

## **SIM Contractor Final Report**

### **Colorado Department of Health Care Policy and Financing Purchase Order No. PO-UHA-CPO13000002**

**Performance Period:** March 4, 2013 – September 30, 2013  
**Reporting Period:** September 1, 2013 – September 30, 2013  
**Date Submitted:** October 11, 2013  
**Contractor Name:** Magna Systems, Incorporated  
**Grant Amount:** \$50,000.00  
**Contractor Role:** This project supports the Colorado Department of Health Care Policy and Financing in completing the work associated with the State Innovations Models: Funding for Model Design and Testing Assistance Cooperative Agreement Award for Pre-testing Assistance. The Purchase Order calls for Magna Systems to assess the services provided under the Behavioral Health Organizations (BHO) re-procurement. In conjunction with this assessment, Magna Systems will also analyze and report on the anticipated changes resulting from Medicaid expansion, BHO re-procurement, and changes to Colorado's Mental Health Block Grant, Substance Abuse Prevention and Treatment Block and from the Substance Abuse Mental Health Services Administration (SAMHSA) redesign.

#### **Abstract:**

As Colorado moves forward with implementation of Health Care Reform (HCR) under the provisions of the Affordable Care Act (ACA), people previously excluded from services under Medicaid will be able to enroll in an expanded Medicaid program and receive physical and behavioral health services. When this occurs, certain behavioral health services that previously could not be covered under Medicaid will also become eligible for Medicaid payments.

With Medicaid paying for care for more individuals and for more covered services, it is anticipated that services currently provided by the Colorado Office of Behavioral Health and funded through a combination of state and federal funds, will be covered under Medicaid. This may make available some state and federal funds for other purposes. As part of the process for preparing for implementation of the ACA, the Colorado Health Care Policy and Financing (HCPF) Department, and the Colorado Office of Behavioral Health (OBH), engaged Magna Systems to solicit input from key stakeholders on the proposed behavioral health benefit design to be administered by entities known as Behavioral Health Organizations. In addition, ideas were solicited on how to repurpose funds from the federal Community Mental Health and the Substance Abuse Treatment and Prevention Block Grant Programs administered by the Substance Abuse and Mental Health Services Administration (SAMHSA) as well as general state funds administered by OBH. It should be noted that the later information regarding the repurposing of Block Grant Program and state general funds were collected only for potential planning purposes.

#### **Accomplishments:**

Consistent with the work plan described in Magna Systems' July 2013 and August 2013 Monthly Reports, interviews with select key stakeholders representing individuals with or at risk of having a behavioral health disorder, individuals representing cultural and ethnic communities, representatives from Colorado statewide advocacy organizations, state policy-makers and representatives from Behavioral Health Organizations were completed. During this same reporting period, the Magna Systems Team reviewed a draft copy of the Colorado Department of Health Care Policy and Financing's Request for

Information (RFI),# *HCPFRIKC14Behavioral, Behavioral Health Services Program*. The Team compared the written material contained in the following Section of the RFI: Section 3.0., Background Information, Section 4.0., Offeror's Mandatory Requirements and Section 5.0., Statement of Work of the RFI with the service descriptions and recommendations of the key informants. Of particular interest were those responses gleaned from the key informants that suggested possible alternative uses of state general funds and funds associated with the Community Mental Health and the Substance Abuse Treatment and Prevention Block Grant Programs.

### **Outcomes:**

Consensus was found amongst the key interviewees as to the theoretical use of repurposed Community Mental Health and Substance Abuse Block Grant Program funds as well as potential state general funds.

### **Substantive Findings:**

The Behavioral Health pre-procurement design is consistent with SAMHSA's vision of a good and modern behavioral health system. The design promotes public health principles and the integration of behavioral health with primary care, while fostering positive health outcomes. Nevertheless, interviews with behavioral health stakeholders provide some food for thought regarding the ability of pre-procurement systems design to meet the needs of select consumers and providers. The findings are listed below:

- Not all of the providers have the skills, knowledge and capacity to participate as a provider in the BHO network, particularly those that derived their operating funds primarily from the Substance Abuse Grant Program and state general funds for the provision of substance abuse prevention and treatment of substance disorders for uninsured individuals do.
- Providers that self-identify as cultural, ethnic and linguistic behavioral health prevention, treatment and recovery organizations, heretofore, have not always been active or recognized members of the existing BHO network. These providers do not have a clear understanding of the organizational design of the BHO, its role and relationship to them. Further, these providers do not have the capacity to participate in state planning discussions and/or do not regularly receive information focused on the transformation of the behavioral health system.
- Stakeholders perceive a need for the establishment of on-going regional learning communities whereby providers, consumers, family members and other interested parties can continue to receive technical assistance and training geared to gaining knowledge and skills on emerging issues and trends in the behavioral health field. Immediate topics of interest include the following areas contained in the RFI:
  - Area 3.4.2.3: Continuum of Care
  - Area 3.4.2.4: Service Transitions
  - Area 3.4.5.1: Social Determinants of Health
  - Area 3.4.2.6.1: Prevention of behavioral health and promotion of healthy lifestyles and wellness
  - Area: 3.4.3: Client-centered care
  - Area 3.4.4: Trauma-informed care
  - Area 3.4.6: Recovery and Resiliency
  - Area 3.4.8: Outcome Measures, Data Collection and Analyses
  - Area: 3.4.8.1: Payment reform
- As appropriate, cultural and linguistic competence should be a core tenant of all technical assistance and training.
- Specifically for the prescribed evidence-based practices listed in Section 5.4.4 of the RFI, providers will need training in the practices to assure sound implementation and fidelity measurement.

## **Suggestions/ Recommendations:**

Generally, the stakeholders recommend potential use of Block Grant and state general funds as a source of training and technical assistance dollars to help providers prepare and sustain their ability to be active and meaningful partners with BHOs. The initial areas of focus as suggested by the stakeholders are described in the Section entitled: *Substantive Findings*. In addition, stakeholders envision Block Grant and state general funds as potential revenue sources that can:

- Increase housing opportunities
- Increase peer support programs
- Serve as a funding bridge for individuals affected by retro-enrollment as described in Section 3.4.8.18 of the RFI.

## **Additional Information**

Stakeholders also suggested that the BHO be required to annually assess the clinical and programmatic capacity of its network, develop a strategic plan for addressing the issues, and submit the plan to OBH for consideration in OBH's federal Block Grant.

### ***1. What is the “as is” state of health in Colorado from this sector/stakeholder perspective?***

Colorado's behavioral health field is perceived to be rapidly evolving from a disparate array of substance abuse, mental health and primary care providers into an integrated behavioral health system. The evolving behavioral health system is developing and implementing evidence-based prevention, early intervention, treatment and support services that focus on improving and maintaining the overall health of individuals in need of care, regardless of the severity of mental illness or substance use disorder.

As the providers become more collaborative or integrated in their treatment practices the funding streams remain siloed and sometimes not supportive of the overall effort to provide seamless care. Non-categorical funding could bridge the service gaps by:

- Funding specific evidenced-based program models that focus on a wide range of prevention, treatment, recovery and resiliency practices.
- Providing support for sound implementation and fidelity measurement.
- Using a public health approach to support transformation of the behavioral health field.
- Supporting use of the SAMHSA Strategic Prevention Framework at the regional and community-based level to organize service implementation efforts.
- Continuing to provide financial support to individuals who are not Medicaid eligible.

Another area of concern is the potential displacement of providers who have been serving some of the state's most vulnerable individuals. These providers may be the preferred provider choice for many consumers but they lack the skills, knowledge, infrastructure to provide clinical services under the proposed behavioral health system redesigned described in the RFI.

### ***2. What is the preferred “to be” state from that perspective?***

The preferred structure of the Colorado health system is envisioned to be a system that ensures all Coloradoans have access to high quality, age appropriate, culturally and linguistically appropriate, efficient and cost effective integrated treatment for both physical and behavioral health needs. Specifically, the new system would:

- In concert with the provisions of the Affordable Care Act, expand insurance coverage through the extension of Medicaid to eligible individuals;
- Provide subsidies to help those with moderate incomes purchase insurance;

- Protect individuals from discriminatory practices, such as the denial of insurance due to pre-existing medical conditions;
- Provide new or potentially repurposed Block Grant and state general fund dollars to:
  - Assist providers in developing the organizational and clinical capacity to be a partner with a Behavioral Health Organizations
  - Recruit, retrain and retain behavioral health practitioners including peer and individuals from cultural and ethnic communities
  - Provide technical assistance and training to the behavioral health field, including providers, consumers, family members and advocates on epidemiological data driven decision making as well as application of emerging evidence-based practices and sound business management practices
- Increase and advance the use of technology

### ***3. What is the “innovation opportunity” (i.e., the gap between “as is” and “to be”) for this sector/stakeholder?***

Colorado is recognized as a leader in its efforts to actualize the integration of behavioral health and primary care. To bring the effort to fruition, ongoing technical assistance and training is needed to assist providers to take the next step in this transformative journey. Funding from non-categorical sources is needed.

In addition, the pre-procurement design addresses the social determinants of health. Access to the needed essential services maybe limited due the current national fiscal crisis. The provision of dollars for case management services to link and pay for services such as housing, childcare, transportation, educational opportunities is essential but not formally recognized as medically necessary services. Colorado has the opportunity to monitor and reallocate Block Grant program and state general fund dollars for these vital linkages and services.

### ***4. What data and outcomes measures should we use to measure progress?***

Recommended Data Elements:

- 2009 Colorado Population in Need Statistics;<sup>1</sup>
- Adults – 108,496 and service penetration of 36%
- Children and Adolescents – 18,525 and service penetration of 62%
- Number of behavioral health providers by region;
- Types of behavioral health services within each region;
- Numbers of individuals served within each region;
  - Age
  - Race and ethnicity
  - Housing status
  - Criminal and/or juvenile justice system involvement
  - Employment status
  - Health status – chronic medical conditions
- Number and type of evidence-based practices implemented within each region;
- Cost of care of individuals identified within each region as being high cost users;
- Number of uninsured individuals currently served by the behavioral health system who become insured as a result of the Affordable Care Act;

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<sup>1</sup> <http://www.colorado.gov/cs/Satellite?blobcol=urldata&blobheadname1=Content-Disposition&blobheadname2=Content-Type&blobheadvalue1=inline%3B+filename%3D%22PIN+Final+Report.pdf%22&blobheadvalue2=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1251694198169&ssbinary=true>

- Cost savings derived from Block Grant Program Funds and state general funds no longer underwriting the cost of care for uninsured or non-Medicaid reimbursable services; and
- Consumer satisfaction with each discrete service and the overall service delivery system.

Outcome Measures:

- Reduction of unmet need for adults, children and adolescents;
- Increase in service penetration for adults, children and adolescents;
- Sustainability/increase/decrease of providers within each region;
- Sustainability/increase/decrease of services within each region;
- Cultural, ethnic, and social determinant characteristics of the population served compared to the general population for each region;
- Implementation of evidence-based practices in concert with Section 5.4.4 of the RFI;
- Reduction in the service costs of high cost users in each region;
- Reduction in the number of uninsured individuals in each region;
- Amount of repurposed dollars derived from cost savings from the Block Grant Program Funds and state general funds; and
- Percent of consumers satisfied with service and service delivery system.

***5. If the model Colorado plans to test is paying for integrated physical/behavioral health, what role can (sector/stakeholder group) play in facilitating that integration or measuring its impact.***

The BHO networks which are designed to provide integrated care as envisioned by the service design articulated in the RFI can serve as a national model on the provision of data driven comprehensive care management. These networks can also demonstrate the resulting cost savings and improved health outcomes for individuals with behavioral health conditions.

## **Deliverables**

### **Deliverable 1:**

Assessed the services provided under the Behavioral Health Organizations (BHO) re-procurement as well as analyzed and reported on the anticipated changes resulting from Medicaid expansion, BHO re-procurement, and changes to Colorado's Mental Health Block Grant, Substance Abuse Prevention and Treatment Block and from the Substance Abuse Mental Health Services Administration (SAMHSA) redesign

#### **Status:**

Completed

#### **Explanation of Variance (If applicable):**

None

### **Deliverable 2:**

N/A

#### **Status:**

#### **Explanation of Variance (If applicable):**

### **Deliverable 3:**

N/A

#### **Status:**

#### **Explanation of Variance (If applicable):**

### **Deliverable 4:**

N/A

#### **Status:**

#### **Explanation of Variance (If applicable):**