



September 30, 2011

Susan Dreyfus
Secretary
Washington State Division of Social and Health Services

Doug Porter
Director
Washington State Health Care Authority

Comment letter submitted to Marietta Bobba at bobbam@dshs.wa.gov

Re: Comment letter on House Bill 1738 efforts

The Washington State Hospital Association (WSHA), representing 97 hospitals in the state, appreciates the opportunity to comment regarding the future purchasing options for behavioral health, long term care, and developmental disability programs for Washington State. Our comment letter touches on many of the questions your agencies raised in the August 23, 2011 letter to seek input for the preliminary report to the Washington State Legislature contained in House Bill 1738.

Fundamentally, WSHA believes the purchasing and coverage arrangements should allow for sharing of risk – upside and downside – at the provider level in order to achieve substantive changes in the delivery system. WSHA has the following additional recommendations:

Purchasing Authority. WSHA does not have a comment about which agency controls the purchasing for behavioral health, long term care, or developmental disability clients. We believe the agencies themselves understand the benefits and challenges associated with the decision. WSHA hopes the final recommendation to the legislature will promote communication and efficiency for all involved: clients, providers, and the staff of the agency where purchasing resides. One challenge for our hospitals includes the lack of coordination among case managers, especially if multiple agency managers are involved.

Status Quo. The status quo is not working. As we have seen with the state's Regional Support Networks (RSNs), we have 13 duplicative administrative functions and 13 ways of delivering services to clients. Additionally, some Regional Support Networks are willing to work collaboratively with hospitals while others are less inclined. Our hospitals' experience frustrations with the

RSNs, especially around different interpretations of responsibilities and prioritization of services. We are concerned about the Department of Social and Health Services' ability to discipline RSNs, but simply taking away crucial resources from patient care is problematic. WSHA does not recommend expanding the RSN model.

Enhanced Primary Care. WSHA supports enhancements of primary care and medical homes for behavioral health, long term care, and clients with developmental disabilities. Improved access to primary care can prevent use of costly services in other parts of the health system.

Managed Care Expansion. WSHA supports reforming the health care delivery model. Simply pushing this complex-needs population into managed care may not produce better outcomes. Expansion or incentives for providers of this population should be considered in order to provide care coordination and ensure the right care is delivered to patients at the right time and in the appropriate setting. We hope the purchasing decision for services to the behavioral health, long term care, and developmental disabilities populations are more comprehensive than just shifting risk from the state to health plans.

Local or Regional Health Authorities. WSHA supports the concept of local care coordination, but believes the state needs to proceed with caution. We do not support an additional layer of bureaucracy that would remove resources from care delivery. The discussions occurring at the county levels across the state about Regional Health Authorities or Alliances offer a wide variety of approaches, but many have yet to really define their scope of responsibilities or their potential value to this health care system. In addition, many of these conversations have been taking place absent of true involvement from providers. As previously stated, our state, with its creation of RSNs, has experienced the duplicative and differing approaches to services and the problems created. If Regional Health Authorities are created, these problems may be especially problematic if the populations served and the providers delivering the services are separated by county lines. We believe there are many details to work out before the state should hand over control and coordination of these populations to a regional entity.

Thank you for this opportunity to comment on these important decisions. WSHA strongly believes hospitals and other care providers need to be involved as these ideas for improving and reforming the health care system develop.

For additional questions, please contact me at claudias@wsha.org or 206-216-2508 or Chelene Whiteaker, Director, Advocacy and Policy at chelenew@wsha.org at 206-216-2545.

Sincerely,

Claudia Sanders

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