

Sec. 298. (1) Before implementing the pilot projects and demonstration models described in subsections (2) and (3), the department shall enter into an agreement with an independent project facilitator with at least 5 years of project management experience to establish performance outcome metrics of the pilot projects and demonstration models, finalize each pilot project's or demonstration model's implementation milestones, determine and manage the critical path to the pilot project's or demonstration model's completion, provide independent guidance on resolving conflicts between parties, and perform other necessary oversight and implementation functions as determined by the department. These performance metrics shall evaluate how the pilot projects and demonstration models impact, at a minimum, each of the following categories:

- (a) Improvement of the coordination between behavioral health and physical health.
- (b) Improvement of services available to individuals with mental illness, intellectual or developmental disabilities, or substance use disorders.
- (c) Benefits associated with full access to community-based services and supports.
- (d) Customer health status.
- (e) Customer satisfaction.
- (f) Provider network stability.
- (g) Treatment and service efficacies before and after the pilot projects and demonstration models.
- (h) Use of best practices.
- (i) Financial efficiencies.
- (j) Any other relevant categories.

(2) The department shall work with a willing CMHSP in Kent County and all willing Medicaid health plans in the county to pilot a full physical and behavioral health integrated service demonstration model. The department shall ensure that the pilot project described in this subsection is implemented in a manner that ensures at least all of the following:

- (a) That any changes made to a Medicaid waiver or Medicaid state plan to implement the pilot project described in this subsection must only be in effect for the duration of the pilot project described in this subsection.
- (b) That the project is consistent with the stated core values as identified in the final report of the workgroup established in section 298 of article X of 2016 PA 268.
- (c) That updates are provided to the medical care advisory council, behavioral health advisory council, and developmental disabilities council.

(3) In addition to the pilot project described in subsection (2), the department shall 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 that is currently contracted to provide Medicaid services in the geographic area of the pilot project. The department shall ensure that the pilot projects described in this subsection are implemented in a manner that ensures at least all of the following:

- (a) That allows the CMHSP in the geographic area of the pilot project to be a provider of behavioral health supports and services.
- (b) That any changes made to a Medicaid waiver or Medicaid state plan to implement the pilot projects described in this subsection must only be in effect for the duration of the pilot projects described in this subsection.
- (c) That the project is consistent with the stated core values as identified in the final report of the workgroup described in subsection (2).
- (d) That updates are provided to the medical care advisory council, behavioral health advisory council, and developmental disabilities council.

(4) The department shall begin to implement the pilot projects and demonstration models described in subsections (2) and (3) by no later than October 1, 2017 and shall work toward implementing the pilot projects and demonstration models described in subsections (2) and (3) by no later than March 1, 2018. Each pilot project shall be designed to last at least 2 years.

(5) 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.

(6) It is the intent of the legislature that the primary purpose of the pilot projects and demonstration models is 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.

(7) The department shall contract with 1 of the state's research universities at least 6 months before the completion of each pilot project or demonstration model to evaluate the pilot project or demonstration model. The evaluation shall include information on the pilot project's or demonstration model's success in meeting the performance metrics developed in subsection (1) and information on whether the pilot project could be replicated into other geographic areas with similar performance metric outcomes. The evaluation shall be completed within 6 months of the end of the pilot project or demonstration model and shall be provided to the department, the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office.

(8) From the funds appropriated in part 1, \$3,088,200.00 shall support the implementation of the pilot projects and demonstration models described in this section, including funding for an independent project facilitator, evaluation of the pilot projects and demonstration models, modifications to state contracts, and the hiring of state staff to support the implementation of this section. By December 1 of the current fiscal year, the department shall provide a spending plan of these funds to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office.

(9) By November 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on progress, a time frame for implementation, and any identified barriers to implementation and the remedies to address any identified barriers of the items described in subsections (2) and (3). The report shall also include information on policy changes and any other efforts made to improve the coordination of supports and services for individuals having or at risk of having a mental illness, an intellectual or developmental disability, a substance use disorder, or a physical health need.

(10) Upon completion of any pilot projects or demonstration models advanced under this section, the managing entity of the pilot project or demonstration model shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office within 30 days of completion of that pilot project or demonstration model detailing their experience, lessons learned, efficiencies and savings revealed, increases in investment on behavioral health services, and recommendations for extending pilot projects to full implementation or discontinuation.