Notice of Public Information

Illinois Department of Healthcare and Family Services

Section 1115 Research and Demonstration Waiver

The Illinois Department of Healthcare and Family Services (DHFS) is providing public notice of its intent to submit to the Centers for Medicare and Medicaid Services (CMS) a written application to request approval of a Section 1115 Research and Demonstration waiver and to hold public hearings to receive comments on this proposal. We are providing this notice pursuant to CMS requirements in Title 42, Section 431.408, Code of Federal Regulations.

DHFS, in partnership with 11 other State agencies and the Governor's office, is seeking a five-year Medicaid Section 1115 Research and Demonstration waiver for its Behavioral Health Transformation. The demonstration waiver is designed to transform the behavioral health system, integrate behavioral and physical health and optimize outcomes for Illinoisans.

Program Description and Goals

This demonstration application builds on Illinois' State Innovation Model (SIM) design grant awards, the State Health Assessment (SHA), and the State Health Improvement Plan (SHIP) as well as significant stakeholder feedback. Through these efforts, Illinois identified several priorities for its behavioral health transformation efforts, including the need to reduce silos in behavioral health care to enable a more efficient system with greater integration of physical and behavioral health. This waiver demonstration proposes critical next steps to accomplish this mission. Through this waiver demonstration, Illinois aims to achieve six main goals:

1. Rebalance the behavioral health ecosystem, reducing overreliance on institutional care and shifting to community-based care
2. Promote integrated delivery of behavioral and physical health care for behavioral health members with high needs
3. Promote integration of behavioral health and primary care for behavioral health members with lower needs
4. Support development of robust and sustainable behavioral health services that provide both core and preventative care to ensure that members receive the full complement of high-quality treatment they need
5. Invest in additional support services to address the larger needs of behavioral health members, such as housing and employment services
6. Create an enabling environment to move behavioral health providers toward outcomes- and value-based payments

Demonstration Eligibility

Under the demonstration, there is no change to Medicaid eligibility. The standards for eligibility set forth under the State Plan remain in effect.

The demonstration will enhance behavioral health benefits and integrate behavioral and physical health benefits, in both fee-for-service and managed care, for all child and adult full-benefit Medicaid beneficiaries. All affected groups derive their eligibility through the Medicaid State Plan and are subject to all applicable Medicaid laws and regulations in accordance with the Medicaid State Plan. All Medicaid eligibility standards and methodologies for determining eligibility of these groups remain applicable. Expenditures for all groups (other than those specifically excluded) are subject to the demonstration budget neutrality calculation.

The demonstration does not include the groups or benefits described in 42 C.F.R. § 440.255 (limited services available to certain aliens); individuals who are eligible only for payment of Medicare premiums and cost-sharing, including those enrolled in the Specified Low Income Medicare Beneficiaries; the Qualified Individual (QI) program; or the Qualified Disabled Working Individual (QDWI) program.

Benefits

Under the 1115 waiver, Illinois requests coverage of six benefits. Each benefit is based on strong evidence showing improvements in the cost and quality of care through similar initiatives across the country. Illinois recognizes the importance of tailoring programs to geographic and population-specific variations and the value of undergoing continuous data analysis and performance review to monitor and improve the program.

In this vein, Illinois has identified pilot target populations most in need of the proposed benefits and for whom the benefits will most likely decrease total cost of care and increase quality of care. As the waiver progresses and the benefits demonstrate significant cost and quality outcomes, benefits will be scaled to reach a broader population where appropriate.

All eligibility groups will continue to receive all State Plan benefits. The benefits described below may be available to any individual in any eligibility group who meets the criteria for the target group on a pilot basis.

#	Benefit	Target group
1	Supportive housing services	Individuals with serious mental illness (SMI) who are either at risk of institutionalization or homelessness or currently reside in permanent supportive housing
2	Supported employment services	Individuals aged 14 years and up with serious and persistent mental illness (SPMI), substance use disorder (SUD), or serious emotional disturbance (SED) needing ongoing support to obtain and maintain a job
3.1	Services to ensure successful transitions for Illinois Department of Corrections (IDOC) and Cook County Jail (CCJ) justice involved individuals	Medicaid-eligible IDOC-justice involved individuals within 30 days of release to the community Cook County detainees eligible for managed care not previously enrolled in CountyCare

3.2	Medicaid coverage for extended-release injectable naltrexone; medication assisted treatment (MAT) services for targeted individuals within 30 days pre-release	Medicaid-eligible individuals incarcerated at the IDOC appropriate for MAT therapy within 30 days of release to the community
4.1	Short-term residential treatment in an institution for mental diseases (IMD) treating substance use disorder	Individuals with SUD in need of short-term residential treatment as part of a continuum of care
4.2	Substance use disorder case management	Individuals with SUD receiving any ASAM (American Society of Addiction Medicine) treatment level of care but not receiving case management from other sources (e.g., Integrated Health Homes (IHH))
4.3	Withdrawal management	Individuals with substance use disorders who meet the medical necessity ASAM criteria for withdrawal management
4.4	Recovery coaching for substance use disorder	Individuals who have already initiated recovery and are seeking support for long-term recovery
5.1	Short-term residential treatment in a mental health IMD	Individuals with mental health disorders in need of short-term residential treatment as part of a continuum of care
5.2	Crisis beds	Individuals who require psychiatric treatment but without sufficiently high or acute needs to require inpatient stay
6.1	Intensive in-home services	Families and children with high behavioral health needs and/or SED at risk of transition to higher level of care Limited to children 5-21 years of age
6.2	Respite care	Families and children with high behavioral health needs and/or SED at risk of transition to higher level of care Limited to children 5-21 years of age

Initiatives

Under the 1115 waiver, Illinois requests coverage of four initiatives to maximize the impact of the benefits and create the systemic changes necessary to pave the way for integration and value-based payments.

1. The State recognizes the importance of aligning system transformation efforts with broader population and preventative health reform. Just as supportive housing, supportive employment, respite care, and lower-acuity crisis alternatives are vital components of the behavioral health continuum of care, so are prevention services. To build this continuum of care, Illinois requests support through the 1115 waiver for select infant and early childhood mental health interventions.

2. To prepare the State and providers to successfully implement IHHs, Illinois requests support through the 1115 waiver for Medicaid funding for select behavioral and physical health integration activities. This funding will provide payers and providers resources to develop the infrastructure, technology, and provider capabilities required to implement health homes.

3. To ensure the Illinois workforce is sufficiently sized and trained to provide the services requested in this waiver and prepared to function within a value-based payment system, Illinois requests through the 1115 waiver Medicaid funding a set of workforce-strengthening initiatives.

4. To ensure first episodes of psychosis can be addressed and managed as early and effectively as possible, Illinois requests Medicaid funding to expand the reach of the first episode psychosis initiative by supporting the creation of teams to address this critical inflection point in members' lives.

Cost-Sharing Requirements
There is no cost-sharing for any benefit provided under the waiver; copayments, coinsurance, and/or deductibles for any of the above benefits. State Plan benefits will continue to be applied in accordance with the State Plan.

Hypotheses and Evaluation
The table below presents an overview of the hypotheses associated with each waiver goal.

PRELIMINARY EVALUATION PLAN	
Goal	**Hypothesis**
Goal 1: Rebalance the behavioral health ecosystem, reducing overreliance on institutional care and shifting to community-based care	Rebalancing the behavioral health ecosystem will reduce total cost of care and optimize utilization (increasing appropriate utilization and reducing unnecessary utilization)
	Helping members to stay in their communities will improve satisfaction
Goal 2: Promote integrated delivery of behavioral and physical health care for behavioral health members with high needs	Integration of behavioral and physical health care will improve the quality of care for members with high needs (costliest 10% of members)
	Integration will reduce unnecessary utilization and total cost of care for members with high-needs
Goal 3: Promote integration of behavioral health and primary care for behavioral health members with lower needs	Integration of behavioral health and physical health will improve access to services for members with lower-needs
	Integration of behavioral health and physical health will reduce unnecessary utilization and total cost of care for lower-needs members
	Integration of behavioral health and physical health will improve quality of care for lower-needs members

Goal 4: Support the development of robust and sustainable behavioral health services that provide both core and preventative care to ensure that members receive the full complement of high-quality treatment they need	Preventative measures will reduce prevalence of mental health and substance use diagnoses over time
	More robust behavioral health services will decrease the ratio of inpatient vs. outpatient utilization and spend for the behavioral health population
	Better behavioral health services will increase member satisfaction
Goal 5: Invest in additional support services to address the larger needs of behavioral health patients, such as housing and employment services	Supportive services provision will reduce inpatient admissions and lengths of stay
	Supportive services provision will enhance behavioral health member independence, reducing the total cost of care while also increasing rates of stable living conditions and employment
Goal 6: Create an enabling environment to move behavioral health providers toward outcomes- and value-based payments	Creating an enabling environment will increase outcomes- and value-based payments
	Outcomes- and value-based payment models will improve outcomes for behavioral health members

Waiver and Expenditure Authorities
The State requests the following waivers:

1. Statewideness, § 1902(a)(1)

   To the extent necessary to permit any limited service benefit (e.g., extended-release, injectable naltrexone MAT services for up to 200 individuals within 30 days pre-release, transitional services for justice-involved individuals at CCJ)

2. Comparability, § 1902(a)(10)(B)

   To the extent necessary to limit the benefits as set forth in the Demonstration Application

3. Freedom of Choice, § 1902(a)(23)(A)

   To the extent necessary to enable the State to assign justice involved individuals to a managed care plan so that services may begin promptly upon discharge

The State requests federal financial participation in the following costs not otherwise matchable (CNOMs):

1. Supportive Housing Services

   Expenditures for services to support an individual's ability to prepare for and transition to housing and maintain tenancy once housing is secured

2. Supported Employment Services

Expenditures for services to support an individual who, because of serious mental illness, need ongoing support to obtain and maintain employment

3. Transition Pre-Release Services

   Expenditures for assessment, treatment, and coordination of focused services for justice involved individuals 30 days prior to release to improve linkages with community behavioral health treatment

4. Medicaid coverage for extended-release injectable naltrexone MAT services for targeted individuals within 30 days pre-release

   Expenditures for extended-release, injectable naltrexone MAT services for justice involved individuals appropriate for such services 30 days prior to release

5. Short-Term Residential Treatment in a Substance Use Disorder IMD

   Expenditures for services for individuals who, as part of a continuum of care, are receiving residential substance use disorder treatment in facilities that meet the definition of an Institution for Mental Disease for 30 days or less

6. Substance Use Disorder Case Management

   Expenditures to provide substance use disorder case management to individuals not otherwise receiving case management

7. Withdrawal Management

   Expenditures to provide substance use disorder withdrawal management

8. Substance Use Disorder Recovery Coaching

   Expenditures to provide recovery coaching services to individuals who have entered treatment for substance use disorder

9. Short-Term Residential Treatment in a Mental Health IMD

   Expenditures for services for individuals who, as part of a continuum of care, are receiving inpatient mental health treatment in facilities that meet the definition of an Institution for Mental Disease for 30 days or less

10. Crisis Beds

    Expenditures to provide subacute inpatient treatment

11. Intensive In-Home Services

    Expenditures to provide intensive in-home services to families and children with high behavioral health needs at risk of transition to a higher level of care

12. Respite Care

Expenditures to provide respite care to children and caregivers of children with serious emotional disturbance and/or complex mental health issues

13. Behavioral Health and Physical Health Integration Activities

Expenditures to support the infrastructure and activities required (e.g., workforce preparation, provider readiness assessment, partnership development between providers, launch of disease specific pilots, etc.) to integrate behavioral and physical health, reduce fragmentation of service, reduce total cost of care, improve behavioral and physical health outcomes, and promote patient centered care

14. Infant/Early Childhood Mental Health Consultation

Expenditures to train and support members of the community in identifying and managing behavioral health issues in children

15. Workforce Development and Workforce Optimization

Expenditures to develop and implement development of a robust behavioral health workforce, including loan repayment/forgiveness and graduate medical education programs and expenditures to develop and implement behavioral health workforce optimization, including telemedicine infrastructure and improving linkages between community service providers and managed care organizations

16. First Episode Psychosis

Expenditures to expand the First Episode Psychosis program

17. Designated State Health Programs

Expenditures for costs of designated programs which are otherwise state-funded

Public Notice and Input

The draft waiver application is available for public review at the Public Notices link located on the HFS web site: http://www.illinois.gov/hfs/. Copies of the draft waiver application will also be available at the location provided below.

Written comments concerning these proposed changes will be accepted on or before September 26, 2016. Comments may be sent to:

Illinois Department of Healthcare and Family Services
Division of Medical Programs
Bureau of Program and Policy Coordination
201 South Grand Avenue East
Springfield, IL 62763
Email address: hfs.bpra@illinois.gov

The State will host two public hearings and will provide interested stakeholders the opportunity to learn about and provide input into Illinois Department of Healthcare and Family Services' (DHFS') proposed Section 1115 Demonstration.

Thursday, September 8, 2016
10:30 AM to 1:00 PM
Howlett Auditorium
Michael J. Howlett Building
501 South Second Street
Springfield, IL 62756

Friday, September 9, 2016
10:30 AM to 1:00 PM
Assembly Hall Auditorium
James R. Thompson Center
100 W. Randolph Street
Chicago, IL 60601

A telephone conference line will also be available for anyone wishing to call in during the time of the hearing. Call-in information will be posted prior to the hearing at the web site and link provided above.

Written comments will be accepted at the public hearings. The outcome of this process and the input provided will be summarized for the Centers for Medicare and Medicaid Services (CMS) upon submission of the demonstration application.