

HealthWest Community Informational Meeting

February 26, 2016

Julia thanked everyone for coming. Today is about explaining a complicated issue. She noted that in attendance are commissioners, providers, staff, persons served, and family members.

The Governor early last week released his proposed budget for next fiscal year. In that budget was boilerplate language referred to as Section 298 which proposes to move the Medicaid funding from being managed by the PIHP (Prepaid Inpatient Health Plan) to the Health Plans.

Right now, Medicaid (which pays for services for people with substance use disorders, serious mental illness, developmental disabilities, and serious emotional disturbances) is in two pots.

The first pot is managed by the Prepaid Inpatient Health Plan (PIHP) which for us is the Lakeshore Regional Entity (LRE.) The LRE includes HealthWest, network180 (Kent County), Allegan CMH, West Michigan CMH, and Ottawa CMH. The LRE manages all the Medicaid dollars for the populations we serve in our region. The PIHPs are governmental entities set up through statutes and are public systems. CMHs (like HealthWest) have Boards of Directors appointment by the County Commissioners. Currently each of our 5 CMHs has 2 people on the LRE Board. PIHPs dole out the money to us based on how many Medicaid eligible people are in the community. We get this money and use it to provide services and contract services.

There is another small pot of money called the “Mild to Moderate Benefit.” That pot of money is managed by the Health Plans. The Health Plans are the private insurance companies that manage Medicaid money for everything except behavioral health. They manage all the medical/primary care treatment dollars (examples include Priority Health, Blue Cross Blue Shield, etc.)

The Governor is saying that it is hard to coordinate care when the money is in two pots. An example is someone who is receiving services through “mild to moderate” benefit but actually needs more intensive services might get stuck going from outpatient therapy, to hospitalization, to outpatient therapy, and so on, without ever moving into more intensive CMH services because the funding is separate.

Right now behavioral health dollars are “carved out” and given to us. The Governor’s proposal proposes to carve the dollars back in to the Health Plans and eliminate the PIHPs. The argument for this is that it will create administrative efficiencies.

Some of the facts out there right now are not exactly right. There are 6 Health Plans in the state. That would mean we would have 6 contracts rather than the one with the Lakeshore Regional Entity. The public system we have is based on values like self-determination, social determinants of health, individualized person centered planning, and having a recovery orientation.

Another issue is this proposal only gives one year for this change to occur. Julia is very concerned about the timeline; there is not enough time to do this in a thoughtful way. The Governor has been surprised by the advocacy around this so far.

Q: Under the new model, would the Health Plans be providing the authorizations for services:

A: Yes.

Q: Are the amount of dollars going to be the same in the new budget?

A: There are no budget savings in the Governor's budget. He says he believes there will be savings. However, PIHP administrative rates are 5-6% whereas Health Plans are 15-17%.

Lt. Governor Calley has put together a workgroup to re-work the language in Section 298 and their deadline is May 1. Our region is represented by Dr. Lisa Hatavie from West Michigan CMH. There are 5 other CMHs represented, the Health Plan association is represented, and advocacy groups like Protection & Advocacy. There will also be a "Facts committee" working to gather the facts spearheaded by the MACMHB (Michigan Association of Community Mental Health Boards.)

Julia met with Marcia Hovey Wright this morning. There is a public hearing in Lansing on Monday morning and will likely be a packed house. Marcia Hovey Wright commented that what she has recently heard is that this is very likely going to be slowed down. The Michigan Association of Counties is meeting next week as well.

Q: Have the Health Plans been lobbying for this?

A: Yes they have been vocal about being able to save money.

Q: Has there been dialogue between PIHP staff and Health Plans about the Health Plans hiring PIHP staff for this expertise?

A: Even if the money is carved in, many see a value of keeping the PIHP in tact so it is not a given that the PIHP would no longer exist.

Q: At some point when there is a carve in, will there be more dollars available to us?

A: We do not know. If we can work collaboratively with the Health Plans and look at value-based financing, we should be able to bring in more dollars to the system.

Last year, our health clinic lost money. On average visits were 30 minutes last year. Typical doctor visits are much less. However, these individuals have very complex needs and the visit takes longer. We know we are saving lives and we are saving money (ie, reducing E.R. visits, etc.)

Q: Is the mental health carve out the only carve out?

A: There are some but not many (ie, HIV meds)

There is a lot changing in healthcare, there are some good concepts, but we want section 298 gone because it is not a good “starter.”

Q: How many people who receive services are involved?

A: They are being added to the workgroup currently.

Q: What would be the ideal relationship between PIHP and Health Plan?

A: It would be one that would preserve the Core Values of the mental health system. Coordination of care is very important. Julia spoke to high suicide rate in our community which is shown to be linked to 1) depression and mental health conditions and 2) chronic health conditions. We want to be value-based so that when we save money for the health system it comes back to us to help meet the needs of individuals.

Q: What is expected of the County Commissioners and what direction should we go?

A: Do not support Section 298, and let House and Senate know that. Julia has a draft resolution the Commissioners can pass.

Q: Are the health plans a political force, do they have lobbyists?

A: Yes, there is some of this. But this was a shock to some of them too.

Comment: If Health Plans have questions about the value of Peer services, peers would be happy to speak with them. Julia agreed we need consumer voice in this process.

Q: In addition to contacting legislators, is there a draft letter consumers could send to the health plans to voice their concerns and needs?

A: That might be a good idea to consider.

There's another project called the State Innovation Model (SIM) which is to look at value-based financing. On the healthcare side we have “fee for service” where doctors get paid for each test, etc. Under value-based financing, you get paid for healthy outcomes. It was just announced that Muskegon will be one of the pilot sites for this. This pilot process could really help inform the integration of care and funding, but will take more time than is proposed in the 2017 Budget.

There is a hearing on Monday with the House. You can give testimony and we will send some representatives with prepared comments. Tuesday March 1st at 2:30 is the Senate meeting (appropriations committee and public testimony.)

We will continue to post updates on our website and Facebook page. We will have additional public meetings to keep people informed.