DEPARTMENT OF HEALTH CARE POLICY AND FINANCING AND DEPARTMENT OF HUMAN SERVICES: *BEHAVIORAL HEALTH SERVICES* FY 2017-18 JOINT BUDGET COMMITTEE HEARING AGENDA

Tuesday, January 3, 2017
1:30 – 4:30 pm

QUESTIONS FOR THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

1:30-1:45 INTRODUCTIONS AND OPENING COMMENTS

1:45-2:15 ACCOUNTABLE CARE COLLABORATIVE (ACC) AND RELATED PAYMENT REFORMS IN *R6 DELIVERY SYSTEM AND PAYMENT REFORMS*

1 Describe the overall goals of phase II of the Accountable Care Collaborative, and how the Department anticipates that the proposed changes to behavioral health service contracts will help achieve these goals.

2 Provide information about any concerns the Department has received from behavioral health clients, providers, or advocacy groups in response to the draft request for proposals (RFP) that was released November 4, 2016.

3 The Department proposes an implementation date of July 1, 2018. Given the upcoming changes in administration at the federal and state levels, does this timing make sense?

4 Why is the Department proposing contracts that last for seven years? Is this in the State's best interest?

5 The Department indicates that it plans to retain the capitation payment methodology for "core behavioral health services". Explain what services are considered "core" and will thus continue to be paid through a capitated rate, and which services will be paid using a different methodology.

6 The draft RFP allows for reimbursement for six behavioral health-related visits, per episode of care, that are provided in a physical healthcare setting. How does the Department plan to cover the cost of these visits and still achieve its cost savings/cost avoidance goals?

7 How does the Department plan to ensure continuity of care for those clients with severe mental illness or substance use issues both during and after the transition to the regional accountable entities (RAEs)?

8 Describe elements of the RFP that are designed to improve behavioral health care and care coordination for:

   a. Individuals involved in the criminal justice system (including those individuals who are being released from the Department of Corrections);
   b. Children and families involved in the child welfare system; and
   c. Individuals who are in crisis and require urgent behavioral health services.

9 Explain why the Department anticipates that the federally required change from an actuarially certified rate range to a rate point will reduce behavioral health capitation rates.

10 Discuss the Department's plans to use incentive payments for improved performance to mitigate anticipated decreases in behavioral health capitation rates.

11 In *R6 Delivery system and payment reforms*, the Department proposes replacing a federally mandated decrease in capitated payments for behavioral health organizations in FY 2017-18 with performance-based payments beginning in FY 2018-19. How does the Department expect providers to manage the delay in payment?

12 What types of physical and behavioral healthcare services are covered by Medicaid when an individual is receiving inpatient psychiatric care (please differentiate services provided within the mental health institutes from those provided in other settings)? Does the Department's draft RFP propose any changes that would increase the physical or behavioral healthcare that is covered by Medicaid under these circumstances?

2:15-2:20 OTHER

13 Explain why the capitation rates for the "Individuals with disabilities up to age 64" eligibility category are so high relative to other categories.

14 Describe the processes that the Department uses to recoup money from a behavioral health organization (BHO), whether the recoupment is due to an IT systems issue or the "risk corridor" that was placed on capitation rates for the expansion populations. How much notice does a BHO receive, and how does the BHO plan for such recoupments from a cash flow perspective?

QUESTIONS FOR BOTH THE DEPARTMENT OF HUMAN SERVICES AND THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

2:20-2:40 WICHE STUDY CONCERNING BEHAVIORAL HEALTH FUNDING (DEC. 2016)

15 Discuss the findings of the WICHE Study. In particular, discuss the recommendations related to realigning responsibilities for behavioral health services at the state agency level and at the provider level to: (a) strengthen the coordination and equity of care provided to individuals across the state; and (b) improve the effectiveness and efficiency in the use of state and federal funds.

16 [WICHE Study Recommendation #6] Describe the current status of the proposal to modify the Medicaid Management Information System (MMIS) to allow for eligibility and payment processing for both Medicaid and non-Medicaid clients. Discuss whether this is likely to be a viable option for reducing the administrative burden on service providers and ensuring that the State is not paying twice for the same service.

17 [WICHE Study Recommendation #7] *Background information: Federal Medicaid rules allow states to suspend Medicaid eligibility for individuals in institutions for more than 30 days, including state hospitals, prisons, and juvenile facilities (for individuals who emancipate). Senate Bill 08-006 requires that persons who are eligible for Medicaid just prior to their confinement in a jail, juvenile commitment facility, Department of Corrections (DOC) facility, or Department of Human Services facility shall have their Medicaid benefits suspended, rather than terminated, during the period of their confinement.* Explain the significant delay in implementing this act, describe what the Department has done to date to implement this act, and provide a time table that specifies the actions the Department will take to complete implementation for both DOC inmates and patients at the mental health institutes.

2:40-2:50 STATEWIDE BEHAVIORAL HEALTH CRISIS RESPONSE SYSTEM

18 What types of behavioral health crisis services do existing Medicaid capitation rates cover, and what services are (or should be) covered by General Fund appropriations to the Department of Human Services for the statewide behavioral health crisis response system?

19 What is the role of the statewide behavioral health crisis response system in addressing crises related to substance use?

2:50-3:10 CONTINUUM OF SUBSTANCE USE DISORDER SERVICES

20 Describe the various types of services that are necessary and effective for treating individuals with a substance use disorder.

a. Identify which substance use-related services are currently covered under Medicaid, and which are not. For those services not covered by Medicaid, explain why.

b. Identify which substance use-related services are currently provided through the Department of Human Services, and describe the types of individuals who are eligible to receive such services.

21 The draft RFP for phase II of the Accountable Care Collaborative does not include significant reforms related to substance abuse and addiction. Given the growing complexity of substance abuse and the opioid epidemic, what is the Department of Health Care Policy and Financing's plan to expand the role of the health community in addressing the costs associated with addiction?

22 *Background information: Managed service organizations (MSOs) manage a statewide substance use disorder treatment system for Colorado. There are seven MSO regions. As regional entities, MSOs support the delivery, expansion, and quality delivery of the entire continuum of substance use disorder treatment.* The draft RFP requires the regional accountable entity (RAE) contractor to include several specific providers as part of its health care delivery network (RFP, page 68). If one of the goals of the RAE is to implement coordination of services to "disincent duplication of services, overuse of low value services and fragmentation of care" (RFP, page 25), shouldn't MSOs be included as an entity that the RAEs must work with to ensure benefit continuity and access to services not otherwise covered by Medicaid?

23 Legislators hear that there is a shortage of facilities that provide detoxification services (for both Medicaid-eligible clients and individuals who are not eligible for Medicaid). Provide any available data about the adequacy of detoxification services statewide.

a. If there is a problem related to access to detoxification treatment, explain why (e.g., are the rates paid by the Medicaid program or the Department of Human Services too low)?

b. What are both departments' plans to address the needs of individuals who repeatedly cycle through detox facilities?

24 *Background information: Senate Bill 16-202 requires each managed service organization (MSO) to assess the sufficiency of substance use disorder services in its geographic region, prepare a community action plan to address the most critical service gaps, and submit the plan to both departments by March 1, 2017. The Department of Human Services is responsible for posting these plans to its website and submitting a report summarizing the plans to various legislative committees (including the JBC) by May 1, 2017.* Would it be possible for the Department to provide any available information about the community action plans that it

receives in early March to allow the General Assembly to use this information when making funding decisions for FY 2017-18?

3:10-3:25 BREAK

QUESTIONS FOR THE DEPARTMENT OF HUMAN SERVICES (DHS)

3:25-3:40 INTRODUCTIONS AND OPENING COMMENTS

3:40-4:05 ROLE OF THE MENTAL HEALTH INSTITUTES

25 Describe the Department's recent and ongoing facility and operational planning processes concerning the mental health institutes and the State's role in providing direct care for individuals with serious mental illness. Please include a discussion of:
   a. the Department's Facility Program Plan and Site Master Plan project that was funded in FY 2014-15 and the Department has indicated will be completed in early 2017;
   b. the study conducted by the Western Interstate Commission on Higher Education (WICHE) concerning the state's current and future behavioral health needs (completed in April 2015);
   c. the Department's Operational Program Plan that was finalized in August 2016; and
   d. the study that was funded in FY 2015-16 and conducted by WICHE concerning the effectiveness of the Circle Program and related operational scenarios (completed September 2016).

26 How does the Department's FY 2017-18 capital construction request fit into this planning process?

27 How does the Department's FY 2017-18 capital construction request relate to the "contingent" budget request the Department submitted last year for facility-related changes at both mental health institutes?

28 What are the projected annual operating costs of the proposed 24-bed unit?

29 Provide data concerning the Department's compliance to date with the Settlement Agreement concerning the length of time pretrial detainees wait to receive competency evaluations and competency restoration treatment.

30 Provide any available data indicating the number of individuals who require inpatient competency evaluation and restoration services, and those who are better served in a jail or community setting.

31 Describe how the Department's projections concerning the need for inpatient competency evaluation and restoration services have been impacted by:

   a. the recently approved expansion of the jail-based competency evaluation and restoration program; and
   b. House Bill 16-1410, which included statutory changes to limit judicial discretion to order inpatient competency evaluations as well as resources to hire two secure transport staff to facilitate the transportation of defendants between jails, the mental health institutes, and the jail-based competency program.

32 Explain why the Department did not spend $1,489,032 (62.9 percent) of the General Fund that was requested in September 2015 for the jail-based competency evaluation and restoration program as intended. How were these funds used, and why?

4:05-4:20 DATA SYSTEM FOR TRACKING PSYCHIATRIC BED AVAILABILITY

33 Clarify whether hospitals that are <u>not</u> designated or approved by the Department as 72-hour treatment and evaluation facilities pursuant to Section 27-65-105, C.R.S., have the statutory authority to hold an individual who has been placed on an involuntary mental health hold.

34 Does the Department recommend moving forward with the development and implementation of a real time statewide data system for tracking the availability of psychiatric beds for individuals placed on an involuntary 72-hour mental health hold? If so:

   a. Clarify what role, if any, the Department envisions the behavioral health crisis response system hotline and mobile response units performing to facilitate admission of individuals on a mental health hold to appropriate psychiatric facilities.
   b. Could this system be designed in a way or connected to the crisis response hotline in a way that would allow any person, provider, or facility to call for local recommendations on the appropriate type of mental health provider (i.e., providing a resource that is more fluid than just a bed registry)?
   c. Clarify whether the proposed system could be used to track the availability of beds for individuals placed on an involuntary hold related to alcohol [Section 27-81-111 and 112, C.R.S] or drugs [Section 27-82-107 and 108, C.R.S.].
   d. Identify next steps, including any necessary legislative actions.

4:20-4:30 OTHER BUDGET PRIORITIES

R8 Crisis Services System Enhancements

35 The Department proposing reducing the appropriation for "Community Transition Services" by $900,000 (from $5,147,901 to $4,247,901), a line item that provides funding for intensive behavioral health services and supports for individuals with serious mental illness who transition from a mental health institute back to the community, or who require more intensive services in the community to help avoid institutional placement.

   a. How much has the Department reverted from this line item in the last two fiscal years and why?
   b. Why is the Department proposing a reduction in this line item going forward? Aren't these services needed?

36 Why is the Department requesting a $900,000 General Fund increase in the appropriation for the hotline ($600,000) and marketing ($300,000) components of the behavioral health crisis response system? How do the proposed increases actually serve people?

R14 Substance Use Disorder Treatment at the Mental Health Institutes

37 How would the 8.0 FTE certified addiction counselors be allocated between the two mental health institutes?

Other

38 Would any of the Department's funding requests for FY 2017-18 address the behavioral health needs of military veterans?