STATE OF MICHIGAN
MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

Request For Information (RFI) No. 180000000003

298 Pilot(s) – Medicaid Physical-Behavioral Health Full Financial Integration

Request for Information Manager: Lance Kingsbury
Direct Phone: (517)335-8170
E-Mail Address: kingsburyl@michigan.gov

This RFI seeks to obtain information on operations, management and evaluation of pilot(s) pursuant to Section 298 of Public Act 107 of 2017.

ISSUE DATE: DECEMBER 20, 2017

ANTICIPATED TIMELINE

DEADLINE FOR PROVIDERS TO SUBMIT QUESTIONS REGARDING THIS RFI: JANUARY 10, 2018

STATE ANSWERS TO PROVIDERS' QUESTIONS PROVIDED BY: JANUARY 23, 2018

DEADLINE TO SUBMIT INFORMATIONAL RESPONSES: FEBRUARY 13, 2018

ORAL PRESENTATIONS (IF NEEDED): FEBRUARY 20, 2018

ANTICIPATED NOTICE OF ANTICIPATED PILOT DECISION: FEBRUARY 28, 2018

The information in this document is subject to change. Check www.michigan.gov/SIGMAVSS for the current information.

STATE OF MICHIGAN

Request For Information No. [RFI-180000000003]
298 Pilot(s) – Medicaid Physical-Behavioral Health Full Financial Integration

REQUEST FOR INFORMATION INSTRUCTIONS

1. **CONTACT INFORMATION FOR THE STATE.** The sole point of contact for the State concerning this (RFI) is listed on the Cover Page. Contacting any other State personnel, agent, consultant, or representative about this RFI may result in disqualification.

2. **QUESTIONS.** Questions concerning the RFI must be emailed to the point of contact listed on the Cover Page by no later than **3:00 PM EST on January 10, 2018**. Only written questions will be accepted. Answers to questions will be posted on www.michigan.gov/SIGMAVSS under the RFI number.

3. **MODIFICATIONS.** The State may modify this RFI at any time. Modifications will be posted on www.michigan.gov/SIGMAVSS. This is the only method by which the RFI may be modified.

4. **DELIVERY OF RESPONSE.** Please provide an informational response electronically, in a searchable PDF format, no later than **1:59 PM EST on February 13, 2018,** via www.michigan.gov/SIGMAVSS. The informational response, including any attachments, must not exceed 50 pages and must be fully uploaded and submitted prior to the deadline. Any attachments that are included with the informational response should be less than 6 Gigabytes in file size. Do not wait until the last minute to submit a response, as the SIGMA VSS system requires the creation of an account and entry of certain information, in addition to uploading and submitting the materials. The SIGMA VSS system will not allow a response to be submitted after the response deadline identified above, even if a portion of the response has been uploaded. All documents must be created using tools that are compatible with the Microsoft Office Suite 97 standard desktop tools, without need for conversion. System prompts for pricing attachments and information can be disregarded.

   Questions on how to submit information or how to navigate in the SIGMA system can be answered by calling (517) 373-4111 or (888) 734-9749.

5. **MANDATORY MINIMUM REQUIREMENTS.** If the following mandatory minimums are not fulfilled the State reserves the right to disqualify an informational response:

   a. The applicant is a Community Mental Health Service Program (CMHSP).

   b. The applicant has submitted a signed memorandum of support (Attachment A) from at least fifty-percent of the Medicaid Health Plans (MHPs) within the proposed pilot region, which demonstrates their engagement in pre-planning activities.

   c. The applicant has submitted a plan demonstrating full financial integration as required under Section 298 of Public Act 107 of 2017.

Only informational responses meeting the mandatory minimum requirements will be considered for evaluation.

6. **EVALUATION PROCESS.** The State will evaluate each informational response that meets all of the mandatory minimum requirements based on the factors described below. In the event MDHHS receives more than three applications that meet the mandatory minimum requirements identified, the State reserves the right to evaluate and select the applicant(s) demonstrating preferred pilot potential.

	Evaluation Criteria	**Points**
1.	Miscellaneous (Sections 3, 4, 5)	15
2.	Public Policy (Section 6)	50
3.	Service Array and Delivery (Section 7)	35
4.	Financial Model and Considerations (Section 8)	35
5.	Managed Care Functions (Section 9)	50
6.	Pilot Project Evaluation (Section 10)	15
	Total	200

Proposals receiving 160 evaluation points will be considered for award.

7. **RESERVATIONS:** The State reserves the right to:
    a. Disqualify an applicant for failure to follow these instructions.
    b. Discontinue the RFI process at any time for any or no reason. The issuance of a RFI, your preparation and submission of an informational response, and the State's subsequent receipt and evaluation of your informational response does not commit the State to select you or anyone, even if all of the requirements in the RFI are met.
    c. Consider an otherwise disqualified proposal, if no other proposals are received.
    d. Disqualify an informational response based on: (1) not meeting the mandatory minimum requirements, (2) information provided by the applicant in response to this RFI; (3) the applicant's failure to complete registration on www.michigan.gov/SIGMAVSS ; or (4) if it is determined that an applicant purposely or willfully submitted false or misleading information in response to the RFI.
    e. Evaluate the response outside the scope identified in **Section 6, Evaluation Process**, if the State receives only one informational response.

8. **AWARD RECOMMENDATION.** The State will consider awarding the pilot project(s) to responsive and responsible applicant(s) who meet the minimum point threshold stated in **Section 6, Evaluation Process,** as demonstrated by the informational responses. The State will also use the results of the evaluation process stated in **Section 6, Evaluation Process** in order to select the 3 applicants. The State intends to award up to 3 pilot projects in compliance with Section 298 of Public Act 107 of 2017. Other factors may be considered in the selection of the pilots including, but not limited to, geographic region, financial impact on the current Prepaid Inpatient Health Plan, etc.

9. **ORAL PRESENTATIONS.** The State reserves the right to invite applicants for oral presentations.

10. **CLARIFICATION RESPONSE:** The State reserves the right to issue a Clarification Request to an applicant to clarify its informational response if the State determines the response is not clear. Failure to respond to a Clarification Request timely may be cause for disqualification.

11. **GENERAL RESPONSE CONDITIONS.** The State will not be liable for any costs incurred in preparation of applicant's response, delivery of the response, and any follow-up discussions with the State. This RFI process does not guarantee a pilot award and is not an offer to enter into a contract.

12. **FREEDOM OF INFORMATION ACT.** All portions of an informational response are subject to disclosure as required under the Michigan's Freedom of Information Act (FOIA), 1976 Public Act 422. However, please note the following:

    a. Under MCL 18.1261(13)(b), records containing "a trade secret as defined under section 2 of the uniform trade secrets act, 1998 PA 448, MCL 445.1902, or financial or proprietary information" are exempt from disclosure under FOIA. And under MCL 18.1470(3), "proprietary financial and accounting" information is also exempt from disclosure under FOIA.
    b. If information within an applicant's proposal falls under the aforementioned exemptions, and the applicant seeks to have it withheld from disclosure under FOIA, then by the informational response deadline, the applicant must: (1) save exempt information in a separate file (i.e., document); (2) name the file/document "FOIA-EXEMPT"; (3) label the header of each page of the file/document "Confidential–Trade Secret," "Confidential–Financial," or "Confidential–Proprietary" as applicable; (4) clearly reference within the file/document the RFI schedule, section, and page number to which the exempt information applies; and (5) verify within the FOIA-EXEMPT file/document that the information meets the FOIA exemption criteria.
    c. The State reserves the right to determine whether information designated as exempt by an applicant falls under the FOIA exemptions.
    d. Resumes, pricing, and marketing materials are not trade secrets or financial or proprietary information.
    e. **Do not** identify your entire informational response as "FOIA-EXEMPT," and **do not** label each page of your informational response "Confidential." If an applicant does so, the State may require the applicant to resubmit the informational response to comply with subsection (b) above.
    f. If the State requires an applicant to resubmit an informational response for failure to follow these instructions, the State reserves the right to disqualify the applicant if the informational response is materially changed upon resubmission. In other words, amendments to the informational response should be restricted to that which is necessary to separate confidential from non-confidential information.

13. **RIGHTS TO INFORMATION CONTAINED IN RESPONSES.** All informational responses will be considered the property of the State.

STATE OF MICHIGAN

Request For Information No. 180000000003
298 Pilot(s) – Medicaid Physical-Behavioral Health Full Financial Integration

1. INTRODUCTION

Section 298 of Public Act 107 of 2017 instructs the Michigan Department of Health and Human Services (MDHHS) to "…implement up to 3 pilot projects to achieve fully financially integrated Medicaid behavioral health and physical health benefit and financial integration demonstration models. These demonstration models shall use single contracts between the state and each licensed Medicaid Health Plan (MHP) that is currently contracted to provide Medicaid services in the geographic area of the pilot project."

Informed by values defined by the 298 Facilitation Workgroup and input solicited from current system respondents, this Request for Information (RFI) presents MDHHS' expectations of pilot(s). While this RFI is not intended to be prescriptive, MDHHS has outlined parameters within this RFI which shall define the structure of the pilot and serve as evaluation criteria for their selection. Once pilot regions are selected, MDHHS will continue to work with pilot partners to further operationally define and negotiate contractual parameters and conditions.

2. BACKGROUND

Michigan has employed managed care structures within its Medicaid program for nearly two decades. Throughout that time, Michigan has been a recognized leader among other states for its managed care systems. Michigan has utilized a behavioral health carve out in the managed care structure since initially implementing it. The current structure funds physical health care services through contracts with licensed managed care organizations utilizing full risk funding arrangements and competitive contracting. Specialty behavioral health services, including services for those individuals with serious mental illness, serious emotional disturbance, intellectual/developmental disabilities, and substance use disorders (SUD), are managed by sole sourced, public prepaid inpatient health plans (PIHP) utilizing shared risk funding arrangements. Under the current, carved-out, arrangement, Michigan has established a broad array of services and supports for individuals with behavioral health needs.

While the current system has developed exceptional services and capacity, the current bifurcation of funding and services management has created challenges for the successful integration and coordination of physical and behavioral health care for those with multiple comorbid conditions. There is growing national recognition of the need to integrate care at the financing, service delivery and outcome measurement levels. In response to this trend, and in recognition of the long and successful history of Michigan's implementation of managed care structures and approaches, the Michigan Legislature has instructed MDHHS to implement pilots to test the impact of financial integration for physical health and behavioral health services.

Under the current system, two very significant and distinct benefit management philosophies coexist. These include a structure that centers around a Medicaid beneficiary, ensuring that appropriate healthcare services are accessible, coordinated and effective. This structure seeks to

provide integrated physical and behavioral healthcare, as needed, to all beneficiaries. Simultaneously, this has also included a structure that is focused on managing the behavioral health needs of the community while providing needed, integrated services to those individuals in need. It is the department's intent to preserve and integrate the values of each of these structures as it pilots financial integration.

To this end, all pilots will be expected to comply with current public policy requirements of Michigan's public behavioral health system. MDHHS also expects that all pilots will maintain the full, current array of services that are supported by the specialty services carve-out and related waivers, and required by current contracts. These expectations should drive the funding model employed by pilot participants, which must comply Section 298 of Public Act 107 of 2017. Additionally, both PIHPs and MHPs are required to comply with federal Medicaid managed care regulations, which include but are not limited to: requirements for access, provider network management and capacity, medical loss ratio, enrollee information, and grievance and appeals. These regulations will also apply to the implementation of required managed care functions within the pilot sites.

A description of the current system is included under Attachment B.

3. PILOT OBJECTIVE

Section 298 of Public Act 107 of 2017 specifies the intended objectives of these pilots as: "to test how the state may better integrate behavioral and physical health delivery systems in order to improve behavioral and physical health outcomes, maximize efficiencies, minimize unnecessary costs, and achieve material increases in behavioral health services without increases in overall Medicaid spending."

RESPONSE PREPARATION

Please respond to the following topics and questions sequentially in a "Question and Answer" format, providing thorough information for each, when possible.

1. Applicant full name and address (The applicant must be a Michigan CMHSP in good standing).

   Response:

2. The name, title, telephone number, and email address of the individual(s) who will serve as the applicant's authorized contact.

   Response:

3. Provide the proposed organizational structure (chart) to support the implementation of the pilot. The organizational structure should delineate (1) the role of the CMHSP; (2) the relationship of the CMHSP to all MHPs in the pilot region; and (3) the relationship of the CMHSP to MDHHS.

   Response:

4. Describe the relationship of all of the parties that are necessary to support successful pilot implementation including the region's approach to administrative simplification, consistency in service delivery, and managed care processes.

   Response:

5. Describe in detail your prior experience with integrated physical and behavioral health financing and service delivery systems for the proposed pilot region (including a summary of pre-planning and engagement efforts inclusive of the region's MHPs).

   Response:

6. **Public Policy:** The public behavioral health system has been designed and modified to meet a number of public policy requirements which have continued to expand over time. These various policies and the resulting community and service structures are integral to achieving goals and outcomes for individuals and communities. The current Prepaid Inpatient Health Plan (PIHP) contracts include a number of attachments detailing these policies, which include:

- Technical Requirement for Behavior Treatment Plans
- Person-Centered Planning Policy
- Self Determination Practice & Fiscal Intermediary Guideline
- Technical Requirement for SED Children
- Recovery Policy & Practice Advisory
- Reciprocity Standards
- Inclusion Practice Guideline
- Housing Practice Guideline
- Consumerism Practice Guideline
- Personal Care in Non-Specialized Residential Settings
- Family-Driven and Youth-Guided Policy & Practice Guideline
- Employment Works! Policy
- Jail Diversion Practice Guidelines
- School to Community Transition Planning

MDHHS has contractually required the PIHPs to ensure that these policies are appropriately applied to the Medicaid benefits provided. In the pilot locations, this responsibility will fall to the MHPs as the new contract holder. CMHSPs that apply to be pilot sites must demonstrate pre-planning with all MHPs in their geographic area to determine how ongoing implementation and compliance will be monitored and verified.

a. Describe the pilot's planned approach for assuring compliance with established public policies.

Response:

b. Describe how consumer engagement will occur, including how feedback will be used to inform policy development and implementation, program performance review, recovery plan development, network adequacy, etc.

Response:

c. Explain your plan to assure compliance with Section 330.1287 of the Michigan Mental Health Code (Public Act 258 of 1974 as amended) regarding MDHHS designated Community Mental Health Entities responsibilities for the implementation of SUD treatment and services.

Response:

7. **Service Array and Delivery:** A strength of Michigan's Specialty Behavioral Health systems is the comprehensive range of services and supports that have been made available to eligible consumers. It is the department's expectation that pilots will assure access to the required service array as defined in current contracts, applicable waivers, and the Medicaid Provider Manual.

   a. Describe the applicant's planned approach to ensuring access to the full array of specialty behavioral health services and supports.

   Response:

   b. Describe how the applicant will assess and ensure adequacy of the specialty behavioral health provider network.

   Response:

   c. The public mental health system has encouraged (and in some cases contractually required) the use of evidence-based practices. Describe your plan to maintain use and validation of specialty behavioral health evidence-based practices.

   Response:

   d. Describe current and planned activities to physically co-locate or otherwise integrate physical health and behavioral health services.

   Response:

   e. Describe how care coordination will occur within the pilot region and specifically address how coordination will be integrated for physical and behavioral health needs.

   Response:

   f. Explain how the applicant will meet all capacity and competency requirements for care coordination and service delivery that are new to the pilot members (i.e. Substance Use Disorder Services, Services for Individuals with Intellectual or Developmental Disabilities, Services for Individuals with Severe and Persistent Mental Illness, Services for Children and Youth with Serious Emotional Disturbances).

   Response:

g. Explain how principles of cultural competence will be used to support and inform integrated care (include current or proposed coordination with Michigan Tribal Nations).

Response:

h. Describe how the applicant plans to use CareConnect360 and other health information technology systems to improve care coordination.

Response:

i. Describe how the applicant will promote interoperability in clinical processes through the use of common privacy standards.

Response:

j. Explain how the pilot region will improve coordination of care through health information exchange.

Response:

8. **Financing Model and Considerations:** Consistent with the requirements of Sec 298 of PA 107 of 2017, the pilots will integrate physical health and behavioral health funding in a single contract with each licensed Medicaid managed care entity that is currently contracted to provide Medicaid services in the geographic area of the pilot.

   Approximately forty-percent of the behavioral health expenditures are directed to individuals who are not enrolled in a Medicaid Health Plan. This specific population includes a higher percentage of individuals with significant behavioral health needs receiving multiple services. It is MDHHS' intent to contract with a Managed Behavioral Health Organization (MBHO), or an Administrative Service Organization (ASO). The contracted entity will serve as an extension of the state to provide payment, encounter reporting, monitoring and oversight, and as necessary other managed behavioral health care functions. Pilot(s) will receive payment from and be required to report claims and encounter data to the contracted MBHO/ASO.

   a. Explain the proposed MHP to CMHSP payment model including any plans for shared-risk and value-based financing models (Any proposed financial arrangement that passes downside risk to a CMHSP must be approved by the Department).

   Response:

b. Describe your experience with value-based financing methods and models.

Response:

c. Describe how the pilot will track savings and develop a reinvestment plan in accordance with the 298 boilerplate.

"For the duration of any pilot projects and demonstration models, any and all realized benefits and cost savings of integrating the physical health and behavioral health systems shall be reinvested in services and supports for individuals having or at risk of having a mental illness, an intellectual or developmental disability, or a substance use disorder. Any and all realized benefits and cost savings shall be specifically reinvested in the counties where the savings occurred."

Response:

d. Specify how the financial arrangements of a pilot will address the various "community benefit" functions of the CMHSP such as various pooled funding arrangements, social services collaborative agreements, and other relevant community activities.

Response:

9. **Managed Care Functions**: Federal regulations set specific requirements for the performance of most managed care functions. In the PIHP system, performance of many of the managed care functions are delegated to the CMHSPs within the region. This delegation is intended to support the community behavioral health management role of the public behavioral health system. In the physical health delivery system, the MHPs have well developed systems and structures for performing the required managed care functions in a way that is consistent with both regulatory and accreditation requirements. It will be important, as part of administering managed care functions, that pilots balance community presence, compliance, and administrative efficiency in the performance of required managed functions.

   a. Access

      - Describe the applicant's plan for specialty behavioral health access including any delegated activities.

Response:

- Explain the processes for assessing and ensuring adequate access to appropriate specialty behavioral health screening, assessment, and ongoing service (including but not limited Native Americans, children and adolescents, and persons with substance use disorders).

Response:

b. Customer Service

- Explain the planned process for customer service under the pilot including delegated activities.

Response:

- If the function of customer service (as defined by current contracts) is retained by the MHP, explain how the MHP will demonstrate competency to administer customer service functions for the specialty behavioral health population.

Response:

c. Reporting

- Describe the applicant's IT capacity to interface with various MHP systems including the ability to submit Behavioral Health Treatment Episode Data Set (BH TEDS) and encounter data to the appropriate MHP for submission to MDHHS.

Response:

- Describe how you will track data by distinct funding sources (i.e. separate MHPs).

Response:

- Describe your current capacity and readiness to report required substance use disorder data and information to meet current SUD reporting requirements as specified in the PIHP contract.

Response:

- Address the applicant's capacity and competency requirements for any reporting that is new to the pilot members (i.e. BH TEDS).

Response:

d. Claims Management

- Describe the planned process for claims management including delegated activities.

Response:

- Explain the partner CMHSP's capacity and competency (including electronic infrastructure) to manage substance use disorder (SUD) services claims consistent with the following SUD financing arrangement.

  "The Michigan Mental Health Code requires that publicly funded substance use disorder services be managed by a "department designated community mental health entity" (department designated CMHE). The Mental Health Code also defines certain requirements that a department designated CMHE must meet. MHPs do not meet the definition of an entity that qualifies to be a department designated CMHE. Consequently, MHPs in the pilot region must sub-contract with their CMHSP for the management of Medicaid funding for SUD services.

  The non-Medicaid SUD funding (i.e., community block grant and liquor tax funds), will be transmitted directly to the CMHSP in the pilot. The CMHSP will then be required to (1) meet the Mental Health Code requirements for the department designated CMHE and (2) manage the SUD service array. The CMHSP is expected to be able to demonstrate the necessary capacity and competency to provide the necessary SUD benefits management."

Response:

e. Quality Management

- Explain the applicant's plan for ensuring all required quality management functions (as defined by current contracts) are met including delegated activities.

Response:

- The applicant should describe how the CMHSP, as a provider, fits into the MHP quality management requirements and plan.

Response:

f. Utilization Management

- Describe the proposed plan for utilization management including delegated activities.

Response:

- Explain the degree to which consistent utilization management criteria will be developed for the pilot region.

Response:

- Describe how service continuity will be maintained through transition to the pilot including active service authorizations, person-centered plans, and self-determination arrangements.

Response:

- Address how physical health and behavioral health parity compliance will be maintained for the pilot region.

Response:

- Describe how the applicant will address capacity and competency requirements for any utilization management activities that are new to the pilot members (i.e. substance use disorder services).

Response:

g. <u>Network Management</u>

- Explain your planned approach to network management including delegated activities. Describe how the network management approach will address access and availability standards defined in current contracts.

Response:

- Retention of the provider network is a priority for consumers and advocates. Describe how the applicant will preserve the current network and how contracting, credentialing, and provider readiness review will be managed during the pilot transition.

Response:

- To achieve administrative efficiency, describe the degree to which consistent network management practices will be developed and adopted for the pilot region (including reciprocity for credentialing, training, site reviews, etc.).

Response:

h. Managed Care Oversight and Performance Monitoring
   - For all delegated activities, describe the planned approach for pre-delegation review and ongoing monitoring.

Response:

10. **PILOT PROJECT EVALUATION:** (The applicant must work cooperatively with the MDHHS designated evaluator and are required to participate in all activities related to the pilot project evaluation summarized in Attachment C)
    a. Broadly describe your approach for measuring the performance of the pilot.

Response:

b. Describe your approach as a pilot site to developing the organizational and technical capacity to participate in evaluation-related activities.

Response:

c. Specifically explain the method you will use to (1) measure savings as defined in the 298 boilerplate, and (2) assuring any savings are reinvested in services and supports for individuals having or at risk of having a mental illness, intellectual or developmental disabilities, or a substance use disorder. Please also address services and supports for children with serious emotional disturbances as part of your response.

Response:

11. **TECHNICAL ASSISTANCE:** Specify identified barriers and requirements for training and/or technical assistance that the applicant may need to fully and successfully implement the proposed pilot.

Response:

The State of Michigan sincerely appreciates the time and effort put forth in your response to this Request for Information.

STATE OF MICHIGAN

Request For Information No. 180000000003
298 Pilot(s) – Medicaid Physical-Behavioral Health Full Financial Integration

ATTACHMENT A

298 Pilot Request for Information
Memorandum of Support

________Name of MHP___________ has participated in substantive discussions with ________Name of CMHSP________ regarding a proposed Section 298 Pilot. Discussions have included considerations for financing models, performance of managed care activities, and various public policy requirements relating to the delivery of required Medicaid funded specialty behavioral health services.

________Name of MHP___________ is supportive of this application and is committed to continued discussions intended to reach final agreements on the operationalization of the pilot in the ________Name of CMHSP________ region.

____   _________________________
Signature MHP Authorized Official   Date

____
Name and Title of MHP Authorized Official

STATE OF MICHIGAN

Request For Information No. 180000000003
298 Pilot(s) – Medicaid Physical-Behavioral Health Full Financial Integration

ATTACHMENT B

Description of the Current Financing System for Behavioral Health Services

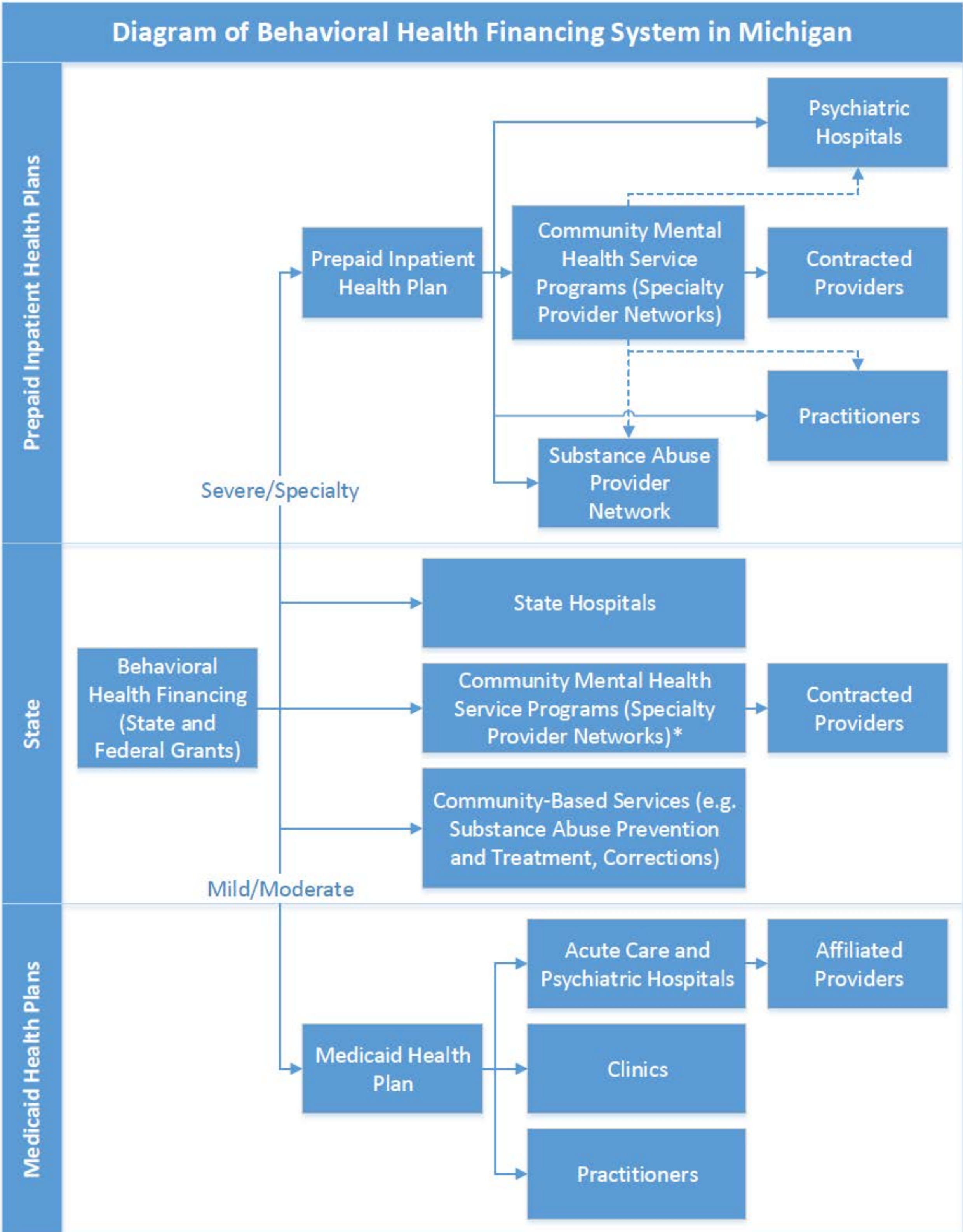
In Michigan, behavioral health prevention, early identification, treatment, and recovery support systems are the primary responsibility of the state's mental health and substance use disorder services authorities, which are collectively known as the Behavioral Health and Developmental Disabilities Administration (BHDDA). BHDDA is located within MDHHS. The Medical Services Administration (MSA) is also located within MDHHS and functions as the State Medicaid Agency. MSA's primary responsibility is oversight of Michigan's Medicaid program. MSA manages comprehensive physical health services, inclusive of outpatient mental health, for individuals with mild to moderate mental health needs through Medicaid Health Plans (MHP) that contract with MDHHS.

BHDDA, which includes the Bureau of Community-Based Services, is responsible for administration of state substance use disorder (SUD) appropriations, the Substance Abuse Prevention and Treatment Block Grant, Mental Health Block Grant, and Medicaid-funded specialty services and supports. BHDDA carries out responsibilities specified in the Michigan Mental Health Code and the Michigan Public Health Code. BHDDA, in partnership with MSA, also administers the Medicaid specialty services benefit for people with intellectual/developmental disabilities, adults with serious mental illness, children with serious emotional disturbances, and individuals with substance use disorders.

Public behavioral health services in Michigan are delivered through county-based Community Mental Health Services Programs (CMHSPs), which are public entities that are created by county governments to provide a comprehensive array of mental health services to meet local needs regardless of an individual's ability to pay. CMHSPs provide Medicaid, state, block grant, and locally funded services to children with serious emotional disturbances, adults with serious mental illness, and children and adults with intellectual/developmental disabilities. These services are either provided directly by the CMHSP or through contracts with providers in the community. Some CMHSPs also contract for direct provision of outpatient and other substance use disorder treatment services (residential, detoxification, and inpatient rehabilitation).

CMHSP's contract with Prepaid Inpatient Health Plans (PIHP) which, on behalf of MDHHS, serve as the state's publicly-operated managed behavioral health system for Medicaid-funded behavioral health specialty services and supports. PIHPs are also the responsible entities for directly managing Substance Use Block Grant funding and local substance abuse funding. Ten regionalized PIHPs operate throughout the state and contract directly with MDHHS.

Services for individuals with mild to moderate mental illness are covered by Michigan's MHPs separate from the PIHPs. MHPs have developed a network of private providers to serve the needs of those with mild to moderate behavioral health problems. Mild to moderate behavioral health services are a benefit that is provided as part of the contracting process for Medicaid health services, including physical health services, by MDHHS.



*Includes local funding

ATTACHMENT C

Michigan's Section 298 Pilot Evaluation Plan

Conducted by the University of Michigan

Under Section 298 in Public Act 107 of 2017, the Michigan legislature directed the Michigan Department of Health and Human Services (MDHHS) to develop and implement up to three pilots and one demonstration model to test the integration of physical and behavioral health services. The Michigan legislature also directed MDHHS to contract with one of the state's research universities to evaluate the pilot(s) and the demonstration model. MDHHS contracted with the Institute for Healthcare Policy and Innovation (IHPI) at the University of Michigan in November 2017 to serve as the project evaluator.

The evaluation will inform future efforts to improve the integration of services on a statewide level by determining the most effective financial and clinical integrated care models. The evaluation aims to compare changes in healthcare utilization, expenditures, and outcomes for Medicaid consumers before and after implementation of the Section 298 pilots and demonstration models. This evaluation will yield information about whether the pilot programs and demonstration project are successful in affecting the structure, processes and outcomes of care. The evaluation will also provide insights regarding whether the pilots and demonstration project can be replicated elsewhere in Michigan.

- Once the pilot sites have been selected,[1] the evaluation team, in partnership with MDHHS, will select **comparison sites**[2] for the pilot and demonstration sites.
- The evaluation team will conduct **on-line pre-evaluation surveys** with key stakeholders and informants to solicit feedback on which structure, process, and outcome measures are likely to have the greatest impact and relevance and can also be collected through reasonable means during the pilot period.
- The evaluation team will develop **survey questionnaires and a data analysis plan** incorporating this feedback where appropriate. The team will develop different surveys for each of the following populations: individuals with mental illness (MI) and/or substance use disorders (SUD), individuals with intellectual and development disabilities (IDD), and children with serious emotional disturbance (SED).

---

[1] MDHHS has selected Kent County as the demonstration site.

[2] Participating as a comparison site is voluntary. The participation of comparison sites will be invaluable to the outcomes, analysis, and recommendations contained in the final report. The evaluation team aims to minimize administrative burden by focusing on data that is obtained from short provider and beneficiary surveys, data contained in the data warehouse, and data already collected by the sites.

- The evaluation team will analyze **baseline administrative and claims data** for the pilot, demonstration, and comparison sites and compile the selected measures from these data sources. This data is available in the MDHHS Data Warehouse.

- The evaluation team will conduct **on-line baseline surveys with administrators and providers** at the pilot, demonstration, and comparison sites.

- The evaluation team will conduct **telephone baseline surveys** with consumers at the pilot, demonstration, and comparison sites. These surveys will gather data regarding a wide range of health conditions and services, in addition to satisfaction with services and quality of life.

- The evaluation team will conduct **post-implementation surveys with administrators, providers, and consumers** at the pilot, demonstration, and comparison sites and analyze the survey data.

- The evaluation team will analyze **post-implementation administrative and claims data** for the pilot, demonstration, and comparison sites.

- The evaluation team will provide **preliminary data analysis and findings** in written form and at key stakeholder meetings for feedback.

- The evaluation team will assemble and **disseminate a final report**.