

## Meadows Mental Health Policy Institute

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### Request for Information: The Next Phase of the 1115 Healthcare Transformation and Quality Improvement Program Waiver – September 2020

#### House Committee on Human Services

In December 2011, Texas received federal approval of an 1115 Healthcare Transformation and Quality Improvement Program Waiver (1115 waiver). A key component of the 1115 waiver was the creation of a Delivery System Reform Incentive Payment (DSRIP) pool, which was designed to incentivize providers to transform their service delivery practices by improving quality, health status, patient experience, coordination, and cost effectiveness. Since 2012, 300 participating DSRIP providers in Texas have implemented locally-driven initiatives to increase access, test innovative ways to deliver care, and improve health outcomes. Participating providers include hospitals, Community Mental Health Centers (CMHCs), physician practices associated with health-related institutions, and local health departments.

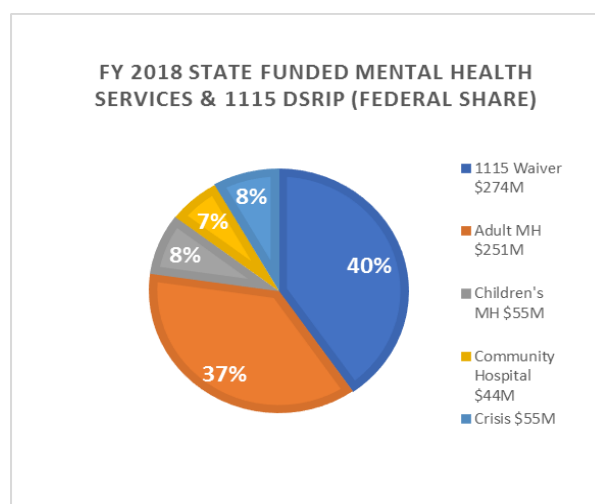
Upon renewing the 1115 waiver in December 2017, the Centers for Medicare & Medicaid Services (CMS) authorized DSRIP in Texas through September 30, 2021. Under the renewal terms, DSRIP is phased out and the funding available gradually declines.

Federal Fiscal Year	DSRIP Pool
2018	\$3.1 billion
2019	\$3.1 billion
2020	\$2.9 billion
2021	\$2.49 billion
2022	\$0

CMS required the state to submit a transition plan by March 2020. The transition plan contained key milestones, with a goal of working with key stakeholders to identify and submit proposals to CMS for new programs to sustain key DSRIP initiative areas. In August 2020, the Health and Human Services Commission (HHSC) requested, and CMS approved, a revised deadline to December 2020.

The loss of DSRIP dollars will impact the health care system as a whole but will have a detrimental impact on the mental health services across the state. The impact will be particularly harmful for individuals with Serious Mental Illness (SMI). The public mental health system has received over \$2.5 billion dollars from DSRIP, which is 16 percent of the total DSRIP

payments for Demonstration Years 1-8.<sup>1</sup> Today, *40 percent of the funding for the public mental health system comes through DSRIP.*



In 2018 alone, the impact of this additional funding source allowed more than 100,000 existing clients of the public mental health system to receive enhanced services and provided services to more than 120,000 new clients.<sup>2</sup> While some of these clients will have continued access to Medicaid services when DSRIP goes away, 80 percent of this population are uninsured, leaving no funding source to continue services for these people.<sup>3</sup>

#### DSRIP Transition for Mental Health Services

The importance of taking steps to maintain our public mental health system is particularly important in light of the COVID-19 pandemic. Beyond the physical health consequences of the pandemic, the shutdown, economic recession, and social isolation are leading to **additional behavioral health needs** for Texans.

Furthermore, if Texas cannot maintain the current level of mental health services being provided under DSRIP, taxpayers will incur additional expenses. Maintaining services in our public mental health system is particularly important; HHSC noted in a November 2018 report to the legislature that people with SMI are more likely to access services in the emergency

<sup>1</sup> Greenberg, C. & Vasquez, A. (2019, Nov. 12). *Medicaid Supplemental and Directed Payment Programs and 1115 Waiver Update*. <https://hhs.texas.gov/sites/default/files/documents/laws-regulations/reports-presentations/2019/leg-presentations/house-human-services-nov-12-2019.pdf>

<sup>2</sup> Texas Council of Community Centers. (2019, Dec. 3). Presentation to Senate Committee on Health and Human Services.

<sup>3</sup> Texas Council of Community Centers. (2019, Dec. 3). Presentation to Senate Committee on Health and Human Services.

department.<sup>4</sup> There are also costs related to inappropriate use of the criminal justice system; in 2016, the Meadows Mental Health Policy Institute (MMPHI) helped county leaders document that local governments in Texas spend over \$2 billion a year due to unmet mental health needs in jails and hospital emergency rooms.

We must continue to increase the capacity of our mental health system and not lose ground, and Texas has an opportunity to amend the 1115 waiver to continue these needed services. MMHPI supports a proposal submitted by the Texas Council of Community Centers (Texas Council) to HHSC as part of the transition planning process. This proposal would allow the state to maximize general revenue funding to continue these services. The proposal's goal is to promote timely access to coordinated care, at the right time and place, for adults aged 18-64 who have a SMI and meet financial eligibility criteria.

There are three components of the Texas Council's proposal:

- **Build on the STAR+PLUS managed care program framework.** Establish Certified Community Behavioral Health Clinics (CCBHCs) as a class of providers and create a directed payment strategy through managed care to pay for CCBHC services. CCBHCs are a service delivery model that provide comprehensive integrated services including primary care, mental health, and substance use disorder (SUD) services. As of mid-September 2020, HHSC has certified 18 sites as CCBHCs and has a goal of certifying 19 by the end of the year.<sup>5</sup>
- **Promote Access to Care for SMI Target Population under the STAR+PLUS managed care program.** Create a target population of adults with SMI who meet financial and diagnostic eligibility criteria who would be assessed annually (note that, under CMS rules, Texas has the flexibility to identify a target population and put controls in place, such as capping enrollment, to provide budget certainty for the state).
- **Establish an Integrated Capacity Building Initiative.** Maximize local and federal funding through the 1115 waiver, establishing a mechanism to take integrated care for people with SMI to scale. This funding would allow the system to increase access to integrated primary, mental health, and SUD services, as well as address social determinants of health, in ways that make the most sense to communities across Texas. To fund this initiative, CMHCs will continue to provide match to draw down local funds.

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<sup>4</sup> Health and Human Services Commission. (2018, Nov.). *Managed Care Organization Services for Individuals with Serious Mental Illness – Performance Metrics*. <https://hhs.texas.gov/reports/2018/11/rider-45-managed-care-organization-services-individuals-serious-mental-illness-report>

<sup>5</sup> Health and Human Services Commission (2019). *Blueprint for a Healthy Texas*. <https://hhs.texas.gov/sites/default/files/documents/about-hhs/budget-planning/hhs-inaugural-business-plan.pdf>

## Conclusion

Thank you for the opportunity to provide data-based information on behavioral health needs and recommended solutions to the House Committee on Human Services. MMHPI stands ready to serve as a resource as you gather information and consider actionable solutions for your interim charges.

If you have questions regarding this submission, please contact:

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