Changes on the Horizon

In New Jersey: Olmstead and Community Integration

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The Evolving World of Behavioral Healthcare on the Eve of Affordable Care Act Implementation

Agenda

- The NJ Olmstead Settlement
- ACA and the Comprehensive Waiver: A New Olmstead Framework
- NJ Comprehensive Waiver: Purpose and Key Elements
- Waiver Implications for NJ Non-Profits
- Addressing Unique Challenges and Opportunities
- Critical Factors for Success

Olmstead v. L.C. 1999

"Get us out, keep us out, don't put us in."

Lois Curtis, leading a cheer during the February Disability Day Rally, Atlanta, 2009

New Jersey 2005

- Almost 50 percent (1,000 patients) of New Jersey's state hospital patients were clinically ready for discharge but housing, treatment and support services were not available.

- Almost half of the state's mental health budget or $483 million paid for the cost of caring for an average of 3,300 patients in state and county facilities on any given day.

Conditional Extension Pending Placement (CEPP)

- New Jersey Supreme Court held that, [a]lthough the State does not have the authority to continue the legal commitment of the appellants, it is not required to cast them adrift into the community when the individuals are incapable of survival on their own.
  - *In re S.L.*, 94 N.J. 128 (1983)

UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF NEW JERSEY

NEW JERSEY PROTECTION AND ADVOCACY, INC., a New Jersey non-profit corporation;

Plaintiff,

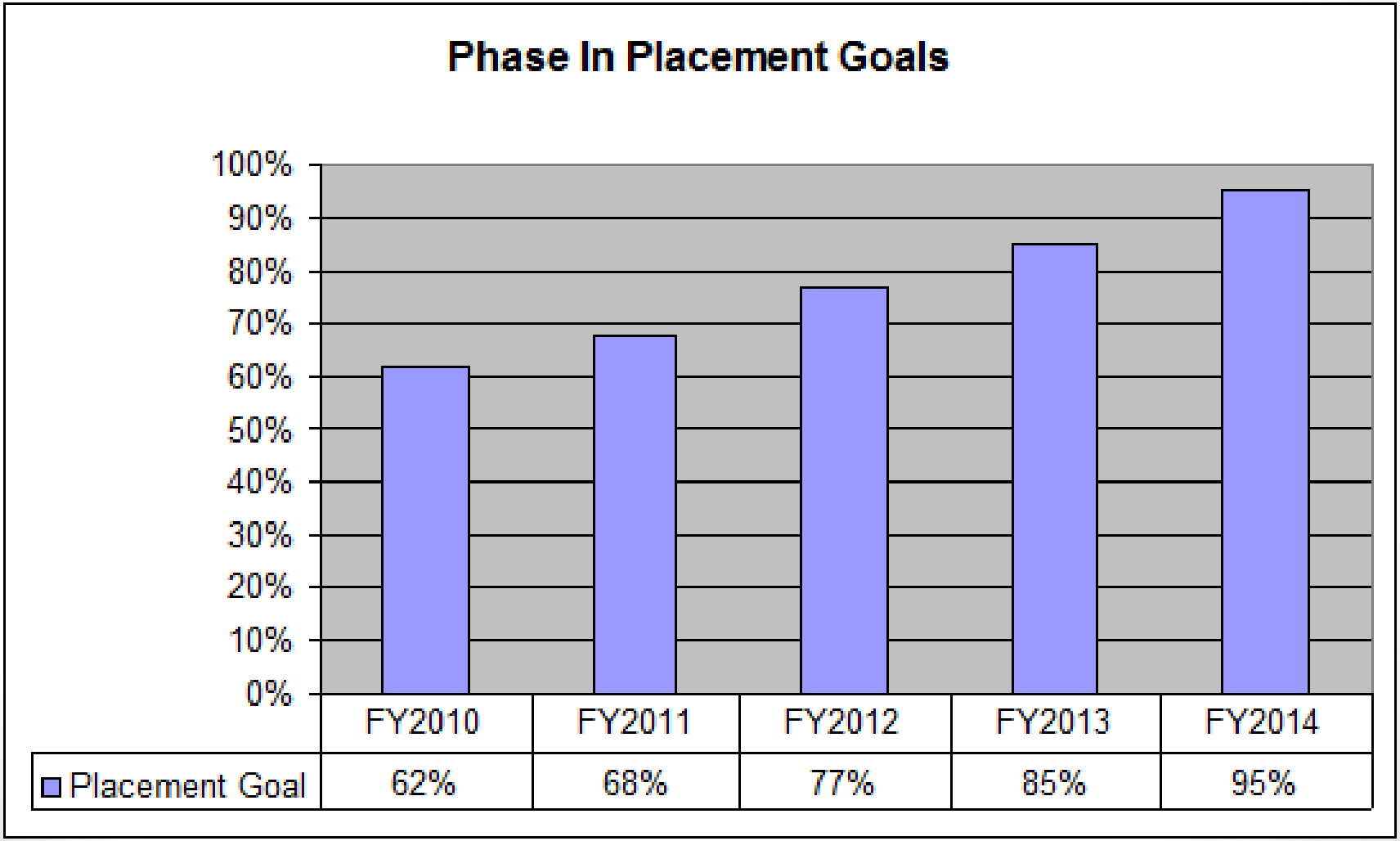
v.

JAMES DAVY, In his Official Capacity as Commissioner of Human Services for the State of New Jersey,

Defendant.

SUIT AND SETTLEMENT

95% CEPP Discharged Within 4 Months



Creation of RIST, Supportive Housing, PACT, and Specialized Housing

	Total Placements to be Created	Placements to be Created for Individuals on CEPP	Placements to be Created for the Prevention of Institutionalization
FY2010	230	180	**50**
FY2011	215	145	**70**
FY2012	145	95	**50**
FY2013	225	125	**100**
FY2014	250	150	**100**
	1065	**695**	**370**

Other Settlement Provisions

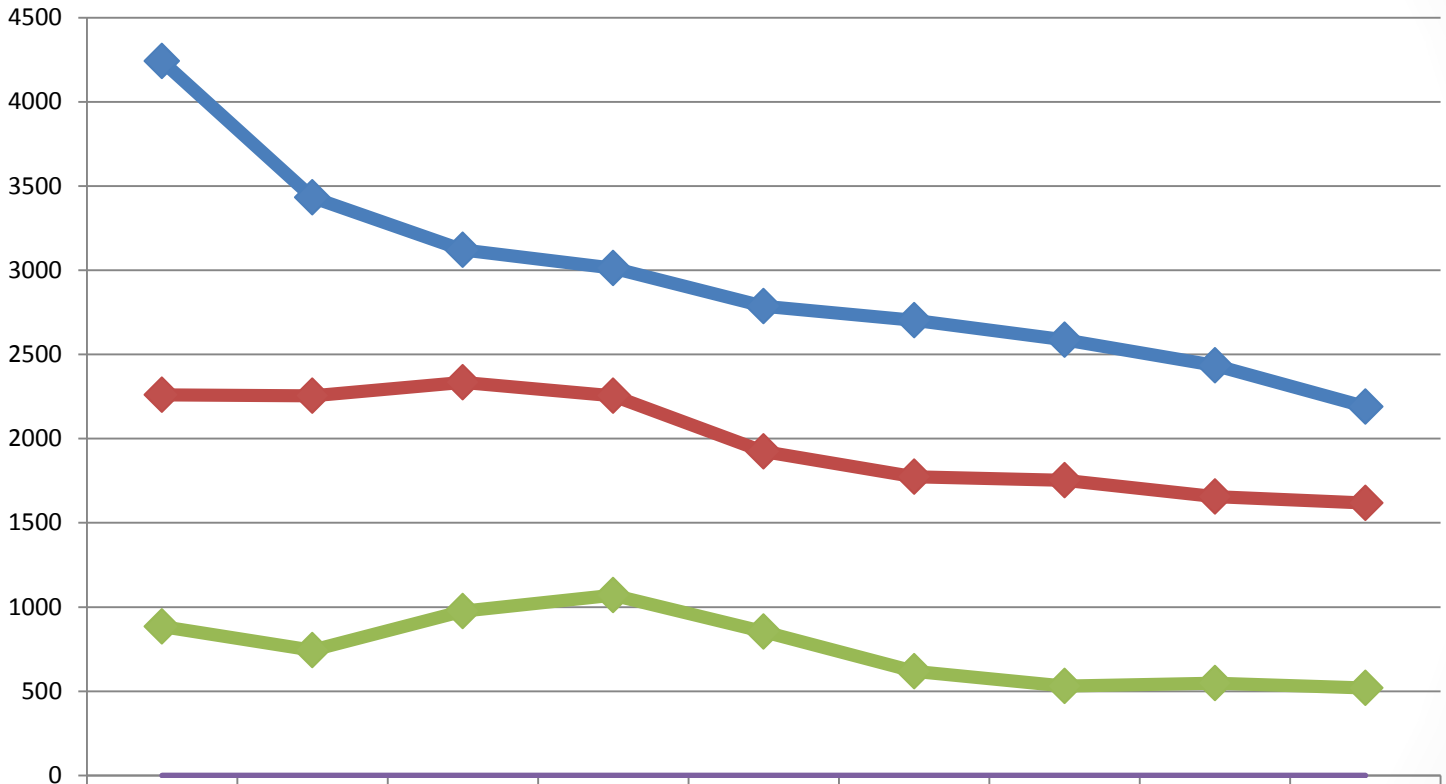
- **Consultant**

- Parties identified a consultant to be retained by the Department/Division for further development and implementation of the *Olmstead* Plan.

- **Workgroup and Reports**

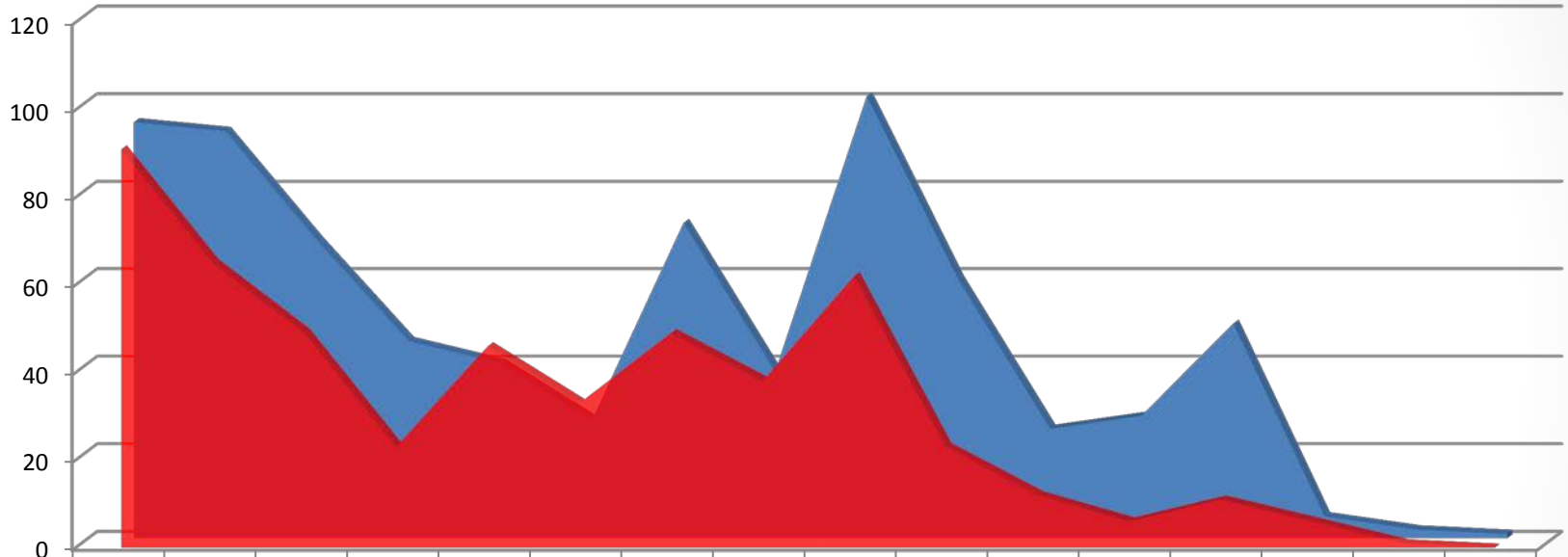
- Department/Division created an ongoing *Olmstead* workgroup, including DRNJ and the consultant, to provide policy and practice advice, and discuss implementation data and difficult implementation issues. The Department/Division also provides quarterly reports to DRNJ on implementation, including funding information.

Institutional Census & CEPP



	1996	2001	2004	2007	2009	2010	2011	2012	2013
DCs	4241	3433	3121	3013	2786	2703	2587	2434	2189
Hospitals	2259	2254	2334	2255	1923	1773	1753	1656	1618
CEPP	885	743	976	1070	853	618	530	547	519
%	39%	33%	42%	47%	44%	35%	30%	33%	32%

CEPP Awaiting Discharge
October 2009 & Mar 2013



	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 to 9 Months	9 to 12 Months	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	5 to 10 Years	10 to 15 Years	15 to 20 Years	More than 20 Years
Mar 13	91	65	49	23	46	33	49	38	62	23	12	6	11	6	1	0
Oct 09	95	93	68	45	40	27	72	38	101	59	25	28	49	5	2	1

Discharges SFY 2010 – 2013 Q3

	CEPP		Non-CEPP	
Independent / Family	1734	40%	3488	46%
Supportive Housing	645	15%	862	11%
Contracted Group Homes	781	18%	991	13%
Room/Boarding House, RHCF	657	15%	887	12%
Institutional	372	9%	1207	16%
Other	187	4%	146	2%
	4376		7581	

Discharges SFY 2010 – 2013 Q3

	CEPP		Non-CEPP	
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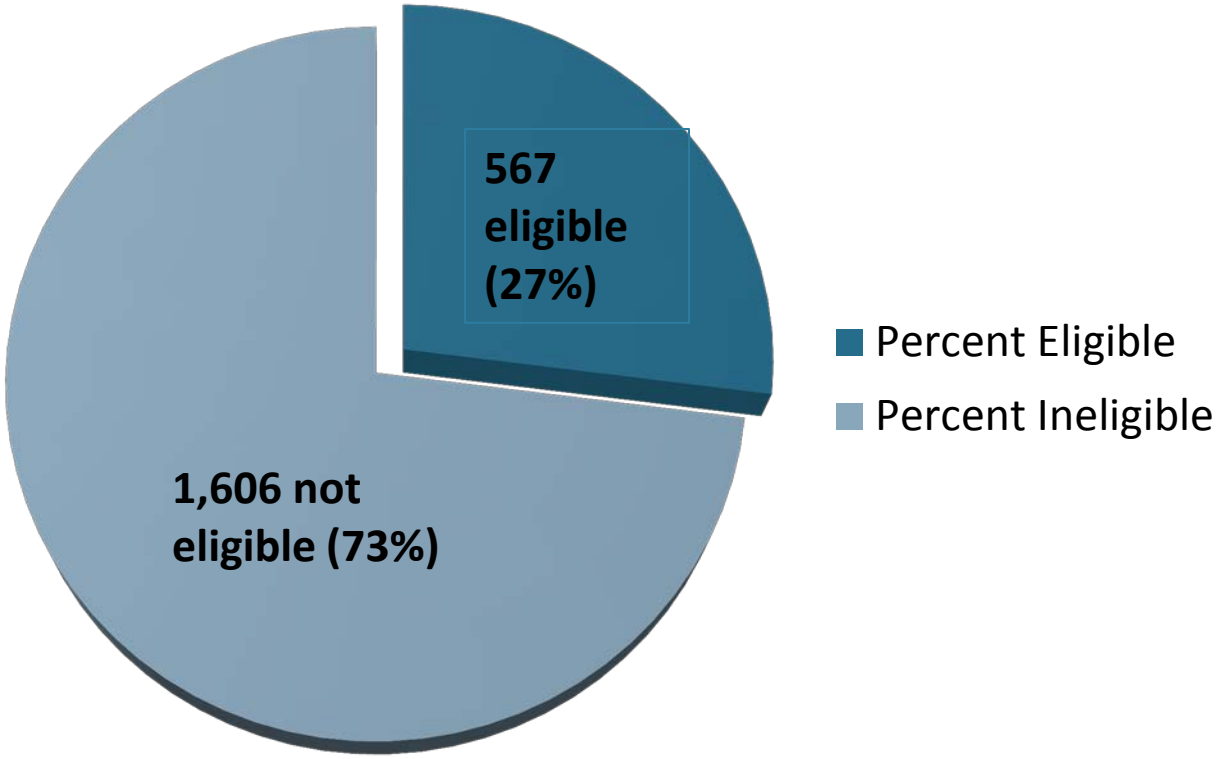
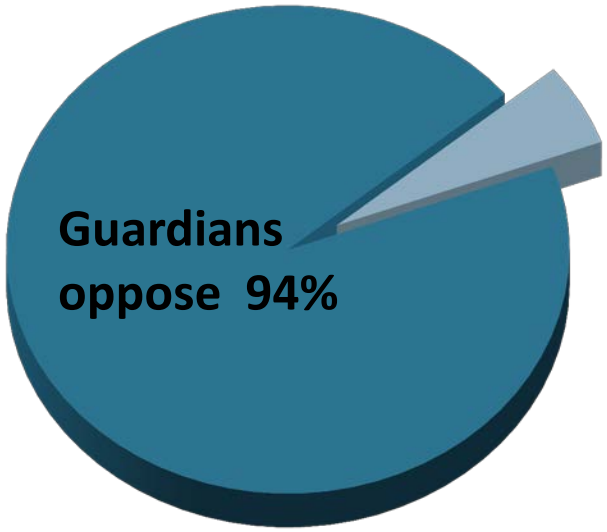
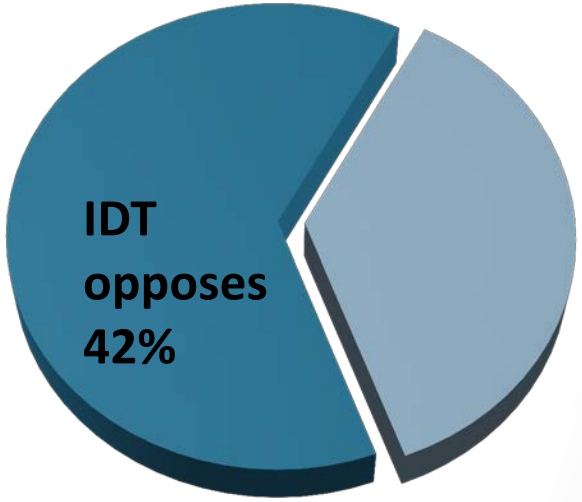
Supportive Housing	645	15%	862	12%
Contracted Group Homes	781	18%	991	14%
Room/Boarding House, RHCF	657	15%	887	13%
Institutional (excluding Corrections)	333	8%	574	8%
Other	187	4%	146	2%
	4337		6948	

Developmental Center Olmstead Settlement Percent Eligible v. Percent Ineligible for Community Placement

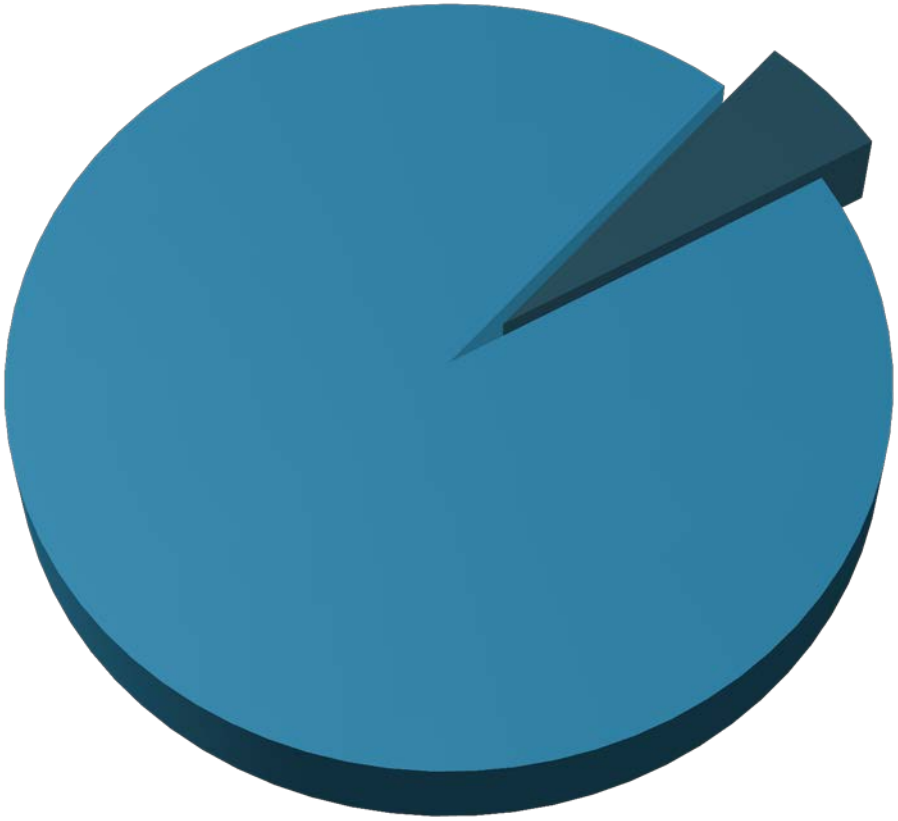


Developmental Center Settlement Reason for Ineligibility





Individual/Guardian approves and IDT does not approve



Approx. 17%
or
93 residents

Individual/Guardian in Favor of Living in Community

New Jersey 2015?

- Shorter long term hospital stays
- Sustained reduction in institutional census
- Investment of budget savings into the community
- Permanent housing with appropriate services and supports
- Consumer choice of providers

A Framework For Moving Olmstead Forward: The Affordable Care Act and New Jersey's Comprehensive Waiver

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Health Care Reform offered New Jersey the opportunity to re-tool siloed waivers into a comprehensive approach restructuring the system to:

- Expand Medicaid eligibility
- Reduce reliance on institutional care and increase home and community-based services
- Expand long term care and supports for individuals with special needs, including those with mental illness and intellectual and developmental disabilities
- Integrate health and behavioral healthcare
- Implement performance based contracting with HMOs and community-based providers
- Introduce new business and administrative requirements to support prudent purchasing

ACA Implications for NJ Non-Profits: Administrative Complexities

- Administrative requirements become more complex (e.g., meaningful use)
- Health information technology is “mandatory” but behavioral health is not eligible for incentives or assistance with the cost of Health IT upgrades
- Increased clinical documentation (CPT coding changes, performance measures and compliance requirements) as quality measurement becomes a focus
- Increased focus on compliance

NJ Comprehensive Waiver: Purpose

- Structural consolidation and reform of the Medicaid Program
- Administrative flexibility and redesign- across departments and divisions
- Opportunities for savings and increased federal matching dollars
- Streamlined and expedited decision making between NJ and CMS

NJ Comprehensive Waiver: Key Elements

- Provides integrated physical, behavioral and long-term care services and supports for elderly and disabled clients
- Introduces utilization management (UM) and care coordination (managed care) for adult behavioral health clients through an ASO
- Implements medical home and health home model and pilots Accountable Care Organizations (ACOs) for high-utilizers
- The State becomes a more prudent purchaser by maximizing Medicaid-eligible service use, changing behavioral health payments from cost reimbursement to FFS, and piloting payment reform models consistent with the ACA
- The Family Supports Waiver for individuals with I/DD will expand supports available to families and consumers

Waiver Implications for NJ Non-Profits: Pressure to Increase Availability

Waiver Implications for NJ Non-Profits: Pressure to Increase Availability

Non-profits are expected to serve more people in a more complex administrative and program environment:

- 307,000 of 349,000 uninsured will be newly eligible through the Medicaid Expansion
- Expands provider workforce coverage, escalating healthcare costs
- The ACA parity provision should increase the mental health and substance abuse service market as the essential health benefits package includes services to address mental health and substance use disorders.

Waiver Implications for NJ Non-Profits: New Relationships

Mandates working relationships with entities with decision making roles that impact provider autonomy in service decisions (prior authorization) working with:

- Administrative Services Organization (ASO)
- Contracted System Administrator (CSA)
- HMOs
- Accountable Care Organizations (ACO)

Shifts children's services from the Department of Human Services to the Department of Children Families (DCF).

Waiver Implications for NJ Non-Profits: New Administrative Requirements

The Waiver fundamentally changes policy and business practices, introduces industry standards and increases oversight for non-profits.

To participate non-profits will need to:

- Enroll as Medicaid providers and meet provider eligibility requirements
- Invest in marketing capacity to compete for consumers and position themselves with managed care companies
- Add administrative, quality management and clinical infrastructure:
  - Health Information Technology (EHR)
  - Billing and claims management (revenue cycle management)
  - Utilization review
  - Benefits verification & eligibility processing
  - Managing private-pay collections
  - Regulatory compliance and accountability

The New Reality for Frontline Providers -

- New CPT codes
- EMR
- New DSM Bible/New ASM Criteria
- FFS Model for Clinics
- Inadequate Supportive Housing and Separation of Housing and Supports
- Integration of physical and mental health
- Expanded populations under ObamaCare
- A shortage of Psychiatrists and
- Psychologists wanting to prescribe

"Ruminations XXVIV Chronic and Persistently Mentally Ill", Jack Dang, M, New Jersey Psychiatrist Summer 2013

Waiver Implications for NJ Non-Profits: Programmatic Changes

- Serving more complex people in an integrated approach (mental health and physical healthcare models such as health homes)
- New workforce competencies and credentialing standards
- Use of evidence-based practices
- Clinical and customer relations skills become necessary
- Engaging staff in revenue management; productivity standards
- Reduction in residential and inpatient services

Waiver Implications for NJ Non-profits: I/DD Population

- ACA parity makes more behavioral health services available to a wider population
- Access for I/DD population limited to Medicaid eligibles leading to moral dilemma for providers who need to make a choice about continuing services
- Initiating services for non-Medicaid eligibles becomes an unfunded mandate for I/DD providers

Addressing Unique Challenges and Opportunities for Olmstead

- Improving the hospital discharge process to facilitate successful transition to the community
- Housing
- Employment
- Building capacity to serve populations with special needs to facilitate deinstitutionalization including:
  - individuals with complex medical needs,
  - co-occurring mental health and substance abuse disorders
  - dual diagnosis, (intellectual/developmental disability and mental health disorders),
  - sexual offenders and other criminal justice involvement

Challenge: Improving the Hospital Discharge Process

- The system must acknowledge that not everyone is ready for supportive housing-type placements.
- Must provide a comprehensive evaluation process close to the date of discharge to ensure people are ready for discharge
- Revise medication policies to ensure people have the right medication to support community living
- Ensure collaboration between community providers and inpatient settings for improved information sharing to facilitate smooth transitions to community services
- Ensure providers have complete and up to date information. Providers are frequently receiving incomplete information about the individuals being referred to their organizations and this raises concerns about their abilities to serve these individuals most effectively and to ensure their well being, as well as the safety of others

Challenge: Improving the Hospital Discharge Process (cont'd)

- Greater range of residential options beyond supportive housing should be available including transitional housing, services and supports

- Discharge planning has become crisis management as people with more acute issues are being discharged

Opportunities: Changes in Authority

The Governor introduced structural changes at the Department of Children and Families to lay a new foundation for children's services.

DCF was designated as the responsible authority for providing services for:

- Youth 21 and younger
- Children with intellectual and developmental disabilities
- Youth with substance use disorders

These changes provide a comprehensive system for children's services, reduce the need for institutional care and support effective transitions to adult services, when necessary.

Opportunity: Building Effective Pathways to Community-Based Adult Services

- Need to coordinate complementary policies and procedures to ensure continuity of care as youth transition to adulthood and the adult service system
- Need to provide an integrated case management approach that assures that services are coordinated, effective, consumer-driven and individualized to the needs of the person
- Policy should direct adult and youth providers to develop relationships and linkages
- Youth with a dual diagnosis are particularly vulnerable and specialized resources should be developed.

Critical Factors For Success

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- Building capacity through community development and partnership
- Rightsizing the community-based service system
- Creating a full spectrum of services and supports
- Financing strategies that support quality services, compliance and sustainability

Critical Factors for Success: Building Capacity through Community Development and Partnership

- The NJ Medicaid Comprehensive Waiver is presenting new opportunities to re-think the service array and payment rates, integrate care through health homes and health information sharing and create financing strategies that support access, quality and continuity of care along the treatment paradigm and agency sustainability.

- With these changes on the horizon, collaboration among systems partners remains key to ensure the system of care promotes wellness and recovery.

Critical Factors for Success: Rightsizing the Community-Based Service System

- Investment in the community is required
- The state should re-tool policy and practice to be aligned with the purpose of the “new reality” rather than just mandating change, we need to enable it to happen
- Transparency and willingness to support data driven decision making and development are essential
- Behavioral health EHR incentives needed
- Policy ramifications of more restrictive confidentiality rules that inhibit information sharing for coordination
- Ensure resources and supports are available when needed

Critical Factors for Success: Creating a Full Spectrum of Services and Supports

- A full continuum of care must be in place to meet each individual's unique needs (including transitional step-down, long-term care) as they change over time as recovery from mental illness is rarely, if ever, a linear process.
- Investments in services and policy revisions will sustain people in the community and promote recovery and wellness, including:
  - Increasing outpatient services (psychiatrists and other clinicians)
  - Providing incentives to overcome workforce shortages
  - Ensuring UM rules recognize reality of the trajectory of recovery in mental illness
- Prevention and early identification and intervention services are key to preventing admissions
- Supportive transitional services for people being discharged from hospitals are key to preventing avoidable readmissions.

Critical Factors for Success: Housing & Employment Promote Independence

Critical Factors for Success: Housing & Employment Promote Independence

Barriers include an inadequate supply of decent, affordable housing in some communities and low income of individuals with serious mental illness due to low-wage and part-time employment, unemployment, or dependence on disability benefits.

NJ Housing Efforts

- The lack of housing is a consistent barrier to community living for people with behavioral health needs and is an essential component to closing an institution
- NJ DMHAS is expanding housing and wellness and recovery community-based support services for those being discharged from state hospitals who are:
  - dually diagnosed (I/DD),
  - individuals with co-occurring disorders
  - consumers with forensic involvement
  - at-risk for inpatient hospitalization due to homelessness or risk of homelessness.

NJ Housing Efforts (cont'd)

- NJ in its efforts to support Olmstead has invested $71 million in its Supportive Housing budget
- NJ committed resources from the closure of Hagedorn State Psychiatric Hospital and bridge funds to support the closures of Woodbridge and North Jersey Developmental Centers.
- NJ will continue its investment of resources from institutional closures to the community to expand housing, treatment and other supports.
- Critical partnerships include:
  - Department of Community Affairs and NJ Housing & Mortgage Finance Agency
  - NJ Supportive Housing Association
  - Consumer involvement in setting priorities

NJ Employment Efforts

- New Jersey as part of its “Discoverability NJ Plan” began to enhance job and career opportunities for people with disabilities, reform delivery systems, and create partnerships among people with disabilities, their families, employers, as well as the public sector and service organizations to meet New Jersey’s critical workforce needs.
- Subsequently, NJ became an Employment First state
- Employment First sets the stage for how government can organize a system to support employment for people with disabilities
- First step is a cultural shift from a “disability” focus to focusing on abilities

NJ Employment Efforts (cont'd)

- The federal direction for Employment First states is to focus on real jobs in the community moving away from segregated employment and sheltered workshops, and conventional vocational rehabilitation services.
- NJ will have to realign its traditional practices and re-examine its policies to support this shift in direction and collaboration across the agencies' responsible for behavioral health and employment to support real community integration.

Critical Factors For Success: Financing Strategies

- Financing strategies should support the goals of the Comprehensive Waiver and implementation of the Olmstead Plan.
- Redirecting funds from institutional downsizing and closures to community-based services
- Maximizing federal dollars, such as Medicaid, and braiding and blending funding sources.
- Constructing rates to support capacity building to ensure a service rich provider network as part of the Comprehensive Waiver implementation.
- Rates should promote high quality services, sustainability and infrastructure development to ensure successful implementation.

Moving Forward

"The only way to make sense out of change is to plunge into it, move with it and join the dance."

Allan Watts