Transforming Texas

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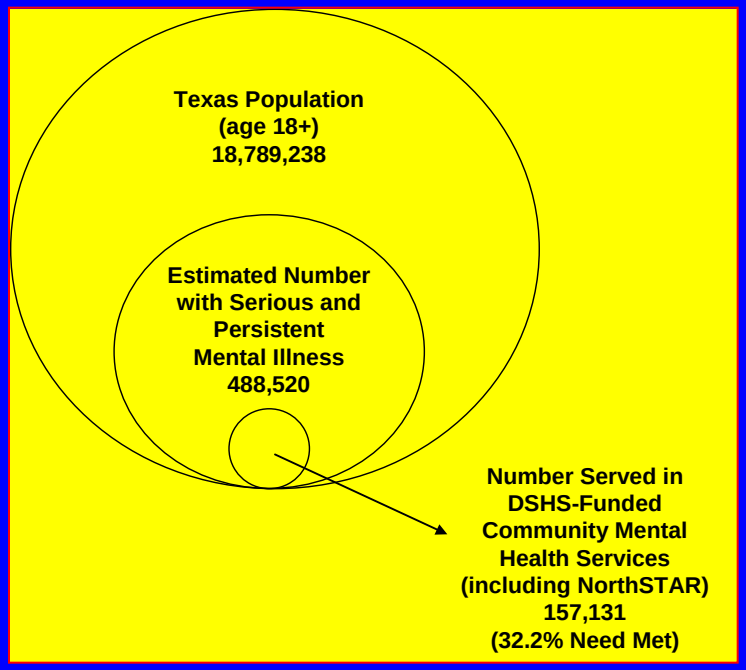
Texas Context

- 254 Counties, 25 million people
- Over 25 percent of population uninsured
- Historically ranked 49-50th among states in mental health authority per capita spending
- Medicaid Managed Care model is predominant



Integrating Behavioral Health

- The Texas Healthcare Transformation and Quality Improvement 1115 Medicaid Waiver
- Legislative Directives: Senate Bill 58, Riders, significant new state funds fro MH and SA ($300 million)
- ACA-Related Initiatives
  - Money Follows the Person (extended to 2016 by Sec. 2403)
  - Medicaid Incentives for Prevention of Chronic Disease (Sec. 4108)
  - Home and Community-based Services for People with SMI (amended under Sec. 2402)
  - Balancing Incentive Payment Program (Sec 10202)

Why Integrate?

- In Texas, persons with severe mental illness live over 29 years less, on average, than the general population and experience serious physical health conditions earlier.

- Mental health and substance abuse conditions comprise **8 percent** of initial Texas Medicaid inpatient readmissions but represent **24 percent** of potentially preventable admissions

- National data indicates that a significant and rising percentage of nursing facility residents have a primary diagnosis of mental illness. Thousands of Texas nursing facility residents were former clients of the public mental health and / or substance abuse system.

1115 Transformation Waiver

- Managed care expansion
  - Allows statewide Medicaid managed care services
  - Includes legislatively mandated pharmacy carve-in and dental managed care
- Hospital financing component
  - Preserves upper payment limit (UPL) hospital funding under a new methodology
  - Creates 20 Regional Healthcare Partnerships (RHPs)
- Five Year Waiver 2011 – 2016

Funding Pools

- Under the waiver, historic Upper Payment Limit (UPL) funds and new funds are distributed to hospitals & other providers through two pools:
  - **Uncompensated Care (UC) Pool**
    - Replaces UPL under a new methodology, includes new services
    - Costs for care provided to individuals who have no third party coverage for hospital and other services and Medicaid underpayment
  - **Delivery System Reform Incentive Payments (DSRIP) Pool**
    - New program to support coordinated care and quality improvements through 20 Regional Healthcare Partnerships
    - Transform delivery systems to improve care (access, quality, outcomes), improve population health, and lower costs

Pool Funding Distribution

Pool Funding Distribution in Billions

Pool Type	DY* 1 (2011-2012)	DY 2 (2012- 2013)	DY 3 (2013- 2014)	DY 4 (2014-2015)	DY 5 (2015-2016)	Totals
Total/DY	$4.2	$6.2	$6.2	$6.2	$6.2	$29
% UC	88%	63%	57%	54%	50%	60%
% DSRIP	12%	37%	43%	46%	50%	40%

DY = Demonstration Year

FY 2011 UPL hospital payments: $2.8 billion per year.

DSRIP Improvement Projects

- Category 1, Infrastructure Development – Lays the foundation for the delivery system change through investments in people, places, processes and technology (Pay for performance)

- Category 2, Program Innovation and Redesign – Pilots, tests, and replicates innovative care models (Pay for performance)

- Category 3, Quality Improvements – Healthcare delivery outcomes improvement targets that are required for Category 1 and 2 projects (Pay for outcomes)

- Pay for performance is based on outcome improvement targets in the last two years of the waiver. Outcomes = measures of patient experience with care.

1115: Behavioral Health

- Texas emphasized behavioral healthcare in the menu of allowable DSRIP projects and in the allocation of a minimum of ten percent of the DSRIP funds to the community mental health centers.

- Of the 1322 DSRIP projects HHSC submitted to CMS, 367 projects (over 27% of them) relate to behavioral healthcare and request to earn almost **$2.1 billion** all funds over four years:

  - 296 projects proposed by 38 community mental health centers

  - 71 projects proposed by other providers, mainly hospitals

Mental Health Projects

- Provide an intervention for a targeted BH intervention to prevent unnecessary use of services in a specified setting (e.g. criminal justice system, emergency department, urgent care) - 92 projects
- Enhance BH service availability (i.e., hours, locations, transportation, mobile clinics) to appropriate levels - 57 projects
- Develop BH crisis services as alternatives to hospitalization - 49 projects
- Integrate primary and BH services - 48 projects
- Implement technology-assisted services (telehealth, telemonitoring, telementoring, or telemedicine) to support, coordinate, or delivery BH services - 24 projects

Substance Abuse Projects

- Approximately 50 projects address substance abuse interventions
- Community mental health centers submitted the majority of projects
- Various hospital providers across the state also have projects related to substance abuse intervention services
- Range of services proposed include: crisis stabilization for individuals with psychiatric and substance use disorders, creation or expansion of COPSD (Co-Occurring Psychiatric Substance Use Disorders) services, training providers to use SBIRT (Screening Brief Intervention, Referral & Treatment) and hiring substance abuse counselors/specialists.

SB 58: Integration

- Services for people with severe mental illness (i.e., mental health rehabilitation, targeted case management) integrated into Medicaid Managed Care effective December, 1, 2014. System must :
  - Include networks of well-qualified public and private BH providers
  - Ensure access to services
  - Be recovery-focused
  - Include appropriate assessment tool ; performance and quality outcomes measures
  - If cost-effective and beneficial, include peer specialists as a benefit
- Two health home pilots for persons with SMI and least one other chronic health condition
- Behavioral Health Integration Advisory Committee including consumers, MCOs and providers
- Public BH performance / outcomes reporting system

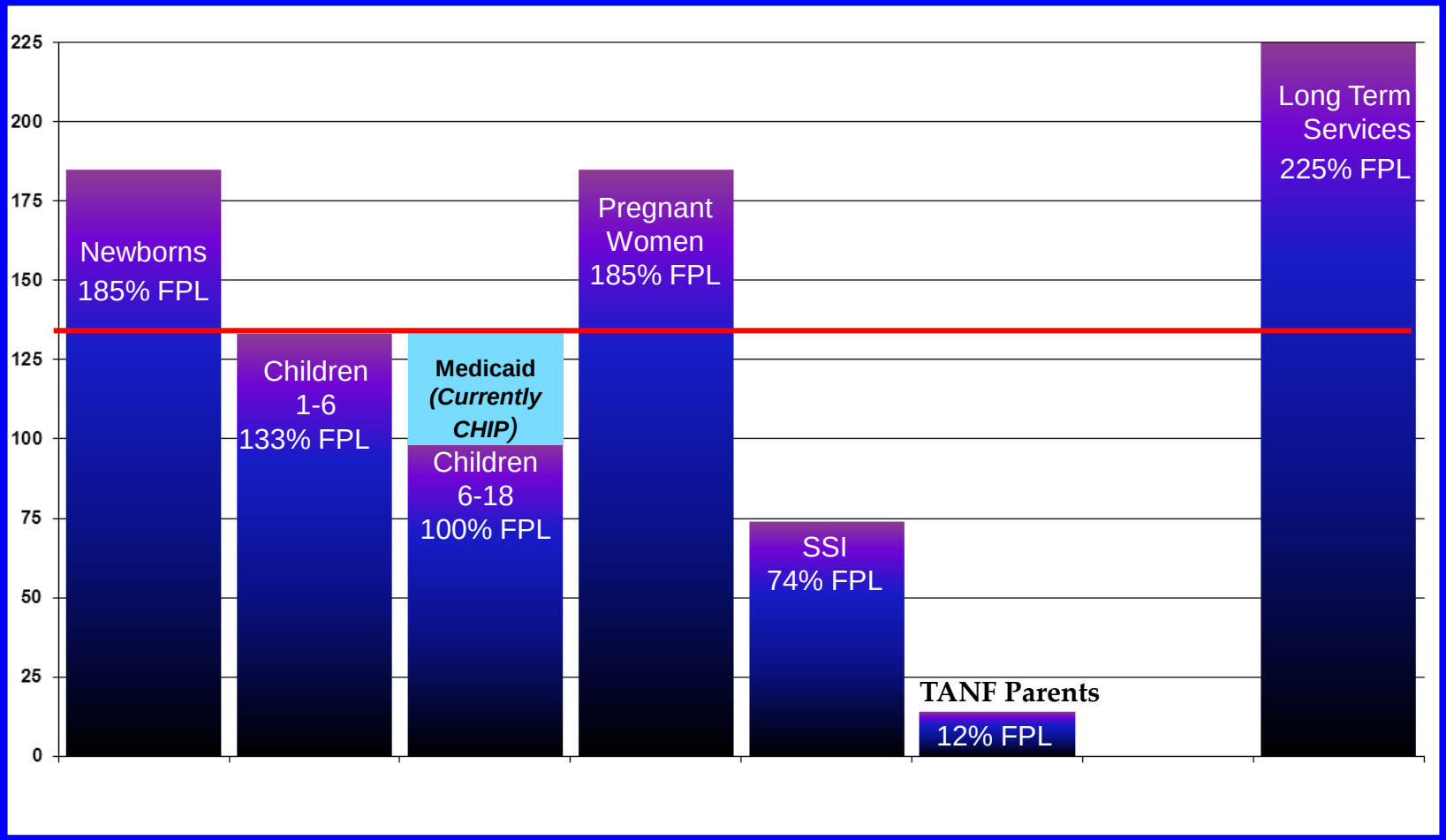
SB 58: Community Collaboratives

- State Mental Health Authority to award grants to establish or expand public/private sector community collaboratives for homeless persons with mental illness.

- Maximum of five grants, in municipalities located in counties with a population of more than one million.

- Grantees must leverage private sector funds equal to the amount of the grant awarded, and provide evidence of significant collaboration between the grantee, local mental health authorities, municipalities, and other community stakeholders

Texas Medicaid Eligibility 2014



Money Follows the Person B Health

- Pilot Goals
  - Transition adults with MHSA conditions from nursing facilities to the community
  - Support recovery by integrating evidence-based mental health and substance abuse services into home and community-based systems
- Partnerships
  - Long Term Services Agency and It's Relocation Contractors
  - Medicaid Agency and Medicaid HMOs (Acute and HCBS)
  - Local Housing Authorities, Mental Health Authorities
  - State Universities

Pilot Services

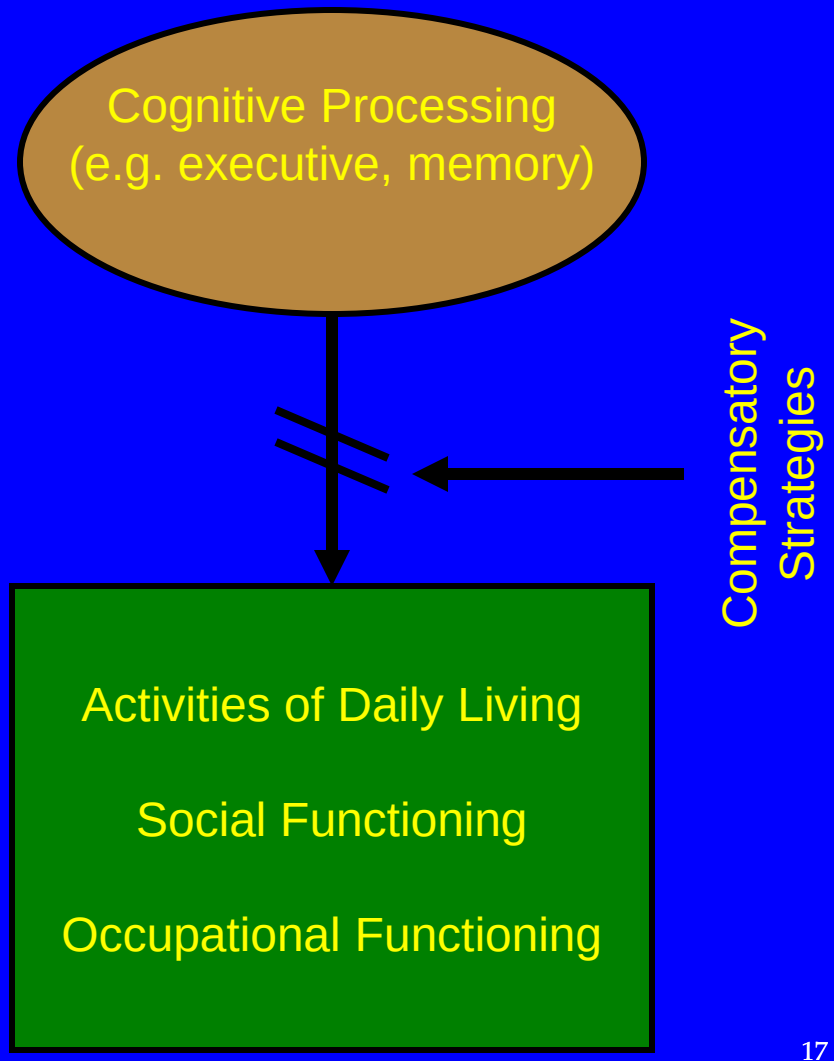
- Evidence-based, recovery focused and integrated with existing long term care and relocation services
  - Cognitive Adaptation Training (CAT) - to improve the person's daily living skills
  - Substance abuse services (counseling, special groups, peers)

- Provided in the nursing facility (up to six months before discharge) and up to one year post

- Individual Transition / Continuity Plan to regular HMO Home and Community-based services

Cognitive Adaptation Training

- Evidence-based
- Focus on activities of daily living
- Helps people compensate for cognitive issues
- Uses everyday items as supports (e.g., clocks, calendars, pill keepers, signs)



MFP BH Findings

- To date, 71% of individuals in the Pilot have maintained independence in the community
- Participants demonstrate statistically significant improvement in social and occupational functioning and quality of life
- Preliminary analysis indicates that Medicaid costs for participants in the Pilot may be lower on average than costs prior to their discharge from the NF.
- Examples of increased independence include getting a paid job at competitive wages, driving to work, volunteering, getting a GED, attending computer classes and working toward a college degree.

Texas MIPCD

- Medicaid Incentives for Prevention of Chronic Disease (Sec 4108 ACA)
- Funds demonstration projects that use evidence-based incentives to help Medicaid clients adopt healthy behaviors, improve outcomes
- Wellness Incentives and Navigation (WIN) – Texas' MIPCD Project focuses on adult SSI clients with SMI or behavioral + chronic health issues
- Large randomized Controlled Trial imbedded in a Texas Medicaid managed care model (STAR+PLUS) ,which includes both acute and home and community-based services
- Integrates evidence-informed, recovery focused interventions (flexible wellness accounts, Wellness Recovery Action Planning and Health Care Navigation) into Medicaid managed care.

Home and Community-based Services

- 1915(i) of SSA (as amended under ACA) enables states to provide HCBS under a state plan amendment
- Not related to institutional level of care
- No cost neutrality test
- Can target a broad range of customized services to populations such as adults with SMI
- Rider 81: pursuing 1915(i) amendment for adults with complex needs and very long, repeated stays in psychiatric hospitals
- Rider 80: Statewide expansion of 1915(c) waiver for children with Severe Emotional Disturbance (SED)

Balancing Incentive Payment

- Rebalances long term services systems toward least restrictive alternatives
- Provides increased FMAP to 2015, which state can invest in infrastructure changes
- In Texas, behavioral health being integrated into "no wrong door" automated screening processes.

What's Next?

- 1115 waiver: could transform the **indigent** care system, improving quality and person-centered outcomes.
- SB 58: Integration of services for SMI into capitated long term / acute care could improve whole person care and outcomes for Medicaid clients.
- MFP Pilot: Texas could include Pilot services in Managed Care LTSS. Thousands of Texans could benefit.
- MIPCD: Can provide evidence-base for improving chronic disease management for people with behavioral health conditions.
- HCBS – broader array of well articulated service and residential support choices for special subgroups
- Balancing Incentive Program – Better connections between LTSS and MHSA could improve "whole person" referral and access to services

Integration: The Challenge Continues