

CONVERSATION WITH COUNCILMEMBER DAVE MORELL – January 5, 2021

By Cynthia Stewart as reviewed and approved by Councilmember Morell

The League of Women Voters has advocated for several years for Pierce County to adopt the 1/10 of one percent local option sales tax for behavioral health. At the end of December, the County did just that¹. However, one of the provisions of the ordinance is this requirement:

The Finance Director shall certify that the state Health Care Authority or other relevant state entity has provided the County with:

- (1) written approval of the Pierce County Accountable Care Organization Medicaid Pilot in the form presented to it by local providers through Elevate Health;
- (2) indication that approval has been requested for the Pierce County ACO Medicaid Pilot from the Centers for Medicare and Medicaid Services; and
- (3) assurance that the state Health Care Authority or other relevant entity will take all necessary steps to fully implement the pilot by January 1, 2022, to include but not be limited to re-procurement of Medicaid managed care in Pierce County.

This seemed to be an unusual requirement, so to understand it better, I requested a conversation with Councilmember Dave Morell, prime sponsor of the ordinance. Here is what he explained.

Integration of behavioral health with physical health has been mandated for several years and has intensified as part of the expanded Medicaid system allowed under the federal Affordable Care Act. However, in general, the Council has a perception that provision of behavioral health care remains siloed and fragmented in Pierce County.

Councilmember Morell's Key Points about the current system and this proposal:

1. It would provide local governance that includes community, county, providers, health systems, health and human services, and payer, which could include managed care organizations; "Local engagement, ownership and governance".
2. This is Network adequacy – increased access to care.
3. It would allow reinvestments of dollars back in the local community, keeping Washington dollars in Washington and local investments in Pierce County. Dollars supporting gaps in the health delivery system, social determinants of health, workforce, economy
4. A managed care organization can have a role but become part of a regional ecosystem supporting the entire care delivery system.
5. This would provide transparency in the market and data to inform policy decisions, investments, and care delivery innovations and public health
6. These models are proven in Medicare and in Medicaid spaces all over the US. The strength of this model is local voice in decision making and reinvestments locally.

Councilmember Morell noted that Medicaid is the coverage that many of the people most in need of behavioral health services have, so Medicaid became a vehicle that was attractive for directing funds that would be generated from the behavioral health tax. And Elevate Health became the organization that Councilmember Morell would like to see coordinate implementation services in Pierce County.

The approval from the HCA is for a pilot program using Medicaid allowing for cost savings, and improved care and efficiencies which can be provided by the ACO and then savings reinvested in the residents of Pierce County. A similar project was done in Oregon, leading to adoption of this approach statewide

¹ Ordinance No. 2020-138s, <https://online.co.pierce.wa.us/cfapps/council/model/otDocDownload.cfm>

because of demonstrated improvements in care and cost savings. The assumption is that through the coordination of the ACO in Pierce County, the new tax could fill gaps.

Councilmember Morell believes it is realistic to expect State approval of this pilot program by the April deadline set forth in the ordinance. Efforts are already underway to get the Governor's support and move the state Health Care Authority to approve it soon.

For more information about Elevate Health, see <https://elevatehealth.org/>

For more information about the Oregon experience, see Oregon Health System Transformation- CCO Metrics 2019 Final Report: <https://www.oregon.gov/oha/HPA/ANALYTICS/CCOMetrics/2019-CCO-Performance-Report.pdf>

MECHANICS OF ORDINANCE 2020-138 AS ENABLING LEGISLATION

BEGINNING 10 DAYS AFTER
ENACTMENT:

Finance Director has until **APRIL 15, 2021** to certify the state Health Care Authority or other relevant state entity:

- 1) Has provided written approval to Pierce County of the ACO Medicaid Pilot as presented
- 2) Confirms a request for approval for the ACO Medicaid Pilot from the Centers for Medicare and Medicaid Services
- 3) Assures that the state Health Care Authority will take necessary steps to fully implement the ACO Medicaid Pilot by **JANUARY 1, 2022**

UPON FINANCE DIRECTOR
CERTIFICATION:

- 1) Special Revenue Fund Created
- 2) Finance Department effectuates 1/10th of 1 percent sales tax
- 3) Behavioral Health Advisory Board Created*

*Behavioral Health Implementation Plan due to Council **NINE MONTHS FROM CERTIFICATION**, as described above

OCTOBER 1, 2027:

Deadline for Council to extend ACO Medicaid Pilot or allow it to sunset on **DECEMBER 31, 2027**

MECHANICS OF TAX COLLECTION UNDER ORDINANCE 2020-138

1) 1/10th of 1 percent sales and use tax is enacted upon state Health Care Authority approving the ACO Medicaid Pilot and sending a formal request to federal government

2) Per ordinance: **APRIL 15, 2021** is the certification deadline

IF approved by **DECEMBER 31, 2020**
THEN...

- tax takes effect **APRIL 1, 2021**
- taxes are first collected in June
- Appropriations are prorated to **58%** of 2021 projections

IF approved by **JANUARY 16, 2021**
THEN...

- tax takes effect **APRIL 1, 2021**
- taxes are first collected in June
- Appropriations are prorated to **58%** of 2021 projections

IF approved by **APRIL 15, 2021**
THEN...

- tax takes effect **JULY 1, 2021**
- taxes are first collected in September
- Appropriations are prorated to **33%** of 2021 projections