NOTICE OF MAINECARE 1115 WAIVER APPLICATION
Full Notice of Public Hearing and Public Comment Period

I. AGENCY: Department of Health and Human Services, Office of MaineCare Services

II. PUBLIC HEARINGS: Pursuant to 42 CFR Part 431.408, notice is hereby given that the Department of Health and Human Services ("DHHS") will host two public hearings on the DHHS 1115 waiver application that will be submitted to the Centers for Medicare and Medicaid Services ("CMS").

Table 1. Public Hearings

Hearing 1: Augusta Public Hearing	**Hearing 2: Portland Public Hearing**
Date: March 6, 2019	Date: March 7, 2019
Time: 10:00 AM	Time: 10:00 AM
Location: 111 Sewall St. Augusta, Maine 04330 Room 103A&B	Location: 151 Jetport Blvd. Portland, ME 04101 Room 139A&B
Conference Line: 1-877-455-0244	Conference Line: 1-877-455-0244
Passcode: 7319892834	Passcode: 7319892834

III. DESCRIPTION: This waiver seeks to implement the changes below. More information, including the proposed waiver application and the full public notice, can be found at: http://www.maine.gov/dhhs/oms/rules/demonstration-waivers.shtml. More information about 1115 waivers may be accessed here: https://www.medicaid.gov/medicaid/section-1115-demo/index.html.

DHHS seeks a five-year waiver approval period to operate this waiver statewide, with a requested start date of July 1, 2019.

The primary purpose of this waiver is to provide reimbursement for clinically appropriate services that are otherwise approved under the Maine Medicaid State Plan, delivered to individuals aged 21-65 with SUD and SMI[1] by Institutions of Mental Disease (IMDs), with the goal of testing whether this improves access to and the affordability of care for people with complex behavioral health needs. IMDs are defined by CMS as any "hospital, nursing facility, or other institution of more than sixteen beds, that is primarily engaged in providing diagnosis, treatment, or care of persons with mental disease, including medical attention, nursing care, and related services."[2] Current Medicaid statue does not allow Federal Financial Participation (FFP) for care or services for any individual who has not attained 65 years of age and who is a patient in an IMD. This restriction is known as Medicaid's IMD exclusion.[3]

Maine has several enrolled IMDs (primarily in-state and out-of-state psychiatric facilities) that would immediately participate in this proposed demonstration; it is possible that, with this funding stream available, additional facilities would begin providing these services or expand their current services to the point of reaching the definition of an IMD (e.g. residential treatment facilities may expand capacity to

[1] Substance Abuse and Mental Health Services Administration (SAMHSA) has defined "adults with a serious mental illness" as persons, age 18 and over, who currently, or at any time during the past year, have had a diagnosable mental, behavioral, or emotional disorder of sufficient duration to meet diagnostic criteria, that has resulted in functional impairment which substantially interferes with or limits one of more major life activities (e.g. activities of daily living, instrumental activities of daily living, functioning in social, family, and vocational/educational contexts).
[2] Section 1905(i) of the Social Security Act
[3] 1905(a) (29) (B) of the Social Security Act

above sixteen beds),[4] when allowable under state law. Reimbursement for these services would supplement and improve coordination with MaineCare's existing array of community-based services available to individuals otherwise eligible for MaineCare and provide access to evidence-based services at different levels of intensity across a continuum of care, based on individual needs and goals.

Moreover, the state wants to explore a "hub and spoke" model of SUD treatment similar to what Vermont implemented. Unlocking some of the resources the state now spends on inpatient care not otherwise qualifying for federal matching payments could help support such a model. Additionally, the funds could support evidence-based prevention for people at risk of SMI, SED, and SUD. This demonstration project, with the prescribed goals and milestone (see Section III below), provides an ideal framework to address the behavioral health service delivery system across all ages and services. Specific activities will be addressed in the Implementation Plan, due to CMS no later than 90 days post demonstration approval.

The federal government has presented two separate opportunities for seeking 1115 waivers of the IMD exclusion: one for SUD treatment services and one for the service delivery system addressing SMI for adults and Serious Emotional Disturbances (SED) for children.[5] DHHS is pursing both options simultaneously through this application. An overview of MaineCare services, proposed strategies and requirements are included in the draft waiver application.

GOALS: The goals of this waiver are predetermined by CMS and outlined in two separate State Medicaid Director Letters.[6] The overarching goal is to improve the service delivery systems for people with SUD and SMI/SED. During the demonstration period, the state seeks to achieve the following:

<u>1115 to improve access to and quality of treatment for MaineCare members with SUD</u>

1. Increased rates of identification, initiation, and engagement in treatment.
2. Increased adherence to and retention in treatment.
3. Reductions in overdose deaths, particularly those due to opioids.
4. Reduced utilization of emergency departments and inpatient hospital settings for treatment where the utilization is preventable or medically inappropriate through improved access to other continuum of care services.
5. Fewer readmissions to the same or higher level of care where the readmission is preventable or medically inappropriate.
6. Improved access to care for physical health conditions among beneficiaries.

<u>1115 to improve the service delivery system for adults with an SMI or children with SED</u>

1. Reduced utilization and lengths of stay in EDs among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings.
2. Reduced preventable readmissions to acute care hospitals and residential settings.
3. Improved availability of crisis stabilization services including services made available through call centers and mobile crisis units, intensive outpatient services, as well as services provided during acute short-term stays in residential crisis stabilization programs, psychiatric hospitals, and residential treatment settings throughout the state.

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[4] This demonstration opportunity does not extend to coverage of room and board payments, nursing facilities that qualify as IMDs, services provided in settings that do not qualify for the Inpatient Psychiatric Services for Individuals Under Age 21 benefit, or services provided in settings where beneficiaries are residing involuntarily in the facility by operation of criminal law.

[5] Services for children with SED are included as part of this comprehensive approach to improve the service delivery system; however, it should be noted that the expenditure authority requested for FFP for IMD services mainly impacts adults aged 21 and over due to the separate Medicaid benefit category covering psychiatric hospital services for individuals under the age of 21.

[6] SMD 17-003 (published November 1, 2017) and 18-011 (published November 13, 2018). https://www.medicaid.gov/federal-policy-Guidance/index.html.

4. Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI or SED including through increased integration of primary and behavioral health care.
5. Improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.

The state will achieve these goals by working with stakeholders to focus on the care continuum with emphasis on early interventions, screening and successful referral to address comorbid mental, behavioral, and physical health needs, community-based step-up/step-down clinical services, inpatient residential treatment when appropriate, and developing community-based supports to maintain recovery, health and wellness.

The federal government has established milestones for each of these populations to guide states in the achievement of the aforementioned goals (see Appendix A). Per CMS guidance, states must submit an Implementation Plan that outlines the initiatives the state will undertake to meet the program milestones. DHHS is committed to meeting the milestones set by CMS and commits to submitting the implementation plan describing the various timelines and activities the state will undertake to achieve the established milestones as part of a post-approval protocol.

IV. DELIVERY SYSTEM, ELIGIBILIY & BENFITS: All MaineCare members will continue to receive services through the current delivery system. DHHS proposes to implement the following initiatives across all eligibility groups. Cost sharing under this demonstration is consistent with the provisions of the approved State Plan.

V. IMPACT ON EXPENDITURES & ELIGIBILIY: DHHS understands that the potential expenditures incurred pursuant to the waiver of expenditure authority contained within this proposal, are considered "hypothetical expenditures."[7] For these hypothetical expenditures, CMS adjusts the budget neutrality test to effectively treat these expenditures as if they were approved Medicaid State Plan services and therefore these expenditures do not necessitate savings to offset their costs. For this reason, DHHS has not included a budget neutrality assessment, but commits to reporting all SUD/SMI/SED-related IMD stays consistent with the special terms and conditions for the demonstration.

The tables below provide historical data and projects for total expenditures and annual enrollment for the past two State Fiscal Years (SFY) and the five proposed Demonstration Years (DY) (beginning with DY 1 which is equivalent to SFY 20). Importantly, the estimates below include assumptions around Medicaid expansion, which is currently being implemented.

DHHS utilized data (per discharge rates and bed days) from the MEPD to provide estimates below related to increased costs for IMD stays. As noted above, the MEPD was established under Section 2707 of the Affordable Care Act to evaluate the effects of providing Medicaid reimbursements to private psychiatric hospitals that treat beneficiaries ages 21 to 64 with psychiatric emergency medical conditions; Maine was one of eleven states to participate in the pilot, which spanned from 2012 to 2015. Though the scope of the MEPD was more limited than this request as far as eligible populations, it provides robust information to inform the work of this demonstration as well as cost projections.

[7] Per CMS guidance, this is defined as "the expenditure would have been eligible to receive FFP elsewhere in the Medicaid program."

Table 4. Historic Annual Aggregate Expenditures and Enrollment.

	SFY 17 (Actual)	SFY 18 (Actual)
Enrollment	270,511	260,177
Total Expenditures	$2,602,187,148	$2,759,743,593

Table 4. Projected Annual Aggregate Expenditures and Enrollment.

	DY 1 (Estimate)	DY 2 (Estimate)	DY 3 (Estimate)	DY 4 (Estimate)	DY 5 (Estimate)
Enrollment	331,676	331,676	331,676	331,676	331,676
Total Expenditures	$3,428,225,473	$3,563,977,965	$3,741,929,730	$3,928,779,083	$4,124,970,904

VI. HYPOTHESIS & EVALUATION:

Through this demonstration, DHHS intends to evaluate several hypotheses (see Table 3). Hypotheses focus primarily on access to various levels of care, service utilization, quality of care and care transitions, spillover effects of a more efficient service delivery system, and costs. DHHS plans to use evaluation results from the demonstration to make strategic decisions on how to improve existing and any new State Plan services, including the possibility of utilizing alternative payment models in the future to support this work.

When possible, proposed measures will be selected from nationally-recognized sources and national measure sets. Data sources may include administrative data (e.g. licensing information), Medicaid claims data, stakeholder surveys/interviews/focus groups, and provider-supplied data. DHHS will also seek to align measures in this demonstration with existing quality improvement initiatives within the state, when relevant, to support focused system transformation and reduce administrative burden.

DHHS will conduct a rigorous evaluation of the impact of this waiver on our system of care, health outcomes, and other relevant indicators. The evaluation of this 1115 waiver will be developed following waiver approval and must be approved by CMS. In addition, the State will comply with all required reporting requirements throughout the demonstration period, as required by CMS.

Table 3. 1115 Waiver Hypotheses and Potential Measures

1	Reimbursement of IMD services for adults will: • Increase the availability of residential beds in facilities that meet the definition of an IMD. • Reduce number of adult out-of-state placements related to SMI/SUD. • Reduce ED utilization from individuals receiving residential and community-based SMI/SED/SUD services. • Reduce ED lengths of stay among members with SMI/SED/SUD. • Increase state resources available for community-based services, including implementation of a hub-and-spoke model of treatment for SUD.
2	The overall impact of this waiver will improve health outcomes for members with SMI/SED/SUD. Such as: • Increase the proportion of individuals who receive follow-up services within 7 days following an inpatient stay. (NQF#0576). • Increase the proportion of members who have had a primary care visit, including adolescent well-care visits for individuals with SED.

	• Increase the capacity of providers to screen, intervene, and refer individuals to appropriate services related to co-occurring physical and behavioral health needs. • Reduce the number of child protective determinations related to SUD.
3	Increased access to appropriate behavioral and SUD care will reduce overall MaineCare costs for members with SMI/SED/SUD.
4	The stakeholder engagement related to this waiver will increase stakeholder (internal and external) understanding of the service delivery system(s) available to MaineCare members.

VII. WAIVER & EXPENDITURE AUTHORITIES: DHHS is requesting expenditure authority under Section 1115 to claim as medical assistance the costs of services provided to eligible individuals ages 21-64 residing in facilities meeting the regulatory definition of an IMD.

VIII. PUBLIC COMMENT: This notice also serves to open the 30-day public comment period, which closes at 11:59PM on March 25, 2019.

Comments and questions about the proposed 1115 waiver application can also be submitted by email to: Policy.DHHS@maine.gov or by mail to: Division of Policy/MaineCare Services, 242 State St. 11 State House Station, Augusta, Maine 04333-0011. All comments must be received by 11:59PM March 25, 2019.

The public may review the proposed waiver application at any Maine DHHS office in every Maine County. To find out where the Maine DHHS offices are, call 1-800-452-1926.