

## Weekly Update for the Section 298 Initiative

The Michigan Department of Health and Human Services (MDHHS) has developed this summary to provide an update on recent activities and upcoming events for the Section 298 Initiative. The following update is for the week of [August 27, 2018](#).

### Implementation of the Pilots

- On March 9, 2018, MDHHS announced the pilot sites for the Section 298 Initiative.
  - Pilot #1: HealthWest and West Michigan Community Mental Health
  - Pilot #2: Genesee Health System
  - Pilot #3: Saginaw County Community Mental Health Authority
- MDHHS has established a workgroup to guide the implementation of the pilots. The “Leadership Group” is composed of (1) the Executive Director of each Community Mental Health Service Program (CMHSP) and the CEO of each Medicaid Health Plan (MHP) in the pilot sites and (2) MDHHS representatives.
  - Over the last few months, the Leadership Group has primarily focused on reaching an agreement on (1) financing and reimbursement arrangements for the pilots to best support the integration of care and (2) the performance of managed care functions and administrative services.
  - The 298 Leadership Group reached a consensus on the framework for a financial model that will support the pilots involved in the Section 298 Initiative.
    - The new financial model will involve Medicaid health plans purchasing administrative services from the CMHSPs to keep care closest to the community, along with a mixture of capitation and fee-for-service payment for the actual delivery of care.
    - The pilot program mandates that any financial benefits from this agreed-upon model be reinvested into the services and supports for these individuals in the counties where the savings occurs.
    - The Leadership Group has created a sub-workgroup to fully develop the structure for the payment model based on services and unique populations included.
  - The Leadership Group has also established three other sub-workgroups (listed below) to develop plans for implementing other aspects of the pilots. The sub-workgroups will be meeting during the month of August and will report their findings back to the Leadership Group.
    - Technology Sub-Workgroup
    - Public Policy Sub-Workgroup
    - Reporting Requirements Sub-Workgroup

## The Unenrolled Population

- 25% of the Medicaid population is not enrolled in a Medicaid Health Plan (MHP) for management of their physical health services. However, the Prepaid Inpatient Health Plans (PIHP) manage the specialty behavioral health benefits for this sub-population.
  - MDHHS has been evaluating options to manage the specialty behavioral health benefits for the unenrolled population during the pilots. MDHHS issued a concept paper on this issue, which is posted on the MDHHS website at [www.michigan.gov/stakeholder298](http://www.michigan.gov/stakeholder298).
  - MDHHS has also conducted outreach to several stakeholder groups to solicit input on the options for managing the specialty benefit for the unenrolled population. MDHHS is currently analyzing the feedback from the stakeholder meetings and will be conducting additional outreach to stakeholders in the near future to discuss next steps.

## Implementation of the Demonstration Project

- MDHHS received a draft proposal from the Total Health Collaborative (TTHC) in Kent County in January 2018 and received a follow-up report on April 30, 2018.
- The Total Health Collaborative is currently working on finalizing the model for the demonstration project, completing a Memorandum of Understanding between the parties, and developing an operational plan to guide the implementation process.

## Implementation of the Policy Recommendations

- On April 16, 2018, MDHHS published a progress report and set of detailed plans that outline the current status of implementation for the various recommendations. The progress report and related plans are included on the Section 298 website.
- MDHHS is developing a second progress report that will be published before the end of the year to provide an update on the implementation process.

## Evaluation of the Pilots and Demonstration Project

- The University of Michigan (UM) evaluation team has been working on identifying performance metrics for the evaluation of the pilots and demonstration project. MDHHS and UM will be conducting outreach to stakeholders during the fall to solicit input on the potential performance measures.
- The UM evaluation team has also published an updated overview of the evaluation process, which can be found on the department's website at [www.michigan.gov/stakeholder298](http://www.michigan.gov/stakeholder298).

## Stakeholder Engagement

- MDHHS does not have any scheduled presentations for this week.

For questions about the update, please contact Jane Pilditch at [jpilditc@mphi.org](mailto:jpilditc@mphi.org). For general questions about the Section 298 Initiative, please contact [MDHHS-298@michigan.gov](mailto:MDHHS-298@michigan.gov). For more information about the Section 298 Initiative, please visit the department's website at [www.michigan.gov/stakeholder298](http://www.michigan.gov/stakeholder298).