

## Pathway to Integration

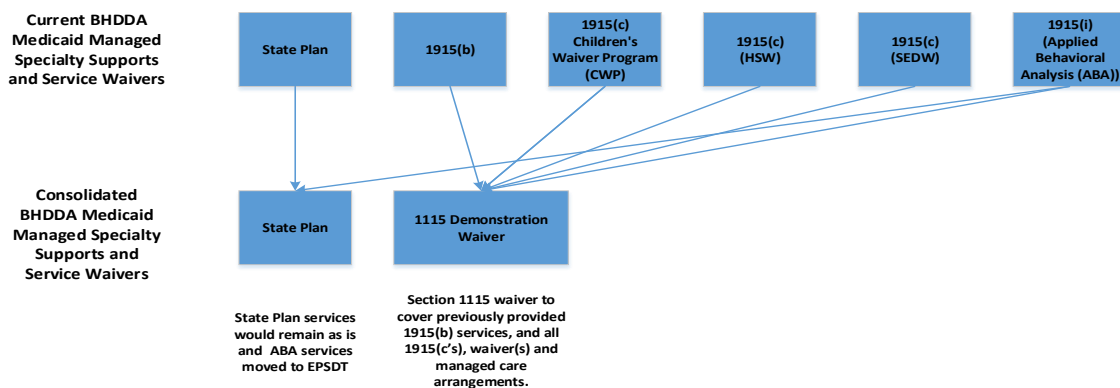
### Section 1115 Waiver Summary

#### Executive Summary

Building off of Michigan’s long standing commitment to community supports and inclusion and to focus on the capability to function and the opportunity to achieve for persons with Severe Mental Illness (SMI), Substance Use Disorders (SUD), Intellectual/Developmental Disabilities (I/DD) and Children with Severe Emotional Disturbances (SED)<sup>1</sup>. The State of Michigan is seeking approval from the Centers for Medicare and Medicaid Services (CMS) for a §1115 Demonstration Waiver to combine under a single waiver authority all services and eligible populations served through its §1915(b), 1915(i) and its multiple §1915(c) waivers. Under this consolidated waiver authority, Michigan is seeking broad flexibility to develop quality, financing and integrated care (physical and behavioral health care) initiatives for all Specialty Service Populations on a statewide basis. Exhibit 1 below, describes the current waivers and populations consolidated under this §1115 Waiver application.

#### Exhibit 1

##### Pathway to Integration Waiver Consolidation



<sup>1</sup> Also known as Specialty Service System/Populations.

## **Rationale for the §1115 Demonstration**

Since 1998, Michigan has financed and delivered the majority of its Specialty Service System through managed care arrangements but its multiple §1915(c) Waivers have still remained slightly outside the traditional §1915(b) managed care payment structure. Currently, all of Michigan's §1915(c) Waivers include enrollment caps and eligibility requirements based institutional levels of care. The Children's Waiver Program (CWP) and the Waiver for Children with Serious Emotional Disturbances (SEDW) are still operated by the state under a Fee-for-Service (FFS) arrangement. Each of these waivers require separate actuarial payments, separate reporting of expenditures and various cost settlement arrangements based on the actual services delivered. Through this §1115 Waiver authority, Michigan intends to remove and/or expand certain enrollment caps (as legislative appropriated and who meet eligibility criteria), advance the use of needs based eligibility criteria and to finance these programs under a single actuarial based managed care arrangement. In order to maintain budget neutrality current caps for the §1915(c) Waivers will remain but the SEDW and CWP will be moved from a FFS payment arrangement to Michigan's managed care payment structure.

This consolidated waiver will result in seamless/coordinated care, produce budget neutrality, resolve the current "cost effectiveness" issue related to its current §1915(b) Managed Specialty Service and Supports (MSS&S) Waiver, and resolve the ICF/IID service availability requirements associated with the 1915(c) waivers.

## **Hypotheses/Evaluation**

Since this proposal is not solely focused on cost savings but rather maintaining Michigan's robust coverage and service array (including the expanded use of peer supports and self-determined arrangements) for Specialty Service Populations, the goal of this demonstration is to actually create a robust evaluation that tests both quality and cost outcomes between traditional Medicaid Health Plans (MHPs) and Michigan's Specialty Services System<sup>2</sup>. These incentives would be specifically targeted for persons with SMI, SUD, IDD and SED. Key indicators would include the joint identification and tracking of high risk/utilizing populations, the prevention of modifiable risk factors<sup>3</sup>, access to care incentives, pilot demonstrations through Accountable Systems of Care and the enhancement of co-occurring (SMI/SUD) services and the use of "Specialized Complex Care Managers" for individuals considered "High Utilizers". Since many of the cost drivers related to "High Utilizers" occur from increased emergency department usage or inpatient hospital utilization, testing what quality and clinical measures

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<sup>2</sup> Integrated Care Resource Center, Technical Assistance Brief: State Options for Integrating Physical and Behavioral Health Care, MCO/PCCM and BHO Partnership Facilitated by Financial Alignment.

<sup>3</sup> Obesity, smoking cessation, homelessness, substance use, diabetes and cardiovascular disease management.

actually impact decreased utilization for this population will be one of the demonstration's major evaluation components.

To meet these objectives, Michigan has recently implemented an integrated care analytics program (known as Care Connect 360 or CC 360) that enables the state and providers to access retrospective Medicaid claims and encounter data for both behavioral health and physical healthcare services including prescription drug information. Through an existing contract, Michigan will conduct an evaluation to measure and monitor the outcomes for the Pathway to Integration Waiver. The following is a partial list of quality indicators to be refined and measured during the demonstration with additional CMS technical assistance (specifically for the enhanced SUD services). Michigan will submit the completed design of the evaluation within 90 days of the application approval.

- Enhance/incentivize the ability of Specialty Service System payers and providers to work with traditional MHPs and to jointly develop measures to identify high risk populations within this Specialty Service System. This includes strategies to identify individuals with substance use issues or disorders.
- Develop linkages that directly impact social determinants of health, including the use and dissemination of models to prevent homelessness, early intervention models that promote clinical practices for serving youth and adults with SUD.
- Increase rate of outpatient services including assignment of a primary care physician, physician office, or clinic visits (including home health and urgent care) per 1000 member months.
- Decrease rate of emergency department (ED) visits per 1,000 member months.
- A decrease in hospital admissions for these specific populations (both medical and psychiatric).
- Rate of follow up appointments kept with Specialty Service System providers.

### **Covered Services and Anticipated Expenditures**

The services covered under this §1115 Waiver include the full array of mandatory and optional State Plan services for persons who meet the eligibility criteria for the Specialty Services System. Michigan is NOT reducing or limiting any benefits previously offered and is seeking to enhance SUD delivery systems and add coverages for the inclusion of Permanent Supportive Housing.

As stated above, Michigan intends to maintain the current service array and where possible explore the expansion of enrollment caps for certain services previously provided through its §1915(c) CWP and SEDW programs. All current HSW enrollee's and services (including HSW

enhanced payments) will now be covered under this §1115 waiver authority. Anticipated beneficiaries served, current enrolment caps and waiver expenditures are outlined below.

- §1915(c) HSW = 8268
- §1915(c) SEDW = 969
- §1915(c) CWP = 469
- Estimated Demonstration Including §1915(b)/(c) Populations = 220,000

Total estimated waiver costs for the duration of the demonstration = \$15,011,501,458

### **Delivery System Reforms**

A vital component of this Demonstration is the alignment of quality and financial incentives between traditional Medicaid Health Plans and Michigan's Specialty Service System. Michigan, in concert with the development of the ASC and its pursuit to be one of the pilot demonstration states for the Certified Community Behavioral Health Clinic Services, intends to advance integrated care services for the entire Specialty Services population. These changes will require PIHPs and their CMHSP providers to meet quality reporting requirements develop enhanced SUD provider systems and provide or partner with traditional health plans to ensure access for persons with mild and moderate behavioral health disorders. These linkages are directly intended to identify and provide education, treatment and prevention of modifiable health risk factors, provide Screening Brief Intervention Referral and Treatment (SBIRT) for persons with SUD, provide housing first initiatives and provide incentives for increased access to primary care and the coordinated tracking and interventions to address High Utilizers of both emergency department usage and hospital admissions.

### **State Assurance of choice of MCOs, Access to Care and Provider Network Adequacy**

This §1115 Waver will maintain the use of a managed care delivery structure using ten (10) recently procured PIHP's<sup>4</sup> who contract for service delivery with forty-six (46) CMHSP's and other non-for profit providers. As outlined in Exhibit 2, seven (7) of the PIHPs are formed by multiple CMHSP's (aka. Regional Entities) and three (3) are stand-alone PIHPs/CMHSPs

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<sup>4</sup> See 2013 Application for Participation for Specialty Prepaid Inpatient Health Plans

**Exhibit 2**

<b>CMHSP's/County/City</b>	<b>Type of program</b>	<b>Name of Entity</b>
<p><b><u>Pathways CMH</u></b> (Alger, Delta, Luce, Marquette) Copper Country CMH (Baraga, Houghton, Keewanaw, Ontonagon)  <b><u>Hiawatha CMH</u></b> (Chippewa, Mackinac, Schoolcraft)  <b><u>Northpointe CMH</u></b> (Menominee, Dickinson, Iron) Gogebic CMH</p>	<p>PIHP</p>	<p>Northcare Network</p>
<p><b><u>AuSable CMH</u></b> (Oscoda, Ogemaw, Iosco) Centra Wellness Network (Manistee, Benzie)  <b><u>North Country CMH</u></b> (Antrim, Charlevoix, Cheboygan, Emmet, Kalkaska, Otsego)  <b><u>Northern Lakes CMH</u></b> (Crawford, Grand Traverse, Leelanau, Missaukee, Roscommon, Wexford)  <b><u>Northeast CMH</u></b> (Alcona, Alpena, Montmorency, Presque Isle)</p>	<p>PIHP</p>	<p>Northern Michigan Regional Entity</p>
<p><b><u>Allegan CMH</u></b>  <b><u>Muskegon CMH</u></b>  <b><u>Network 180</u></b> (Kent) Ottawa CMH West MI CMH (Lake, Mason, Oceana)</p>	<p>PIHP</p>	<p>Lake Shore Regional Entity</p>
<p><b><u>Barry CMH</u></b>  <b><u>Berrien CMH</u></b>  <b><u>Kalamazoo CMH</u></b>  <b><u>Pines CMH</u></b> (Branch)  <b><u>St. Joseph CMH</u></b>  <b><u>Summit Pointe CMH</u></b> (Calhoun) <b><u>Van Buren CMH</u></b>  <b><u>Woodlands CMH</u></b> (Cass)</p>	<p>PIHP</p>	<p>Southwest Michigan Behavioral Health</p>
<p><b><u>Bay-Arenac CMH</u></b> (Bay, Arenac) <b><u>CMH for Central MI</u></b> (Clare, Gladwin, Isabella, Mecosta, Midland, Osceola)</p>	<p>PIHP</p>	<p>Mid State Health Network</p>

<u><b>CEI CMH</b></u> (Clinton, Eaton, Ingham) Gratiot CMH Huron <u><b>CMH Ionia CMH</b></u> <u><b>LifeWays CMH</b></u> (Jackson, Hillsdale) <u><b>Montcalm CMH</b></u> <u><b>Newaygo CMH</b></u> <u><b>Saginaw CMH</b></u> <u><b>Shiawassee CMH</b></u> <u><b>Tuscola CMH</b></u>		
<u><b>Washtenaw CMH</b></u> <u><b>Lenawee CMH</b></u> <u><b>Livingston CMH</b></u> <u><b>Monroe CMH</b></u>	PIHP	CMH Partnership of Southeast Michigan
<u><b>Detroit-Wayne CMH</b></u>	PIHP	Detroit-Wayne Mental Health Authority
<u><b>Oakland CMH</b></u>	PIHP	Oakland County CMH Authority
<u><b>Macomb CMH</b></u>	PIHP	Macomb County CMH Services
<u><b>Genesee Health System</b></u> <u><b>Lapeer CMH</b></u> <u><b>Sanilac CMH</b></u> <u><b>St. Clair CMH</b></u>	PIHP	Region 10 PIHP

**Proposed Waiver and Expenditure Authorities**

- Proper and Efficient Administration  
§1902(a)(4)  
Rationale for Authority: Mandate beneficiaries into a single prepaid Inpatient Health Plan
- Comparability  
§1902(a)(17)  
Rationale for Authority: This waiver program includes benefits specific to eligibility criteria as described in Section II that will not be available to other Medicaid beneficiaries.

- Amount, Duration, and Scope  
 §1902(a)(10)(B)  
 To enable the State to offer a different benefit package to the Demonstration participants that varies in amount, duration, and scope from the benefits offered under the State Plan.
- Freedom of Choice  
 §1902(a)(23)(A)  
 To enable the State to restrict Demonstration participants to receive benefits through PIHPs and CMHSPs.  
 Rationale for Authority: beneficiaries enrolled in the program must receive services through a PIHP
- Choice of Coverage  
 §1932(a)(3)  
 Rationale for Authority: To enable the State to assign Demonstration participants to PIHPs based on geography and to permit participant choice of provider, but not plan.
- Reasonable Promptness Section  
 §1902(a)(8)  
 To enable the State to limit enrollment for Demonstration eligible population in order to remain under the annual budget neutrality limits under the Demonstration.
- Methods of Administration: Transportation §1902(a)(4), insofar as it incorporates 42 CFR 431.53  
 To enable the State to assure transportation to and from providers for the Demonstration participants.
- Eligibility Standards  
 §1902(a)(17)  
 To enable the State to apply different eligibility methodologies and standards to the Demonstration eligible population than are applied under the State Plan.
- Retroactive Eligibility Section  
 §1902(a)(34)  
 To enable the State to not provide coverage for the Demonstration eligible population for any time prior to the first day of the month in which the application was received by the State.

## **Effective Date and Public Notice**

Proposed effective date of this waiver is April 1, 2016.

The completed waiver application is available online at [http://www.michigan.gov/mdhhs/0,5885,7-339-71550\\_2941\\_4868---,00.html](http://www.michigan.gov/mdhhs/0,5885,7-339-71550_2941_4868---,00.html). To request a paper copy of the application, please contact Teri Baker at [Bakert3@Michigan.gov](mailto:Bakert3@Michigan.gov) or at the address below. You may also submit comments regarding this waiver in writing to: [MDHHS-Pathway1115@Michigan.gov](mailto:MDHHS-Pathway1115@Michigan.gov) or by mail to:

Attention: Eric Kurtz  
Michigan Department of Health and Human Services  
Bureau of Community Health  
Behavioral Health and Developmental Disabilities Administration  
320 South Walnut Street, Lewis Cass Building, 5<sup>th</sup> Floor  
Lansing, Michigan 48913

All comments on this topic should include a “Section 1115 – Pathway to Integration” reference somewhere in the written submission or in the subject line if e-mail is used. Written comments may be reviewed by the public online at the website listed above or at the Lewis Cass Building, 5<sup>th</sup> Floor, Lansing, Michigan following the end of the comment period. Comments will be accepted until February 2, 2016.

Two public hearings have been scheduled for following dates, times and locations.

- January 13<sup>th</sup>, 2016 1-2:30 pm Webinar:  
<https://connectpro14871085.adobeconnect.com/dualel/>  
  
U.S. Toll-Free Access Number: (877) 366-0711  
  
Participant Passcode: 39535358
- January 28<sup>th</sup> Lansing Center, 10-11:30am  
333 Michigan Avenue  
Lansing MI 48933

We thank you in advance for your participation.