



Joint Legislative Oversight Committee  
on Health and Human Services  
January 12, 2016

*Department of Health and Human Services  
Medicaid Waiver for Children with  
Serious Emotional Disturbance Report*



## *Waiver Overview*

- Provision of home and community-based services with intense wraparound, supervision and parent/peer support
- **Target population:** Children meeting psychiatric inpatient or PRTF level of care, including foster care children
  - Percentage of foster care children in a PRTF has steadily increased since 2008 from 29% to 34% in 2012
- Will build on NC experience gained via NC DMH/DD/SAS currently operating System of Care Expansion Grant
- May be operated concurrently with an 1115 waiver



## *Outcomes of CMS-sponsored PRTF Waiver Pilot*

- Implemented in 9 states from 2007-2012; served 5,300 children and adolescents. Outcomes included:
  - Savings of up to 68% over cost of PRTF admissions
  - Improved school attendance and performance
  - More stable living situations, including for kids in foster care
  - Reduced suicide attempts
  - Improved clinical and behavioral outcomes
  - Improved work attendance for parents, foster parents and guardians
  - Decreased contact with law enforcement
  - Family and child satisfaction with services
  - Children and adolescents admitted to pilot waiver services from a PRTF had better outcomes than those diverted from PRTF placements



## *Challenges for Behavioral Health System*

- Shift for families, providers and practitioners from facility to community-based services
- Developing behavioral health workforce and provider capacity
- Developing and maintaining a new practice model



## *Cost Savings*

- In 2014, in NC total statewide Medicaid PRTF expenditures of \$93,851,777, with average cost for per child of **\$60,903**
- In compliance with CMS' non-pilot waiver cost neutrality requirements, the average cost of PRTFs **within licensed hospitals** was **\$37,806**
- Proposed cost per child for NC's waiver services under the 1915(c) is **\$24,385**
- Anticipated savings of **35% to 60%** per child's care



## *Projected Costs for Waiver Services*

	SFY 2017	SFY 2018	SFY 2019
Number of Beneficiaries	180	228	324
Average Annual Cost per Beneficiary	\$24,386	\$24,382	\$24,385
Total Costs	\$4,389,523	\$5,559,016	\$7,900,738
Federal Share	\$2,907,620	\$3,682,345	\$5,233,450
State Appropriation	\$1,481,903	\$1,876,751	\$2,667,290



## *Projected Costs for Waiver Administration*

	SFY 2017	SFY 2018	SFY 2019
<b>Total Costs</b>	<b>\$1,195,307</b>	<b>\$1,132,298</b>	<b>\$1,133,198</b>
<b>Federal Share</b>	<b>\$597,654</b>	<b>\$566,149</b>	<b>\$566,599</b>
<b>State Appropriation</b>	<b>\$597,654</b>	<b>\$566,149</b>	<b>\$566,599</b>

Projected administrative costs include funding for:

- 2 DHHS FTEs
- 0.5 FTE for each of 8 LME/MCOs
- Training required to implement High Fidelity Wraparound
- Quality assurance for compliance
- Evaluation of cost effectiveness/effectiveness of waiver services



## *Advantages*

- 1915(c) HCBS services will allow treatment in the community, rather than away from home and community due to placement in restrictive setting
- Particularly for children in foster care, 1915(c) HCBS services will provide support to allow children to remain in a foster home, and avoid the trauma and loss of yet another placement
- 1915(c) waiver services have been found to be effective and significantly **more cost effective** than PRTF placement

Source: National Evaluation of the Medicaid Demonstration Waiver Home- and Community-Based Alternatives to Psychiatric Residential Treatment Facilities. IMPAQ International for the Centers for Medicare & Medicaid Services. May 2012.

