

**Progress Report on the Implementation of the Policy Recommendations
Section 298 Initiative
Michigan Department of Health and Human Services**

Introduction and Background

The Section 298 Initiative is an effort to improve the coordination of publicly-funded physical and behavioral health services in the state. This initiative is based upon Public Act 268 of 2016. This legislation required the Michigan Department of Health and Human Services (MDHHS) to establish a workgroup to develop recommendations regarding “the most effective financing model and policies for behavioral health services in order to improve the coordination of behavioral and physical health services for individuals with mental illnesses, intellectual and developmental disabilities, and substance use disorders.”¹ The 298 Facilitation Workgroup included consumers, family members, providers, payers, and advocates.

In March 2017, MDHHS published the [Final Report of the 298 Facilitation Workgroup](#), which included one overarching recommendation, seventy policy recommendations, and six financing model recommendations. The workgroup developed the final report based upon a set of defined [values](#)² and input from a wide array of stakeholders. The overarching recommendation is included below:

“The workgroup recognizes that the following recommendations are being made during a time of dramatic change and extraordinary innovation in health policymaking. The workgroup acknowledges that the recommendations may be affected and shaped by substantial changes in federal policy and funding over the next few years. The workgroup also strongly believes that future state policymaking on physical health and behavioral health financing and integration should be partly informed and guided by the results of demonstrations and pilots, which include (1) demonstrations and pilots that are currently operational, and (2) new models that may be established as part of the Section 298 Initiative. Finally, the workgroup recommends the State of Michigan make every effort to achieve the goals and fulfill the values that are identified as part of this report regardless of changes at the federal or state level.”

The policy recommendations specifically addressed the following issues:

<ul style="list-style-type: none"> 1) Coordination of Physical Health and Behavioral Health Services 2) Access to Services and Continuity of Services <ul style="list-style-type: none"> a. Substance Use Disorder Services b. Services for Children, Youth and Families c. Services for Tribal Members 3) Administration of Complaints, Grievances and Appeals 4) Protections for Mental Health and Epilepsy Drugs 5) Self-Determination and Person-Centered Planning 	<ul style="list-style-type: none"> 6) Governance, Transparency and Accountability 7) Workforce Training, Quality and Retention 8) Peer Supports 9) Health Information Sharing 10) Quality Measurement and Quality Improvement 11) Administrative Layers in Both Health Systems 12) Uniformity in Service Delivery 13) Financial Incentives and Provider Reimbursement
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The recommendations on potential [financing models](#) are being carried out pursuant to Section 298 of FY 2018 Appropriations Act (Public Act 107 of 2017), which required MDHHS to implement up to three pilots and one demonstration project to test the integration of Medicaid-funded physical health and behavioral health services.

¹ Final Report of the 298 Facilitation Workgroup, Purpose, Statement of Purpose, p.5, March 2017.

² Final Report of the 298 Facilitation Workgroup, Purpose, Statement of Purpose, Appendix 2, March 2017.

This progress report is intended to provide stakeholders with an update on the department's efforts on evaluating, prioritizing, and implementing the workgroup recommendations.

Policy Recommendations Action Plan and Progress

In June 2017, MDHHS established an Action Team and Core Team to plan and direct the implementation of the pilot(s) and demonstration project as defined under Section 298 of FY 2018 Appropriations Act (Public Act 107 of 2017). The Action Team was also charged with coordinating the department's prioritization and implementation of project plans to address the policy recommendations. To date, MDHHS has completed the following steps as part of this process:

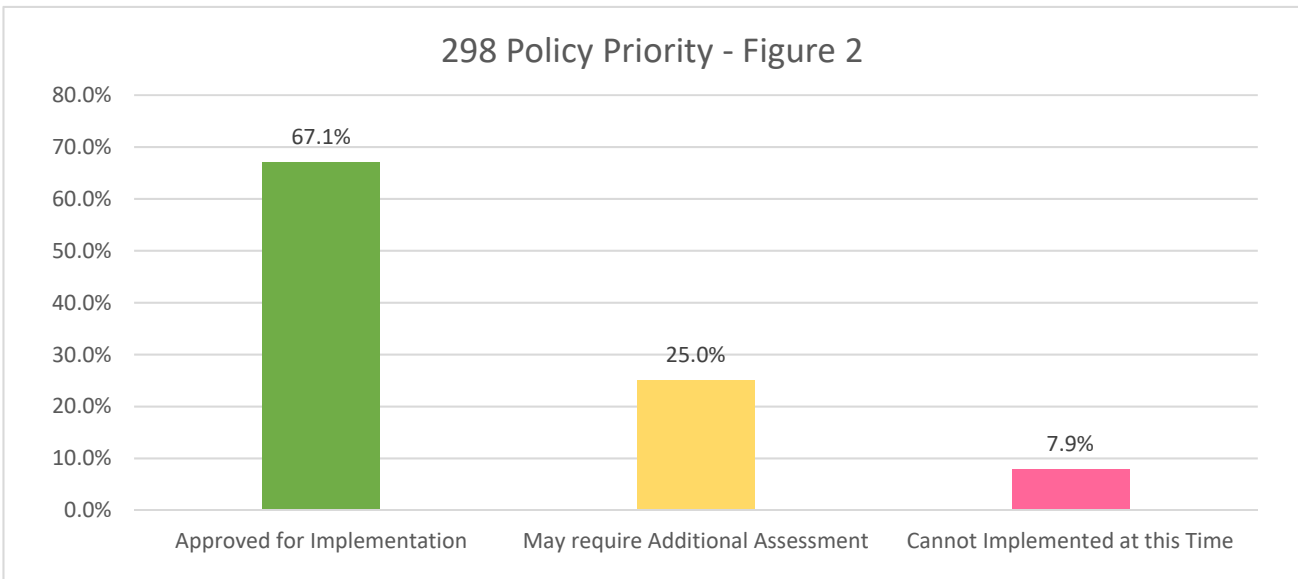
- Determined the relationship of policy recommendations to the demonstration projects and pilots established under Section 298 of Public Act 107 of 2017;
- Set priorities for implementing the recommendations;
- Identified subject matter experts to further analyze recommendations and provide staff support for implementing corresponding changes;
- Assessed the recommendations against the current state of MDHHS programs and policies;
- Defined [barriers](#)³ to implementing the recommendations;
- Clarified the action that must be taken to enact recommendations including legislative and public policy changes; and
- Assigned responsibility and set due dates for implementing the recommendations.

MDHHS identified 36 of the combined recommendations as pertinent to the planning and development of the pilot(s) and demonstration projects. MDHHS also considered 15 recommendations as "parameters" in development of the pilot(s), which means that they were included in the Request for Information and are expected to be incorporated into resulting contract(s). MDHHS identified 21 recommendations as "optional considerations", which indicates that the pilot participants may explore these items as they consider the design of their integration model.

MDHHS prioritized the recommendations as "Approved for Implementation", "May Require Additional Assessment", or "Cannot Implement at this Time" for purposes of committing resources. MDHHS based prioritization decisions upon 1) the department's current authority to act on individual recommendations and 2) an evaluation of the feasibility of implementing each recommendation. As illustrated in Figure 1, MDHHS identified 67.1% of recommendations as "Approved for Implementation". Recommendations prioritized as "Cannot Implement at this Time" may require legislative action, Centers for Medicare and Medicaid Services (CMS) approval, or were determined to not be feasible at this time.

³ Section 298 Barriers to Implementation Report, FY2018 Appropriation Act - Public Act 107 of 2017, MDHHS, November 1, 2017.

298 Policy Priority - Figure 2



The Section 298 Action Team worked with subject matter experts within the department to develop an action plan for each policy recommendation, which included 1) an assessment of the current state of the related policy or program, 2) identification of barrier(s) to implementing the recommendation, and 3) determination of required change(s) or recommended action(s) for implementation. Through this effort 85% of the workgroup’s policy recommendations have a defined action plan that includes assigned responsibility and target due dates. A high-level project plan for the workgroup recommendations is included as Attachment A.

Finally, to assure coordination of 298 Policy Recommendation efforts, Action Team members have developed a crosswalk to identify and plan for synchronicities that exist with other MDHHS efforts including recommendations/planned actions from the: [House CARES Final Report](#), [Diversion Council](#), and [Michigan Inpatient Psychiatric Admissions Discussion](#) (MIPAD).

Conclusion and Next Steps

MDHHS expects the implementation of workgroup recommendations to be substantially completed in Fiscal Year 2018. A significant portion of the recommendations will be implemented through changes in appropriate provider contracts for Fiscal Year 2019 and through related policy changes. The Section 298 Action Team will continue to review and monitor the implementation of policy recommendations and will report any additional barriers to the Core Team and MDHHS leadership as necessary. MDHHS will continue to solicit input and feedback from stakeholders (1) through existing forums and (2) as part of the evaluation of the pilots and demonstration project.

298 Policy Recommendations - High Level Project Plan

Policy Recommendation Category	PERIODS																			
	FY 2017				FY 2018				FY 2019				FY 2020				FY 2021			
	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Financing Model *																				
Coordination of Physical Health and Behavioral Health																				
Substance Use Disorder Services																				
Services for Children, Youth and Families																				
Services for Tribal Members																				
Continuity of Services																				
Administration of Complaints, Grievances and Appeals																				
Protection of Mental Health and Epilepsy Drugs																				
Self-Determination and Person Centered Planning																				
Governance, Transparency and Accountability																				
Workforce, Training, Quality and Retention	Not planned																			
Peer Supports																				
Health Information Sharing																				
Quality Measurement and Quality Improvement																				
Administrative Layers in Both Health Systems																				
Uniformity in Service Delivery																				
Financial Incentives and Provider Reimbursement																				

* See MPHI Plan Detail for pilots and demonstration projects

-> Ongoing