HHS Transformation Medicaid Waiver
August 4, 2016

Memorandum
Health and Human Services Transformation – Illinois Medicaid Waiver

Summary
The Rauner Administration is developing plans to transform how health and supportive services are provided to people with behavioral health conditions, with the goal of making Illinois the leader in the nation. This plan, which will likely include a Medicaid 1115 waiver proposal, is expected to be released in late summer or early fall of 2016.

Discussion
The state’s Health and Human Services (HHS) Transformation project addresses Medicaid-focused behavioral health delivery and payment system reform. Project leaders have said that state agencies need to better collaborate with one another to provide comprehensive and coordinated care to patients with some of the most complex needs.

The state has convened four stakeholder workgroups to provide comments on the Transformation project. Involving 13 different state agency directors, the workgroups consist of community-based providers, institutional providers (including hospitals and IHA), consumer advocates and managed care organizations. Agency participation, more details about the “pain points” identified by the administration and pillars or goals of the transformation can be found on the HHS Transformation webpage and the HHS Transformation Flyer.

We are encouraged by the attention the state is giving to addressing the many behavioral healthcare needs, however, we await more details on proposals the state is developing. The “pain points,” or areas for improvement, the state has identified include:

- Lack of coordination of behavioral health services around the customer;
- System failures to identify and access those with the greatest needs;
- Lack of community capacity for behavioral health services;
- Limited set of complementary services;
- Duplication and gaps in behavioral health services across agencies; and
- Data, analytics and transparency limitations.

Pillars identified for the future of behavioral healthcare in Illinois include:

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

The state is considering several vehicles to implement the transformation, including a Medicaid 1115 waiver. In June IHA submitted recommendations in a letter to Department of Healthcare and Family Services (HFS) Director Felicia Norwood. 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 replicable interventions from across Illinois that can improve the delivery and payment of behavioral healthcare.
IHA recommendations and examples of evidence-based interventions centered on:

- Enhancing emergency and community-based crisis stabilization services;
- Supporting behavioral health homes;
- Establishing voluntary regional networks that have dedicated emergency psychiatric facilities;
- Expanding telehealth capacity; and
- Establishing state-based loan forgiveness programs for behavioral health providers.

The administration is seeking additional comments and recommendations with specific examples of interventions that can be implemented, which can be submitted here. We encourage IHA members to submit additional interventions that you may have already implemented and can be expanded and replicated or new interventions.

IHA will advocate for increased state funding to support behavioral health transformation without any new federal funding supplanting current state support for healthcare.

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