



Frequently Asked Questions (FAQs)

Illinois' Behavioral Health Transformation

August 26, 2016

Contents

Background 4

- What is an 1115 waiver?..... 4
- Why is Illinois seeking an 1115 waiver?..... 4
- Who can apply for an 1115 waiver? 4
- What is budget neutrality? 4
- How long does a waiver last? 4
- What are Special Terms and Conditions? 4
- What is required of the state during the 1115 waiver demonstration?..... 5

Waiver in the Context of Broader Health and Human Services Transformation..... 5

- What is the Illinois Health and Human Services Transformation? 5
- What state agencies have collaborated to develop the Transformation strategy? 5
- How have stakeholders been engaged on the development of the Transformation strategy? 6
- How will the Transformation address behavioral health?..... 7
- How does the 1115 waiver fit within the broader Transformation?..... 8
- What other funding sources will the Transformation leverage?..... 8
- Is the state developing a health home model in conjunction with this waiver? 9

Waiver contents..... 10

- What are the goals of the 1115 waiver?..... 10
- What is included in the 1115 waiver?..... 10
- How has stakeholder input been incorporated into the 1115 waiver?..... 10
- What benefits will be tested under the waiver? 11
- Will the benefits be available to all Medicaid members?..... 12
- What initiatives will be tested under the waiver?..... 13
- What populations will the waiver cover? 13
- What role will managed care organizations play in waiver activities?..... 14

Finance Strategy and Sustainability 15

- How will benefits and initiatives be funded under the waiver? 15
- How will the 1115 waiver create savings to be reinvested in the behavioral health system?..... 15
- How will sustainability post-waiver be achieved?..... 15

Waiver timeline..... 17

- What is the timeline to waiver submission and approval?..... 17

What is the timeline for the waiver once submitted? 17

How will the state ensure that there is sufficient planning time before waiver programs and systems “go live”? 17

When would the waiver take effect? 17

What happens if CMS doesn’t approve the waiver? 18

Public Comment and Contact Information 18

How will the State keep stakeholders and partners informed? 18

How will the State involve stakeholders and partners in planning and development? 18

How can 1115 waiver questions and comments be submitted? 18

Background

What is an 1115 waiver?

An “1115 waiver” is a contract between the federal and state governments that “waives” federal Medicaid requirements and gives the State government approval to experiment, pilot, or demonstrate projects. The purpose of these demonstrations is to evaluate policy approaches such as providing services not typically covered by Medicaid or creating innovative service delivery systems that improve care, increase efficiency, and reduce costs. Please also reference the CMS website for more information on Section 1115 Demonstrations:

<https://www.medicaid.gov/medicaid-chip-program-information/by-topics/waivers/1115/section-1115-demonstrations.html>

Why is Illinois seeking an 1115 waiver?

Illinois has outlined an ambitious strategy to improve behavioral health outcomes. An 1115 waiver is critical to the successful implementation of this behavioral health strategy. The proposed waiver elements test a combination of critical services that promise to be most effectively deployed together and, importantly, lay the foundation for innovation in integration and value-based payments.

Who can apply for an 1115 waiver?

1115 waiver applications must be submitted by State Medicaid agencies.

What is budget neutrality?

The federal government requires the demonstrations to be “budget neutral,” meaning that during the course of the waiver Medicaid expenditures cannot exceed what they would be without the waiver. The 1115 waiver is not a grant but rather an opportunity to use Medicaid dollars differently to increase the efficiency and quality of care for Medicaid populations.

How long does a waiver last?

1115 demonstration waivers generally run up to 5 years. They may be renewed and amended. Illinois is requesting a 5 year demonstration.

What are Special Terms and Conditions?

Special Terms and Conditions (STCs) are the detailed expectations agreed upon by the State and federal government upon approval of the 1115 demonstration waiver that enable the state to operate the demonstration. They serve as the final contract between the state and the federal government and the waiver demonstration period begins with the signing of approved STCs.

The STCs are to be agreed upon following the state public comment period, CMS review, and the federal public notice period.

What is required of the state during the 1115 waiver demonstration?

During the waiver demonstration, the State will be required to formally evaluate the waiver’s outcomes and monitor and enforce budget neutrality through periodic reports to CMS. The process to do this as well as any other requirements will be agreed upon in the final STCs.

Waiver in the Context of Broader Health and Human Services Transformation

What is the Illinois Health and Human Services Transformation?

In the State of the State, Illinois announced a Health and Human Services (HHS) Transformation that places a focus on prevention and public health, pays for value and outcomes rather than volume and services, makes evidence-based and data-driven decisions, and moves individuals from institutions to community care to keep them more closely connected with their families and communities.

Consistent with the Triple Aim, the HHS Transformation seeks to improve population health, improve experience of care, and reduce costs. It is grounded in five themes:

- Prevention and population health
- Paying for value, quality, and outcomes
- Rebalancing from institutional to community care
- Data integration and predictive analytics
- Education and self sufficiency

What state agencies have collaborated to develop the Transformation strategy?

13 ILLINOIS ENTITIES ARE INVESTED IN HHS TRANSFORMATION	
Abbreviation	Name of entity participating in behavioral health Transformation
GO	Governor’s Office
DHFS	Illinois Department of Healthcare and Family Services
DCFS	Illinois Department of Children and Family Services
IDHS	Illinois Department of Human Services
IDJJ	Illinois Department of Juvenile Justice
IDOC	Illinois Department of Corrections
IDoA	Illinois Department on Aging
IDPH	Illinois Department of Public Health
IDVA	Illinois Department of Veterans’ Affairs

IHDA	Illinois Housing Development Authority
DoIT	Illinois Department of Innovation and Technology
ISBE	Illinois State Board of Education
ICJIA	Illinois Criminal Justice Information Authority

How have stakeholders been engaged on the development of the Transformation strategy?

Stakeholder engagement and input have been critical in both informing the State’s focus on behavioral health and designing the strategy. Throughout the State Health Assessment (SHA), two rounds of State Innovation Model (SIM) design grants, the creation of the State Health Improvement Plan (SHIP), and the HHS Transformation, more than 2,000 stakeholders collectively emphasized the urgency of behavioral health Transformation in Illinois. In HHS Transformation town halls, DCFS town halls, and dozens of meetings and surveys, stakeholders shared insights about pain points in the behavioral health system and suggested strategies to address them.

During the SIM rounds, the Governor’s Office convened three working groups that met regularly:

SIM Workgroup	Purpose
Consumer Needs	To inform SIM recommendations from the perspective of consumers and their families
Data and Technology	To recommend solutions (including those using existing resources) that enhance the secure and timely exchange of actionable clinical behavioral health data consistent with defined standards and to recommend opportunities for provider technical assistance
Physical and Behavioral Health Integration	To provide recommendations to support best practices for payers and providers, enhance care coordination, and develop collaborative practices and service linkages

Working group members included state agency staff, provider association representatives, behavioral health advocates, behavioral health providers, physical health providers, payers, and consumers from across Illinois. Recommendations by the physical and behavioral health integration working group, in particular, helped inform both the broad behavioral health strategy and the components of this 1115 waiver.

Most recently, four stakeholder-specific working groups were convened with consumer advocates, community services providers, behavioral health providers, and managed care organizations to obtain focused feedback on the emerging behavioral health strategy and components of this waiver application.

How will the Transformation address behavioral health?

The initial focus of the Transformation effort is on behavioral health (mental health and substance use) and specifically the integration of behavioral and physical health service delivery. Behavioral health was chosen due to the urgency of the issue as well as the potential financial and human impact. Building a nation-leading behavioral health strategy will not only help bend the healthcare cost curve in Illinois but also help turn the tide of the opioid epidemic, reduce violent crime and violent encounters with police, and improve maternal and child health. There is also a large financial payoff in improving behavioral health: Medicaid members with behavioral health needs represent 25% of Illinois Medicaid members but account for 56% of all Medicaid spending.¹

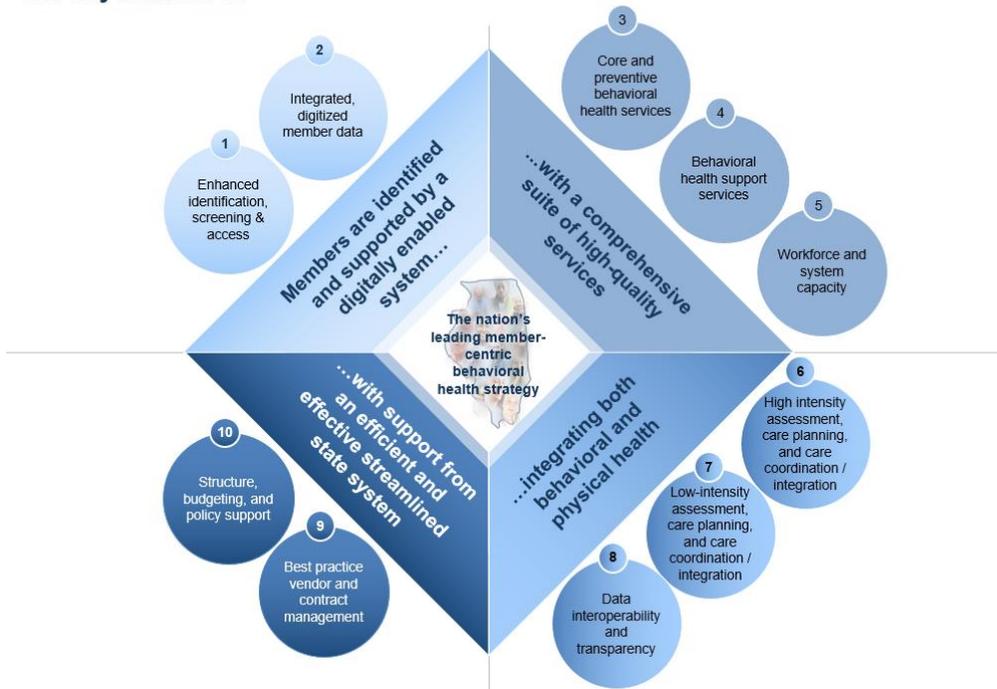
Illinois has outlined a comprehensive behavioral health strategy aligned with a clear vision for an integrated behavioral and physical health delivery system. Illinois envisions a future behavioral health system in which:

- Members are identified and supported through a digitally enabled system
- Members have access to a comprehensive suite of high-quality services
- Behavioral and physical health services are integrated
- A streamlined state administrative system provides effective and efficient support

The figure below depicts these four central approaches and ten initiatives to support them.

¹ State fiscal year 2015 HFS claims data

Illinois envisions a member-centric behavioral health system enabled by ten key initiatives



How does the 1115 waiver fit within the broader Transformation?

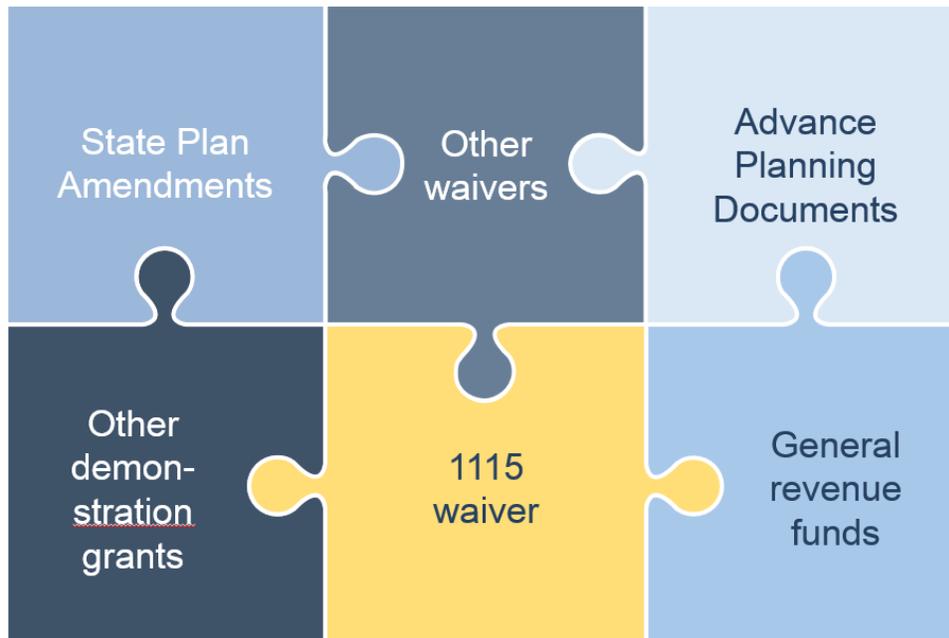
The 1115 waiver is critical to successful implementation of its behavioral health strategy. The initiatives in the 1115 waiver create the systemic changes necessary to pave the way for integration and value-based payments. The benefits in the 1115 waiver enable Illinois to provide a higher-value, higher-quality behavioral health system. They are critical elements in supporting fully integrated behavioral and physical health homes, which will be most effective when they have the right core, preventative, supportive behavioral health services with which to integrate.

What other funding sources will the Transformation leverage?

The state will also pursue initiatives outside the waiver to advance its behavioral health strategy. For example, proposed State Plan Amendments include but are not limited to:

- Integrated physical and behavioral health homes
- Crisis stabilization and mobile crisis response
- Medication-assisted treatment (MAT)
- Uniform Child and Adolescent Needs and Strengths (CANS) and Adult Needs and Strengths Assessment (ANSA)

A broader set of potential funding vehicles pursued is displayed in the figure below.



Is the state developing a health home model in conjunction with this waiver?

Illinois will pursue an integrated behavioral and physical health home program that promotes accountability, rewards team-based integrated care, and shifts away from fee-for-service (FFS) towards a system that pays for value and outcomes.

The development of integrated behavioral and physical health homes and the payment model to support them sustainably will be a significant step in realigning the Illinois delivery system. The State envisions that these IHH providers and teams will have:

- Access to enhanced integration funding to facilitate the creation of these health homes
- Reimbursement (e.g., PMPM payments) for care coordination activities that promote whole-person care for eligible populations in need
- Outcomes-based payment models that reward measurable, positive outcomes associated with integrated care (across behavioral and physical health indicators)

Illinois recognizes that these integrated health homes will not materialize without considerable planning; both further design and development processes are required. The State therefore intends to progress the design of these health homes with significant stakeholder input, building upon and furthering other demonstrations across the country. It also intends to allow flexibility for multiple models to emerge across the State to address the needs of different segments of the population and allow for continued provider innovation.

Waiver contents

What are the goals of the 1115 waiver?

The 1115 aims to achieve six main goals:

1. Rebalance the behavioral health ecosystem, reducing over-reliance on institutional care and shifting to community based care
2. Promote integrated delivery of behavioral and physical health care for behavioral health members with high needs
3. Promote integration of behavioral health and primary care for behavioral health members with lower needs
4. Support development of robust and sustainable behavioral health services that provide both core and preventative care to ensure that members receive the full complement of high-quality treatment they need
5. Invest in support services to address the larger needs of behavioral health members, such as housing and employment services
6. Create an enabling environment to move behavioral health providers toward outcomes- and value-based payments

What is included in the 1115 waiver?

Through the 1115 demonstration waiver, Illinois intends to test a set of benefits and initiatives. Waiver benefits are services provided to a defined population by a set of eligible providers. Waiver initiatives provide funding for investments in key infrastructure, processes, trainings, and incentive structures to enhance impact of waiver benefits and overall behavioral health transformation. The initiatives are intended to complement the benefits and maximize their effectiveness.

How has stakeholder input been incorporated into the 1115 waiver?

Extensive stakeholder input has been received through dozens of interviews, multiple town halls, and review of more than 200 written recommendations. Each recommendation has been carefully considered for incorporation in the behavioral health strategy and for specific appropriateness for the 1115. The majority of recommendations are reflected in the strategy and a subset of these recommendations were considered appropriate for the 1115 waiver. For example, supportive housing services, behavioral health workforce development and optimization, and transitional services for justice-involved individuals with behavioral health conditions, all key components of the 1115 waiver, were common stakeholder recommendations. Other common recommendations have been reflected elsewhere in the strategy - for example, health homes, which the State intends to pursue through a proposed State Plan Amendment.

What benefits will be tested under the waiver?

Under the 1115 waiver, Illinois requests coverage of six benefits. Each benefit is designed to enable Illinois to provide a higher-value, higher-quality behavioral health system. The benefits, however, do not create optimal impact in isolation. They are critical elements in supporting fully integrated behavioral and physical health homes, which will be most effective when they have the right core, preventative, supportive behavioral health services with which to integrate.

#	Benefit	Description
1	Supportive housing services	Services to address behavioral health through a “whole-person” approach and support an individual’s ability to prepare for and transition to housing and maintain tenancy once housing is secured
2	Supported employment services	Services to address behavioral health through a “whole-person” approach and support behavioral health members who, because of their illnesses, need intensive ongoing support to obtain and maintain employment
3	Services to ensure successful transitions for IDOC- and Cook County Jail (CCJ) justice involved individuals	<p>Screening, assessment, treatment, and coordination-focused services for IDOC- and CCJ- incarcerated individuals 30 days prior to release to improve linkages with community behavioral health treatment, ensure appropriate utilization of high-end services, and reduce recidivism</p> <p>Immediate enrollment in managed care upon discharge for eligible individuals. For those released from CCJ after more than 60 days detainment and without previous attribution to an MCO, auto-enrollment in CountyCare</p> <p>Deferral of redetermination to ensure continuity of care upon release</p>
	Medicaid coverage for extended-release injectable naltrexone MAT services for targeted individuals within 30 days pre-release	Pre-release MAT education, MAT readiness assessment, counseling, and relapse/overdose prevention education. In addition, those appropriate may participate in a pilot to receive medication assisted treatment administered in the form of extended release injectable naltrexone to be continued after release in the community
4	Short-term residential treatment in an institution	Services provided to individuals with substance use disorder during critical, stabilizing, and

	for mental diseases (IMD) treating substance use disorder	recovery-oriented short-term stays in IMDs to ensure individuals have access to the right type of care at the right time in the right setting
	Substance use disorder case management	Provision, coordination, and arrangement of ancillary services designed to support a specific individual’s treatment with the goal of improving clinical outcomes
	Withdrawal management	Services that provide 24-hour support for individuals with varying intensities of withdrawal to increase likelihood of continuing recovery
	Recovery coaching for substance use disorder	Strengths-based support for individuals with SUD and those actively recovering from SUD
5	Short-term residential treatment in a mental health IMD	Services provided to individuals with mental illness during critical, stabilizing, and recovery-oriented short-term stays in IMDs to ensure individuals have access to the right type of care at the right time in the right setting
	Crisis beds	Diversion beds to serve as alternative destination for individuals fulfilling medical necessity requirements but without acute or high enough needs to warrant inpatient care
6	Intensive in-home services	Time-limited, intensive, home-based crisis intervention services to allow families of children with mental health conditions to improve youth and family functioning and prevent out-of-home placement in inpatient settings
	Respite care	Services to provide children and their caregivers supportive time apart to reduce stress and keep children in their communities

Will the benefits be available to all Medicaid members?

Illinois has designed each benefit based on strong evidence showing improvements in cost and quality of care through similar initiatives across the country. Illinois recognizes the importance, however, of tailoring programs to geographic and population-specific variations and of continuous analysis and performance review to monitor and improve the program to optimize outcomes.

In this vein, for many benefits, Illinois has identified pilot populations in greatest need of the proposed benefits and for whom the benefits are most likely to impact outcomes. As the waiver progresses and the benefits demonstrate significant cost and quality improvements, benefits may be scaled to reach a broader population where appropriate.

What initiatives will be tested under the waiver?

Under the 1115 waiver, Illinois has requested coverage of four initiatives to maximize the impact of the benefits and create the systemic changes necessary to pave the way for integration and value-based payments. Initiatives requested under the waiver are:

#	Initiative	Description
1	Behavioral and physical health integration activities	Investment funds for the State, MCOs, and providers to promote integration of behavioral and physical health (e.g., development of team-based care partnerships between providers, workforce cross-training to ensure competence in both physical and behavioral health, etc.)
2	Infant/Early childhood mental health interventions	Consultations to teach professionals who have frequent contact with young children (e.g., teachers, care providers) ways to improve the socio-emotional and behavioral health and development of at-risk children
3	Workforce-strengthening initiatives	Investment funds for the State and providers to support behavioral health workforce-strengthening initiatives (e.g., creation of a loan repayment program, continuing education, and telemedicine infrastructure)
4	First episode psychosis (FEP) programs	Programs that address individuals in the initial onset of a psychotic episode, stopping the usual trajectory into disability

What populations will the waiver cover?

The demonstration will enhance behavioral health benefits and help integrate behavioral and physical health benefits, in both fee-for-service and managed care, for both child and adult full-benefit Medicaid beneficiaries. All affected groups derive their eligibility through the Medicaid State Plan and are subject to all applicable Medicaid laws and regulations in accordance with the Medicaid State Plan unless specifically waived in the 1115 demonstration.

The demonstration does not include the groups or benefits described in 42 C.F.R. § 440.255 (limited services available to certain aliens); or individuals who are eligible only for payment of Medicare premiums and cost-sharing including those enrolled in the Specified Low Income Medicare Beneficiaries; the Qualified Individual (QI) program; or the Qualified Disabled Working Individual (QDWI) program.

What role will managed care organizations play in waiver activities?

Managed care organizations are a critical component of the Illinois Medicaid program and essential partners in the behavioral health Transformation. Managed care organizations have informed the behavioral health strategy through regular dialogue with the State and will be instrumental in facilitating implementation of many of the benefits and initiatives in the waiver as well as the broader strategy.

Finance Strategy and Sustainability

How will benefits and initiatives be funded under the waiver?

Through the waiver, federal investments and existing state resources will support implementation of the benefits and initiatives. The continuation of federal funding for benefits and initiatives under the waiver beyond the demonstration period is conditional on re-approval, which will be informed by the impact of the waiver. Illinois expects transformation under the waiver to be sustainable, without continued federal investment, after the five-year demonstration period ends.

How will the 1115 waiver create savings to be reinvested in the behavioral health system?

Illinois believes that the rebalancing of behavioral health services and the integration of physical and behavioral healthcare will produce substantial savings to the Medicaid program. To ensure that the demonstration project is budget-neutral, the State will place all of its full-benefit Medicaid population under the waiver and commit to a 2% reduction in spending compared to what spending would be without the waiver. This reduction in spending is what Illinois is requesting be reinvested in the Transformation.

The sources of these savings include, but are not limited to:

- Comprehensive management of members, particularly previously uninsured young adults, who experience SMI and SUD
- Deflecting members with behavioral health conditions away from high-cost institutional services when unnecessary, ensuring proper management under community-based services
- Stabilizing behavioral health conditions and co-morbid medical conditions to avoid long-term Medicaid eligibility for some individuals. For others, the outcome of the early intervention will result in conditions that are easier to manage and less costly than disability-related Medicaid
- Designing a value-based payment and delivery system that ensures provider responsibility for delivering the right care, in the right place, at the right time, at the right cost

How will sustainability post-waiver be achieved?

Illinois intends for the benefits and initiatives pursued through the waiver to be financially sustainable beyond the demonstration period. Sustainability will be key to CMS' approval of Illinois' proposal and thus, a specific plan for sustainability and milestones to demonstrate sustainability will be agreed upon in the Special Terms and Conditions.

Illinois believes sustainability will stem from the services, infrastructure, and system changes promoted through the waiver and ongoing state initiatives, the transition to integrated

behavioral and physical health care delivery as supported by the waiver, and the shift to value-based payments. The state will work with stakeholders to develop and implement this sustainability plan.

Waiver timeline

What is the timeline to waiver submission and approval?

- August 26: Draft application posted on the Waiver transformation web page at <http://www.illinois.gov/hfs/>
- August 26 – September 26: Public comment period
- Thursday, September 8, 2016 and Friday, September 9, 2016: Public hearings in Springfield and Chicago
- September 26: Deadline for submitting public comments

Shortly after the public comment period, after considering all comments, Illinois will submit the waiver application to CMS. CMS has its own federal comment period and Illinois does not expect approval until December at the earliest.

What is the timeline for the waiver once submitted?

After the proposal is submitted, Illinois anticipates that many of the operational details will be developed through collaboration between the State and CMS. During this collaboration period, Illinois will continue to engage stakeholders to further develop the goals, hypotheses, benefits, and initiatives outlined in the waiver proposal. This will also be informed by guidance from CMS.

Once CMS and the State finalize and approve the Special Terms and Conditions, CMS will release them for public comment. Once the waiver is approved, every benefit and initiative outlined in this waiver will have its own development and implementation timeline. The State is targeting July 1, 2017 as the beginning of the demonstration period.

How will the state ensure that there is sufficient planning time before waiver programs and systems “go live”?

There will be a period of planning, development, and ramp-up of waiver activities after waiver submission and during negotiation of the Terms and Conditions. Illinois stakeholders will be continuously engaged to provide input on implementation details and assist the State prepare for launch.

When would the waiver take effect?

The demonstration will take place throughout the State of Illinois over the next five years, with the aspiration to start on July 1, 2017.

What happens if CMS doesn't approve the waiver?

Illinois' comprehensive transformation of its behavioral health system including the creation of integrated health homes, the shift to value-based payment, and the proposed State Plan Amendments is contingent on CMS approval of the 1115 waiver.

Public Comment and Contact Information

How will the State keep stakeholders and partners informed?

As part of the stakeholder engagement process required within the development of this Section 1115 Demonstration Waiver, Illinois is seeking consultation with stakeholders including state, county, and local officials and health care providers, health care payers, patients, and their families. The State will gather this input during the required public comment period from August 26, 2016 until September 26, 2016 at 5 p.m. (Central). Comments received within this public comment period will be reviewed and revisions to the waiver application will be considered.

During this public comment period, the state will hold two public hearings and host a dedicated website. The public hearings on the waiver are intended to solicit input on the proposed waiver and the State will accept verbal and/or written comments.

The dates for the public hearings are Thursday, September 8, 2016 and Friday, September 9, 2016.

The website for public information on this Section 1115 Demonstration Waiver is <http://www.illinois.gov/hfs/>. The web page includes a copy of the waiver draft, materials from stakeholder meetings, logistics on public hearings, and instructions on how to submit comments on the waiver application draft.

How will the State involve stakeholders and partners in planning and development?

During the approval process and upon approval from CMS, the State will continue to seek stakeholder input and will conduct a robust engagement process to spread awareness about these system improvements

How can 1115 waiver questions and comments be submitted?

Comments can be submitted via email or post.

Please email questions and comments to hfs.bpra@illinois.gov

If you wish to submit questions and comments by post, please send to:

Illinois Department of Healthcare and Family Services
Division of Medical Programs
Bureau of Program and Policy Coordination
201 South Grand Avenue East
Springfield, IL 62794