- Policy and regulatory guidance and technical assistance related to 1915(b), 1915(c), and 1115 waivers as well as state plan amendments, including Section 1915(i), Home and Community-Based Services , and Section 1945, Health Home State Plan Options
- Procurement assistance, including development of program standards and requirements, and the technical questionnaire and evaluation criteria; design of performance guarantees and incentives; training, technical assistance, and oversight during the evaluation phase; and facilitation of site visits and finalist negotiations
- Behavioral health program management, including performance-based contracting, readiness, and clinical operational reviews of behavioral health managed care organizations; benchmarking studies; fidelity reviews; and related corrective-action plan development and monitoring
- Actuarial analysis, including financial analysis for waiver and state plan development (including review of other state-funded programs for potential Medicaid coverage), capitated rate setting for managed care programs, fee-for-service rate setting for fee schedules, and cost driver analyses integrated with behavioral health program management consulting

SITUATION

The state sought to transform the healthcare delivery system from a fee-for-service (FFS) chronic case model to a community-based Medicaid managed care model while improving health outcomes and reducing healthcare costs. Key objectives included promoting recovery-oriented services grounded in evidence-based practices and integrated across delivery systems and multiple state agencies.

CHALLENGE

The state's Medicaid behavioral health delivery system was largely unmanaged and the FFS payment structure lacked accountability for outcomes and led to fragmented care. The broad array of treatment options was difficult to navigate, and there were few incentives for coordinated or person-centered care. As a result of historical funding and local priorities, behavioral health services varied by region, and many MCOs did not have experience managing complex behavioral health populations. A comprehensive, efficient approach to a statewide rollout was necessary for successful implementation.

ACTION

Mercer supported the state's cross-agency workgroup by providing policy, program design and implementation assistance to support moving behavioral health services and populations from FFS to managed care. Phases of the project included:

1. Analyzing federal authorities, facilitating strategy sessions and providing briefing documents to inform policy and program design decisions, including amending an 1115 demonstration waiver and integrating separate 1915c waivers into a single Home and Community-Based Services (HCBS) authority
2. Providing clinical and policy expertise to develop needs-based eligibility criteria, service definitions and staffing qualifications for HCBS
3. Providing financial support for budget projections, budget neutrality calculations, fee schedule development for new or revised services, and capitation rate impact analyses
4. Drafting behavioral health-specific contract standards to support the state's key objectives

5. Developing a request for qualification and readiness review protocols with evaluation criteria to qualify existing MCOs to administer new behavioral health and HCBS benefits
6. Training state staff on evaluation criteria, readiness review protocols and HCBS requirements
7. Co-leading a team of clinical, member services, network, quality management, information systems, claims and financial subject-matter specialists to conduct desk and on-site readiness reviews at each MCO

RESULTS

The state is on a clear path toward system transformation that supports recovery-oriented, person-centered care that is integrated at the point of service delivery. Financing links payment to outcomes and supports evidence-based and promising practices as well as services and supports to maintain individuals in their homes and communities. The service array and delivery system structure address the unique needs of individuals, including medically fragile children, transition-age youth and individuals with first-episode psychosis, serious emotional disturbance, serious mental illness and/or substance use disorders.

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