

Excellence in Mental Health Demonstration

Community Supports Administration
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Minnesota Department of **Human Services**

Legislative Report

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I. Executive summary

The State has achieved the Legislature's desire to win a federal planning grant for creation of a transformative "one-stop shop" for mental and chemical health services. The so-far-successful initiative will need the Legislature's continuing support in 2016 for the next stage of development.

The 2015 Legislature (Minnesota Statutes 2015, section 245.735, titled "The Excellence in Mental Health Demonstration Project") provided time-limited resources and authority to support planning and preparation for Minnesota to take part in a Federal demonstration project to test a new model of providing and paying for integrated and coordinated mental health and substance use disorder treatment and services.

Under this demonstration project, states will establish community-based clinics, known as a Certified Community Behavioral Health Clinics (CCBHCs), which provide comprehensive and coordinated chemical and mental health services. During the 2017-2018 demonstration period, CCBHCs will receive a daily, cost-based bundled payment rate for the services they provide and states will receive additional federal financial participation for these services.

The Minnesota Department of Human Service (DHS) has taken the following actions to implement the Excellence in Mental Health Demonstration Project:

- Applied for and received a Federal planning grant of \$982,373 which goes from October 23, 2015 through October 22, 2016
- Consulted frequently with a broad range of stakeholders regarding aspects of the federal certification criteria and payment instructions which allow for state flexibility and thus state decisions
- Published a Request for Proposals (RFP) to award funds to local clinics for technical assistance, staff training, organizational changes and other changes which may be necessary to meet federal criteria
- Published a second RFP to develop a new rate-setting system for all community-based mental health services, including CCBHCs
- Worked closely with the relevant federal agencies regarding implementation and policy clarification which are needed to ensure that Minnesota-specific issues are recognized at the federal level and to develop solutions that will work within Minnesota's broader health care and human services systems

During January – July 2016, DHS will continue to work intensively with Minnesota stakeholders and the relevant federal agencies.

II. Legislation

Laws of Minnesota 2015, Chapter 71, Article 2:

Sec. 38. EXCELLENCE IN MENTAL HEALTH DEMONSTRATION PROJECT.

By January 15, 2016, the commissioner of human services shall report to the legislative committees in the house of representatives and senate with jurisdiction over human services issues on the progress of the Excellence in Mental Health demonstration project under Minnesota Statutes, section 245.735. The commissioner shall include in the report any recommendations for legislative changes needed to implement the reform projects specified in Minnesota Statutes, section 245.735, subdivision 3.

III. Introduction

This report is submitted to the Minnesota Legislature pursuant to Laws of Minnesota 2015, Chapter 71, Article 2, Section 38. The report was prepared by John Zakelj, under contract with the Department of Human Services. Mr. Zakelj drew from the state's application for a federal planning grant. The report was also prepared in consultation with stakeholders, especially the Excellence in Mental Health Steering Committee, which includes potential certified clinics, advocacy organizations, counties, veteran's organizations, health plans, Indian Health Program consultants and others.

IV. Background

The 2015 Legislature (Minnesota Statutes 2015, section 245.735) provided time-limited resources and authority to support planning and preparation for Minnesota to take part in a Federal demonstration project to test a new model of providing and paying for integrated and coordinated mental health and substance use disorder treatment and services.

Under this demonstration project, states will establish a new class of integrated mental and chemical health clinics, which the provider community expects to transform behavioral health care in Minnesota: They are community-based clinics, known as a Certified Community Behavioral Health Clinics (CCBHCs), which provide comprehensive and coordinated chemical and mental health services. During the 2017-2018 demonstration period, CCBHCs will receive a daily, cost-based bundled payment rate for the services they provide and states will receive additional federal financial participation for these services.

As stated on a Federal website, “On April 1, 2014, the Protecting Access to Medicare Act of 2014 (H.R. 4302) was enacted. The law included Demonstration Programs to Improve Community Mental Health Services at Section 223 of the Act. The program requires: (1) the establishment and publication of criteria for clinics to be certified by a state as a certified community behavioral health clinic (CCBHC) to participate in a demonstration program; (2) the issuance of guidance on the development of a Prospective Payment System (PPS) for testing during the demonstration program; and (3) the awarding of planning grants for the purpose of developing proposals to participate in a time-limited demonstration program. The overall goal is to evaluate demonstration programs in up to eight states that will establish CCBHCs according to specified criteria that will make them eligible for enhanced Medicaid funding through the PPS.”

At the federal level, this project is a joint effort of Substance Abuse and Mental Health Services Administration (SAMHSA); the Centers for Medicaid and Medicare Services (CMS); and the Assistant Secretary for Planning and Evaluation (ASPE). The rest of this report refers to these agencies as the “relevant federal agencies.”

In order to be eligible to participate in the demonstration project, states must certify at least two CCBHCs, one urban and one rural, by October 1, 2016 and be capable of providing the state share of Medicaid payments for CCBHC services by January 1, 2017. States will apply to become demonstration sites in October 2016 and up to 8 states will be selected to participate by January 2017. The demonstration period will be for calendar years 2017 and 2018.

Research has found that persons with serious mental illnesses often experience difficulty in obtaining treatment for their illness. A U.S. Surgeon General’s report on mental health indicated that only 20 percent of Americans with mental health disorders – and fewer than half of people with severe mental health disorders – receive any treatment for their conditions in a given year. Recently published data also suggests that people with serious mental illness die, on average, 25 years earlier than the general population.

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Minnesota's community mental health and chemical health treatment systems lack unifying structures and financial incentives capable of fostering the continuity and coordination of care that is essential for effective treatment of adults and children with severe mental illnesses and/or substance use disorders.

While the state offers a rich benefit under its Minnesota Health Care Programs, many communities lack access to a full continuum of mental health and chemical health care. Minnesota's current reimbursement systems do not recognize the higher costs associated with providing all services necessary to meet the behavioral health needs of individuals, which means that very few providers are able to deliver comprehensive treatment and support services that also provides linkages to other systems. As a result, people with complex mental and chemical health conditions are often not able to access the full array of services and supports they need to be healthy and successful in the community.

This demonstration project is an opportunity to test a new and truly innovative way of providing and paying for behavioral health care by enhancing and expanding the services provided by Minnesota's community behavioral health providers while establishing a sustainable payment structure for those services.

The federal criteria (http://www.samhsa.gov/sites/default/files/programs_campaigns/ccbhc-criteria.pdf) require CCBHCs to provide a comprehensive set of services for both children and adults including screening, assessment and diagnosis, treatment planning, outpatient and rehabilitative mental health and substance use services, and peer and family supports. Although most services will be provided directly by the clinic, federal criteria allow for some services to be provided through a formal network of providers.

The development of Certified Behavioral Health Clinics is intended to encourage states and local communities to provide a comprehensive way to provide integrated services with a wide array of substance abuse and mental health services in one setting so that individuals can experience a seamless delivery of services. Likewise, developing a cost-based system will allow long term sustainability of this integrated package of services. CCBHCs must coordinate care across the spectrum of health services, including helping clients access physical health care, as well as social services, housing, educational systems, and employment opportunities as necessary to facilitate wellness and recovery of the whole person. CCBHCs improve behavioral health care by advancing integration with physical health care, utilizing evidence-based practices on a more consistent basis, and promoting improved access to high quality care. Care coordination is the linchpin holding these aspects of CCBHC care together and ensuring CCBHC care is, indeed, an improvement over existing services.

As part of the federal demonstration project, a new prospective payment system (PPS) will be established for CCBHC services. This payment system will offer a clinic-specific, cost-based, daily rate to cover all CCBHC services provided to a Medicaid-eligible person on a given day. A PPS creates an incentive for high-quality care by paying providers for coordinating activities and non-therapeutic supports that clinics either have not been providing or have been providing at a financial loss.

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The PPS model also permits the state to use quality bonus payments to stimulate good care, a mechanism that the state has been using successfully with Medicaid managed care plans. CCBHCs must serve anyone who is eligible for the services provided and must provide sliding fee payment options for people who lack insurance and/or the ability to pay. CCBHCs must also serve members of the armed forces and military veterans.

More information regarding the federal requirements is available at www.samhsa.gov/section-223 .

V. Status Report

- DHS applied for and received a Federal planning grant of \$982,373 which goes from October 23, 2015 through October 22, 2016. Approval for this grant was a federal pre-requisite which will allow Minnesota to apply to participate in the federal demonstration project. Minnesota is one of 24 states receiving a planning grant.
- On December 21, 2015, DHS published a Request for Proposals (RFP) for “Qualified Grantees and First Implementers to Develop Certified Community Behavioral Health Clinics.” DHS will use this process to award funds to local clinics from the federal planning grant as well as the state appropriation under M.S. 245.735. Clinics will use these funds for technical assistance, staff training, organizational changes and other changes which may be necessary to meet federal criteria. Clinics chosen through this RFP will also receive intensive technical assistance and must agree to participate in the development of Minnesota’s application for federal demonstration status.
- Responses to the above RFP are due February 1, 2016, with grantees to be chosen by March 1, 2016.
- On December 30, 2015, DHS published a second RFP to develop a new rate-setting system for all community-based mental health services, including CCBHCs. This RFP was published pursuant to Laws of Minnesota 2015, Chapter 71, Article 2, Section 39. This RFP includes a request for a qualified responder to provide expert technical assistance and otherwise assist DHS in the implementation of the CCBHC Prospective Payment System.
- Responses to the above second RFP are due February 3, 2016, with contractor(s) to be chosen by February 24, 2016.
- Since the CCBHC criteria and payment system break so much new ground at the national level, the federal agencies are holding at least four conference calls per month during December 2015 – July 2016 with all 24 participating states. These calls are discussing implementation and policy clarification in the following four areas: overall project coordination, clinic certification, payment issues, and data collection/project evaluation. Minnesota is actively participating in these calls to ensure that Minnesota-specific issues are recognized at the federal level and to develop solutions that will work within Minnesota’s broader health care and human services systems.
- Using a combination of federal planning funds and state appropriations, DHS is hiring three temporary positions: a CCBHC project manager, CCBHC rates specialist and CCBHC certification specialist.
- DHS has been, and will continue to, work with Minnesota stakeholders and the relevant federal agencies regarding those aspects of the federal certification criteria and payment instructions which allow for state flexibility and thus state decisions.

VI. Report recommendations

The following outlines the next steps necessary to ensure Minnesota is eligible and well-positioned to be selected as a demonstration state:

- Enact certification standards and procedures so that DHS can certify at least two CCBHCs by October 1, 2016;
- Establish a new cost-based prospective payment system (PPS) for CCBHC services and appropriate the state share of Medical Assistance (MA) payments for these services;
- Apply to participate in the federal demonstration project; and
- Begin providing CCBHC services via certified clinics in 2017.

If Minnesota is selected as a demonstration site, it is recommended that the state also appropriate necessary funding and seek federal approval to continue to operate CCBHCs as well as the new payment system after the federal demonstration period ends to help ensure continuity of care for clients served by CCBHCs.