JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON HEALTH AND HUMAN SERVICES

JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MEDICAID AND NC HEALTH CHOICE

JOINT SUBCOMMITTEE ON BEHAVIORAL HEALTH SERVICES

# Strategic Plan for the Improvement of Behavioral Health Services


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**Department of Health and Human Services**


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# Requirements

**SECTION 12F.10.(b)** By January 1, 2018, the Department of Health and Human Services shall develop and submit to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, and the Fiscal Research Division a strategic statewide plan to improve the efficiency and effectiveness of State-funded behavioral health services. The plan shall include at least all of the following:

(1) Identification of the Division that will (i) assume lead responsibility for the organization and delivery of publicly funded behavioral health services and (ii) define the current and future roles and responsibilities of local management entities/managed care organizations (LME/MCOs) with respect to the organization and delivery of publicly funded behavioral health services.

(2) A process for ensuring that all State contracts with behavioral health providers and managed care organizations responsible for managing Medicaid behavioral health services (including LME/MCOs) contain goals for overall behavioral health services, along with specific measurable outcomes for all publicly funded mental health, developmental disabilities, substance abuse, and traumatic brain injury services.

(3) A statewide needs assessment for mental health, developmental disabilities, substance abuse, and traumatic brain injury services by county and type of service, broken down by the source of funding. The needs assessment must include a defined service continuum to address identified needs for targeted populations.

(4) Specific solvency standards to be incorporated into State contracts with LME/MCOs that define appropriate cash balances, predictors for sustainability, and measures for performance that the LME/MCOs will monitor and report to the Department on a monthly, quarterly, and annual basis.

(5) Any other component the Department deems necessary to achieve the goal of improving the effective and efficient delivery and coordination of publicly funded behavioral health services across the State.

# Requirements

**SECTION 12F.10.(b1)** In the development of the strategic statewide plan, required under subsection (b) of this section, the Department of Health and Human Services shall consider policy issues pertaining to the delivery of services for people with intellectual and developmental disabilities. Consideration shall be given to all of the following:

- The causes and potential solutions for the growing waitlist for NC Innovations Waiver slots. Potential solutions to be studied include the following:
- Increasing the funding for the 1915(c) Innovations Waiver to result in more individuals served.
- Creating new support waiver slots as recommended in the March 2015 Study Additional 1915(c) Waiver report from the Department of Health and Human Services, Division of Medical Assistance, to the Joint Legislative Oversight Committee on Health and Human Services.
- Utilizing a 1915(i) waiver option and exploring how the 1115 waiver required for Medicaid transformation may assist in addressing current waitlist for services.
- Issues surrounding single-stream funding and how single-stream funding is used to support services for people with intellectual and developmental disabilities.
- Multiple federal mandates that will directly impact current services and supports for people with intellectual and developmental disabilities, including Home and Community
- Based Services changes, the Work Force Innovations and Opportunities Act, and changes under section 14(c) of the federal Fair Labor Standards Act.
- The coverage of services for the treatment of autism, including any State Plan amendment needed to address guidance issued by the Centers for Medicare and Medicaid Services.

# Statewide Listening Sessions

## 2017

- July 12 - New Hanover County DSS, Wilmington
- July 13 - Forsyth Technical CC, Winston-Salem
- July 19 - Carolinas Medical Center, Charlotte
- July 20 - Jackson County DSS, Sylva
- July 27 - Pasquotank County DSS, Elizabeth City
- July 31 - The Frontier @ RTP, Raleigh

# Stakeholder Input

- Over 300 people attended public listening sessions across the state
- In-person meetings with:
  - State Consumer and Family Advisory Council
  - Local Management Entities – Managed Care Organizations (LME/MCOs)
  - Disability Rights
  - Various consumer, provider, and disability advocacy groups
- Themes:
  - Lack of coordination, inadequate funding and workforce resources, and stigma

# BHSP Development Process

- Time of significant transition
- Opioid crisis
- Behavioral Health Steering Committee with representatives from DHHS including:

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|---|---|---|---|
| Mental Health/Developmental Disabilities/Substance Abuse Services | Budget & Analysis | Health Benefits | Public Health |
| State Operated Healthcare Facilities | Health Service Regulation | Social Services | Medicaid |
| Vocational Rehabilitation | Aging and Adult Services | Rural Health | Policy |

# Report Outline

- Executive Summary
- Challenges Facing the System
- Vision and Goals
- Current State
- Future State
- Appendices
  - Needs Assessment
  - Bed Capacity
  - Risk Reserve Analysis

# Vision for Behavioral Health in North Carolina

North Carolinians will have access to integrated behavioral, developmental, and physical health services across their lifespan.

Efforts within this plan will enhance the quality and capacity of services and supports in partnership with providers, clients, family members, and communities to promote hope and resilience and achieve wellness and recovery.

# Goals for Behavioral Health Services

- Timely access to high-quality services
- Integrate behavioral health, intellectual and developmental disabilities (I/DD), and physical health services for children and adults

# Challenges Facing the System

- Roughly 1 in 5 American adults have a mental health condition
- 56% do not receive treatment due to barriers to care such as:
  - Underfunded health care system
  - Social stigma
  - High cost of care
  - Lack of mental health professionals
  - Insufficient community-based resources
- Other unmet health needs

# Opioid Epidemic

- Since 1999, over 13,000 North Carolinians have died from an opioid overdose
- Per SL 2015-241, the state has created the Opioid Prescription Drug Abuse Advisory Committee and developed an Action Plan
- DHHS's response efforts include:
  - Purchasing nearly 40,000 units of naloxone
  - Establishing the NC Payers Council
  - Making important changes to the Medicaid program

# Current State

- NC Population Overview
- LME-MCOs
- Community Care of North Carolina/Carolina ACCESS
- Mental Health Disorders
- Substance Use Disorders
- Intellectual & Developmental Disabilities
- Autism Spectrum Disorder
- Traumatic Brain Injury
- State Operated Healthcare Facilities

# Needs Assessment – Key Themes

- Significant unmet need in most of the state, especially among uninsured and in rural areas
- Unmet need varies by county, payer, and disability type with uninsured being far less likely to receive services
- Continuum of services are inconsistently available across the state
- Majority of funding is spent on inpatient, institutional, residential, and facility-based treatment as opposed to community-based

# Other Sections of the BHSP

- Importance of community-based services
  - Need additional community capacity across the state
  - Strategies include investing more in successful programs and aligning market incentives whenever possible
- LME-MCO contract goals and outcomes
  - Track on numerous clinical and financial measures
  - 2017 contracts include new measures and penalties on integrated care, improving follow-up care and coordination, and increasing access to community-based housing and services

# Other Sections of the BHSP

- Solvency standards
  - All LME-MCOs meeting financial performance requirements as of SFY 2016
  - DHHS and NCGA could consider alternatives
- Innovations Waiver
  - Added 400 additional slots on January 1, 2018 with 11,000 individuals still on the waiting list
  - To add another 1,000 slots would cost ~$20M in state funds and ~$40M in federal funds
  - To add a 1915(c) waiver for lower acuity with limited services for 1000 slots would cost ~$10M in state funds and ~$20M in federal funds
  - LME-MCOs offering in lieu of services

# Other Sections of the BHSP

- Single stream funding support for I/DD
  - Pays for non-medical support services
  - LME-MCOs spent $70M of the total $265M on I/DD services for 7,032 consumers in SFY 2016-17
- New federal requirements
  - Home and Community-Based Services (HCBS) final rule changes - CMS approved NC DHHS' Statewide Transitional Plan on September 6, 2017
  - Work Force Innovations and Opportunities Act (WIOA) resulting in MOU between DVR, DMH/DD/SAS, and DMA

# Other Sections of the BHSP

- Coverage of treatment for autism
  - Autism spectrum disorder covered for children under EPSDT
  - SPA to cover researched-based behavioral health treatment was approved by CMS on December 22, 2017

# Future of the Behavioral Health System

- Maximizing the opportunity as our Medicaid program transitions to promote integration and improve access
- Timely access to high-quality services
  - Ensure the right mix of services are available statewide by developing community-based services that match existing needs
  - Monitor the balance of in-patient beds and home and community-based services
  - Establish or strengthen community collaboration to develop, assess, and improve services
  - State operated healthcare facilities will continue to provide and develop integrated high-quality safety net services
  - Broaden the pool of insured North Carolinians

# Future of the Behavioral Health System

- Integrated Behavioral Health, I/DD, and Physical Health Services for Children and Adults
  - Address physical and behavioral health needs in a single insurance product
  - Perform routine screening for children and adults
  - Increase awareness, appropriate training, and services for young children and support their families
  - Implement robust communication practices between behavioral and physical health providers
  - Improve data to drive accountability and encourage innovation