

Building Capacity for Transformation: Next Steps for NH's 1115 Waiver

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DRAFT



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Vision for Delivery System Reform in New Hampshire



Transforming New Hampshire's Delivery System

New Hampshire has an unprecedented opportunity to strengthen its delivery system to better address the behavioral health (**both mental health and substance abuse**) needs of all Medicaid beneficiaries. The waiver will allow New Hampshire to develop a sustainable infrastructure for providing high-quality, integrated physical and behavioral health services; improve the health of the State's population; and reduce the rate of growth in Medicaid spending.

High-Level Vision

- Create a health system with the capacity to address the behavioral (**both mental health and substance abuse**) and physical health needs of all beneficiaries, including newly-eligible adults and children, pregnant women, people with disabilities and seniors who have long been eligible for Medicaid in New Hampshire.
- Promote integration of the physical and behavioral health system to ensure that needs are addressed before a crisis occurs and that beneficiaries, as appropriate, are connected with social services that can improve their health outcomes.
- Establish partnerships of providers and community-based organizations (“Integrated Delivery Networks” or “IDNs”) that implement projects to support delivery system reform across enabling pathways.
- Establish performance metrics for IDNs and statewide metrics to assess whether the vision is achieved

Enabling Pathways

Fostering Partnerships Among Providers Across the Care Spectrum To Support Care Transitions



Building Capacity in the Behavioral Health System

Promoting Provider Integration



Recent Developments and National Trends



NH's Initial Waiver Submission

Chapter 3 of New Hampshire Laws 2014 (SB 413) directed DHHS to prepare and submit Section 1115 Waiver for transformation of NH Medicaid program



April/May 2014: Waiver concept paper and application drafted in consultation with stakeholders, including two public hearings and a public comment process.



May 2014: Waiver application, titled *Building the Capacity for Transformation*, approved by Fiscal Committee and submitted to CMS.

Waiver proposed funding of six designated state health programs:

- Establishing a Community Reform Pool
- Enhancing Community-Based Mental Health Services
- Sustaining Community-Based Services for Children and Youth under the System of Care/F.A.S.T. Forward Program
- Investing in Behavioral Health Workforce Development
- Expanding the InSHAPE program
- Launching Oral Health Pilot Program for Pregnant Women



CMS Perspective on Waiver Submission

CMS requested that the Department articulate a **more cohesive vision** for how the waiver would transform the state's health delivery system and serve its health reform goals of improving care, improving population health and impacting healthcare costs. In addition, several related developments at CMS reinforce the need for a refocused waiver amendment.

Waiver Policy Priorities

CMS increasingly is pushing **all** states to clearly assess and analyze the circumstances in which a waiver is needed versus a State Plan Amendment.



Innovation Accelerator Program

CMS recently announced the Medicaid Innovation Accelerator Program (IAP) to support delivery system reform in states. The IAP includes a strong focus on mental health and substance abuse issues.



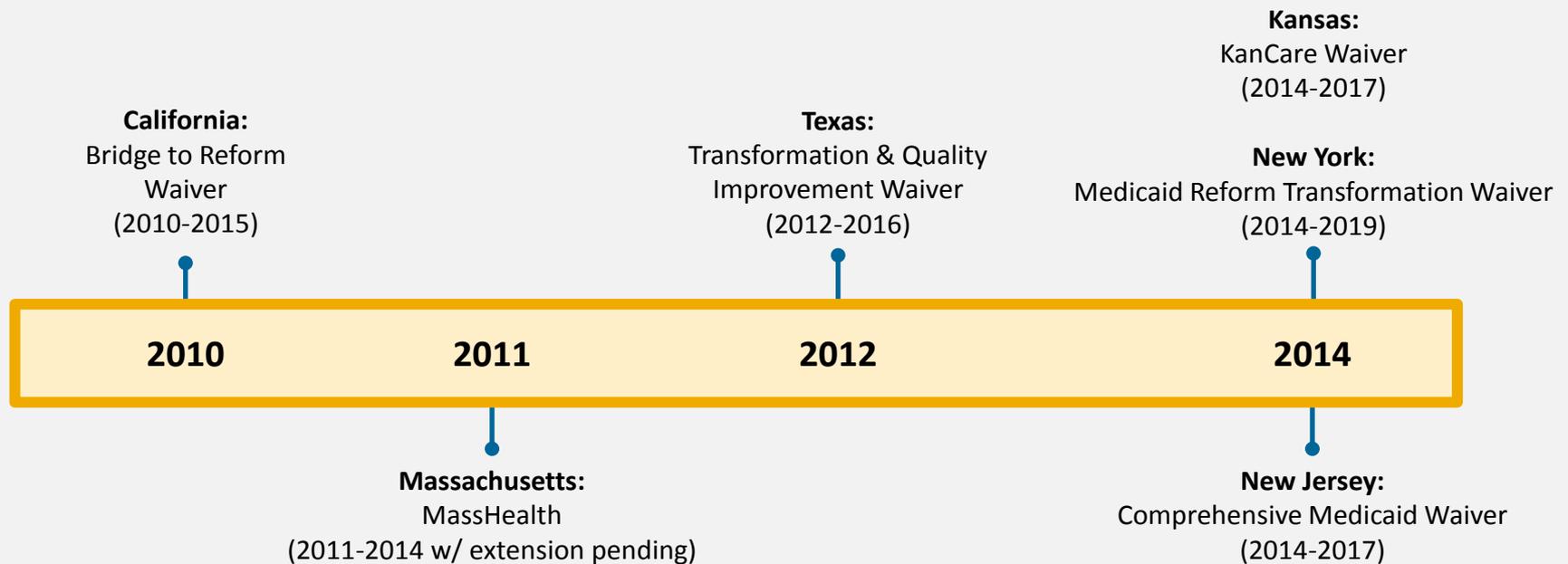
CMS priorities continue to be dynamic and additional guidance may be forthcoming



Evolution of Delivery System Waivers

- No clear rules or official CMS guidance on how states may structure delivery system reform waivers, which increasingly are referred to as “Delivery System Reform Incentive Program” or “DSRIP” waivers.
- States have flexibility to design their programs to address the unique challenges facing their delivery system and Medicaid population.

Initially, states used DSRIP funding to support public hospitals and other safety net providers (e.g., CA, TX). Recently, states have taken a more strategic approach by articulating a clear vision, creating projects in support of the vision, and establishing performance benchmarks (e.g., NJ, NY).



Emerging Themes from Recent DSRIP Waivers

The following high-level themes reflect the more defined and strategic characteristics of recent state DSRIP waivers in New Jersey and New York.

	Themes	State Examples
 Clear Vision	<ul style="list-style-type: none">States must articulate a clear vision for delivery system reform in their waiver applications.Recent DSRIP states have defined concrete visions and established metrics to measure their progress toward achieving them.	<ul style="list-style-type: none">NY: Overall waiver goal is to reduce avoidable hospital utilization.
 Defined Pathways	<ul style="list-style-type: none">Some early DSRIP states provided more flexibility to eligible providers to choose projects and define performance metrics.More recent DSRIP states have chosen to create a menu of defined projects and metrics.	<ul style="list-style-type: none">NJ: Providers must select from a menu of 17 separate projects to address 1 of 8 chronic conditions.NY: Providers select from a menu of 44 separate projects across four domains established by the state.



Emerging Themes from Recent DSRIP Waivers (cont.)

Themes	State Examples
 <p>State and Provider Performance Metrics</p>	<ul style="list-style-type: none">States have established statewide performance metrics that measure their progress toward meeting their waiver vision, which may be tied to CMS waiver funding.Recent DSRIP states have also established provider performance metrics that are tied to ongoing support payments. <ul style="list-style-type: none">NY: State must meet statewide delivery system reform goals and metrics, including reducing inpatient admissions by 25% statewide.NJ and NY: Each project has a defined set of outcome measures for providers (e.g., reduced admissions and ED visits, improved care processes), and providers must attain measures to receive payment.
 <p>Transition Payments</p>	<ul style="list-style-type: none">In general, DSRIP states provide transition payments to support and stabilize providers as they transition to new delivery models.Transition payments are undergoing increasing scrutiny at the federal level. <ul style="list-style-type: none">NJ: Payments may be used for infrastructure expenses, including investments in “technology, tools, and human resources.”

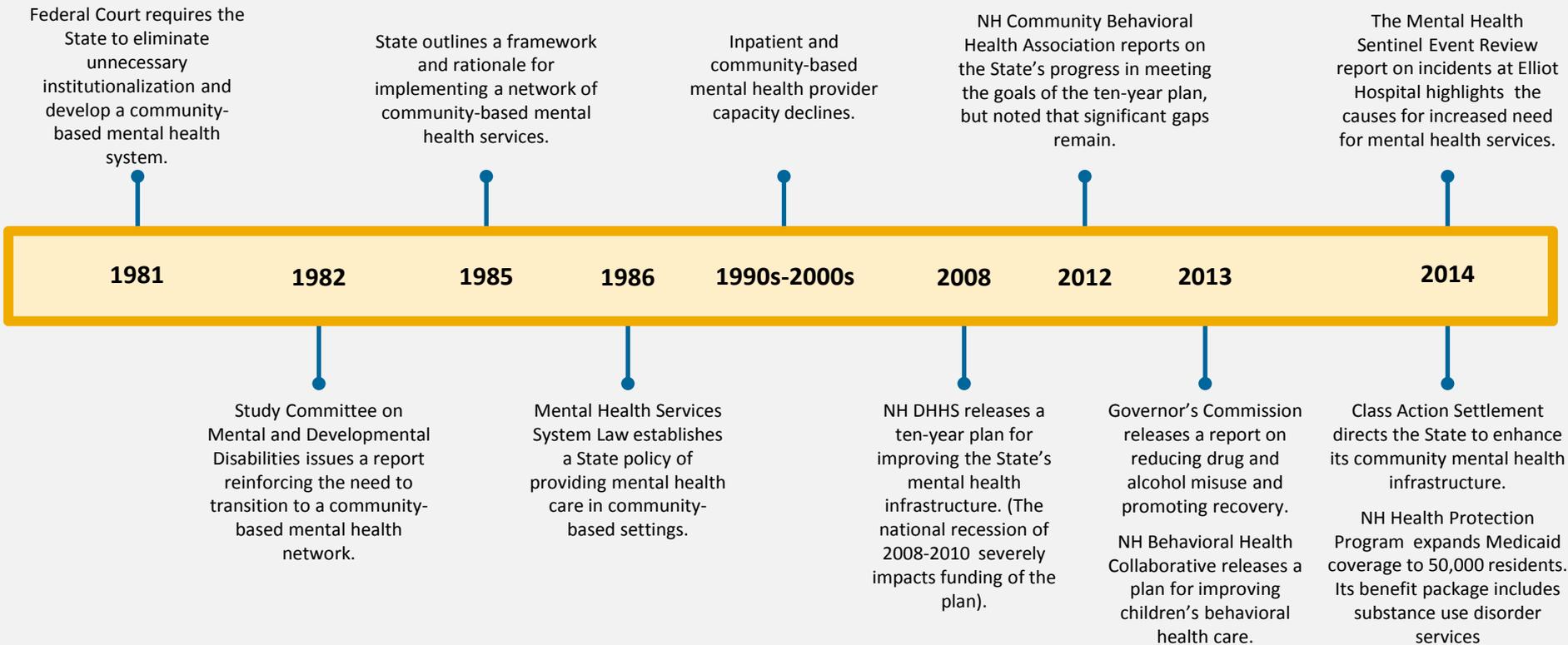


Background on Behavioral Health and Substance Abuse Issues in New Hampshire



Timeline of Key Events & Reports

In the 1980s, the State began the process of deinstitutionalization and transitioning to community-based providers. However, in recent years the State's community-based provider network, along with its limited inpatient psychiatric facilities and substance use disorder services, have been unable to meet the evolving needs of the population.



Current Challenges

- Despite recent efforts, significant challenges remain in meeting the needs of individuals with mental illness and substance use disorders (SUD).
- Newly available substance abuse coverage for the Medicaid expansion population is a major step forward but places new demands on already overtaxed SUD providers, underscoring the need for transformation.

NH Hospital operates at capacity, while the need for intensive psychiatric care is growing.

- Inpatient psychiatric beds decreased statewide from 526 beds in 2005 to 384 beds in 2013.
- In 2014, on average 11 to 31 adults and 2 to 8 children awaited admission at NH Hospital.
- Nearly 1 out of 3 people waited more than 24 hours in the ED.

Inpatient and residential alternatives to NH Hospital have diminished over the last 15 years.

- Availability of outpatient, community providers varies geographically across the State.
- Community DRF beds decreased from 101 beds in the 2000s to 18 in 2014, as have Acute Psychiatric Residential Treatment Program beds (from 52 to 16).
- CMHCs closed 44 beds since 2008 in response to substantial Medicaid reimbursement cuts.

SUD providers are at capacity and facing financial challenges

- Availability of SUD providers varies across State, particularly for withdrawal management and residential services.
- Most state-funded residential treatment programs and transitional living programs have wait lists of between 2 and 10 weeks.
- Decreases in the availability of SUD services and treatment programs have coincided with increases in drug and opiate-related deaths over the past five years



Key Elements for Delivery System Reform in New Hampshire



The Key Elements of NH's Delivery System Reform

New Hampshire's goal is a "whole person" approach to health care for its residents, including Medicaid beneficiaries with significant mental health and/or substance abuse issues. To implement comprehensive reform, it will adopt a multi-pronged approach.

Key Elements



Transition Funding. Transition funding will be used to strengthen providers so they can provide mental health and SUD services to growing numbers of State residents even as they prepare for delivery system reform.



Integrated Delivery System Networks. At the heart of the DSRIP program will be regional networks of providers responsible for providing integrated care that addresses the physical and behavioral needs of beneficiaries and connecting them with social services that affect their health.



Coordination with Medicaid managed care. To ensure the sustainability of the initiative, the State will establish a system and incentives for care management organizations and IDNs to work together to provide high quality, cost-effective care to Medicaid beneficiaries.



State-wide resources. New Hampshire could create state-wide resources to support DSRIP implementation, such as a state-wide technical assistance entity.



Key Elements: Transition Funding

Transition funding will be used to strengthen providers so they can provide mental health and SUD services to growing numbers of NH residents even as they prepare for delivery system reform. Funds available only to those providers that agree to participate in longer-term delivery system reform efforts, but funds are not otherwise tied to milestones.

Allowable Uses



Strengthening SUD Treatment Capacity. To address severe shortages in SUD treatment options exacerbated by the Medicaid expansion, transitional funding will be used to support recovery support services, opioid treatment programs, intensive outpatient counseling, medication assisted treatment, and residential services.



Inpatient behavioral health services. To address the acute shortage of hospital beds for mentally ill individuals in crisis, transition funding will be used to support hospitals that provide in-patient alternatives to the New Hampshire Hospital. Inpatient beds will be used only when strictly necessary and will be integrated into a continuum of care for those with behavioral health issues.



Community mental health services. Transition funding will be used to support and strengthen Community Mental Health Centers and other community-based providers to coordinate physical and behavioral health services.



Key Elements: Integrated Delivery Networks (IDNs)

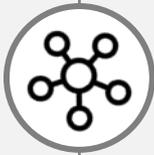
To pursue its delivery system reform goals, New Hampshire will establish new “integrated delivery networks” or “IDNs.” The IDNs will be regionally-based networks of providers charged with ensuring that Medicaid beneficiaries receive integrated physical and behavioral health care in the community to the maximum extent possible.



Integrated Delivery Networks



Provider Partners: Includes hospitals, physical health providers, behavioral health providers (mental health and substance abuse), and community support organizations (e.g., social services).



Structure: A model in which a lead applicant will serve as the coordinating entity for the IDN while provider partners will help to design and implement delivery system reform changes. Hospitals and community providers will be eligible to serve as lead applicants.



Responsibilities: Building greater behavioral health capacity; promoting the integration of care; and preparing for greater value-based purchasing through implementation of projects.



See appendix for additional parameters for IDNs



Implementation of Integrated Delivery Networks



The state will provide funding to providers to establish IDNs and create a menu of projects from which they will select as part of the application process. The projects will be composed of activities that will support NH's vision for delivery system reform.

Implementation Process



Pathways & Projects for Delivery System Reform



Building Capacity in the Behavioral Health System



Projects will support behavioral health capacity by supporting workforce initiatives, new treatment and intervention programs, and alternative care delivery models (e.g., telemedicine).

Example Projects

- ✓ Investing in a mental health workforce development program to support access to behavioral health providers in underserved areas of the State, including on behalf of individuals with co-occurring mental health and SUDs.*
- ✓ Establishing a specific workforce development initiative for SUD providers to promote increasing SUD treatment capacity throughout the State.*
- ✓ Increasing access to behavioral health community crisis, intervention, and stabilization services.^^
- ✓ Enhancing Assertive Community Treatment (ACT) services in a community.*^
- ✓ Developing an evidence-based medication adherence program in community-based sites for behavioral health medication compliance.
- ✓ Implementing telemedicine programs to support and deliver behavioral health services.*

*retained from original waiver submission

^^noted in the Community Mental Health Settlement Agreement



Promoting Provider Integration



Projects will promote provider integration by supporting physical or virtual integration, and expanding programs that foster collaboration among physical and behavioral health providers.

Example Projects

- ✓ Promoting virtual or physical integration among physical and behavioral health staff.
- ✓ Expanding the InSHAPE program to additional populations and provider settings.*
- ✓ Developing models to integrate physical and behavioral health care with developmental services for individuals with co-occurring developmental disabilities and behavioral health issues.

*retained from original waiver submission

^noted in the Mental Health Settlement Agreement



Fostering Partnerships Across the Care Spectrum in Support of Care Transitions



Projects will promote smoother care transitions by creating incentives for IDNs to adopt evidence-based practices for the treatment of behavioral health patients during transitions and incentivizing provider collaboration.

Example Projects

- ✓ Establish and implement a behavioral-health specific discharge plan for individuals moving between care settings or returning to the community[^]
- ✓ Promote routine medication management reviews for discharged patients with structured follow up visits*
- ✓ Support facilitation of access to social services and community supports[^]
- ✓ Establish and implement a discharge plan for individuals with behavioral health issues leaving corrections facilities
- ✓ Provide community-based support and services to children with severe behavioral health needs to enable them to remain in community-based care settings

*retained from original waiver submission

[^]noted in the Mental Health Settlement Agreement



Program Accountability

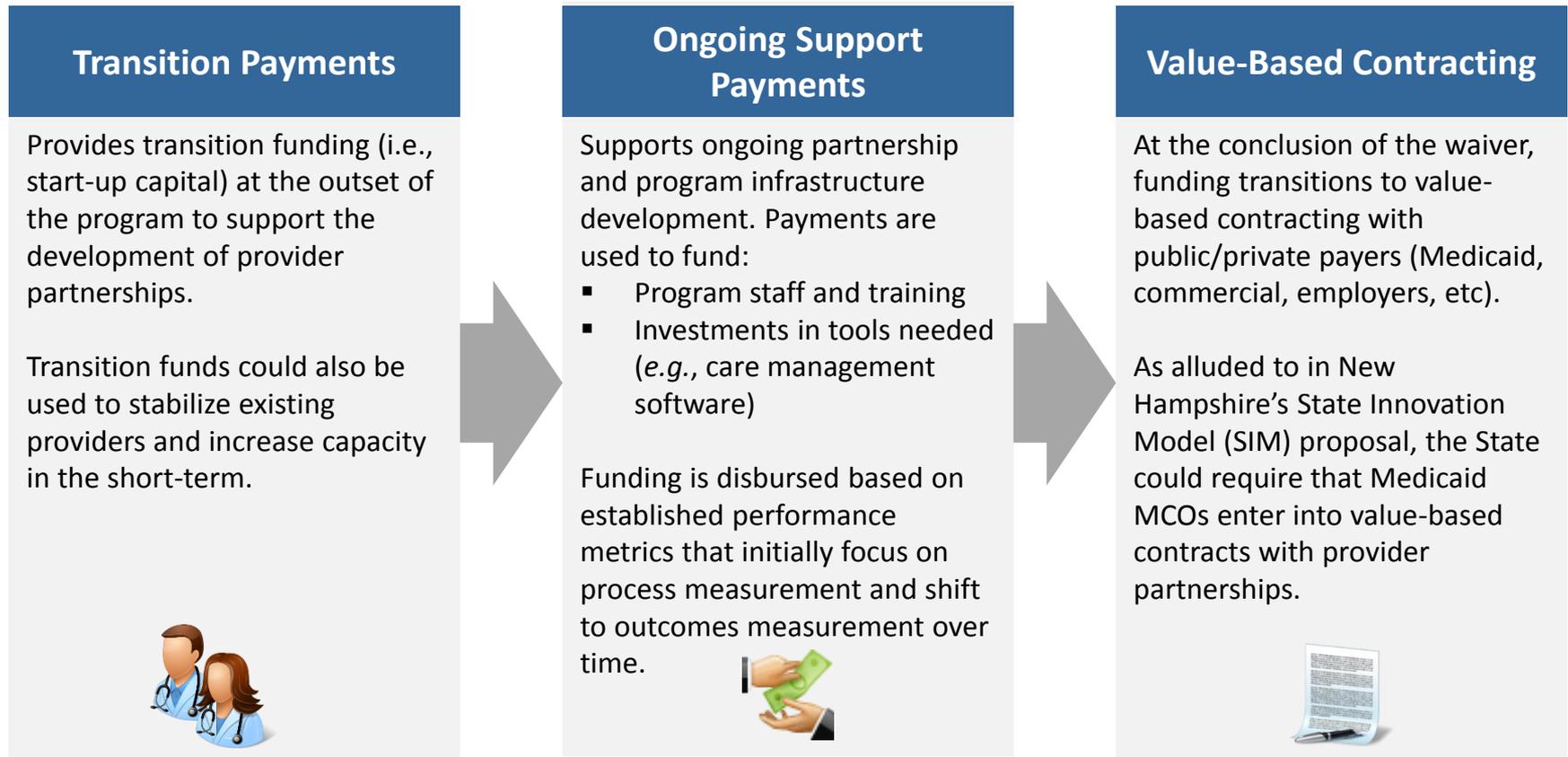
Performance metrics will be established at the state- and provider-levels to monitor progress toward achieving the overall waiver vision. Payments from CMS to the state and from the state to providers will be contingent on meeting these performance metrics.

	 Statewide Performance Metrics	 Provider Performance Metrics
Purpose	Measures statewide progress toward meeting the waiver vision.	Measures individual provider performance based on selected projects.
Funding Impact	CMS waiver funding may be contingent on achieving vision.	Ongoing provider support payments are tied to performance.
Examples	<ul style="list-style-type: none"> ▪ Inpatient psych admissions ▪ Inpatient admissions/readmissions for individuals with co-occurring behavioral health issues ▪ Acuity levels 	<ul style="list-style-type: none"> ▪ Initiation and engagement of alcohol and other drug dependence treatment ▪ Age-adjusted percentage of adults with poor mental health for 14 or more days in the last month



Funding Model

Supports the overall vision and enables programs to ramp up and demonstrate success. At the conclusion of the waiver, programs will have data to support entering into value-based contracting with public and private payers.



Questions?



Appendix

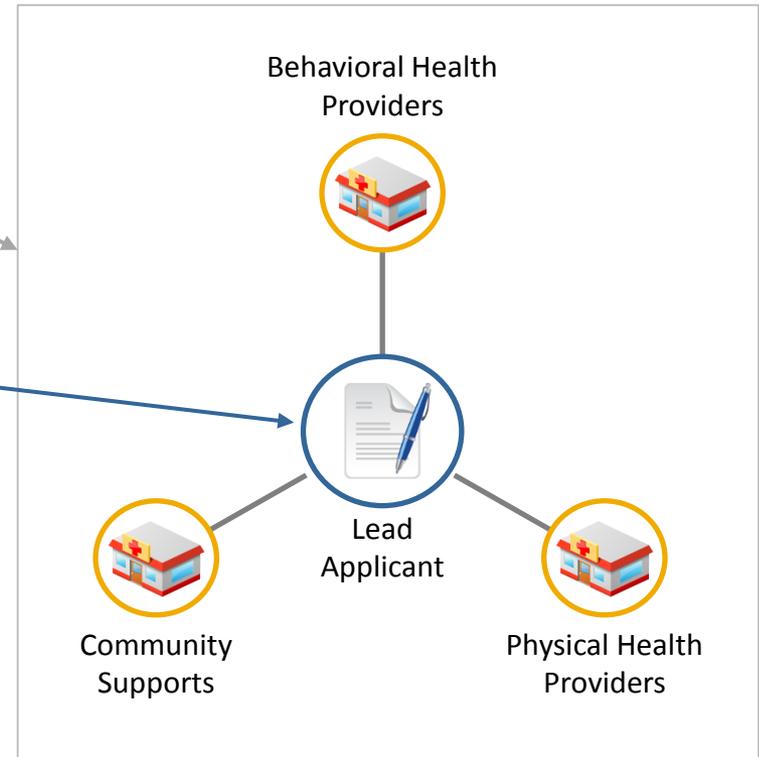


Building IDNs: Responsibilities of Lead Applicant

Integrated delivery network will be composed of a lead applicant and several partners

Lead Applicant Responsibilities

- Organize partners in geographic region
- Coordinate program application
- Act as single point of accountability for DHHS
- Receive funds from DHHS and distribute funds to partners
- Compile required reporting



NOTE: Partners may lead implementation efforts for specific projects



Building IDNs: Qualifications for Lead Applicants



Organizational Capabilities

Lead applicant must have demonstrated capabilities to lead transformation effort, such as:

- Previous collaborative experience with partners in the region
- Project management experience
- Experience implementing clinical transformation projects, including grant-funded pilots
- Relationships with social services organizations or the ability to establish such relationships



Financial Stability

Lead applicant must demonstrate financial stability:

- Adequate performance on standard benchmarks for current financial stability (e.g., days cash on hand, operating margin)
- Capacity to absorb unexpected financial shocks in the future
- A history of and commitment to using financial practices that will allow for transparency and accountability with respect to DSRIP funds

Key Takeaway: Lead applicants are **not** required to be a specific provider type (e.g., hospital or community mental health center). Any provider meeting the criteria can act as lead applicant.



Building IDNs: Defining the Relationships Among Partners

Within parameters established by the State, each IDN will need to create a governance structure that defines the nature of the partnership among the lead applicant and the partner providers and establishes a decision-making process.

Governance Structures

- *Structures.* Governance is effectuated through boards and committees
- *New Entity or Contracts?* Partners may choose to create a new entity or enter into contracts defining the relationships among the parties

Key Issues

- *Board/Committee Participation.* How much representation will each partner have on governance board/committees?
- *Veto Power.* What veto authority, if any, will lead applicant have over decisions made by governance board/committees?
- *Accountability.* What power does the board/committee have to monitor performance and engage in corrective action, as necessary?
- *Community and Consumer Engagement.* What role will the governance structure play in facilitating community and consumer involvement in the IDN?

Within guideposts established by the State of NH, each IDN will develop its own approach to these questions.



Building IDNs: Governance Goals & Requirements

Core Governance Principles

- **Participatory.** Ensure that partners have active role in decision-making process.
- **Accountable.** Lead applicant and partners should be accountable to each other, with clearly defined mechanisms to facilitate decision-making.
- **Flexible.** Within some guideposts, allow each IDN to create a structure that works best for it. State will not establish a “one-size-fits-all” governance structure.

State will require that IDNs explain how their governance structure will provide for the following:

- **Financial governance.** Includes the distribution of funds among partners and the development of budgets for projects.
- **Clinical governance.** Includes the development of standard clinical pathways and monitoring and managing patient outcomes.
- **Data/IT governance.** Includes data sharing among partners and reporting and monitoring processes
- **Community/consumer engagement.** Includes engagement of consumers/community-based in IDN activities and promotes connections with social services agencies.

