Gearing Towards Integration

A proposal to move Michigan forward with behavioral health integration

Moving Michigan Forward

As we consider the path forward for integration, we have created a proposal that is focused on incorporating core principles that would create a fully integrated health care delivery system that is person-centered, maximizes consumer choice, ensures quality services, exhibits transparency, maximizes efficiency, provides a continuum of health and wellness services, and maximizes resources reaching the persons served.

Person-Centered Care— Ensure that the needs and rights of persons served are at the forefront of the integration efforts.

Consumer/Patient Choice— Provide a full range of services and provider options where a person can move freely about the state.

Quality— Utilize evidence-based and best practices to ensure that high quality services are available and provided for persons served.

Transparency—Exhibit transparency in all aspects of service delivery and management.

Efficiency—Eliminate the multiple layers of administration or redundancies in services.

Comprehensive Services— Provide a full continuum of services within an integrated and holistic focus, including all aspects of health and wellness.

Stewardship—Ensure that resources stay as close as possible to the persons being served.

Through these core values, we envision this integrated model being supported by state and local public policies to promote a quality driven and efficiently run system for persons served in the community. As proposed, this model is designed to:

- Reduce inefficiencies in funding, coordination of care, and service delivery.
- Generate uniformity with benefits, contracts, training reciprocity, outcome measurement, care coordination, and utilization management.
- Allow for portability throughout the State of Michigan without a change in access or benefits.
- Increase beneficiary choice of service provider and delivery method by allowing the beneficiaries served to have autonomy to select their health care providers.
- Allow for increased resources to be directed back into care delivery and services through the reduction of administrative layers and cost.
- Eliminate current PIHP/CMHSP conflict of interest.
- Allow for increased coordination with other agencies and organizations that are part of an individual's plan of care.
- Standardize and centralize accountability for administering and managing Medicaid services.
- Increase transparency and budget predictability.

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The Big Picture Proposal

This proposal is based on a framework that would require the use of managed care entities to administer a comprehensive Medicaid health care benefit package; incorporating all behavioral health services and supports. This model promotes **full integration** through financial, administrative, and clinical integration of physical and behavioral health services and supports.

Key Considerations:

- The Department would be required to use a procurement process for contracting with eligible managed care organizations to provide the integrated and comprehensive Medicaid health care benefit package.
- This competitive bidding process, administered by the Department of Technology, Management, and Budget (DTMB), will require that any contract awarded for purposes of administering the comprehensive Medicaid health care benefit package will be with an entity that is licensed and regulated as a Health Management Organization (HMO) or an Alternative Health Care Financing and Delivery System (AFDS).
    - This would ensure a fair and equitable bid process, open to any entity that meets the licensing requirements of, and has a valid certificate of authority (COA) to operate as, a HMO or AFDS.

Licensing requirements for the issuance of a Certificate of Authority to operate as a HMO or AFDS in the state of Michigan include, but are not limited to, an entity having and/or submitting:

- Articles of Incorporation
- Plan of Operation
- Management Agreement(s)
- Insolvency Coverage
- Financial Plans
- Contracted Provider Network(s)
- Coverage Service Area
- Provider Contracts/Agreements/Arrangements
- Quality Improvement and Quality Assessment Programs
- Health Professional Credentialing Procedures

- The bid/procurement process will require that applicants are able to demonstrate their managed care experience and expertise in managing complex physical and behavioral health needs. This includes having relevant clinical staff and programs, as well as a commitment to self-determination, person-centeredness, and community inclusion.
- Entities that are awarded a contract to offer the comprehensive Medicaid health care benefit package will be referred to as **Specialty Integrated Plans (SIPs).**
- It is the legislative intent that this would be a statewide implementation; contingent upon receiving an adequate number of qualified applicants that respond to the request for proposal (RFP).
- Award determination and SIP selection will be conducted by the Department.
- The Department would be responsible for defining the full scope of the bid details, based on the legislative directive provided. This would include the number of SIPs, per county/region, that the Department determines is necessary to adequately service the Medicaid-eligible population; and ensure beneficiary choice of at least two SIPs.

Key Considerations (Continued):

- Through this integration model, Prepaid Inpatient Health Plans (PIHPs) would be eliminated; unless they chose to pursue SIP designation by meeting all aforementioned requirements to be eligible to enter a bid during the procurement process; including the ability to adequately administer the entire comprehensive Medicaid health care benefit package.

- Statewide implementation of this integration initiative is intended to be conducted in phases that would eventually lead to integration of the full scope of populations currently served under the public option.
    - **Phase 1:** Severe Mental Illness (SMI), Children (KB v. Lyon)
    - **Phase 2:** Substance Use Disorder (SUD)
    - **Phase 3:** Intellectual and Developmental Disabilities (I/DD)

- Prior to implementation, the Department must adopt measurement standards to evaluate outcome, process, and structural factors to determine the efficacy of the integration efforts.
    - **Outcome Measures:** Assess results of care and patient outcomes (e.g., percent of patients that had controlled cholesterol)
    - **Process Measures:** Assess whether an action occurred (e.g., percent of patients that received depression screening)
    - **Structural Measures:** Assess the conditions under which the integrated delivery model is performing (e.g. reduction in administrative costs)

- These measures will be used, in part, to determine the state's readiness to move forward with the next phase of integration.

- The Department must not deem a phase as successful unless and until statistically significant improvements in service delivery, health outcomes, and access have been achieved. Without being able to achieve measured improvements in key metrics, additional phases shall not commence.

- This integration model is intended to highlight and elevate the important role that Community Mental Health Service Programs (CMHSPs) play in administering behavioral health services.

- The Department would be required to include, as a contract term, a requirement for contracted SIPs to contract with all CMHSPs within their approved service area. Similar to existing contractual requirements for Health Plans with FQHCs, this will ensure a future for the existing CMHSP system.

- The Department shall not require that CMHSPs are contracted as the exclusive provider for specialty services and supports. Contracted SIPs must be allowed to contract directly with behavioral health providers as they deem appropriate.

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The Big Picture Proposal: Clinical Integration Components

This model provides for a vast and open-ended application of components to promote ongoing clinical integration. At a minimum, it is the intent of the legislature that the implementation of this integration model includes requirements for integrated care coordination/care management, data sharing, and provider education, training, and screening.

Key Considerations:

- The SIPs care management/care coordination program will be required to be staffed with experts from both physical health and behavioral health sectors.
- SIP care coordinators will serve as the main points of contact for beneficiaries. The care coordinators will facilitate appropriate access to, and delivery of, the holistic suite of behavioral health and physical health services administered by the SIP.
- SIP care coordinators will be required to assess beneficiary needs and goals, create and manage care plans, help transition beneficiaries from an institutional setting to the community, follow-up after with the beneficiary after appointments, monitor compliance with doctors' orders, support self-management goals, and connect patients to community resources.
- The Department must determine an appropriate care coordinator to member ratio to ensure SIPs have adequate staffing to meet the complex needs of the populations served.
- SIPs will be required to have their care management/care coordination program work collaboratively with CMHSPs and other behavioral health providers in the management of the jointly-served beneficiaries.
- Through the use of existing technologies and capabilities offered through the Michigan Health Information Network (MiHIN), it is the intent of the legislature that SIPs, CMHSPs, and other behavioral health providers/organizations share real-time data exchanges for the beneficiaries served. This includes, but is not limited to, admission, discharge, and/or transfer notifications, prescription drug data, medical claims data, and care plans.
- The Department shall consider implementing incentives (i.e. kick-payments) for providers who participate in education/training that promotes the practice(s) of physical and behavioral health clinical integration.
- The Department shall consider incentive mechanisms for SIPs to promote network providers to adopt colocation integration of physical and behavioral health practices.

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The Big Picture Proposal: Financial Integration Components

Under this integration model, the existing flow of funds that are currently appropriated to PIHPs (for the Phase 1 population) would be diverted to the participating SIPs through a comprehensive risk-based managed care contract. This contract would include a capitated payment arrangement set on a per member per month (PMPM) payment schedule. Unlike fee-for-service (FFS), this capitation model provides upfront fixed payments to SIPs based on projected utilization of covered services, administrative costs, and profit. Plan rates are usually set for a 12-month rating period and must be reviewed and approved by CMS each year.

Under federal law, payments to Medicaid MCOs must be actuarially sound. Actuarial soundness means that "the capitation rates are projected to provide for all reasonable, appropriate, and attainable costs that are required under the terms of the contract and for the operation of the managed care plan for the time period and the population covered under the terms of the contract."

Key Considerations:

- Prior to implementation, the Department would be required to produce an actuarially sound fee schedule for all behavioral health services and supports.
- Statutory protections against profiteering should be enacted which would instruct the Department to establish actuarially sound capitation payments for contracted SIPs that must include a two-way risk corridor for the program specific to behavioral health specialty services and supports. The risk corridor must be for a period of time not less than 5 years (to allow for staged population go-live timeline), and should set a target Medical Loss Ratio (MLR) at an amount equal to actuarially sound capitation rates for the physical health benefits.
- It is the intent of the legislature that actualized savings from this integration model be reinvested into non-Medicaid CMH services, and other innovative options to increase access to care throughout our state.

The Big Picture Proposal: Administrative Integration Components

Under this integration model, the Specialty Integrated Plans would be responsible for all of the following administrative functions:

- Member Services/Communication
- Claims Payment
- Compliance/Oversight/Legal Functions
- Quality Improvement
- Appeals/Grievances
- Finance
- Data/Information Management
- Case Management/Care Coordination
- Network Management/Credentialing
- Utilization Management

Key Considerations:

- Although these administrative functions would be the primary responsibility of the SIPs, there would be an emphasis for the SIPs to enter into value-based contract arrangements with CMHSPs and other behavioral health providers/organizations in order to promote collaborative partnerships to enhance the service delivery model.
- These innovative contract arrangements would provide for the ability for SIPs to delegate or incorporate functions (with enhanced financial incentives) to CMHSPs and/or other organizations and providers to allow for a more dynamic and holistic service delivery model.