

**FREQUENTLY ASKED QUESTIONS ABOUT THE SECTION 298 INITIATIVE  
MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES**

1. What are the pilot projects?

The Michigan Legislature passed legislation in 2017, which directed the Michigan Department of Health and Human Services (MDHHS) to test the integration of publicly-funded (Medicaid) physical health and behavioral health services through the use of pilot projects. During the pilots, MDHHS will use a single contract between the state and each Medicaid Health Plan (MHP) in the geographic region of the pilot for the management of all Medicaid-funded services. Additionally, each MHP will contract with the Community Mental Health Service Provider (CMHSP) within the pilot region for the delivery of specialty behavioral health services.

2. What is the goal of creating pilots?

The goal of the pilots is to see whether financial integration will result in greater coordination of physical health and behavioral health services. The pilots will be evaluated based upon whether integration results in (1) better health outcomes for consumers, (2) greater efficiencies in service delivery, and (3) increased reinvestment in behavioral health services.

3. What are the pilot sites?

The pilot sites consist of the CMHSPs and the MHPs within the selected geographic regions. MDHHS announced the pilot sites for the Section 298 Initiative in March 2018. MDHHS used a Request for Information (RFI) process to select the pilots, and based upon this process, selected the following sites:

- Pilot #1: HealthWest and West Michigan Community Mental Health
- Pilot #2: Genesee Health System
- Pilot #3: Saginaw County Community Mental Health Authority

6. What is the difference between the pilot projects and the Kent County Demonstration Project?

The purpose of the pilot projects is to test financial integration of physical health and behavioral health services under a single contract with the Medicaid Health Plans.

The demonstration project will test integration at the service delivery level. During the demonstration project, funding for physical health and mild-to-moderate mental health services will continue to flow through the Medicaid Health Plans, and funding for specialty behavioral health services will continue to flow through the local Prepaid Inpatient Health Plan. The demonstration project will test whether providers can coordinate more effectively at the service delivery level without changes to current financing for Medicaid services.

7. What populations do the pilot projects cover?

The pilot projects will cover publicly-funded (Medicaid) services to individuals with intellectual/developmental disability, mental illness, substance use disorders, and children with serious emotional disturbances.

8. Will all consumers who receive services through participating CMHSPs automatically be included in the pilots?

All consumers who receive services from the CMHSP and who are enrolled in an MHP will be included in the pilot. Because it is not possible to integrate payments for behavioral and physical health services for individuals not enrolled in an MHP, (the “unenrolled population”), these individuals will not be included in the pilots.

9. How will specialty behavioral health benefits for the unenrolled population be managed during the implementation of the pilots?

MDHHS will select a single existing PIHP to manage the specialty behavioral health benefit for the unenrolled population in the pilot sites.

10. How will the single PIHP responsible for the unenrolled population be selected?

MDHHS will issue a Request for Proposal (RFP) no later than January 2019 to select the PIHP to manage services for this population.

11. How will the pilots affect access to the current array of services?

The pilots will be required to provide consumers with all of the services they currently receive.

12. Will the pilot sites be required to adhere to all current CMHSP requirements?

Yes. All current public policy requirements must be followed by the pilot projects, including all policy requirements such Home and Community Based Services, person-centered planning, and recipient rights.

13. How will reimbursement for providers change under the pilots?

The participants in the pilot regions will develop and implement new reimbursement models as part of the pilots. However, the CMHSPs and MHPs within the pilot regions must adhere to all policy and contractual requirements for reimbursement as outlined under Medicaid policy, waivers, and contracts. Pilots will also be required to demonstrate continuity of care and adequacy of the provider network.

14. How will the pilots impact funding for substance abuse disorders?

The CMHSP will be responsible for the management of SUD funding during the pilots. The CMHSP would become a department designated community mental health entity (CMHE). Non-Medicaid funds will flow directly to the pilot CMHSP. Medicaid funding for SUD services will flow from the state to the MHPs within the pilot regions, the MHPs must contract with the CMHSPs within the pilot region for management of Medicaid-funded SUD services.

15. Will the General Fund dollars given to CMHs be affected by the pilot projects?

No, there will be no change during the pilots in General Fund dollars that are currently appropriated to the CMHSPs.

16. What is the timeframe for the pilots?

MDHHS is aiming to implement the pilots by October 1<sup>st</sup>, 2019. According to the legislation, the pilots must operate for at least two years.

16. How will the pilot projects be evaluated?

The University of Michigan will evaluate the pilot and demonstration projects. A high-level summary of the evaluation process can be found on the department's webpage through the following process:

[www.michigan.gov/stakeholder298](http://www.michigan.gov/stakeholder298) >> Evaluation Plan >> Overview of the Evaluation Process