IHA Update: Illinois Medicaid 1115 Waiver

June 21, 2018

MEMORANDUM

IHA Update: Illinois Medicaid 1115 Waiver

Below are several new Medicaid-related behavioral healthcare updates, reflecting several recommendations made in IHA's 2017 Strategic Plan: Medicaid Behavioral Health Delivery & Payment System Reform, including:

- The statewide 1115 Demonstration Waiver pilots planned for 2018 through 2022;
- Recent State Plan Amendments (SPAs), including the Integrated Health Homes (IHHs); and;
- Proposed rules for hospitals to apply for Behavioral Health Clinic designation, creating a path for direct community mental health reimbursement, as well as Waiver pilot and SPA eligibility.

1115 Waiver Pilots

The tables below summarize pilot information we have received from the Department of Healthcare and Family Services (HFS), including the 1115 Waiver approval letter from the Centers for Medicaid and Medicare Services (CMS) and a May 23 Waiver Council meeting slide deck. In total, the state’s Better Care Illinois Behavioral Health Initiative includes ten Waiver pilots, five affiliated SPAs and a proposed amendment to Rule 140 that may help facilitate provider participation in the various programs. Eligibility for the pilots varies by provider type or Medicaid recipient, while reimbursement may be new for providers or simply a funding mechanism for the state to receive federal match. The latter would not impact provider reimbursement. The goal of the initiative is to comprehensively coordinate services for Medicaid beneficiaries across 12 state agencies, integrate physical and behavioral health services and promote more care in the home and community rather than costlier services in institutions.
Hospitals may be most interested in pilots highlighted in the table focusing on crisis intervention services, substance use disorder (SUD) case management and intensive in-home services, although other pilots have professional and facility eligibility that may fall under a health system’s purview. SPAs scheduled for 2018 implementation that provide a path for hospital participation include mobile crisis response, crisis stabilization and integrated health homes (IHHs). Additional HFS public meetings, provider notices and regulations are forthcoming. IHA will disseminate further information on the 1115 Waiver as soon as HFS provides details on enrollment restrictions, the role of Medicaid managed care organizations, reimbursement rates and structure, application requirements and implementation dates.

Read more on initial details in the [HFS press release](#). An HFS frequently asked questions sheet can be found [here](#). Although the following information is preliminary and subject to change, the pilots described in the following table provide hospital eligibility and are scheduled to begin this year, projected for July 1:

<table>
<thead>
<tr>
<th>Waiver Focus</th>
<th>Provider Eligibility</th>
<th>Enrollment Restrictions</th>
<th>Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential &amp; Inpatient Treatment for Individuals with SUD</td>
<td>Facilities: Psychiatric hospital or PRTF qualifying as IMD (see p.13)</td>
<td>Not applicable</td>
<td>-No new hospital reimbursement or extended length of stay</td>
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<td>-This pilot is only used as a funding mechanism for the state to receive federal match</td>
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<td>Crisis Intervention Services</td>
<td>Facilities: Acute care hospital, PRTF, community residential center &lt;16 beds; IMD excluded Professionals: QMHP, RSA</td>
<td>-Recipient-based, aged 6 to 64 -Y1: 4,247 Y2: 6,370 Y3-5: 8,493</td>
<td>-Crisis assessment &amp; stabilization, treatment planning, counseling services, discharge services (see p.19) -24-hour crisis beds, not coded as observation</td>
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<tr>
<td>SUD Case Management</td>
<td>Professionals: CADC or work under CADC in licensed SUD treatment program;</td>
<td>-Geographic Y1: 2,040 Y2: 2,440 Y3-5: 2,835</td>
<td>Ongoing assessments, care transitions, develop &amp; revise client plan, linkages to</td>
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</table>
has completed motivational interviewing program
physical & mental healthcare, transport, etc. (see p.22)

| Intensive In-Home Services | Facilities: BHC (hospital-based), CMHC Professionals: 1-year case management experience & Bachelor’s or Associate’s degree in relevant field | Recipient-based, aged 3-21 & within IHH Tier A or B, etc. | In-person, time-limited clinical and support interventions to stabilize behaviors that may lead to crisis, hospitalization or residential care (see pp.35-36) |

*Originally scheduled for 2019 in the CMS 1115 Waiver approval letter from May 7, IHA was given confirmation that this pilot’s implementation timeline shifted to 2018 at a June 5 meeting with HFS.*

The following Waiver pilots do not have direct hospital facility eligibility, focusing eligibility on individual providers or other facilities, with varying implementation dates identified within the “Enrollment Restrictions” column below:

<table>
<thead>
<tr>
<th>Waiver Focus Evidence-Based Home-Visiting Services</th>
<th>Provider Eligibility</th>
<th>Enrollment Restrictions</th>
<th>Reimbursement</th>
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<tbody>
<tr>
<td>Evidence-Based Home-Visiting Services</td>
<td>Professionals: QMHP, MHP</td>
<td>Recipient-based, mothers up to 60 days postpartum &amp; children up to 5 years born with withdrawal symptoms</td>
<td>Postpartum and child home visiting services, including various screenings, assessments, counseling, guidance and education (see p.26)</td>
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<td>Clinically Managed Withdrawal Management Services</td>
<td>Facilities: PRTF Professionals: Physician, LPHA, CADC</td>
<td>Recipient-based, SUD primary diagnosis, etc.</td>
<td>Intake, observation, medication and discharge services (see pp.20-21)</td>
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<td>Peer Recovery Support Services</td>
<td>Professionals: Certified Peer Recovery Coach, training approved by Illinois Dept. of Human</td>
<td>Recipient-based, SUD primary diagnosis, etc.</td>
<td>Counseling support, care coordination to connect beneficiary with services (see pp.23-24)</td>
</tr>
<tr>
<td>Services</td>
<td>Professionals: 1-year case management experience &amp; Bachelor’s or Associate’s degree in relevant field</td>
<td>Y4-5: 320</td>
<td>Pre-tenancy supports, tenancy sustaining services (see pp. 27-30)</td>
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<td>Assistance in Community Integration</td>
<td>Recipient-based, meets specific health and housing criteria</td>
<td>Y2: 2,250</td>
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<td>Services</td>
<td>Y3: 2,800</td>
<td>Y4: 3,375</td>
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<td>Y5: 3,750</td>
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<td>Supported Employment Services</td>
<td>Recipient-based, aged 14+, meets behavioral health criteria and risk factors</td>
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<td>Pre-employment services, employment sustaining services (see pp.30-34)</td>
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<td>- Enrollment limits same as previous pilot</td>
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<td>Respite Services</td>
<td>Recipient-based, aged 3-21, IHH Tier A or B</td>
<td>Y3: 3,871</td>
<td>Up to 7 hours per event, 21 hours per month or 130 hours annually of respite services for families (see pp.37-38)</td>
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<td>- Facilities: home or any community-based setting</td>
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<tr>
<td></td>
<td>Professionals: 1-year case management experience &amp; Bachelor’s or Associate’s degree in relevant field</td>
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</table>

List of Abbreviations Used in Tables Above:

- **BHCs** = Behavioral health clinics, including enrolled hospital-based BHCs
- **CADC** = Certified alcohol and drug counselor
- **IHH Tier A – D** = Integrated health home beneficiary tiers
  - Tier A = High behavioral health, high physical health needs
  - Tier B = High behavioral health, low physical health needs
  - Tier C = Low behavioral health, high physical health needs
  - Tier D = Low behavioral health, low physical health needs
- **IMDs** = Institutions for mental diseases
- **LPHA** = Licensed practitioner of the healing arts (see 59 Ill. Adm. Code 132.25)
- **MHPs** = Mental health professionals (see 59 Ill. Adm. Code 132.25)
- **PRTF** = Psychiatric residential treatment facilities
- **QMHP** = Qualified mental health professional (see 59 Ill. Adm. Code 132.25)
- **RSA** = Rehabilitative services associate (see 59 Ill. Adm. Code 132.25)
- **SUD** = Substance use disorder

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Y1 – Y5: Demonstration Year 1 through 5 (a.k.a., July 1, 2018 through June 30, 2023) paired with beneficiary enrollment numbers for the corresponding year

IHA will disseminate further information on the 1115 Waiver as soon as HFS provides details on the role of Medicaid managed care organizations, reimbursement rates and structure, application requirements and implementation dates.

State Plan Amendments
All Waiver-affiliated SPAs are intended to complement the state’s Better Care Illinois Behavioral Health Initiative, building a more comprehensive approach to behavioral health benefits that facilitate coordination across state agencies. For affiliated SPA implementation, CMS has approved for a projected Summer 2018 implementation for the following programs, with more information expected in the coming weeks:

- Mobile Crisis Response;
- Crisis Stabilization; and
- Child and Adolescent Needs and Strengths and Adult Needs and Strengths Assessment (CANS/ANSA) universal assessments.

For a projected October 1, 2018 implementation, Integrated Health Homes (IHHs) were approved with a behavioral health focus. On June 14, HFS released a public notice highlighting the proposed changes to implement IHHs, describing the reimbursement as a non-specified per-member, per-month care management fee with an outcomes-based payment model that rewards measurable, positive outcomes associated with integrated care. Outcome measures have not been specified. Questions or comments must be submitted in writing by July 14th, addressed to:

Bureau of Program and Policy Coordination
Division of Medical Programs
Healthcare and Family Services
201 South Grand Avenue East
Springfield, IL 62763-0001
E-mail address: HFS.bpra@illinois.gov

IHHs are currently being planned to coordinate both physical and behavioral healthcare for the Medicaid population, with some exceptions (see pp.10-15 of the May 23 Waiver Council meeting slides). IHH providers will not be required to deliver all services directly, but provide care coordination and have arrangements with other providers across the care continuum. The planned approach for member stratification will create four tiers, from high behavioral
health needs and high physical health needs (Tier A) to low behavioral health needs and low physical health needs (Tier D). Tier A providers would be required to offer access to all four tiers of Medicaid beneficiaries, not just those with high needs. Medicaid Managed Care Organizations will be responsible for enhanced access, screening and assessment, but more information on that role will be released in the coming months. IHHs providers will provide the following with a goal of improving member outcomes:

- Integrated care planning and monitoring;
- Physical/maternal health and behavioral health provider engagement;
- Population health management;
- Member engagement and education; and
- Supportive service coordination (i.e., responsible for coordination and scheduling, rather than direct service delivery for all beneficiaries needs).

An affiliated SPA was approved in January 2017 as a funding mechanism for the state to receive federal match for Medication-assisted treatment (MAT) services expanded for methadone maintenance reimbursement, and requires physician supervision, with administration by a licensed physician, nurse practitioner, registered nurse or licensed practical nurse. IHA will disseminate further information on the SPA services, requirements and reimbursement structure planned for 2018 as soon as HFS provides further details.

Proposed State Rule Will Establish Behavioral Health Clinic Designation

To align with the Better Care Illinois Behavioral Health Initiative, the state is in the process of expanding access to Medicaid community mental health services within existing healthcare facilities, including hospital-based clinics. Hospital-based clinics that apply to be these new Behavioral Health Clinics (BHCs) will also be eligible for certain Waiver pilots and SPA programs. HFS is holding several webinar opportunities on BHCs between June 18-29 (to register, click here). Questions related to Behavioral Health Clinic webinars can be submitted via email to hfs.cbh@illinois.gov.

Originally published in the Illinois Register on February 16, 2018 (42 Ill. Reg. 3040), HFS’ proposed amendments to 89 Ill Adm. Code 140 introducing BHCs as a new provider type have been moved to Second Notice with the Joint Commission on Administrative Rules (JCAR) for review. The amendments were reviewed at the June 12 JCAR meeting in Chicago (see agenda here), and the final rule may be published by July 1. Seeking BHC program approval may be particularly helpful for hospitals interested in centralized roles for Integrated Health Home implementation in 2018.
Existing providers in Illinois, including hospital-based organized clinics, encounter rate clinics, federally qualified health centers, rural health clinics and maternal and child health clinics, will all be eligible to receive payment as BHCs for community-based mental health services following enrollment with HFS. The application period could take a minimum of three months.

Hospitals interested in seeking program approval for BHC services specifically to meet eligibility requirements for 1115 Waiver or SPA programs starting in 2018 should consider identifying their intention to provide those services with the HFS Provider Participation Unit through the Illinois Medicaid Program Advanced Cloud Technology (IMPACT) portal when the final rule and guidance is released this summer. Program approval requirements for BHCs can be found on p. 41 of the Second Notice.