

Illinois' Behavioral Health Transformation – 1115 Overview

In the State of the State, Illinois announced a Health and Human Services Transformation that places a focus on prevention and public health; pays for value and outcomes rather than volume and services; makes evidence-based and data-driven decisions; and moves individuals from institutions to community care to keep them more closely connected with their families and communities.

Since then, the Illinois Department of Healthcare and Family Services (DHFS) has been collaborating with the Governor's office and 11 other state agencies, including representatives from health, human services, education, and criminal justice as well as a broad stakeholder community to bring these focus areas to fruition.

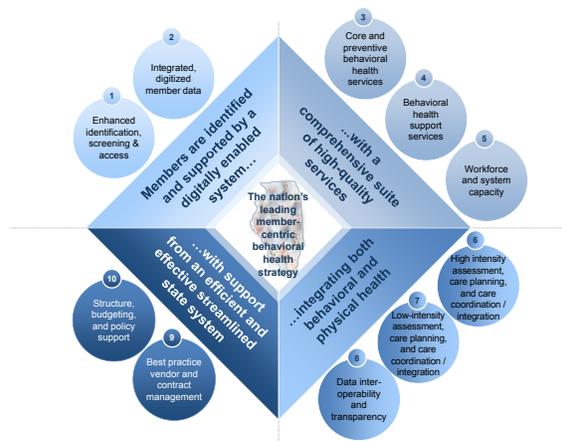
The initial focus of the transformation effort has been on behavioral health (mental health and substance use) and specifically the integration of behavioral and physical health service delivery. Behavioral health was chosen due to both the urgency of the issue and the potential financial and human impact. Medicaid members with behavioral health needs or "behavioral health members" represent 25% of Illinois Medicaid members but account for 56% of all Medicaid spending. Further, building a nation-leading behavioral health strategy will help turn the tide of the opioid epidemic, reduce violent crime and violent encounters with police, and improve maternal and child health.

KEY CHALLENGES

To understand what drives the high spend and variable outcomes in the behavioral health system, Illinois has conducted quantitative and qualitative analyses and sought extensive stakeholder input. Core challenges identified include:

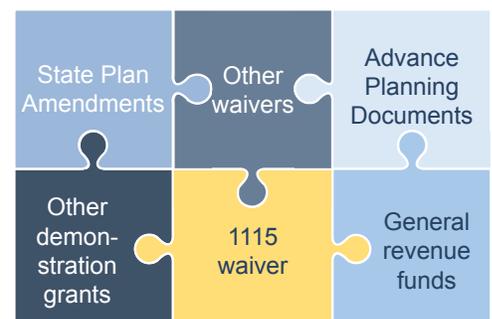
- Insufficient community-based behavioral health services capacity
- Over-reliance on institutional care
- Lack of coordination of behavioral health services
- Limited support services to address "whole-person" needs
- Duplication and gaps in behavioral health services across agencies that raise costs
- Limitations in data, analytics, and transparency

BEHAVIORAL HEALTH TRANSFORMATION STRATEGY



Illinois, with input from over 2,000 stakeholders, has developed a comprehensive strategy to address these challenges. The strategy puts customers at the center, integrates behavioral and physical health, and transforms a fragmented and unsustainable system with new payment and delivery models, increased managed care, enhanced workforce capacity, and greater accountability across the system. This strategy – the four central approaches and ten initiatives to support them – is illustrated on the left.

On August 26, 2016, Illinois released a draft for public comment of a Section 1115 Medicaid demonstration waiver. This proposal to the Centers for Medicare and Medicaid Services (CMS) is one component of a broader funding strategy to fuel the behavioral health transformation as demonstrated on the right.



GOALS OF ILLINOIS' 1115 WAIVER DEMONSTRATION

Through this waiver demonstration, Illinois aims to achieve six main goals:

1. Rebalance the behavioral health ecosystem, reducing over-reliance on institutional care and shifting to community-based care
2. Promote integrated delivery of behavioral and physical health care for behavioral health members with high needs
3. Promote integration of behavioral health and primary care for behavioral health members with lower needs
4. Support development of robust and sustainable behavioral health services that provide both core and preventative care to ensure that members receive the full complement of high-quality treatment they need
5. Invest in support services to address the larger needs of behavioral health members, such as housing and employment services
6. Create an enabling environment to move behavioral health providers toward outcomes- and value-based payments

BENEFITS AND INITIATIVES TO BE TESTED UNDER THE WAIVER

To achieve the six demonstration goals, Illinois requests CMS approval to implement a priority set of benefits and initiatives. In keeping with the spirit of 1115 demonstrations, many of these benefits and initiatives are to be conducted in pilot form.

Benefits to be tested under the waiver

- Supportive housing services
- Supported employment services
- Services to ensure successful transitions for justice-involved individuals at the Illinois Department of Corrections (IDOC) and the Cook County Jail (CCJ)
- Redesign of the substance use disorder service continuum
- Optimizing the mental health service continuum
- Additional benefits for children and youth with significant mental health needs

Initiatives to be tested under the waiver

- Behavioral and physical health integration activities
- Infant/early childhood mental health consultation
- Workforce-strengthening initiatives
- First episode psychosis (FEP) programs

IMPACT OF 1115 WAIVER

The behavioral health transformation will have a significant impact on the State over the next 5 years as it:

- Touches all regions of the state, improving care for ~800K Medicaid members with behavioral health conditions
- Builds a delivery system focused on integrated physical and behavioral healthcare impacting all 3.2M Medicaid members (and lays the foundation for a more integrated system for all 13M Illinoisans)
- Draws down \$2.7 Billion in federal match for Medicaid services (\$1.2 Billion as part of the 1115 waiver, \$1.5 Billion as part of the proposed State Plan Amendments)

BACKGROUND ON 1115 WAIVERS

An “1115 waiver” is a contract between the federal and state governments that “waives” federal Medicaid requirements and gives the federal government authority to approve experimental, pilot, or demonstration projects. The purpose of these demonstrations is to evaluate policy approaches such as providing services not typically covered by Medicaid or creating innovative service delivery systems that improve care, increase efficiency, and reduce costs.

The federal government requires the demonstrations to be “budget neutral,” meaning that during the course of the waiver Medicaid expenditures cannot exceed what they would be without the waiver. The waiver is not a grant but rather an opportunity to use federal dollars differently to increase the efficiency and quality of care for Medicaid populations.

HOW TO STAY INFORMED

Visit the HFS website at <http://www.illinois.gov/hfs/> and the HHS transformation website at <http://hhstransformation.illinois.gov/>

Attend the public hearings:

Thursday, September 8, 2016

10:30 AM to 1:00 PM

Howlett Auditorium

501 South Second Street

Springfield, IL 62756

Friday, September 9, 2016

10:30 AM to 1:00 PM

Assembly Hall Auditorium

100 W. Randolph Street

Chicago, IL 60601

Send questions and comments on the draft 1115 waiver to hfs.bpra@illinois.gov