitates all Medicaid services. Enrollees received their Medicare services either through fee for service or from a Medicare Advantage plan. Under the demonstration, Medicare-Medicaid enrollees will be enrolled in MMIPs that will coordinate the delivery of medical, behavioral health, and LTSS financed by both Medicare and Medicaid.

All enrollees will be offered care management and will receive initial screenings and ongoing health risk assessments of medical, behavioral, and LTSS needs. These screenings will be the starting point for development of an Individualized Care Plan, completed within 90 days of enrollment. Based on their assessed needs, enrollees will be stratified into three tiers of care management intensity. Those in the highest tier (Tier Three), who will receive the most intensive care management, will have at least one chronic condition and a risk score of 1.5 generated by the State's predictive modeling tool, PRISM. That threshold score identifies enrollees who are likely to have care costs that are 50 percent higher than the average enrollee. MMIP Intensive Care Coordinators will work with tier three enrollees to develop a Health Action Plan identifying what enrollees themselves can do to improve their health and/or manage their health conditions (MOU, 2013, pp. 73–87).

Table 2 provides a summary of the key characteristics of the Washington capitated demonstration compared with the system that currently exists for demonstration-eligible beneficiaries.

Table 2
Key features of the Washington capitated model predemonstration and during the demonstration

Key features	Predemonstration	Demonstration[1]
Summary of covered benefits		
Medicare	Medicare Parts A, B, and D	Medicare Parts A, B, and D
Medicaid	Medicaid State Plan and COPES HCBS waiver services	Medicaid State Plan and COPES HCBS waiver services
Payment method (capitated/FFS/MFFS)		
Medicare	FFS and Medicare Advantage	Capitated
Medicaid (capitated or FFS)		
Primary/medical	FFS except for a small number of Medicare-Medicaid enrollees participating in a pilot capitated program in Snohomish County	Capitated
Behavioral health	Capitated (PIHPs)	Capitated (MMIPs)
LTSS (excluding HCBS waiver services)	FFS	Capitated
HCBS waiver services	FFS	Capitated
Care coordination/case management		
Care coordination for medical, behavioral health, or LTSS and by whom	Medical care coordination has not been broadly available to Medicare-Medicaid enrollees in FFS. LTSS case management is provided by DSHS and area agencies on aging.	MMIPs
Care coordination/case management for HCBS waivers and by whom	HCBS waiver case management for older adults and adults with physical disabilities provided by DSHS and area agencies for aging; for individuals with developmental disabilities, it is provided by the State Developmental Disabilities Administration within DSHS.	MMIP care managers conduct service planning for newly eligible HCBS waiver participants after eligibility is determined by DSHS or its designee. For existing waiver participants, MMIPs will become responsible for service planning after their authorization or continuity of care period ends.
Rehabilitation Option services	Regional Support Networks provide case management of mental health rehabilitation services	MMIPs

(continued)

Table 2 (continued)
Key features of the Washington capitated model predemonstration and during the demonstration

Key features	Predemonstration	Demonstration[1]
Clinical, integrated, or intensive care management	None	MMIPs
Enrollment/assignment		
Enrollment method	N/A	Initial opt-in period followed by three waves of passive enrollment of individuals who do not opt out or choose an MMIP within 60 days of being notified of their enrollment into an MMIP. Enrollees can change MMIPs or disenroll from the demonstration at any point, with the change taking effect on the first day of the following month.
Attribution/assignment method	N/A	N/A
Implementation		
Geographic area	N/A	King and Snohomish counties
Phase-in plan	N/A	The initial enrollment period will be opt-in only, with enrollments effective no sooner than October 1, 2014. Passive enrollment will be in three waves.[2]
Implementation date	N/A	No sooner than October 1, 2014

COPES = Community Options Program Entry System; DSHS = Department of Social and Health Services; FFS = fee for service; HCBS = home and community-based services; LTSS = long-term services and supports; MFFS = managed fee for service; MMIP = Medicare-Medicaid Integration Plan; N/A = not applicable; PIHP = Prepaid Inpatient Health Plan.

[1] Information related to the Demonstration in this table is from the Washington Capitated Demonstration Memorandum of Understanding (MOU, 2013).

[2] Currently, the first wave of passive enrollment is scheduled for January 1, 2015, followed by additional waves on March 1, 2015, and May 1, 2015.

In State fiscal year 2010, there were 48,488 Medicare-Medicaid enrollees residing in King and Snohomish counties. A majority are older adults, with 62 percent aged 65 and older and 38 percent under age 65. Sixty percent are female and 40 percent are male. A majority of Medicare-Medicaid enrollees are white (56 percent). Asians and Native Hawaiians or other Pacific Islanders are the next largest group, representing 21 percent of Medicare-Medicaid enrollees in the two counties, followed by African American (8 percent), multirace (6 percent), and Hispanic enrollees (5 percent). The characteristics of the Medicare-Medicaid population in the two counties are presented in ***Table 3*** (Washington Health Care Authority RFA Appendix E, 2013).

Table 3
Characteristics of Medicare-Medicaid enrollees in King and Snohomish counties, State fiscal year 2010

Characteristic	No. of Medicare-Medicaid enrollees	Percentage of Medicare-Medicaid enrollee population
Age		
65 and older	30,207	62%
Under 65	18,281	38%
Total	48,488	100%
Gender		
Female	29,072	60%
Male	19,416	40%
Total	48,488	100%
Race/Ethnicity		
African American	3,860	8%
American Indian/Alaska Native	314	1%
Asian/Native Hawaiian or Other Pacific Islander	10,410	21%
Hispanic	2,183	5%
Multirace	3,050	6%
Other	775	2%
White	26,977	56%
Unknown	919	2%
Total	48,488	100%
Total Medicare-Medicaid enrollees residing in the demonstration area	48,488	100%

NOTE: These figures include all Medicare-Medicaid enrollees in King and Snohomish counties, including those who are not eligible for the demonstration.

SOURCE: Washington State Health Care Authority: Request for Application (RFA) No. 2013-003; Appendix E: Partial Profiles of the Dual Eligible Populations in King County and Snohomish Counties, 2010.

As shown in ***Table 4***, total Medicare and Medicaid spending on all Medicare-Medicaid enrollees in King and Snohomish counties totaled $880 million in State fiscal year 2010. The major categories of Medicare expenditures were inpatient hospital (35 percent), prescription drugs (21 percent), professional/carrier (17 percent), outpatient hospital (12 percent), and skilled nursing facility services (10 percent). Medicaid expenditures were primarily for LTSS, with 49 percent for home and community-based services, and 41 percent for nursing facility services.

Table 4
Total expenditures for Medicare-Medicaid enrollees in King and Snohomish counties, State fiscal year 2010

Population	Medicaid expenditures	Medicare expenditures	Total expenditures
Medicare-Medicaid enrollees	$425.8 million	$454.2 million	$880.1 million

SOURCE: Washington State Health Care Authority (April 10, 2013; revised April 17, 2013). Request for Application (RFA) No. 2013-003; Appendix E: Partial Profiles of the Dual Eligible Populations in King County and Snohomish Counties, 2010.

2.3 Relevant Historical and Current Context

History/Experience with Managed Care. Washington has a long history of using managed care to provide publicly funded health services, primarily for populations other than Medicare-Medicaid enrollees. The Basic Health Plan was created in 1987 to provide managed health care to uninsured low-income individuals who were not eligible for Medicaid. The Healthy Options program was created in the 1990s to serve mothers and children covered by Medicaid. The State began efforts to integrate Medicare and Medicaid in 1995 with the Program of All-Inclusive Care for the Elderly (PACE), followed by two other initiatives in 2005: the Medicare/Medicaid Integration Project, which operated from 2005 to 2008, and the Washington Medicaid Integration Partnership, which started in 2005 and will end on June 30, 2014 (Washington DSHS and HCA, 2012, pp. 3, 7–8, 20).

The State also has extensive experience with care coordination for individuals with chronic conditions, and that experience has guided planning for both of its demonstrations under the Financial Alignment Initiative, as well as Section 2703 health homes for Medicare-Medicaid enrollees and Medicaid-only beneficiaries. From 2002 to 2006, Washington contracted with the King County Area Agency on Aging and a consortium of community agencies to provide disease management services to approximately 20,000 aged, blind, and disabled Medicaid beneficiaries in fee for service across the State (Center for Health Care Strategies, 2008). In 2007, the State replaced the disease management program with a chronic care management program, which served a limited number of Medicaid-only beneficiaries (Washington DSHS, 2010). Preliminary research, cited in Washington's demonstration proposal, reported that the program had the potential for achieving improved outcomes and cost savings (Washington DSHS and HCA, 2012, pp. 71–72).

Other Initiatives. A major health care initiative in the State has been development of a State Innovation Model (SIM) plan under the CMS SIM Initiative during the past year. Washington's SIM plan uses three broad strategies: expanding use of value-based purchasing in the State, with the State providing leadership as "first mover"; building healthy communities through community-based, public-private collaboratives and population health management; and improving care for chronic conditions through the integration of medical and social supports (Washington Health Care Authority, 2013).

3. Demonstration Implementation Evaluation

3.1 Purpose

The evaluation of the implementation process is designed to answer the following overarching questions about the Washington capitated demonstration:

- What are the primary design features of the Washington capitated demonstration, and how do they differ from the State's previous system available to the demonstration-eligible population?
- To what extent did Washington implement the capitated demonstration as designed? What factors contributed to successful implementation? What were the barriers to implementation?
- What State policies, procedures, or practices implemented by Washington can inform adaptation or replication by other States?
- Was the capitated demonstration more easily implemented for certain subgroups?
- How have beneficiaries participated in the ongoing implementation and monitoring of the capitated demonstration?
- What strategies used or challenges encountered by Washington can inform adaptation or replication by other States?

3.2 Approach

The evaluation team will examine whether the demonstration was implemented as designed and will look at modifications to the design features that were made during implementation; any changes in the time frame or phase-in of the demonstration; and other factors that facilitated or impeded implementation. This section will discuss the following:

- Monitoring implementation of the demonstration by key demonstration design features
- Implementation tracking elements
- Progress indicators
- Data sources
- Interview questions and implementation reports

3.3 Monitoring Implementation of the Demonstration by Key Demonstration Design Features

The major design features of the Washington capitated demonstration are described using a common framework that RTI will apply to all of the demonstrations under the Financial Alignment Initiative as follows:

- Integrated delivery system
- Integrated delivery system supports
- Care coordination/case management
- Benefits and services
- Enrollment and access to care
- Beneficiary engagement and protections
- Financing and payment
- Payment elements

Our analysis of the implementation of the Washington capitated demonstration will be organized by these key demonstration design features. This framework will be used to define our areas of inquiry, structure the demonstration variables we track, organize information from our data collection sources, and outline our annual report. ***Table 5*** illustrates the key components of each design feature that we will monitor as part of the implementation evaluation. Our goal is to frame analysis at the level of policy or practice with examples of how the intended design features and their key components translate at the point of service delivery.

Table 5
Demonstration design features and key components

Design feature	Key components
Core components of integrated delivery systems (how the delivery system is organized/integrated; interrelationships among the core delivery system components)	• MMIPs • Primary care • LTSS • Behavioral health services • Integration functions that bridge delivery systems and roles of community-based organizations
Integrated delivery systems supports	• Care team composition • Health IT applied throughout the demonstration (at State level, by MMIPs, at provider level or other) • Integrated Medicare and Medicaid data • Data (Medicare claims or encounter data) and other feedback to MMIPs, and providers (by the State or other entities)

(continued)

Table 5 (continued)
Demonstration design features and key components

Design feature	Key components
Care coordination/case management (by subpopulation and/or for special services) ● Medical/primary ● LTSS ● Behavioral health services ● Integration of care coordination	● Assessment process ● Service planning process ● Care management targeting process ● Support of care transitions across settings ● Communication and hand-offs between care coordinators/case managers and providers
Benefits and services	● Scope of services/benefits ● New or enhanced services ● Excluded services ● Service authorization process
Enrollment and access to care	● Integrated enrollment and access to care ● Provider accessibility standards ● Marketing/education protocols ● Enrollment brokers ● Beneficiary information and options counseling ● Opt-out, disenrollment, and auto-assignment policy ● Phased enrollment of eligible populations ● Workforce development for worker supply and new functions
Beneficiary engagement and protections	● Policies to integrate Medicare and Medicaid grievances and appeals ● Quality management systems ● Ongoing methods for engaging beneficiary organizations in policy decisions and implementation ● Approaches to capture beneficiary experience, such as surveys and focus groups
Demonstration financing model and methods of payment to plans and providers	● Financing model: Capitation
Elements of payments to MMIPs	● Incentives ● Risk adjustment

IT = information technology; LTSS = long-term services and supports; MMIP = Medicare-Medicaid Integration Plan.

3.4 Implementation Tracking Elements

Through document review and interviews with State agency staff, we will identify and describe the delivery system for Medicare-Medicaid enrollees in the eligible population. This will enable us to identify key elements that Washington intends to modify through the demonstration and measure the effects of those changes. Using a combination of case study methods, including document review, and telephone interviews, we will conduct a descriptive analysis of the key Washington demonstration features.

The evaluation will analyze how Washington is carrying out its implementation plan and track any changes it makes to its initial design as implementation proceeds. We will identify both planned changes that are part of the demonstration design (e.g., phasing in new populations) and operational and policy modifications Washington makes based on changing circumstances. Finally, we anticipate that, in some instances, changes in the policy environment in the State will trigger alterations to the original demonstration design.

During site visit interviews and our ongoing communication with the State, we will collect detailed information on how Washington has structured care coordination for beneficiaries enrolled in the demonstration. The evaluation will analyze the scope of care coordination responsibilities assigned to MMIPs, the extent to which they conduct these functions directly or through contract, and the internal structures established to promote service integration. We will also identify ways that the scope of care coordination activities conducted under the demonstration by MMIPs compares to the State's approach in its capitated model programs serving other populations.

We will also collect data from the State to track implementation through the State Data Reporting System (SDRS). The State will submit quarterly demonstration statistics and qualitative updates through the SDRS (described in detail in the *Aggregate Evaluation Plan* [Walsh et al., 2013]). RTI will generate reports based on these data and conduct telephone calls with the State demonstration director as needed to understand Washington's entries. We will make additional calls to State agency staff and key informants as needed to keep abreast of demonstration developments. We will use site visit interviews to learn more about what factors are facilitating or impeding progress or leading to revisions in the Washington capitated demonstration implementation.

Table 6 shows the types of demonstration implementation elements we will track using State submissions to the SDRS, quarterly calls with State demonstration staff, other interviews, and site visits.

Table 6
Implementation tracking elements by demonstration design feature

Design feature	Tracking elements
Integrated delivery system	• Contracts with MMIPs • Documentation of coordination activities between MMIPs and community-based organizations • New waiver authorities submitted for the demonstration and approved by CMS • Strategies for integrating primary care, behavioral health, and LTSS (as documented in State policies, contracts, or guidelines) • Recognition and payment for care/services by nontraditional workers • Innovative care delivery approaches adopted by the demonstration

(continued)

Table 6 (continued)
Implementation tracking elements by demonstration design feature

Design feature	Tracking elements
Integrated delivery system supports	• Support with dissemination and implementation of evidence-based practice guidelines (e.g., webinars for providers; topics addressed in learning collaboratives) • Decision-support tools provided or supported by State (e.g., MMIP-level reporting on quality improvement initiatives) • Integrated Medicare and Medicaid data • State efforts to build MMIP and provider core competencies for serving beneficiaries with various types of disabilities • Provision of regular feedback to MMIPs and providers on the results of their performance measures
Care coordination	• Adoption of person-centered care coordination practices • State systems for collecting data on care coordination use • As available, care coordination activities directed to individual enrollees • Requirements for assessment and service planning • Requirements for coordination and integration of clinical, LTSS, and behavioral health services • Approaches to stratify care coordination intensity based on individual needs • Requirements for care transition support, medication reconciliation, notification of hospitalizations • State actions to facilitate adoption of EMR and EHR • Use of informatics to identify high-risk beneficiaries
Benefits and services	• Phase-in of new or enhanced benefits and methods to communicate them to enrollees and potential enrollees • Adoption of evidence-based practices and services (e.g., use of chronic disease self-management programs by practices, fall prevention programs, other)
Enrollment and access to care	• State efforts to provide integrated consumer information on enrollment, benefits, and choice of MMIP • Options counseling and information provided by Aging and Disability Resource Centers and State Health Insurance Assistance Programs • Initiatives to increase enrollment in the demonstration • Strategies for expanding beneficiary access to demonstration benefits • Emergence of new worker categories/functions (e.g., health coaches, community care workers)

(continued)

Table 6 (continued)
Implementation tracking elements by demonstration design feature

Design feature	Tracking elements
Beneficiary engagement and protections	• Strategies implemented to engage beneficiaries in oversight of the demonstration • Quality management strategy, roles, and responsibilities • Implementation of quality metrics • Adoption of new policies for beneficiary grievances and appeals based on demonstration experience • Role of the ombuds program
Financing and payment	• Revisions to the demonstration's initial payment methodology, including risk-adjustment methodology • Risk-mitigation strategies • Performance incentive approaches • Value-based purchasing strategies

EHR = electronic health record; EMR = electronic medical record; LTSS = long-term services and supports; MMIP = Medicare-Medicaid Integration Plan.

3.5 Progress Indicators

In addition to tracking implementation of demonstration design features, we will also track progress indicators, including growth in enrollment and disenrollment patterns, based on Washington's capitated demonstration data. These progress indicators will be reported quarterly by Washington through the SDRS, which will be the RTI evaluation team's tool for collecting and storing information and for generating standardized tables and graphs for quarterly monitoring reports for CMS and the State. The primary goals of the system are to serve as a repository for up-to-date information about the Washington capitated demonstration design and progress, to capture data elements on a quarterly basis, and to monitor and report on demonstration progress by individual States and the demonstrations as a whole. More detail on the SDRS can be found in the *Aggregate Evaluation Plan* (Walsh et al., 2013).

Table 7 presents a summary of progress indicators developed to date. The list of progress indicators may be refined in consultation with CMS as needed. RTI will provide trainings and an instruction manual to assist States in using the SDRS.

Table 7
Examples of progress indicators

Indicator
Eligibility
No. of beneficiaries eligible to participate in the demonstration
Enrollment
Total no. of beneficiaries currently enrolled in the demonstration
No. of beneficiaries newly enrolled in the demonstration as of the end of the given month
No. of beneficiaries automatically (passively) enrolled in the demonstration
Disenrollment
No. of beneficiaries who opted out of the demonstration prior to enrollment
No. of beneficiaries who voluntarily disenrolled from the demonstration
No. of beneficiaries whose enrollment in the demonstration ended involuntarily (e.g., died, moved out of area, lost Medicaid eligibility, were incarcerated)
Demonstration service area
Whether demonstration is currently statewide vs. in specific counties or geographic areas (and provide list if in specific geographic areas)
Specific to capitated model demonstrations
No. of three-way contracts with MMIPs

MMIP = Medicare-Medicaid Integration Plan.

3.6 Data Sources

The evaluation team will use a variety of data sources to assess whether the Washington capitated demonstration was implemented as planned; identify modifications made to the design features during implementation; document changes in the time frame or phase-in of key elements; and determine factors that facilitated implementation or presented challenges. These data sources include the following:

- **State policies and State requirements for provider and plan agreements:** The evaluation team will review a wide range of State-developed documents that specify Washington's approach to implementing its demonstration in order to develop a baseline profile of its current delivery system. Review of Washington's agreements with CMS articulated through the demonstration Memorandum of Understanding (MOU), waivers, contracts, and the three-way contract will further enhance our understanding of Washington's approach.

- **Demonstration data (collected via the State Data Reporting System):** On a quarterly basis, we will collect data from Washington to inform ongoing analysis and feedback to the State and CMS throughout the demonstration. Specifically, we will collect data to track policy and operational changes and progress indicators that are mostly numeric counts of key demonstration elements presented in ***Table 7***. These demonstration data also may include specific information provided by CMS or other

entities engaged in this demonstration, and incorporated into the State Data Reporting System.

- **State agency staff, stakeholders, selected contractors, Medicare-Medicaid Integration Plans (MMIPs):** There will be at least two sets of site visits; the first one will occur within 6 months of demonstration implementation. Using two-person teams, supplemented with telephone interviews, we will obtain perspectives from key informants on progress to date, internal and external environmental changes, reasons Washington took a particular course, and current successes and challenges. In addition to the site visits, and interim calls for clarification about State data submitted to the reporting system, in consultation with CMS we will develop a schedule of quarterly telephone interviews with various individuals involved in the demonstration.

  In addition to consumer advocates, as discussed in ***Section 4.1, Beneficiary Experience***, candidates for key informant interviews on demonstration implementation include, but are not limited to the following:

  – Stakeholder representatives from HealthPath Washington Advisory Team
  – Representatives from CMS–State Contract Management Team
  – State officials, such as:
    - State Medicaid director
    - Assistant Secretary, Aging and Long-Term Support Administration, Department of Social and Health Services
    - Assistant Secretary, Behavioral Health and Service Integration Administration, Department of Social and Health Services
    - Demonstration project director
    - State developmental disabilities director
  – Executive director, Seattle/King County Area Agency on Aging
  – Executive Director, Snohomish County Area Agency on Aging
  – Representatives from selected MMIPs
  – Representatives from provider associations
  – Representatives from entities providing options counseling for the demonstration
  – Representatives from the demonstration Ombuds program
  – Representative from the County Implementation Team

The site visit interview protocols used in the evaluation will contain a core set of questions that allow us to conduct an aggregate evaluation, questions specific to the capitated

financial alignment model, as well as questions specific to the Washington capitated demonstration. The site visit interview protocols with core questions are provided in the *Aggregate Evaluation Plan* (Walsh et al., 2013) and will also be tailored for Washington after the demonstration begins. In advance of the site visits, the RTI team will contact the State to help identify the appropriate individuals to interview. We will work with the State to schedule the site visit and the on-site interviews. We will develop an interview schedule that best suits the needs of the State and key informants we plan to interview.

3.7 Analytic Methods

Evaluation of the Washington capitated demonstration implementation will be presented in an initial report to CMS and the State covering the first 6 months of implementation, in annual State-specific evaluation reports, and integrated into annual aggregate reports comparing implementation issues and progress across similar demonstrations and across all demonstrations, as appropriate. We will collect and report quantitative data quarterly as noted in ***Table 7***, Examples of Progress Indicators, through the State Data Reporting System. We will integrate these quantitative data with qualitative data we will collect through site visits and telephone interviews with State agency staff and other key informants and include these data in the annual reports and the final evaluation report. These data will provide context for interpreting the impact and outcomes related to beneficiary experience, quality, utilization, and costs, and enable us to analyze (1) the changes Washington has made to the preexisting delivery systems serving Medicare-Medicaid enrollees, (2) challenges Washington has met, and (3) approaches that can inform adaptation or replication by other States.

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4. Impact and Outcomes

4.1 Beneficiary Experience

4.1.1 Overview and Purpose

The evaluation will assess the impact of the Washington capitated demonstration on beneficiary experience. Using mixed methods (i.e., qualitative and quantitative approaches), we will monitor and evaluate the experience of beneficiaries, their families, and caregivers. Our methods will include the following:

- the beneficiary voice through focus groups and stakeholder interviews conducted by RTI;
- results of surveys that may be conducted by Washington, CMS, or other entities (e.g., Consumer Assessment of Healthcare Providers and Systems [CAHPS]);
- Washington capitated demonstration data and data from other sources submitted via the State Data Reporting System (SDRS; e.g., data on enrollments, disenrollments, stakeholder engagement activities);
- claims and encounter data obtained from CMS to analyze utilization as well as access to services and outcomes for key quality measures; and
- interviews with Washington capitated demonstration staff during site visits or telephone interviews with RTI.

Table 8 (described in more detail below) shows the range of topics and data sources we will use to monitor and evaluate beneficiary experience. We are interested in the perspective of the beneficiaries themselves, determining specifically the impact of the demonstration on their access to needed services, the integration and coordination of services across settings and delivery systems, provider choice, enrollee rights and protections, and the provision of person-centered care. In the process, we will identify what has changed for beneficiaries since their enrollment in the demonstration and its perceived impact on their health and well-being.

This section of the evaluation plan focuses specifically on the methods we will use to monitor and evaluate beneficiary experience such as focus groups with beneficiaries and interviews with consumer and advocacy groups. We also discuss information about data we will obtain from Washington through interviews and the SDRS, and results of beneficiary surveys that may be administered and analyzed independent of this evaluation by the State, CMS, or other entities.

Through beneficiary focus groups and key stakeholder interviews (i.e., consumer and advocacy group members), we also will explore whether we can identify specific demonstration features in Washington that may influence replication in other States. We will also collect information from State demonstration staff and CMS or other entities that reflects the beneficiaries' experiences (e.g., grievances and appeals, disenrollment patterns) using RTI's

State Data Reporting System. ***Section 3, Demonstration Implementation Evaluation***, describes topics we will monitor and document through interviews with Washington capitated demonstration staff and document reviews, including consumer protections and other demonstration design features intended to enhance the beneficiary experience. Refer to ***Section 4.2*** for a discussion of the use of claims and encounter data to establish baseline information about the beneficiaries eligible for the demonstration, and how we will use these data to inform our understanding of the impact of the demonstration on access to care and health outcomes.

Specifically, we will address the following research questions in this section:

- What impact does the Washington capitated demonstration have on the beneficiary experience overall and for beneficiary subgroups?
- What factors influence the beneficiary enrollment decision?
- Do beneficiaries perceive improvements in their ability to find needed health services?
- Do beneficiaries perceive improvements in their choice of care options, including self-direction?
- Do beneficiaries perceive improvements in how care is delivered?
- Do beneficiaries perceive improvements in their personal health outcomes?
- Do beneficiaries perceive improvements in their quality of life?

4.1.2 Approach

This mixed-method evaluation will combine qualitative information from focus groups and key stakeholder interviews with quantitative data related to beneficiary experience derived from the RTI State Data Reporting System and findings from surveys that may be conducted independently by Washington, CMS, or other entities (e.g., CAHPS). Qualitative data will be obtained directly from a beneficiary or beneficiary representative through focus groups and interviews. To avoid potential bias or conflict of interest, we will apply a narrow definition of "representative" to include only family members, advocates, or members of organizations or committees whose purpose is to represent the interest of beneficiaries and who are not service providers or do not serve in an oversight capacity for the initiative. Although no baseline qualitative data are available, beneficiaries will be asked about their experience before the demonstration and how it may have changed during the course of the demonstration.

Our framework for evaluating beneficiary experience is influenced by work conducted by the Center for Health Care Strategies (CHCS), which identified the essential elements of integration affecting beneficiary experience, including the care process and quality of life (Lind and Gore, 2010). Its work is intended to guide the design of integrated care systems for Medicare-Medicaid enrollees and to do so in ways that strengthen the beneficiary experience in the areas defined in ***Table 8***.

Table 8
Methods for assessing beneficiary experience by beneficiary impact

Direct measure	Key stakeholder interviews	Beneficiary focus groups	Recommended survey question[1]	Washington capitated demonstration data[2]	Interviews with Washington agency staff on demonstration implementation
Integrated delivery system					
Choice					
Beneficiaries have choice of medical, behavioral, and LTSS *services*.	X	X	X	X	X
Beneficiaries have choice of medical, behavioral, and LTSS *providers* within the network.	X	X	X	X	X
Beneficiaries have choice to self-direct their care.	X	X	—	X	X
Beneficiaries are empowered and supported to make informed decisions.	X	X	—	—	—
Provider network					
Beneficiaries report that providers are available to meet routine and specialized needs.	X	X	X	X	—
Beneficiaries report that LTSS and behavioral health are integrated into primary and specialty care delivery.	X	X	—	X	—
Beneficiary engagement					
Beneficiaries consistently and meaningfully have the option to participate in decisions relevant to their care.	X	X	X	X	—
There are ongoing opportunities for beneficiaries to be engaged in decisions about the design and implementation of the demonstration.	X	X	—	—	X

(continued)

Table 8 (continued)
Methods for assessing beneficiary experience by beneficiary impact

Direct measure	Key stakeholder interviews	Beneficiary focus groups	Recommended survey question[1]	Washington capitated demonstration data[2]	Interviews with Washington agency staff on demonstration implementation
Streamlined processes					
Beneficiaries can easily navigate the delivery system.	X	X	—	X	—
Reduced duplication of services					
Beneficiary burden is reduced through elimination of duplicative tests and procedures.	—	X	—	X	—
Enrollment and access to care					
Enrollment					
Beneficiaries have choices and assistance in understanding their enrollment options.	X	X	—	X	X
Beneficiaries report ease of disenrollment.	X	X	—	X	—
Rate of beneficiaries who opt out of enrolling into demonstration.	—	—	—	X	—
Rate of disenrollment from the demonstration, by reason.	—	—	—	X	—
Access to care					
Beneficiaries can access the full range of scheduled and urgent medical care, behavioral health services, and LTSS.	X	X	—	X	—
Beneficiaries report improved quality of life due to access to full range of services.	X	X	X	—	—
Beneficiaries report that waiting times for routine and urgent primary and specialty care are reasonable.	X	X	—	X	—

(continued)

Table 8 (continued)
Methods for assessing beneficiary experience by beneficiary impact

Direct measure	Key stakeholder interviews	Beneficiary focus groups	Recommended survey question[1]	Washington capitated demonstration data[2]	Interviews with Washington agency staff on demonstration implementation
Health outcomes					
Beneficiary health rating.	—	—	X	—	—
Quality of life					
Days free from pain.	—	—	X	—	—
Beneficiaries get the social and emotional supports they need.	—	X	X	—	—
Beneficiaries report that they are satisfied with their life.	—	X	X	—	—
Cultural appropriateness					
Beneficiaries have access to multilingual and culturally sensitive providers.	X	X	—	X	X
Beneficiaries report that written and oral communications are easy to understand.	X	X	—	X	—
Delivery systems supports					
Data sharing and communication					
Information is available and used by beneficiaries to inform decisions.	X	X	—	—	X
Beneficiaries report that providers are knowledgeable about them and their care history.	X	X	—	X	—
Beneficiaries have adequate discharge and referral instructions.	X	X	—	X	X
Beneficiaries report that providers follow up after visits or discharge.	X	X	—	X	—
Beneficiaries understand their options to specify that personal health data not be shared.	X	X	—	X	—

(continued)

Table 8 (continued)
Methods for assessing beneficiary experience by beneficiary impact

Direct measure	Key stakeholder interviews	Beneficiary focus groups	Recommended survey question[1]	Washington capitated demonstration data[2]	Interviews with Washington agency staff on demonstration implementation
Care coordination					
Assessment of need					
Assessment process integrates/addresses health, behavioral health, and LTSS.	X	X	—	X	X
Medical providers actively participate in individual care planning.	—	X	X	—	—
Beneficiaries report active participation in the assessment process.	X	X	—	X	—
Person-centered care					
Care is planned and delivered in a manner reflecting a beneficiary's unique strengths, challenges, goals, and preferences.	X	X	—	X	—
Beneficiaries report that care managers have the skills and qualifications to meet their needs.	—	X	X	—	—
Beneficiaries report that providers listen attentively and are responsive to their concerns.	X	X	X	X	—
Coordination of care					
The system facilitates timely and appropriate referrals and transitions within and across services and settings.	X	X	X	X	—
Beneficiaries have supports and resources to assist them in accessing care and self-management.	X	X	—	X	—
Beneficiaries report ease of transitions across providers and settings.	X	X	X	X	—

(continued)

Table 8 (continued)
Methods for assessing beneficiary experience by beneficiary impact

Direct measure	Key stakeholder interviews	Beneficiary focus groups	Recommended survey question[1]	Washington capitated demonstration data[2]	Interviews with Washington agency staff on demonstration implementation
Family and caregiver involvement					
Beneficiaries have the option to include family and/or caregivers in care planning.	X	X	—	X	—
The family or caregiver's skills, abilities, and comfort with involvement are taken into account in care planning and delivery.	X	X	—	X	—
Benefits and services					
Awareness of covered benefits					
Beneficiaries are aware of covered benefits.	X	X	—	X	—
Availability of enhanced benefits					
The demonstration covers important services to improve care outcomes that are not otherwise available through Medicaid or Medicare program.	—	—	—	X	X
Flexible benefits are available to meet the needs of beneficiaries.	—	—	—	X	X
Awareness of enhanced benefits					
Beneficiaries are aware of enhanced benefits and use them.	X	X	—	X	—
Beneficiary safeguards					
Beneficiary protections					
Beneficiaries understand their rights.	X	X	—	X	—
Beneficiaries are treated fairly, are informed of their choices, and have a strong and respected voice in decisions about their care and support services.	X	X	—	X	—

(continued)

Table 8 (continued)
Methods for assessing beneficiary experience by beneficiary impact

Direct measure	Key stakeholder interviews	Beneficiary focus groups	Recommended survey question[1]	Washington capitated demonstration data[2]	Interviews with Washington agency staff on demonstration implementation
Complaints, grievances, and appeals					
Beneficiaries have easy access to fair, timely, and responsive processes when problems occur.	X	X	—	X	—
Number and type of beneficiary complaints, grievances, and appeals.	—	—	—	X	—
Advocacy/member services					
Beneficiaries get assistance in exercising their rights and protections.	X	X	—	X	—
Finance and payment					
Provider incentives					
Beneficiary experience is taken into account when awarding provider and plan incentives.	X	—	—	—	X
Rate of auto-assignment (if available).	—	—	—	X	—
Rate of change of PCP requests (if available).	—	—	—	X	—

— = no data for cell; LTSS = long-term services and supports; PCP = primary care provider.

[1] The evaluation team will recommend questions to add to surveys conducted by Washington or CMS.

[2] Drawn from State Data Reporting System, RTI analysis of administrative data, Consumer Assessment of Healthcare Providers and Systems (CAHPS) or Health Outcomes Survey (HOS) results, or from other beneficiary surveys that may be conducted by the State or other entities.

Table 8 aligns key elements identified in the CHCS framework with the demonstration design features described in ***Section 3, Demonstration Implementation Evaluation***. We modified some elements of the CHCS framework to reflect that not all Medicare-Medicaid enrollees require intensive services as suggested by the original CHCS language used when describing comprehensive assessments and multidisciplinary care teams. For each key element, we identify the impact on beneficiary experience and detail the data sources that RTI will use to obtain the information.

As shown in ***Table 8***, we will solicit direct feedback from beneficiaries served through the demonstration to determine how closely their experience compares to the desired outcomes (improvements in personal health outcomes, quality of life, how beneficiaries seek care, choice of care options, and how care is delivered). We will include topics specific to the demonstration and supplement our understanding of direct beneficiary experience with key stakeholder interviews (e.g., consumer and advocacy groups), a review of enrollment and disenrollment, grievances and appeals, claims and encounter data analysis, and interviews with Washington staff on demonstration implementation.

Table 9 highlights some of the quantitative measures of beneficiary experience we will monitor and evaluate using demonstration statistics and claims or encounter data analysis. See ***Section 4.2*** for a discussion of the quality, utilization, and access to care measures we plan to examine as part of the overall evaluation of impact of the Washington capitated demonstration on beneficiary outcomes, including for subpopulations. The draft focus group protocol and the draft stakeholder interview protocol are both discussed in this section and are available in the *Aggregate Evaluation Plan* (Walsh et al., 2013).

We will analyze our findings by subpopulation. We will identify the subpopulations of particular interest for Washington, and where possible will recruit sufficient numbers of individuals in those subpopulations to participate in the focus groups. We will analyze our focus group findings about beneficiary experience to determine whether differences exist by subpopulation.

Table 9
Demonstration statistics on quality, utilization, and access to care measures of beneficiary experience

Rate of auto-assignment to Medicare-Medicaid Integration Plans (if available)
Rate of disenrollment from the demonstration by reason (voluntary vs. involuntary)[1]
Rate of beneficiaries who opt out of enrolling into demonstration
Number and type of beneficiary complaints, grievances, and appeals
Use of preventive services[1]
Nursing facility admissions and readmissions[1]
Emergency room use[1]
Hospital admission and readmission rates[1]
Follow-up care after hospital discharge[1]

[1] See ***Section 4.2*** for discussion of specific measures.

4.1.3 Data Sources

We will rely on five major data sources to assess beneficiary experience as shown in ***Table 8***. In this section we describe our plan for using focus group and stakeholder interviews; results of beneficiary surveys planned by the State, CMS, or other entities (e.g., CAHPS); State demonstration data entered into the State Data Reporting System; and interviews with State demonstration staff.

4.1.3.1 Focus Groups

We will conduct four focus groups in Washington to gain insight into how the initiative affects beneficiaries. To ensure that we capture the direct experience and observations of those served by the Washington capitated demonstration, focus groups will be limited to demonstration enrollees, their family members, and informal caregivers. ***Table 10*** shows our current plan for the composition and number of focus groups.

We are aware that Washington has conducted its own focus groups during the planning/design phase of the demonstration. We will use Washington's findings to inform the content of our focus groups, if applicable. Preliminary topics of the focus groups include beneficiaries' understanding of the demonstration, rights, options, and choices (e.g., plan, primary care provider); reasons beneficiaries choose to enroll and disenroll; their benefits; concerns or problems encountered; experience with care coordination; and access to primary and specialty care, and LTSS. Timing for conducting the focus groups will be influenced by our assessment of whether there is more to be learned about the experience of beneficiaries shortly after initial enrollment into the Washington capitated demonstration versus their perceptions of its effectiveness later in the Washington capitated demonstration. If the latter, we will conduct focus groups at least 1 year after implementation so that beneficiaries have had a substantial amount of experience with the demonstration. We will make the decision regarding timing of the focus groups in conjunction with CMS.

Table 10
Purpose and scope of State focus groups

Primary purpose	To understand beneficiary experience with the demonstration and, where possible, to identify factors and design features contributing to their experience.
Composition	Each focus group includes 8–10 individuals who may be beneficiaries or family members or caregivers representing beneficiaries. These may include but are not limited to beneficiaries with the following: ● LTSS needs ● multiple chronic conditions ● mental illness ● substance use disorders
Number	Four focus groups

LTSS = long-term services and supports.

We will recruit focus group participants from eligibility and enrollment files independent of input from the State. In doing so, we will identify beneficiaries reflecting a range of eligibility, clinical, and demographic characteristics enrolled in the Washington capitated demonstration. Our subcontractor, the Henne Group, will use a structured approach for screening potential participants and obtaining their agreement to participate. If there appear to be high rates of opting out or disenrollment from the demonstration in Washington, we will consider convening focus groups with beneficiaries who have chosen to opt out or disenroll to understand their decisions. We will work closely with Washington capitated demonstration staff to make the process for recruiting focus group members as smooth as possible for beneficiaries, such as selecting an accessible site and ensuring transportation and any needed special accommodations and supports to allow for full participation. Focus group recruitment and all focus group arrangements will be conducted with an awareness of the subpopulations of concern in Washington. We will investigate the prevalence of non-English–speaking beneficiaries in the eligible population and determine whether to hold any of the focus groups in languages other than English. A preliminary focus group protocol is presented in the *Aggregate Evaluation Plan* (Walsh et al., 2013). The protocol may be modified based on final decisions about focus group composition, content, and our understanding of issues raised during implementation of the Washington capitated demonstration.

4.1.3.2 Key Stakeholder Interviews

Our evaluation team will conduct key stakeholder interviews (consumer and advocacy groups) in Washington, either in person as part of a scheduled site visit or by telephone, with major beneficiary groups whose stakeholders are served by the Washington capitated demonstration. The purpose of these interviews will be to assess the level of beneficiary engagement and experience with the demonstration and its perceived impact on beneficiary outcomes. Although we will interview service providers as part of our implementation analyses, service provider perspectives will not be the source of information for assessing beneficiary experience.

Table 11 identifies potential groups in Washington whose representatives we may wish to interview and the overall purpose of the interview. We will finalize the list of key stakeholders following discussions with demonstration staff in Washington, a review of events and issues raised during the development and early implementation of the demonstration, and the composition of enrollment by subpopulations.

Table 11
Preliminary interviewees and scope of key stakeholder interviews

Primary purpose	**Baseline:** Assess understanding of and satisfaction with demonstration design; expectations for the demonstration; perceived concerns and opportunities. **Throughout demonstration:** Spot improvements and issues as they emerge and assess factors facilitating and impeding positive beneficiary experience. **Final year:** Assess extent to which expectations were met; major successes and challenges; lessons learned from beneficiary's perspective.
Subpopulations	Interviews will be held with consumer and advocacy groups whose members are served by the Washington capitated demonstration. These may include the following: ● Advocacy and consumer organizations representing the demonstration's eligible populations ● Advocacy and consumer organizations participating in the HealthPath Advisory Team and its subcommittees ● Beneficiaries serving on the HealthPath Advisory Team and MMIP enrollee advisory boards ● Beneficiary advocates
Number and frequency	**Baseline:** Up to eight telephone interviews within the first year of implementation. **Throughout demonstration:** Up to eight telephone or in-person interviews in Washington each year to be conducted with the same individuals each time, unless other stakeholders or topics of interest are identified. **Final year:** Up to eight telephone or in-person interviews.

MMIP = Medicare-Medicaid Integration Plan.

A draft outline of the key stakeholder interview at baseline is presented in the *Aggregate Evaluation Plan* (Walsh et al., 2013). We will revise this draft as we obtain more information about the Washington capitated demonstration and the issues that arise during its planning/design phase and early implementation.

4.1.3.3 Beneficiary Surveys

The RTI evaluation team will not directly administer any beneficiary surveys as part of the evaluation, and we are not requiring that States administer beneficiary surveys for purposes of the evaluation. We will include relevant findings from beneficiary surveys already being conducted for this demonstration by Washington, CMS, or other entities.

As part of CMS requirements for capitated model plans, Medicare-Medicaid Integration Plans (MMIPs) will be required to conduct the Health Outcomes Survey (HOS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS). The Medicare CAHPS and HOS surveys will be sampled at the demonstration plan level, allowing cross-plan and aggregate comparisons, where appropriate. We will recommend standard questions for inclusion in surveys across all demonstrations under the Financial Alignment Initiative, such as quality of life measures. We will participate in discussions with the State and CMS (and other CMS contractors, as appropriate) regarding content and sampling issues. Topics on which we will recommend common questions across State demonstrations are shown in ***Table 8***.

4.1.3.4 Demonstration Data

We will use data about the demonstration that we collect from Washington during site visits, from reports and other materials developed by the State, through the State Data Reporting System, and data obtained from CMS or other entities to assess the beneficiary experience. Data of particular interest include the following:

- Complaint, appeal, and grievance data from CMS or other entities, as available.
- Disenrollment and opt-out rates.
- Information about waiting lists or lags in accessing services, which will provide useful indications of where the system lacks capacity as a topic for discussion during site visits or focus groups.

The above quantitative indirect measures will be collected for all Medicare-Medicaid enrollees served under the demonstration and will be analyzed by subpopulations.

In addition, Washington plans to monitor quality using a selection of national measures as well as State defined measures (MOU, 2013, pp. 114–124). To the extent relevant, we will use findings from these State-specific metrics to augment our assessment of beneficiary experience and outcomes in Washington.

4.1.3.5 Interviews with Washington Capitated Demonstration Staff

In addition to key stakeholder interviews conducted with consumer and advocacy groups, we will address issues of beneficiary engagement and feedback during our interviews with Washington capitated demonstration staff. These interviews, described in ***Section 3***, will provide another perspective on how Washington communicates and works with beneficiaries during the design and implementation of its demonstration.

4.1.4 Analytic Methods

Our analysis will assess beneficiary experience and determine, where possible, how it is affected by financial model and demonstration design features. We also want to examine whether and how beneficiary experience varies by subpopulations. The Henne Group will audio-record all focus groups, subject to approval of the group members, and the audio-recordings will be transcribed. Key stakeholder interview and focus group transcripts will be imported and analyzed using QSR NVivo 9, qualitative data analysis software, to identify emergent themes and patterns regarding beneficiary experiences during the demonstration and issues related to the evaluation research questions. A structured approach to qualitative analysis in NVivo 9 will allow us to identify themes in Washington and compare and contrast those themes by subpopulation within and across States. Because it is implementing a capitated model demonstration, we are particularly interested in comparing Washington's findings with those of capitated financial alignment model demonstrations in other States, and in determining whether particular design features in this demonstration are likely to affect beneficiary experience.

Most demonstration data will be collected and tracked through the State Data Reporting System. We will also request summary statistics and reports from Washington on beneficiary surveys that they sponsor and from CMS or its contractors on any surveys they conduct. Information from site visits and site-reported data beyond those described specifically in this section also are expected to inform analysis of beneficiary experience research questions. The findings will be grouped into the beneficiary experience domains defined in ***Section 4.1.2***.

The evaluation will consider indications of predemonstration beneficiary experience that may be available from other sources. The evaluation will not, however, have baseline data or comparison group results in this area. Results of beneficiary surveys, focus groups, and other approaches employed during the demonstration period will be presented in the annual and final evaluation reports along with available context to inform interpretation.

4.2 Analyses of Quality, Utilization, Access to Care, and Cost

4.2.1 Purpose

This section of the report outlines the research design, data sources, analytic methods, and key outcome variables (quality, utilization, and cost measures) on which we will focus in evaluating the Washington capitated demonstration. These analyses will be conducted using secondary data, including Medicare and Medicaid claims and managed care encounter data. This section addresses the following research questions:

- What impact does the Washington capitated demonstration have on utilization patterns in acute, long-term, and behavioral health services, overall and for beneficiary subgroups?
- What impact does the Washington capitated demonstration have on health care quality overall and for beneficiary subgroups?
- Does the Washington capitated demonstration change access to care for medical, behavioral health, long-term services and supports (LTSS) overall and for beneficiary subgroups? If so, how?
- What impact does the Washington capitated demonstration have on cost and is there evidence of cost savings? How long did it take to observe cost savings? How were these savings achieved?

In this section, we discuss our approach to identifying the eligible population for Washington and for identifying comparison group beneficiaries. This section also describes the data sources, key analyses to be performed over the course of the demonstration, and the quality measures that will inform the evaluation. RTI will use both descriptive and multivariate analyses to evaluate the Washington capitated demonstration. Results of descriptive analyses focusing on differences across years and important subgroups on key outcome variables will be included in the Washington quarterly reports to CMS and the State and in the annual reports. Multivariate analyses will be included in the final evaluation. Savings will be calculated at least twice during

the demonstration: once during the demonstration and once after the demonstration period has ended.

4.2.2 Approach

An appropriate research design for the evaluation must consider whether selection is a risk for bias.

Potential sources of selection bias exist in the Washington capitated demonstration whereby the beneficiaries choosing not to enroll in the demonstration may differ from demonstration participants. First, beneficiaries may choose to opt out or disenroll from the demonstration. Reasons for opting out or disenrolling will vary but may be related to demonstration benefits or previous experience in managed care. Second, beneficiaries already enrolled in a Medicare Advantage plan whose parent organization is not offering an MMIP or Program of All-Inclusive Care for the Elderly (PACE) will not be eligible for passive enrollment into the demonstration but can choose to disenroll from their current plans or programs. To limit selection bias in the evaluation of this demonstration, we will use an intent-to-treat design. This design will address potential selection issues by including the entire population of beneficiaries eligible for the Washington capitated demonstration, regardless of whether they enroll in the demonstration or actively engage with the MMIPs.

Under the intent-to-treat framework, outcome analyses will include all beneficiaries eligible for the demonstration in the demonstration States, including those who opt out, who participate but then disenroll, and who enroll but do not engage with the MMIPs, and a group of similar individuals in the comparison group. This approach diminishes the potential for selection bias and highlights the effect of the demonstrations on all beneficiaries in the demonstration-eligible population. In addition, RTI will compare the characteristics of those who enroll in the MMIPs with those who are eligible but do not enroll and conduct analyses to further explore demonstration effects on demonstration enrollees, acknowledging that interpreting such results will be difficult given likely selection bias.

4.2.2.1 Identifying Demonstration Group Members

The demonstration group for the Washington capitated demonstration will include full-benefit Medicare-Medicaid enrollees aged 21 and above residing in King or Snohomish counties. Those not eligible for the demonstration are those with developmental disabilities who receive care from selected types of providers, those participating in the Money Follows the Person program, those enrolled in a hospice program at the time of demonstration enrollment, and those with other comprehensive third-party insurance. To analyze quality, utilization, and costs in the predemonstration period, and throughout the demonstration period, Washington will submit a demonstration evaluation (finder) file that includes data elements needed for RTI to correctly identify Medicare-Medicaid enrollees for linking to Medicare and Medicaid data, and information about the enrollees eligible for or enrolled in the demonstration (***Table 12***). The file will list all of the Medicare-Medicaid enrollees eligible for the demonstration, with additional variables in the file indicating monthly enrollment in the demonstration. Eligible individuals who were not enrolled in the demonstration in a given month will still be part of the evaluation under the intent-to-treat research design. In addition to indicating who was eligible and enrolled, this

file will contain personal identifying information for linking to Medicare and Medicaid data. RTI will notify the State about the file's design and the method and timing of transmission after the start of the demonstration.

Table 12
State demonstration evaluation (finder) file data fields

Data field	Length	Format	Valid value	Description
Medicare Beneficiary Claim Account Number (Health Insurance Claim Number [HICN])	11	CHAR	Alphanumeric	The HICN. Any Railroad Retirement Board (RRB) numbers should be converted to the HICN number prior to submission to the MDM.
MSIS number	20	CHAR	Alphanumeric	MSIS identification number.
Social security number (SSN)	9	CHAR	Numeric	Individual's SSN.
Sex	1	CHAR	Alphanumeric	Sex of beneficiary (1=male or 2=female).
Person first name	30	CHAR	Alphanumeric	The first name or given name of the beneficiary.
Person last name	40	CHAR	Alphanumeric	The last name or surname of the beneficiary.
Person birth date	8	CHAR	CCYYMMDD	The date of birth (DOB) of the beneficiary.
Person ZIP code	9	CHAR	Numeric	9-digit ZIP code.
Eligibility identification flag	1	CHAR	Numeric	Coded 0 if identified as not eligible for the demonstration, 1 if identified as eligible from administrative data, 2 if identified as eligible from nonadministrative data.
Monthly enrollment indicator	1	CHAR	Numeric	Each monthly enrollment flag variable would be coded 1 if enrolled in an MMIP, and 0 if not. Quarterly demonstration evaluation (finder) files would have 3 such data fields.

MDM = Master Data Management; MMIP = Medicare-Medicaid Integration Plan; MSIS = Medicaid Statistical Information System.

4.2.2.2 Identifying a Comparison Group

The methodology described in this section reflects the plan for identifying comparison groups based on discussions between RTI and CMS and detailed in the *Aggregate Evaluation Plan* (Walsh et al., 2013). Identifying the comparison group members will entail two steps: (1) selecting the geographic area from which the comparison group will be drawn and (2) identifying the individuals who will be included in the comparison group.

Because Washington intends to implement either a capitated model or managed fee-for-service (MFFS) model demonstration in all areas of the State, we will consider a comparison group from out-of-State Metropolitan Statistical Areas (MSAs). In general, we expect to draw

such groups from multiple comparison States and MSAs. The approach for identifying potential comparison areas is described below.

We will use statistical distance analysis to identify potential comparison areas that are most similar to the Washington capitated demonstration counties in regard to costs, care delivery arrangements, policy affecting Medicare-Medicaid enrollees, population density, and the supply of medical resources. The specific measures for the statistical distance analysis we will use are Medicare spending per Medicare-Medicaid enrollee, Medicaid spending per Medicare-Medicaid enrollee, nursing facility users per 65-and-over Medicaid beneficiary, HCBS users per 65-and-over Medicaid beneficiary, Personal Care users per 65-and-over Medicaid beneficiary, Medicare Advantage, Medicaid managed care penetration for full-benefit Medicare-Medicaid enrollees, Medicaid-to-Medicare physician fee ratios, population per square mile, and patient care physicians per thousand population. The three LTSS variables capture how areas differ in the settings in which they provide these services. Variation in LTSS policy is most easily visible in the population using the most LTSS (i.e., those aged 65 and over). The relative importance of institutional care observed in that population is expected to affect such use in the population under age 65 as well.

Once comparison MSAs are selected, all Medicare-Medicaid enrollees in those areas who meet the demonstration's eligibility criteria will be selected for comparison group membership based on the intent-to-treat study design. The comparison areas will be determined within the first year of demonstration implementation, in order to use the timeliest data available. The comparison group members will be determined retrospectively at the end of each demonstration year, allowing us to include information on individuals newly eligible or ineligible for the demonstration during that year. The comparison group will be refreshed annually to incorporate new entrants into the eligible population as new individuals become eligible for the demonstration over time. To ensure that the comparison group is similar to the demonstration group, we will compute propensity scores and weight comparison group beneficiaries using the framework described in ***Section 4.2.2.4*** of this report.

4.2.2.3 Issues/Challenges in Identifying Comparison Groups

The RTI team will make every effort to account for the following four issues/challenges when identifying and creating comparison groups.

1. **Similarities between demonstration and comparison groups:** Comparison group members should be as much like demonstration group members as possible, and sufficient data are needed to identify and control for differences.

2. **Sample size:** Given that the team plans to use all comparable beneficiaries in an out-of-State comparison group that would be eligible for the demonstration, we expect to have sufficient sample size for the analyses and for analyses of smaller subpopulations.

3. **Accounting for enrollment in other demonstrations:** Some Medicare-Medicaid enrollees may not be suitable for comparison group selection because of participation in other demonstrations or enrollment in Accountable Care Organizations. We will

work with CMS to specify these parameters and apply them to both Washington and the comparison group.

4. **Medicaid data:** Significant delays currently exist in obtaining Medicaid data. If unaddressed, this problem could result in delays in formulating appropriate comparison groups. Timeliness of MSIS data submissions will need to be considered if out-of-State comparison areas are required for the evaluation.

4.2.2.4 Propensity Score Framework for Identifying Comparison Group Members

Because comparison group members may differ from the demonstration group on individual characteristics, we will compute propensity scores for the demonstration and comparison group members. The propensity score represents how well a combination of characteristics, or covariates, predicts that a beneficiary is in the demonstration group. To compute these scores for beneficiaries in the demonstration and comparison groups, we will first identify beneficiary-level and market-level characteristics to serve as covariates in the propensity-score model. Beneficiary-level characteristics may include demographics, socioeconomic, health, and disability status; and county-level characteristics may include health care market and local economic characteristics. Once the scores are computed, we will remove from the comparison group any beneficiaries with a propensity score lower than the lowest score found in the demonstration group to ensure that the comparison group is similar to the demonstration group.

The propensity scores for the comparison group will then be weighted so that the distribution of characteristics of the comparison group is similar to that of the demonstration group. By weighting comparison group members' propensity scores, the demonstration and comparison group samples will be more balanced. More detail on this process is provided in the *Aggregate Evaluation Plan* (Walsh et al., 2013).

4.2.3 Data Sources

Table 13 provides an overview of the data sources to be used in the Washington capitated demonstration evaluation of quality, utilization, and cost. Data sources include Medicare and Medicaid fee-for-service data, Medicare Advantage encounter data, and MMIP encounter data. These data will be used to examine quality, utilization, and cost in the predemonstration period and during the demonstration. Data will be needed for all beneficiaries enrolled in the demonstration as well as other beneficiaries in the eligible population who do not enroll. Note that data requirements for individual beneficiaries will depend on whether they were in Medicare fee-for-service or Medicare Advantage in the pre- and postdemonstration periods.

The terms of the Washington capitated demonstration MOU require the State to provide timely Medicaid data through MSIS for the predemonstration and demonstration periods. Any delays in obtaining data may also delay portions of the evaluation.

The activities to identify demonstration and comparison groups and to collect and utilize claims and encounter data may be revised if modifications are made to the demonstrations or if data sources are not available as anticipated. If modifications to this evaluation plan are required, they will be documented in the annual and final evaluation reports as appropriate.

Table 13
Data sources to be used in the Washington capitated demonstration evaluation analyses of quality, utilization, and cost

Aspect	Medicare fee-for-service data	Medicaid fee-for-service data	Encounter data[1]
Obtained from	CMS	CMS	CMS
Description and uses of data	Will be pulled from the following: ● Part A (hospitalizations) ● Part B (medical services) Will be used to evaluate quality of care, utilization, and cost during the demonstration. These data will also be used for beneficiaries who opt out of the demonstration, have disenrolled, or do not enroll for other reasons; for predemonstration analyses of demonstration-eligible beneficiaries for the 2 years prior to the demonstration; and for comparison groups that may be in-State and/or out-of-State.	Medicaid claims and enrollment data will include data on patient characteristics, beneficiary utilization, and cost of services. Eligibility files will be used to examine changes in number and composition of Medicare-Medicaid enrollees. Will also need these data for beneficiaries who opt out of the demonstration, have disenrolled, or do not enroll for other reasons; for predemonstration analyses of demonstration-eligible beneficiaries for the 2 years prior to the demonstration; and for comparison groups.	Pre- and postperiod beneficiary encounter data (including Medicare Advantage, and Medicare-Medicaid Plan, and Part D data) will contain information on: ● beneficiary characteristics and diagnoses, ● provider identification/type of visit, and ● beneficiary IDs (to link to Medicare and Medicaid data files). Will be used to evaluate quality (readmissions), utilization, and cost; health; access to care; and beneficiary satisfaction. Part D data will be used to evaluate cost only. These data will also be used for beneficiaries who opt out of the demonstration, have disenrolled, or do not enroll for other reasons; for predemonstration analyses of demonstration-eligible beneficiaries for the 2 years prior to the demonstration; and for comparison groups that may be in-State and/or out-of-State.
Sources of data	Will be pulled from the following: ● NCH Standard Analytic File ● NCH TAP Files ● Medicare enrollment data	Will be pulled from the following: ● MSIS (file on inpatient care, institutional, and the "other" file) ● Medicaid eligibility files	Data will be collected from the following: ● CMS ● Medicare enrollment data

(continued)

Table 13 (continued)
Data sources to be used in the Washington capitated demonstration evaluation analyses of quality, utilization, and cost

Aspect	Medicare fee-for-service data	Medicaid fee-for-service data	Encounter data[1]
Time frame of data	Baseline file = 2 years prior to the demonstration period (NCH Standard Analytic File). Evaluation file = all demonstration years (NCH TAP Files).	Baseline file = 2 years prior to the demonstration period. Evaluation file = all demonstration years.	Baseline file = Medicare Advantage plans submit encounter data to CMS as of January 1, 2012. RTI will determine to what extent these data can be used in the baseline file. Evaluation file = Medicare Advantage and MMIPs are required to submit encounter data to CMS for all demonstration years.
Potential concerns	—	Expect significant time delay for all Medicaid data.	CMS will provide the project team with data under new Medicare Advantage requirements. Any lags in data availability are unknown at this time.

— = no data; MMIP = Medicare-Medicaid Integration Plan; MSIS = Medicaid Statistical Information System; NCH = National Claims History; TAP = monthly Medicare claims files.

[1] Encounter data from Medicare Advantage (MA) or Program of All-Inclusive Care for the Elderly (PACE) plans in the pre-period are needed to evaluate demonstration effects for beneficiaries who previously were enrolled in MA or PACE plans but who enroll in the demonstration. There may also be movement between Medicare Advantage or PACE plans and the demonstration throughout implementation, which we will need to take into account using Medicare Advantage or PACE encounter data during the implementation period.

Notes on Data Access: CMS data contain individually identifiable data that are protected under the Health Insurance Portability and Accountability Act (HIPAA) of 1996. CMS, however, makes data available for certain research purposes provided that specified criteria are met. RTI has obtained the necessary data use agreement (DUA) with CMS to use CMS data. A listing of required documentation for requesting CMS identifiable data files such as Medicare and MSIS is provided at http://www.resdac.umn.edu/medicare/requesting_data.asp.

4.3 Analyses

The analyses of quantitative data on quality, utilization, and cost measures in the Washington capitated demonstration evaluation will consist of the following:

1. a monitoring analysis to track quarterly changes in selected quality, utilization, and cost measures over the course of the Washington capitated demonstration (as data are available);

2. a descriptive analysis of quality, utilization, and cost measures for annual reports with means and comparisons for subgroups of interest, including comparison group results; and

3. multivariate difference-in-differences analyses of quality, utilization, and cost measures using an out-of-State comparison group.

At least one multivariate regression-based savings analysis will be calculated during the demonstration period, most likely using 2 years of demonstration data. A second savings analysis will be included in the final evaluation.

The approach to each of these analyses is outlined below in ***Table 14***, and more detail is provided in the *Aggregate Evaluation Design Report* (Walsh et al., 2013). The activities for the analyses may be revised if modifications are made to the demonstrations or if data sources are not available as anticipated. If modifications to this evaluation plan are required, they will be documented in the annual and final evaluation reports as appropriate.

4.3.1 Monitoring Analysis

Data from Medicare FFS and Medicare Advantage encounter data, MMIP encounter data, MSIS files, or other data provided by Washington via the State Data Reporting System will be analyzed quarterly to calculate means, counts, and proportions on selected quality, utilization, and cost measures common across States, depending on availability. Examples of measures that may be included in these quarterly reports to CMS include rates of inpatient admissions, emergency room visits, long-term nursing facility admission, cost per member per month, and all-cause hospital readmission and mortality. We will present the current value for each quarter and the predemonstration period value for each outcome to look at trends over time.

The goal of these analyses is to monitor and track changes in quality, utilization, and costs. Though quarterly analyses will not be multivariate or include comparison group data, these monitoring data will provide valuable, ongoing information on trends occurring during the demonstration period. Various inpatient and emergency room measures that can be reported are described in more detail in the section on quality measures.

Table 14
Quantitative analyses to be performed for Washington capitated demonstration

Aspect	Monitoring analysis	Descriptive analysis	Multivariate analyses
Purpose	Track quarterly changes in selected quality, utilization, and cost measures over the course of the demonstration.	Provide estimates of quality, utilization, and cost measures on an annual basis.	Measure changes in quality, utilization, and cost measures as a result of the demonstration.
Description of analysis	Comparison of current value and values over time to the predemonstration period for each outcome.	Comparison of the predemonstration period with each demonstration year for demonstration and comparison groups.	Difference-in-differences analyses using demonstration and comparison groups.
Reporting frequency	Quarterly to CMS and the State	Annually	Once, in the final evaluation, except for costs, which will also be calculated (at least) once prior to the final evaluation.

NOTE: The reports to be submitted to CMS will include the qualitative data described earlier in this report in addition to the quantitative data outlined here.

4.3.2 Descriptive Analysis on Quality, Utilization, and Cost Measures

We will conduct a descriptive analysis of quality, utilization, and cost measures for the Washington capitated demonstration annually for each performance period that includes means, counts, and proportions for the demonstration and comparison groups. This analysis will focus on estimates for a broad range of quality, utilization, and cost measures, as well as changes in these measures across years or subgroups of interest within each year. The results of these analyses will be presented in the annual evaluation reports. The sections below outline the measures that will be included.

To perform this analysis, we will develop separate (unlinked) encounter, Medicare, and Medicaid beneficiary-level analytic files annually to measure quality, utilization, and cost. Though the Medicare, Medicaid, and encounter data will not be linked, the unlinked beneficiary-level files will still allow for an understanding of trends in quality, utilization, and cost measures. The analytic files will include data from the predemonstration period and for each demonstration year. Because of the longer expected time lags in the availability of Medicaid data, Medicare fee-for-service data and MMIP encounter data may be available sooner than Medicaid fee-for-service data. Therefore, we expect that the first annual report will include predemonstration Medicare and Medicaid fee-for-service data and Medicare fee-for-service, Medicare Advantage, and MMIP encounter data for the demonstration period. Medicaid fee-for-service data will be incorporated into later reports as the data become available.

Consistent with the intent-to-treat approach, all individuals eligible to participate in the demonstration will be included in the analysis, regardless of whether they opt out of the demonstration or disenroll. Data will be developed for demonstration and comparison group beneficiaries for a 2-year demonstration period and for each of the years of the demonstration.

The starting date for Washington will be based on the State's implementation date and, therefore, may represent a "performance period," not necessarily a calendar year. Because the State is planning to use both opt-in and passive enrollment, a dummy variable flag will identify beneficiaries who opted into the demonstration so that the analysis can determine whether the experience of those who passively enroll differs from the experience of those who opt in. For those beneficiaries with shorter enrollment periods, because of beneficiary death or change of residence, for example, the analysis will weight their experience by months of enrollment within a performance period.

We will measure predemonstration and annual utilization rates and per member per month (PMPM) costs of Medicare- and Medicaid-covered services together, where appropriate, to look at trends in the type and level of service use during the State demonstrations. We will calculate average use rates and PMPM costs at predemonstration and for each demonstration period. Use rates will be stratified by hierarchical condition category (HCC) scores, which are derived from models predicting annual Medicare spending based on claim-based diagnoses in a prior year of claims where higher scores are predictive of higher spending, health status measures, or similar measures. We will adjust for hospitalizations in the prior year using categorical HCC scores or similar measures. Chi-square and *t*-tests will be used to test for significant differences in use across years and between subpopulations (e.g., Medicare-Medicaid enrollees using long-term care services, mental health services, and chemical dependency services).

4.3.3 Multivariate Analyses of Quality, Utilization, and Cost Measures

In the final year of the evaluation, we will use data collected for the eligible population in Washington and data for the selected comparison group that will have been adjusted using propensity-score weighting methods to analyze the effect of the demonstration using a difference-in-differences method. This method uses both pre- and postperiod data for both the demonstration and comparison groups to estimate effects. This method will be applied to these data for each quality, utilization, and cost outcome described in the next section for the final evaluation. The analytic approaches are described in greater detail in the *Aggregate Evaluation Plan* (Walsh et al., 2013). In addition, multivariate regression-adjusted estimates of cost effects (only) will be performed at an intermediate point of the evaluation, using data after 2 years of implementation.

4.3.4 Subpopulation Analyses

For subpopulations of focus in the Washington capitated demonstration, we will evaluate the impact of the demonstration on quality, utilization, and access to care for medical, LTSS, and behavioral health services, and also examine qualitative data gathered through interviews, focus groups, and surveys. RTI will compare the characteristics of those who enroll with those who are eligible but do not enroll, and will conduct analyses to further explore demonstration effects on demonstration enrollees, acknowledging that selection bias must be taken into account in interpreting the results. Descriptive analyses for annual reports will present results on selected measures stratified by subpopulations (e.g., those using and not using mental health or chemical dependency services, or LTSS). Multivariate analyses performed for the final evaluation will account for differential effects for subpopulations in specification testing by using dummy

variables for each of the specific subpopulations of interest one at a time so that the analyses can suggest whether quality, utilization, and cost are higher or lower for each of these groups.

4.4 Utilization and Access to Care

Medicare, Medicaid, and MMIP encounter data will be used to evaluate changes in the levels and types of services used, ranging along a continuum from institutional care to care provided at home (***Table 15***). Note that ***Table 15*** indicates the sources of data for these analyses during the demonstration, given that the analyses will include beneficiaries enrolled in the demonstration as well as those who are part of the population eligible for the demonstration, but do not enroll.

Table 15
Service categories and associated data sources for reporting utilization measures

Service type	Encounter data (Medicare Advantage, MMIP, and Medicaid MCO)	Medicaid only (FFS)	Medicare and Medicaid (FFS)
Inpatient	X	—	X
Emergency room	X	—	X
Nursing facility (short rehabilitation stay)	X	—	X
Nursing facility (long-term stay)	X	X	—
Other facility-based[1]	X	—	X
Outpatient[2]	X	—	X
Outpatient behavioral health (mental and substance use)	X	X	—
Home health	X	—	X
HCBS (PAS, waiver services)	X	X	—

— = not available; FFS = fee for service; HCBS = home and community-based services; MCO = managed care organization; MMIP = Medicare-Medicaid Integration Plan; PAS = personal assistance services.

[1] Includes long-term care hospital, rehabilitation hospital, State mental health facility stays.

[2] Includes visits to physician offices, hospital outpatient departments, rehabilitation agencies.

We anticipate being able to develop traditional utilization measures for each of the service classes in ***Table 15*** (e.g., various inpatient use rates based on diagnoses of interest); however, as of this writing, the timing and availability of data that MMIPs are required to submit have not been finalized. RTI will continue to work closely with CMS to understand how these data can best be used by the evaluation.

4.5 Quality of Care

Across all States, RTI will evaluate a core set of quality measures for monitoring and evaluation. Quality measures will have multiple data sources: claims and encounter data, which RTI will obtain from CMS and analyze for the evaluation measures listed in ***Table 16***; and information collected by Washington, CMS, or others and provided in aggregate to the RTI team

for inclusion in reports. The latter may include Healthcare Effectiveness Data and Information Set (HEDIS) measures collected as part of health plan performance, other data that the Washington MMIPs are required to report, and any beneficiary survey data collected by Washington, CMS, or other entities (e.g., CAHPS). CMS and Washington have also identified a set of quality measures that will determine the amount of quality withhold payments (i.e., MMIPs must meet quality standards to earn back a withheld portion of their capitated payments). The quality withhold measures, listed in the Washington MOU, include some measures noted in this report, as well as additional measures. RTI expects to have access to the aggregated results of these additional measures and will include them in the evaluation as feasible and appropriate, understanding that these data are not available for the predemonstration period or for the comparison group.

RTI and CMS have developed the core set of evaluation measures for use across State demonstrations; the evaluation will also include a few measures specific to the Washington capitated demonstration.

Table 16 provides a working list of the core quality measures to be included in the evaluation of the Washington capitated demonstration. The table specifies the measure, the source of data for the measure, whether the measure is intended to produce impact estimates, as well as a more detailed definition and specification of the numerator and denominator for the measure. These measures will be supplemented by additional evaluation measures appropriate to the Washington capitated demonstration. We will finalize State-specific quality measures that RTI will identify for the evaluation within the first 6 months of implementation.

Many of the measures in ***Table 16*** are established HEDIS measures that demonstration plans are required to report. The National Committee for Quality Assurance (NCQA) definitions are established and standardized. Given that these data will not be available for those who opt out or disenroll or for comparison populations, we will collect and present the results for each relevant demonstration period.

Finally, the evaluation will analyze subgroups of interest, as appropriate, and look at measures that might be particularly relevant to them (e.g., measures that might be specific to people with developmental disabilities or behavioral health conditions). We will continue to work with CMS and the State to identify measures relevant to the Washington capitated demonstration and will work to develop specifications for these measures.

Table 16
Evaluation quality measures: Detailed definitions, use, and specifications

Measure concept (specific measure)	Data sources and responsibility for data collection	Domain (prevention, care coordination, beneficiary experience)	Will evaluation produce impact estimates?[1]	Definition (link to documentation if available)	Numerator/denominator description
All-cause readmission 30-day all-cause risk-standardized readmission rate	Claims/encounter RTI will acquire and analyze	Care coordination	Yes	Risk-adjusted percentage of demonstration-eligible Medicare-Medicaid enrollees who were readmitted to a hospital within 30 days following discharge from the hospital for the index admission (https://www.cms.gov/sharedsavingsprogram/Downloads/ACO_QualityMeasures.pdf).	Numerator: Risk-adjusted readmissions among demonstration-eligible Medicare-Medicaid enrollees at a non-Federal, short-stay, acute-care, or critical access hospital, within 30 days of discharge from the index admission included in the denominator, and excluding planned readmissions. Denominator: All hospitalizations among demonstration-eligible Medicare-Medicaid enrollees not related to medical treatment of cancer, primary psychiatric disease, or rehabilitation care, fitting of prostheses, and adjustment devices for beneficiaries at non-Federal, short-stay acute-care or critical access hospitals, where the beneficiary was continuously enrolled in Medicare and Medicaid for at least 1 month after discharge, was not discharged to another acute-care hospital, was not discharged against medical advice, and was alive upon discharge and for 30 days postdischarge.
Immunizations Influenza immunization	Claims/encounter RTI will acquire and analyze	Prevention	Yes	Percentage of demonstration-eligible Medicare-Medicaid enrollees seen for a visit between October 1 and March 31 of the 1-year measurement period who received an influenza immunization OR who reported previous receipt of an influenza immunization (https://www.cms.gov/sharedsavingsprogram/Downloads/ACO_QualityMeasures.pdf).	Numerator: Demonstration-eligible Medicare-Medicaid enrollees who have received an influenza immunization OR who reported previous receipt of influenza immunization. Denominator: Demonstration-eligible Medicare-Medicaid enrollees seen for a visit between October 1 and March 31 (flu season), with some exclusions allowed.

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Table 16 (continued)
Evaluation quality measures: Detailed definitions, use, and specifications

Measure concept (specific measure)	Data sources and responsibility for data collection	Domain (prevention, care coordination, beneficiary experience)	Will evaluation produce impact estimates?[1]	Definition (link to documentation if available)	Numerator/denominator description
Immunizations (cont'd) Pneumococcal vaccination for patients 65 years and older	Claims/encounter RTI will acquire and analyze	Prevention	Yes	Percentage of demonstration-eligible patients aged 65 years and older who have ever received a pneumococcal vaccine.	Numerator: Demonstration-eligible Medicare-Medicaid enrollees age 65 and over who have ever received a pneumococcal vaccination. Denominator: All demonstration-eligible Medicare-Medicaid enrollees ages 65 years and older, excluding those with documented reason for not having one.
Ambulatory care-sensitive condition admission Ambulatory care-sensitive condition admissions—overall composite (AHRQ PQI # 90)	Claims/encounter RTI will acquire and analyze	Prevention, care coordination	Yes	Combination using 12 individual ACSC diagnoses for chronic and acute conditions. For technical specifications of each diagnosis, see http://www.qualityindicators.ahrq.gov/Modules/PQI_TechSpec.aspx.	Numerator: Total number of acute-care hospitalizations for 12 ambulatory care-sensitive conditions among demonstration-eligible Medicare-Medicaid enrollees, aged 18 or older. Conditions include diabetes—short-term complications; diabetes—long-term complications; COPD; hypertension; CHF; dehydration; bacterial pneumonia; UTI; angina without procedure; uncontrolled diabetes; adult asthma; lower extremity amputations among diabetics. Denominator: Demonstration-eligible Medicare-Medicaid enrollees, aged 18 or older.
Ambulatory care-sensitive condition admissions—chronic composite (AHRQ PQI # 92)	Claims/encounter RTI will acquire and analyze	Prevention, care coordination	Yes	Combination using 9 individual ACSC diagnoses for chronic diseases. For technical specifications of each diagnosis, see http://www.qualityindicators.ahrq.gov/Modules/PQI_TechSpec.aspx.	Numerator: Total number of acute-care hospitalizations for 9 ambulatory care-sensitive chronic conditions among demonstration-eligible Medicare-Medicaid enrollees, aged 18 or older. Conditions include diabetes—short-term complications; diabetes—long-term complications; COPD; hypertension; CHF; angina w/o procedure; uncontrolled diabetes; adult asthma; lower-extremity amputations among diabetics. Denominator: demonstration-eligible Medicare-Medicaid enrollees, aged 18 or older.

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Table 16 (continued)
Evaluation quality measures: Detailed definitions, use, and specifications

Measure concept (specific measure)	Data sources and responsibility for data collection	Domain (prevention, care coordination, beneficiary experience)	Will evaluation produce impact estimates?[1]	Definition (link to documentation if available)	Numerator/denominator description
Admissions with primary diagnosis of a severe and persistent mental illness or substance use disorder	Claims/encounter RTI will acquire and analyze	Prevention, care coordination	Yes	Percentage of demonstration-eligible Medicare-Medicaid enrollees with a primary diagnosis of a severe and persistent mental illness or substance use disorder who are hospitalized	Numerator: Total number of acute-care hospitalizations among demonstration-eligible Medicare-Medicaid enrollees, aged 18 or older with a primary diagnosis of a severe and persistent mental illness or substance use who are hospitalized. Denominator: Demonstration-eligible Medicare-Medicaid enrollees, aged 18 or older.
Avoidable emergency department visits Preventable/ avoidable and primary care treatable ED visits	Claims/encounter RTI will acquire and analyze	Prevention, care coordination	Yes	Based on lists of diagnoses developed by researchers at the New York University (NYU) Center for Health and Public Service Research, this measure calculates the rate of ED use for conditions that are either preventable/avoidable, or treatable in a primary care setting (http://wagner.nyu.edu/faculty/billings/nyued-background).	Numerator: Total number of ED visits with principal diagnoses defined in the NYU algorithm among demonstration-eligible Medicare-Medicaid enrollees. Denominator: Demonstration-eligible Medicare-Medicaid enrollees.
Emergency department visits ED visits excluding those that result in death or hospital admission	Claims/encounter RTI will acquire and analyze	Prevention, care coordination	Yes	Percentage of demonstration-eligible Medicare-Medicaid enrollees with an emergency department visit.	Numerator: Total number of ED visits among demonstration-eligible Medicare-Medicaid enrollees excluding those that result in death or hospital admission. Denominator: Demonstration-eligible Medicare-Medicaid enrollees.

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Table 16 (continued)
Evaluation quality measures: Detailed definitions, use, and specifications

Measure concept (specific measure)	Data sources and responsibility for data collection	Domain (prevention, care coordination, beneficiary experience)	Will evaluation produce impact estimates?[1]	Definition (link to documentation if available)	Numerator/denominator description
Follow-up after mental health hospitalization Follow-up after hospitalization for mental illness	Claims/encounter RTI will acquire and analyze	Care coordination	Yes	Percentage of discharges for demonstration-eligible Medicare-Medicaid enrollees who were hospitalized for selected mental health disorders and who had an outpatient visit, an intensive outpatient encounter, or partial hospitalization with a mental health practitioner. Two rates are reported: (1) The percentage of members who received follow-up within 30 days of discharge; (2) The percentage of members who received follow-up within 7 days of discharge (http://www.qualityforum.org/QPS/).	Numerator: Rate 1: (Among demonstration-eligible Medicare-Medicaid enrollees) an outpatient visit, intensive outpatient encounter, or partial hospitalization with a mental health practitioner within 30 days after discharge. Include outpatient visits, intensive outpatient encounters, or partial hospitalizations that occur on the date of discharge; Rate 2: (Among demonstration-eligible Medicare-Medicaid enrollees) an outpatient visit, intensive outpatient encounter, or partial hospitalization with a mental health practitioner within 7 days after discharge. Include outpatient visits, intensive outpatient encounters, or partial hospitalizations that occur on the date of discharge. Denominator: Demonstration-eligible Medicare-Medicaid enrollees who were discharged alive from an acute inpatient setting (including acute-care psychiatric facilities) in the measurement year. The denominator for this measure is based on discharges, not members. Include all discharges for members who have more than one discharge in the measurement year.
Fall prevention Screening for fall risk	Claims/ encounter RTI will acquire and analyze	Prevention, care coordination	Yes	Percentage of demonstration-eligible Medicare-Medicaid enrollees aged 65 years and older who were screened for future fall risk at least once within 12 months	Numerator: Demonstration-eligible Medicare-Medicaid enrollees who were screened for future fall risk at least once within 12 months. Denominator: All demonstration-eligible Medicare-Medicaid enrollees 65 years or older.

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Table 16 (continued)
Evaluation quality measures: Detailed definitions, use, and specifications

Measure concept (specific measure)	Data sources and responsibility for data collection	Domain (prevention, care coordination, beneficiary experience)	Will evaluation produce impact estimates?[1]	Definition (link to documentation if available)	Numerator/denominator description
Cardiac rehabilitation Cardiac rehabilitation following hospitalization for AMI, angina, CABG, PCI, CVA	Claims/encounter RTI will acquire and analyze	Care coordination	Yes	Percentage of demonstration-eligible beneficiaries evaluated in an outpatient setting who within the past 12 months have experienced AMI, CABG surgery, PCI, CVA, or cardiac transplantation, or who have CVA and have not already participated in an early outpatient CR program for the qualifying event/ diagnosis who were referred to a CR program.	Numerator: Number of demonstration-eligible Medicare-Medicaid enrollees in an outpatient practice who have had a qualifying event/diagnosis in the previous 12 months who have been referred to an outpatient cardiac rehabilitation/secondary prevention program. Denominator: Number of demonstration-eligible Medicare-Medicaid enrollees in an outpatient clinical practice who have had a qualifying cardiovascular event in the previous 12 months, who do not meet any of the exclusion criteria, and who have not participated in an outpatient cardiac rehabilitation program since the cardiovascular event.
Pressure ulcers Percent of high-risk residents with pressure ulcers (long stay)	MDS RTI will acquire and analyze	Prevention, care coordination	Yes	Percentage of all demonstration-eligible long-stay residents in a nursing facility with an annual, quarterly, significant change, or significant correction MDS assessment during the selected quarter (3-month period) who were identified as high risk and who have one or more Stage 2–4 pressure ulcer(s).	Numerators: Number of demonstration-eligible Medicare-Medicaid enrollees who are long-stay nursing facility residents who have been assessed with annual, quarterly, significant change, or significant correction MDS 3.0 assessments during the selected time window and who are defined as high risk with one or more Stage 2–4 pressure ulcer(s). Denominators: Number of demonstration-eligible Medicare-Medicaid enrollees who are long-stay residents who received an annual, quarterly, or significant change or significant correction assessment during the target quarter and who did not meet exclusion criteria.

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Table 16 (continued)
Evaluation quality measures: Detailed definitions, use, and specifications

Measure concept (specific measure)	Data sources and responsibility for data collection	Domain (prevention, care coordination, beneficiary experience)	Will evaluation produce impact estimates?[1]	Definition (link to documentation if available)	Numerator/denominator description
Treatment of alcohol and substance use disorders Initiation and engagement of alcohol and other drug dependent treatment	Claims/encounter RTI will acquire and analyze	Care coordination	Yes	The percentage of demonstration-eligible Medicare-Medicaid enrollees with a new episode of alcohol or other drug (AOD) dependence who received the following: a. Initiation of AOD treatment. The percentage who initiate treatment through an inpatient AOD admission, outpatient visit, intensive outpatient encounter or partial hospitalization within 14 days of the diagnosis. b. Engagement of AOD treatment. The percentage who initiated treatment and who had two or more additional services with a diagnosis of AOD within 30 days of the initiation visit (http://www.qualityforum.org/QPS/).	Numerator: Among demonstration-eligible Medicare-Medicaid enrollees (a) Initiation: AOD treatment through an inpatient admission, outpatient visit, intensive outpatient encounter or partial hospitalization within 14 days of diagnosis; (b) Engagement: AOD treatment and two or more inpatient admissions, outpatient visits, intensive outpatient encounters or partial hospitalizations with any AOD diagnosis within 30 days after the date of the Initiation encounter (inclusive). Multiple engagement visits may occur on the same day, but they must be with different providers in order to be counted. Do not count engagement encounters that include detoxification codes (including inpatient detoxification). Denominator: Demonstration-eligible Medicare-Medicaid enrollees age 13 years and older who were diagnosed with a new episode of alcohol and drug dependency during the intake period of January 1–November 15 of the measurement year. EXCLUSIONS: Exclude those who had a claim/encounter with a diagnosis of AOD during the 60 days before the IESD. For an inpatient IESD, use the admission date to determine the Negative Diagnosis History. For an ED visit that results in an inpatient stay, use the ED date of service.
Depression screening and follow-up Screening for clinical depression and follow-up	Claims/encounter RTI will acquire and analyze	Prevention, care coordination	Yes	Percentage of patients aged 18 and older screened for clinical depression using an age-appropriate standardized tool AND follow-up plan documented (http://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/Downloads/2014_eCQM_EP_June2013.zip).	Numerator: Demonstration-eligible Medicare-Medicaid enrollees whose screening for clinical depression using an age-appropriate standardized tool AND follow-up plan is documented. Denominator: All demonstration-eligible Medicare-Medicaid enrollees 18 years and older with certain exceptions (see source for the list).

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Table 16 (continued)
Evaluation quality measures: Detailed definitions, use, and specifications

Measure concept (specific measure)	Data sources and responsibility for data collection	Domain (prevention, care coordination, beneficiary experience)	Will evaluation produce impact estimates?[1]	Definition (link to documentation if available)	Numerator/denominator description
Blood pressure control Controlling high blood pressure	Medical records (HEDIS EOC035)	Prevention, care coordination	No	Percentage of members aged 18–85 who had a diagnosis of hypertension and whose blood pressure was adequately controlled (<140/90mm Hg) during the measurement year (http://www.qualityforum.org/QPS).	Numerator: Number of demonstration participants in the denominator whose most recent, representative BP is adequately controlled during the measurement year. For a member's BP to be controlled, both the systolic and diastolic BP must be <140/90mm Hg. Denominator: Demonstration participants with hypertension. A patient is considered hypertensive if there is at least one outpatient encounter with a diagnosis of HTN during the first 6 months of the measurement year.
Weight screening and follow-up Adult BMI assessment	Medical records (HEDIS EOC110)	Prevention	No	Percentage of patients aged 18–74 years of age who had an outpatient visit and who had their BMI documented during the measurement year or the year prior to measurement.	Numerator: BMI documented during the measurement year, or the year prior. Denominator: Demonstration-eligible Medicare-Medicaid enrollees 18–74 who had an outpatient visit.
Breast cancer screening	Medical records (HEDIS 0003)	Prevention	No	Percentage of women 40–69 years of age and participating in demonstration who had a mammogram to screen for breast cancer.	Numerator: Number of women 40–69 receiving mammogram in year. Denominator: Number of women 40–69 enrolled in demonstration.

(continued)

Table 16 (continued)
Evaluation quality measures: Detailed definitions, use, and specifications

Measure concept (specific measure)	Data sources and responsibility for data collection	Domain (prevention, care coordination, beneficiary experience)	Will evaluation produce impact estimates?[1]	Definition (link to documentation if available)	Numerator/denominator description
Antidepressant medication management	Medical records (HEDIS EOC030)	Care coordination	No	Percentage of members 18+ who were diagnosed with a new episode of major depression and treated with antidepressant medication, and who remained on an antidepressant medication treatment.	Numerator: Two rates are reported. (1) Effective acute phase treatment—newly diagnosed and treated demonstration participants who remain on antidepressant medication for at least 84 days. (2) Effective continuation phase treatment—newly diagnosed and treated demonstration participants who remained on antidepressant medication for at least 180 days. Denominator: Newly diagnosed and treated demonstration participants over age 18.
Diabetes care Comprehensive diabetes care: selected components—HbA1c control, LDL-C control, retinal eye exam	Medical records (HEDIS EOC020)	Prevention/care coordination	No	Percentage of demonstration participants 18–75 years of age with diabetes (type 1 and type 2) who had each of the following: HbA1c control, LDL-C control, and retinal eye exam.	Numerator: Number of these who had HbA1c control or LDL-C control, or retinal eye exam in year. Denominator: Demonstration participants 18–75 with type 1 or type 2 diabetes.

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Table 16 (continued)
Evaluation quality measures: Detailed definitions, use, and specifications

Measure concept (specific measure)	Data sources and responsibility for data collection	Domain (prevention, care coordination, beneficiary experience)	Will evaluation produce impact estimates?[1]	Definition (link to documentation if available)	Numerator/denominator description
Medication management Annual monitoring for patients on persistent medications	Medical records (HEDIS EOC075)	Care coordination	No	Percentage who received at least 180 treatment days of ambulatory medication therapy for a select therapeutic agent during the measurement year and at least one therapeutic monitoring event for the therapeutic agent in the measurement year. Agents measured: (1) ACE inhibitors or ARB, (2) digoxin, (3) diuretics, (4) anticonvulsants.	Numerator: Number with at least 180 days of treatment AND a monitoring event in the measurement year. Combined rate is sum of 4 numerators divided by sum of 4 denominators. Denominator: Demonstration participants with at least 180 days of treatment in the year for a particular agent.

ACE = angiotensin-converting-enzyme; ACSC = ambulatory care-sensitive conditions; AHRQ = Agency for Healthcare Research and Quality; AMI = acute myocardial infarction; ARB = angiotensin II receptor blockers; BMI = body mass index; BP = blood pressure; CABG = coronary artery bypass graft; CHF = congestive heart failure; COPD = chronic obstructive pulmonary disease; CR = cardiac rehabilitation; CVA = cerebrovascular accident; ED = emergency department; EOC = Effectiveness of Care; HbA1c = Hemoglobin A1c; HEDIS = Healthcare Effectiveness Data and Information Set; HTN = hypertension; IESD = Index Episode Start Date; LDL-C = low-density-lipoprotein cholesterol (bad cholesterol); MDS = Minimum Data Set; PCI = percutaneous coronary intervention; PQI = Prevention Quality Indicator; UTI = urinary tract infection.

[1] Impact estimates will be produced only for measures where data can also be obtained for the comparison group. Measures for which data are not expected to be available in the comparison group will be tracked only within the demonstration to measures changes over time.

NOTE: Definitions, use, and specifications are as of June 3, 2014.

4.6 Cost

To determine annual total costs (overall and by payer), we will aggregate the Medicare and Medicaid PMPM payments paid to the MMIPs and the costs for the eligible population that is not enrolled in the demonstration, per the intent-to-treat evaluation design. This approach will help us to detect overall cost impact and remove potential selection bias among beneficiaries who participate in the demonstration and those who opt out or disenroll. We will include Part D PMPM and any PMPM reconciliation data provided by CMS in the final assessment of cost impact to ensure that all data are available.

The evaluation will analyze cost data for the service types shown in ***Table 14*** in the previous section on utilization with the addition of prescription drug costs. As with quality and utilization analyses, the descriptive and impact analyses presented in the annual report will include a comparison group. We will present results for important subgroups, and in more detail to better understand their demonstration experience. We will also create a high-cost-user category and track costs of this group over time. To do this, we will measure the percentage of beneficiaries defined as high cost in Year 1 (e.g., those beneficiaries in the top 10 percent of costs). In subsequent years we will look at the percentage of beneficiaries above the Year 1 threshold to learn more about potential success in managing the costs of high-cost beneficiaries as a result of the demonstration.

We will also evaluate cost savings for capitated model demonstrations twice during the demonstration using a regression-based approach and the comparison group described in ***Section 4.2.2*** of this report. The methodology for evaluating cost savings for capitated model demonstrations is currently under development and will be reviewed and approved by the CMS Office of the Actuary. If data are available, we will also estimate cost savings accruing to the Medicare and Medicaid programs separately.

4.7 Analytic Challenges

Obtaining Medicaid fee-for-service data for the predemonstration and demonstration periods and MMIP encounter data for the demonstration period will be critical for the evaluation. The MMIP encounter data are necessary to measure quality, utilization, and costs. It will be important for Washington to submit Medicaid fee-for-service data in a timely manner. It will also be important for CMS to continue to work with other States that may serve as comparison groups to update and maintain their MSIS/T-MSIS submissions. Because the timing and availability of MMIP encounter data are being finalized, RTI will continue to work closely with CMS to understand how these data can best be used by the evaluation. Other analytic challenges will include addressing financing issues including upper payment limit (UPL) issues, provider taxes, and disproportionate share hospital (DSH) payments as well as possible State policy changes over the course of the demonstration. RTI will work closely with CMS and the State to understand these issues and to monitor changes over the course of the demonstration and will develop approaches to incorporate these issues into analyses as necessary.

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