



BETTER CARE ILLINOIS

Behavioral Health Initiative

Frequently Asked Questions (FAQs)

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Background

What is an 1115 waiver?

An “1115 waiver” is a contract between the federal and state governments that “waives” federal Medicaid requirements and gives the State government approval to experiment, pilot, or demonstrate projects. The purpose of these demonstrations is to evaluate policy approaches such as providing services not typically covered by Medicaid or creating innovative service delivery systems that improve care, increase efficiency, and reduce costs. Please also reference the CMS website for more information on Section 1115 Demonstrations:

<https://www.medicaid.gov/medicaid-chip-program-information/by-topics/waivers/1115/section-1115-demonstrations.html>

Why is Illinois seeking an 1115 waiver?

Illinois has outlined an ambitious strategy to improve behavioral health outcomes. An 1115 waiver is critical to the successful implementation of this behavioral health strategy. The proposed waiver elements test a combination of critical services that promise to be most effectively deployed together and, importantly, lay the foundation for innovation in integration and value-based payments.

Who can apply for an 1115 waiver?

1115 waiver applications must be submitted by State Medicaid agencies.

What is budget neutrality?

The federal government requires the demonstrations to be “budget neutral,” meaning that during the course of the waiver Medicaid expenditures cannot exceed what they would be without the waiver. The 1115 waiver is not a grant but rather an opportunity to use Medicaid dollars differently to increase the efficiency and quality of care for Medicaid populations.

How long does a waiver last?

1115 demonstration waivers generally run up to 5 years. They may be renewed and amended. Illinois’s waiver is a 5-year demonstration.

What are Special Terms and Conditions?

Special Terms and Conditions (STCs) are the detailed expectations agreed upon by the State and federal government upon approval of the 1115 demonstration waiver that enable the state to operate the demonstration. They serve as the final contract between the state and the federal government and the waiver demonstration period begins with the signing of approved STCs.

What is required of the state during the 1115 waiver demonstration?

During the waiver demonstration, the State will be required to formally evaluate the waiver’s outcomes and monitor and enforce budget neutrality through periodic reports to CMS. The process to do this as well as any other requirements will be agreed upon in the final STCs.

Waiver in the Context of Broader Health and Human Services Transformation

What is the Illinois Health and Human Services Transformation?

In the 2016 State of the State, Illinois announced a Health and Human Services (HHS) Transformation that places a focus on prevention and public health, pays for value and outcomes rather than volume and services, makes evidence-based and data-driven decisions, and moves individuals from institutions to community care to keep them more closely connected with their families and communities.

Consistent with the Triple Aim, the HHS Transformation seeks to improve population health, improve experience of care, and reduce costs. It is grounded in five themes:

- Prevention and population health
- Paying for value, quality, and outcomes
- Rebalancing from institutional to community care
- Data integration and predictive analytics
- Education and self sufficiency

What state agencies have collaborated to develop the Transformation strategy?

13 ILLINOIS ENTITIES ARE INVESTED IN HHS TRANSFORMATION	
Abbreviation	Name of entity participating in behavioral health Transformation
GO	Governor’s Office
DHFS	Illinois Department of Healthcare and Family Services
DCFS	Illinois Department of Children and Family Services
IDHS	Illinois Department of Human Services
IDJJ	Illinois Department of Juvenile Justice
IDOC	Illinois Department of Corrections
IDoA	Illinois Department on Aging
IDPH	Illinois Department of Public Health
IDVA	Illinois Department of Veterans’ Affairs
IHDA	Illinois Housing Development Authority
DoIT	Illinois Department of Innovation and Technology
ISBE	Illinois State Board of Education
ICJIA	Illinois Criminal Justice Information Authority

How have stakeholders been engaged on the development of the Transformation strategy?

Stakeholder engagement and input have been critical in both informing the State’s focus on behavioral health and designing the strategy. Throughout the State Health Assessment (SHA), two rounds of State Innovation Model (SIM) design grants, the creation of the State Health Improvement Plan (SHIP), and the HHS Transformation, more than 2,000 stakeholders collectively emphasized the urgency of behavioral health Transformation in Illinois. In HHS Transformation town halls, DCFS town halls, and dozens of meetings and surveys, stakeholders shared insights about pain points in the behavioral health system and suggested strategies to address them.

During the SIM rounds, the Governor’s Office convened three working groups that met regularly:

SIM Workgroup	Purpose
Consumer Needs	To inform SIM recommendations from the perspective of consumers and their families
Data and Technology	To recommend solutions (including those using existing resources) that enhance the secure and timely exchange of actionable clinical behavioral health data consistent with defined standards and to recommend opportunities for provider technical assistance
Physical and Behavioral Health Integration	To provide recommendations to support best practices for payers and providers, enhance care coordination, and develop collaborative practices and service linkages

Working group members included state agency staff, provider association representatives, behavioral health advocates, behavioral health providers, physical health providers, payers, and consumers from across Illinois. Recommendations by the physical and behavioral health integration working group, in particular, helped inform both the broad behavioral health strategy and the components of this 1115 waiver.

Most recently, four stakeholder-specific working groups were convened with consumer advocates, community services providers, behavioral health providers, and managed care organizations to obtain focused feedback on the emerging behavioral health strategy and components of this waiver application.

How will the Transformation address behavioral health?

The initial focus of the Transformation effort is on behavioral health (mental health and substance use) and specifically the integration of behavioral and physical health service delivery. Behavioral health was chosen due to the urgency of the issue as well as the potential financial and human impact. Building a nation-leading behavioral health strategy will not only

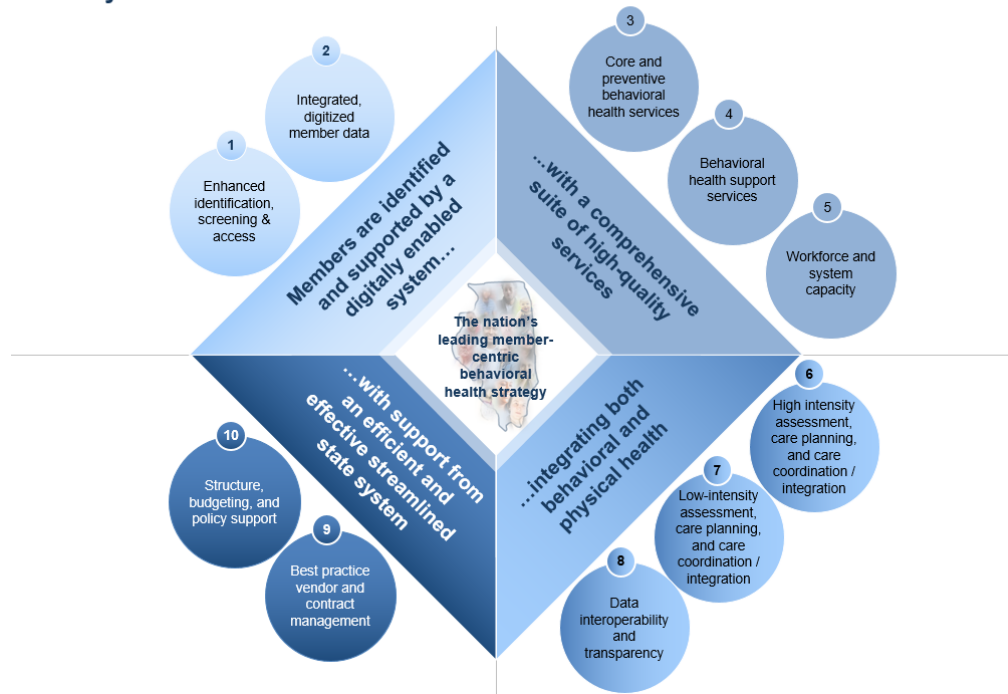
help bend the healthcare cost curve in Illinois but also help turn the tide of the opioid epidemic, reduce violent crime and violent encounters with police, and improve maternal and child health. There is also a large financial payoff in improving behavioral health: Medicaid members with behavioral health needs represent 25% of Illinois Medicaid members but account for 56% of all Medicaid spending.¹

Illinois has outlined a comprehensive behavioral health strategy aligned with a clear vision for an integrated behavioral and physical health delivery system. Illinois envisions a future behavioral health system in which:

- Members are identified and supported through a digitally enabled system
- Members have access to a comprehensive suite of high-quality services
- Behavioral and physical health services are integrated
- A streamlined state administrative system provides effective and efficient support

The figure below depicts these four central approaches and ten initiatives to support them.

Illinois envisions a member-centric behavioral health system enabled by ten key initiatives



How does the 1115 waiver fit within the broader Transformation?

The 1115 waiver is critical to successful implementation of its behavioral health strategy.

¹ State fiscal year 2015 HFS claims data

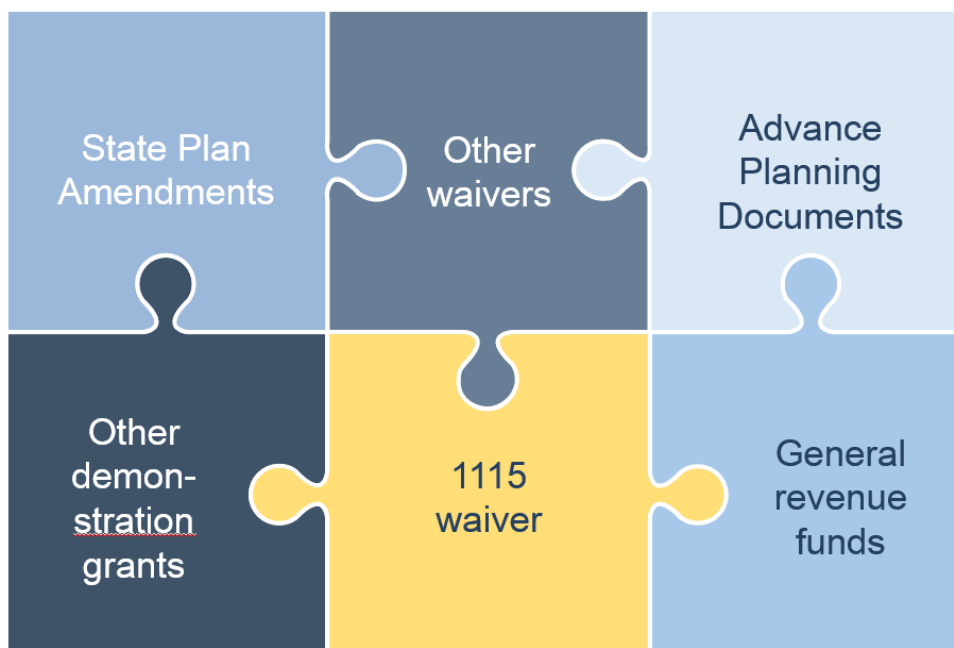
The benefits in the 1115 waiver enable Illinois to provide a higher-value, higher-quality behavioral health system. They are critical elements in supporting fully integrated behavioral and physical health homes, which will be most effective when they have the right core, preventative, supportive behavioral health services with which to integrate.

What other funding sources will the Transformation leverage?

The state will also pursue initiatives outside the waiver to advance its behavioral health strategy. For example, proposed State Plan Amendments (SPAs) include but are not limited to:

- Integrated physical and behavioral health homes [Pending approval]
- Crisis stabilization and mobile crisis response [Approved]
- Medication-assisted treatment (MAT) [Approved]
- Uniform Child and Adolescent Needs and Strengths (CANS) and Adult Needs and Strengths Assessment (ANSA) [Approved]

A broader set of potential funding vehicles pursued is displayed in the figure below.



Is the state developing a health home model in conjunction with this waiver?

Illinois will pursue an integrated behavioral and physical health home program that promotes accountability, rewards team-based integrated care, and shifts away from fee-for-service (FFS) towards a system that pays for value and outcomes.

The development of integrated behavioral and physical health homes and the payment model to support them sustainably will be a significant step in realigning the Illinois delivery system. The State envisions that these IHH providers and teams will have:

- Reimbursement (e.g., PMPM payments) for care coordination activities that promote whole-person care for eligible populations in need
- Outcomes-based payment models that reward measurable, positive outcomes associated with integrated care (across behavioral and physical health indicators)

Waiver contents

What are the goals of the 1115 waiver?

The 1115 aims to achieve six main goals:

1. Rebalance the behavioral health ecosystem, reducing over-reliance 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 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

What is included in the 1115 waiver?

Through the 1115 demonstration waiver, Illinois intends to test a set of benefits. The pilots are services provided to a defined population by a set of eligible providers.

The following pilots are included:

- 1. Residential and Inpatient Treatment for Individuals with Substance Use Disorder (SUD) Pilot.** This pilot will include Opioid Use Disorder /SUD treatment services, including services provided in residential and inpatient treatment settings that qualify as an Institution for Mental Diseases (IMD), which are not otherwise matchable expenditures under section 1903 of the Act. The state will be eligible to receive FFP for Illinois Medicaid recipients who are short-term residents in IMDs under the terms of this demonstration for coverage of medical assistance, including OUD/SUD benefits, which would otherwise be matchable if the beneficiary were not residing in an IMD. This pilot will operate statewide and the state may not institute annual enrollment limits.
- 2. Clinically Managed Withdrawal Management Services Pilot.** Under this pilot, the state will cover clinically managed withdrawal management services. The components of withdrawal management services are intake, observation, medication services and discharge services. Beneficiaries are eligible for this pilot if a Physician or Licensed Practitioner of the Healing Arts determines the beneficiary demonstrates moderate withdrawal signs and symptoms, has a primary diagnosis of OUD/SUD, and requires 24-hour structure and support to complete withdrawal management and increase the likelihood of continuing treatment

and recovery. The state may implement this pilot less than statewide and may institute annual enrollment limits.

- 3. SUD Case Management Pilot.** Under this pilot, the state will cover SUD case management services that assist a beneficiary to access needed medical, social, educational, and other services. Case management services are individualized for beneficiaries in treatment, reflecting particular needs identified in the assessment process, and those developed within the treatment.

Beneficiaries with an OUD/SUD diagnosis that qualify for diversion into treatment from the criminal justice system are eligible for this pilot. The state may not claim FFP for services provided to inmates of a public institution as defined in 42 CFR 435.1010. The state may implement this pilot less than statewide and may institute annual enrollment limits.

- 4. Peer Recovery Support Services Pilot.** Under this pilot, the state will cover peer recovery support services delivered by individuals in recovery from a substance use disorder (peer recovery coach) who is supervised to provide counseling support to help prevent relapse and promote recovery.

Beneficiaries receiving SUD treatment, have a primary diagnosis of OUD/SUD, and have an assessed need by a physician or other licensed practitioner of the healing arts for recovery support are eligible for this pilot. The state may implement this pilot less than statewide and may institute annual enrollment limits.

- 5. Crisis Intervention Services Pilot.** Under this pilot the state will cover crisis intervention services support stabilization, rapid recovery, and discharge of the individual experiencing psychiatric crisis.

Beneficiaries aged 6 through 64 who are experiencing a psychiatric crisis and require stabilization and support, including 24-hour clinical supervision and observation are eligible for this pilot. The state may implement this pilot less than statewide and may institute annual enrollment limits.

- 6. Evidence-based Home Visiting Services Pilot.** Under this pilot, the state will cover evidence-based postpartum home visit services to beneficiaries during their 60 day postpartum period and home visit services to Medicaid eligible newborn infants born with withdrawal symptoms to beneficiaries until the child reaches 5 years of age.

Beneficiaries eligible who are mothers during their 60-day postpartum period who gave birth to a baby born with withdrawal symptoms and Medicaid eligible children up to 5 years old who were born with withdrawal symptoms. The state may implement this pilot less than statewide and may institute annual enrollment limits.

- 7. Assistance in Community Integration Services Pilot.** Under this pilot, the state will cover a set of HCBS, specifically assistance in community integration services including pre-tenancy supports and tenancy sustaining services.

Beneficiaries eligible for these services must meet needs-based criteria that includes health and housing criteria. The state may implement this pilot less than statewide and may institute annual enrollment limits.

- 8. Supported Employment Services Pilot.** Under this pilot, the state will cover a set of HCBS, specifically supported employment services including pre-employment services, employment sustaining services, job analysis, job coaching, benefits education and planning, transportation and follow-along supports.

Beneficiaries eligible for these services must meet needs-based criteria that includes behavioral health criteria and is expected to benefit from supported employment services, which means expressing a desire to work. The state may implement this pilot less than statewide and may institute annual enrollment limits.

- 9. Intensive In-Home Services Pilot.** Under this pilot, the state will cover intensive in home services, which include face-to-face, time-limited, focused interventions to stabilize behaviors that may lead to crisis or may result in inpatient hospitalizations or residential care.

Beneficiaries aged 3 to 21 who meet the requirements of Tier A (high physical, high behavioral health needs) or Tier B (high behavioral health, low physical needs) of the Integrated Health home and have a history or be at risk for specific behavioral health services. The state may implement this pilot less than statewide and may institute annual enrollment limits.

- 10. Respite Services Pilot.** Respite care is a set of individualized time-limited services that provide families scheduled relief to help prevent stressful situations, including avoiding a crisis or escalation within the home. Services can be delivered in or out of the home as long as they take place in community-based settings.

Respite services provide safe and supportive environments on a short-term basis to Medicaid clients age 3 up to age 21 with behavioral health conditions when their families need relief. The beneficiary must meet the requirements of the Tier A (high physical, high behavioral health needs) or Tier B (high behavioral health, low physical needs) of the Integrated Health Home and exhibit certain risk factors. The state may implement this pilot less than statewide and may institute annual enrollment limits.

Will the benefits of the Transformation be available to all Medicaid members?

Illinois has designed each benefit based on strong evidence showing improvements in cost and quality of care through similar initiatives across the country. Illinois recognizes the importance, however, of tailoring programs to geographic and specific populations and of continuous analysis and performance review to monitor and improve the program to optimize outcomes.

In this vein, for many benefits, Illinois has identified pilot populations in greatest need of the proposed benefits and for whom the benefits are most likely to impact outcomes. As the waiver progresses and the benefits demonstrate significant cost and quality improvements, benefits may be scaled to reach a broader population where appropriate.

Additionally, the SPAs will be available statewide for anyone needing the services.

What populations will the waiver cover?

The demonstration will enhance behavioral health benefits and help integrate behavioral and physical health services, in both fee-for-service and managed care, for both 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 unless specifically waived in the 1115 demonstration.

The demonstration does not include the groups or benefits described in 42 C.F.R. § 440.255 (limited services available to certain aliens); or 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.

What role will managed care organizations play in waiver activities?

Managed care organizations are a critical component of the Illinois Medicaid program and essential partners in the behavioral health Transformation. Managed care organizations have informed the behavioral health strategy through regular dialogue with the State and will be instrumental in facilitating implementation of many of the benefits and initiatives in the waiver as well as the broader strategy.

Finance Strategy and Sustainability

How will the waiver pilots and SPAs be funded?

Through the waiver, federal investments and existing state resources will support implementation of the pilots and SPAs. The continuation of federal funding for the pilots under the waiver beyond the demonstration period is conditional on re-approval, which will be informed by the impact of the waiver. Illinois expects transformation to be sustainable after the five-year demonstration period ends.

How will the 1115 waiver and related state plan amendments create savings to be reinvested in the behavioral health system?

Illinois believes that the rebalancing of behavioral health services and the integration of physical and behavioral healthcare will produce substantial savings to the Medicaid program. To ensure that the behavioral health transformation project is budget-neutral, the State will commit to a 2% reduction in spending compared to what spending would be without the waiver and state plan amendments. This reduction in spending is what Illinois is requesting be reinvested in the Transformation.

The sources of these savings include, but are not limited to:

- Comprehensive management of members, particularly adults who experience OUD/SUD
- Deflecting members with behavioral health conditions away from high-cost institutional services when unnecessary, ensuring proper management under community-based services
- Stabilizing behavioral health conditions and co-morbid medical conditions to avoid long-term Medicaid eligibility for some individuals. For others, the outcome of early intervention will result in conditions that are easier to manage and less costly than disability-related Medicaid
- Designing a value-based payment and delivery system that ensures provider responsibility for delivering the right care, in the right place, at the right time, at the right cost

How will sustainability post-waiver be achieved?

Illinois intends for the benefits pursued through the waiver and SPAs to be financially sustainable beyond the demonstration period. Sustainability will be key to CMS' approval of Illinois' proposal and thus, a specific plan for sustainability and milestones to demonstrate sustainability will be agreed upon in the STCs.

Illinois believes sustainability will stem from the services, infrastructure, and system changes promoted through the waiver and SPAs, the transition to integrated behavioral and physical health care delivery as supported by the waiver, and the shift to value-based payments.

When will the waiver take effect?

The waiver effective date is July 1, 2018.

