Illinois Health and Hospital Association

Statement of the
ILLINOIS HEALTH AND HOSPITAL ASSOCIATION

Friday, September 9, 2016

Patrick Gallagher
Group Vice President
Health Policy and Finance
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State of Illinois
Public Hearing on Proposed Section 1115 Demonstration

James R. Thompson Center
Chicago, IL

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Good Morning, Directors Baldwin, Norwood and Sheldon and Secretary Dimas, I am Patrick Gallagher, Group Vice President of Health Policy and Finance at the Illinois Health and Hospital Association (IHA). On behalf of the over 200 hospitals and over 50 health systems that are members of IHA, I would like to thank you for your focus on transforming the behavioral healthcare delivery system in Illinois. With your leadership, the state has outlined an ambitious plan to address the numerous issues surrounding behavioral health. IHA looks forward to learning more of the details of the proposal and working with you to improve the lives of individuals living with mental illness and addiction. There are a several components of the waiver I would like to highlight as important to the hospital community as well as point out several questions and comments.

IHA has been examining priority behavioral health interventions that can improve access to care and we are pleased to see many of these included in the waiver. IHA's Behavioral Health Advisory Forum, made up of a diverse group of administrators and providers from across the state, developed recommendations with specific emphasis on evidence-based interventions that can be replicated across Illinois and that can improve the delivery of and payment for behavioral healthcare. We feel these are meaningful recommendations that will make a significant improvement across the state. Many of these align with the primary waiver initiatives of greater integration and workforce development.

In particular, IHA supports:

(1) Enhancing emergency and community-based crisis stabilization services. We want to stress that these services can be provided in a variety of settings, not just in an IMD. Colocation within or near a hospital's emergency department is an optimal setting, as it meets the patient where they often present in crisis for intervention and de-escalation;

(2) Using behavioral health homes to integrate behavioral and physical health, which is key to meeting all the health care needs of individuals with behavioral health conditions;

(3) Expanding telehealth capacity to serve individuals in both rural and urban communities. Currently, the primary impediments appears to be the low reimbursement that does not make the service a sustainable model to deliver care; and

(4) Enhancing the behavioral health workforce, including enabling providers to practice at the tops of their license.

All of these are important provisions of the waiver. There are other proposals in the waiver that hold significant promise, including those related to addressing homelessness, providing employment supports and enhancing the capacity of community behavioral health services.

While the details of the waiver implementation will be necessary to provide a final evaluation of the proposal, there are several issues we would like to raise at this time. Since health homes will play a foundational role in coordinating care, we would like to point out that providers are in the best position to provide services like patient and family support, comprehensive care management, health promotion and wellness. The role of the MCOs in coordinating care needs to be clearly articulated so the health homes achieve true outreach and coordination, rather than acting as a gatekeeper. As providers are challenged with complying with numerous new MCO policies and procedures, it will be important to strike a balance between achieving innovation and uniformity in designing the criteria for the medical homes. We request the state develop appropriate criteria with significant provider input to better inform future strategies. Similarly, the role of MCOs in the wavier needs to be clarified not only in terms of care coordination, but also in terms of achieving the goal of value based reimbursements. Value based contracts need to be mutually agreeable between providers and the MCOs, where incentives are aligned around realistic savings expectations. Therefore, continued oversight of the MCOs will be necessary to not only gain provider participation, but also to inspire confidence in the process.

The financial component of the waiver is critical, especially obtaining a better understanding of the distribution of funding as well as the expected savings. While achieving budget neutrality is central to a waiver, a meaningful transformation of services for persons with behavioral health conditions will require an increase in funding. Illinois' average spending per Medicaid enrollee ranks 49th in the nation – substantially lower than every surrounding state in the Midwest and lower than our peer states of California, New York, Texas and Florida. In some cases this will

mean increasing rates for services in order to provide adequate access to care, such as those for telehealth.

Enhancing access to behavioral health in Illinois and addressing workforce shortages are necessary components to ensure there is sufficient care to coordinate. Every day patients arrive in hospital emergency departments where compassionate care is delivered but all too often there is inadequate capacity to place the patient in an inpatient or community setting where ongoing treatment can occur. Developing the integrated health homes will also require funding to build capacity and the reimbursement model will need to provide sufficient incentives for providers to make the necessary investments for care coordination infrastructure.

Enhanced capacity, incentives to coordinate care, and an increased and fully utilized workforce will have positive repercussions throughout the health care system. I would like to leave you with just one example. More timely placement from the ED in the most appropriate level of care would occur with effective care coordination and use of crisis stabilization. We continue to hear from our members that patients are presenting in the ED at a higher level of acuity than in recent years and this not only has implications for the unmet health care needs of the patient, but also safety concerns for staff providing the treatment.

The time has come for a comprehensive plan to address these numerous behavioral health issues. We look forward to our continued dialogue on these important issues, and we appreciate your leadership on this initiative.