

Report to the Legislature

**Plan for Integrated Managed Health and Mental Health Care for Foster Children
Strategies and Timelines**

Second Substitute Senate Bill 6312, Section 110
Chapter 225, Laws of 2014

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Washington State Department of Social and Health Services

Department of Social and Health Services
Behavioral Health and Service Integration Administration (BHSIA)
Children's Administration (CA)
PO Box 45600
Olympia, WA 98504-5600
(360)725-2261

Washington State
Health Care Authority

Washington State Health Care Authority (HCA)
PO Box 45530
Olympia, WA 98504-5530
(360) 725-1726
Fax (360) 725-1152

Executive Summary

Second Substitute Senate Bill (2SSB) 6312, Section 110, passed by the 2014 Legislature, states:

The department and the health care authority shall develop a plan to provide integrated managed health and mental health care for foster children receiving care through the medical assistance program. The plan shall detail the steps necessary to implement and operate a fully integrated program for foster children, including development of a service delivery system, benefit design, reimbursement mechanisms, and standards for contracting with health plans. The plan must be designed so that all of the requirements for providing mental health services to children under the T.R. v. Dreyfus and Porter settlement are met. The plan shall include an implementation timeline and funding estimate. The department and the health care authority shall submit the plan to the legislature by December 1, 2014.

The Department of Social and Health Services (DSHS) and Health Care Authority's (HCA's) progress toward service integration is addressed in this report as well as the efforts in building systemic infrastructure that can support a fully integrated program. The report outlines the work that is already taking place within DSHS child-serving systems and HCA in implementing an integrated program that serves all Medicaid enrollees to meet the intent of 2SSB 6312.

The report discusses the Request for Proposals (RFP) to Managed Care Organizations (MCO's) to provide comprehensive and coordinated primary care and ancillary services for children and youth in foster care and adoption support programs, and to young adult alumni of the foster care system. Additionally, the report discusses the challenges of reaching the legislative goal of a fully integrated program for children and youth in foster care that would be separate from the behavioral health program that serves all other Medicaid enrollees. Areas that will require additional attention include the opposing efforts between the legislative mandate for full integration and the requirements mandated by the *T.R. v. Quigley and Teeter* Settlement Agreement. This is especially important since approximately one-third of the potential recipients of T.R. services, Wraparound with Intensive Services (WISe), have involvement with the foster care system.

Therefore, a great deal of evaluation and work still needs to be done to determine whether moving one-third of the population affected by the T.R. Settlement Agreement to a MCO will avoid negative impact on continuity and quality of care for those children. It will also be beneficial to study the behavioral health outcomes for children and youth in foster care. The results of such a study may provide critical data to inform the system on the most thoughtful and effective direction to improve behavioral health outcomes for children and youth in foster care.

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Department of Social and Health Services and Health Care Authority
Plan for Integrated Managed Health and Mental Health Care for Children and Youth in
Foster Care
Achievements, Challenges, and Timelines

Introduction

In accordance with 2SSB 6312, the Department of Social and Health Services (DSHS) and the Health Care Authority (HCA) present this report on the progress and achievements to support service integration for children and youth in foster care and adoption support, plan for future integration efforts, and address opportunities for improving care for these children and youth, including the *T.R. v Quigley and Teeter* Settlement Agreement, managed care program development, timelines, and costs. This report and assessment includes all foster children receiving care through the statewide medical assistance program, children in the adoption support program and those youth and young adults who are transitioning from foster care to independence.

Background

The 2014 passage of 2SSB 6312 directed DSHS and HCA to develop a managed care program that integrates the purchase and delivery of medical, chemical dependency and mental health services. This program, developed in a collaborative effort between DSHS and HCA, is called “Apple Health Foster Care” (AHFC). AHFC will incorporate improvements in children’s mental health treatment that have been brought about by health care initiatives, litigation and legislation during the last decade into an innovative program that provides continuity of medical and behavioral health services in a cost effective, high quality manner. The terms of the settlement agreement for *T.R. vs. Quigley and Teeter* will also inform the mental health services provided by the AHFC program.

DSHS and HCA accept joint responsibility for the physical and mental health of children and youth in foster care and adoption support. Historically, this population has been served through a system composed of the Medicaid fee-for-service system, charity care, and care authorized by Regional Support Networks (RSNs) and Children’s Administration (CA) Social Workers. DSHS and HCA are committed to ensuring that children and youth in foster care and adoption support receive coordinated and continuous access to physical and mental health care, and related services.

DSHS and HCA have taken clear steps to move service integration forward for the entire Medicaid population, including adults, children and youth. One milestone recently achieved toward service integration relating directly to children and youth in foster care is HCA’s recent Request for Proposals (RFP) to secure a single Managed Care Organization (MCO) for provision of the AHFC program. The RFP includes robust, active care coordination of health and mental health services a child may need while in out-of-home care. The successful MCO will provide comprehensive physical health care services and an unlimited mental health benefit treatment of mild to moderate mental health conditions for children in foster care. The treatment of serious mental illness will remain with the RSN’s. The MCO will provide coordinated primary care and

ancillary services for all children and youth in foster care and adoption support programs, and to young adult alumni of the foster care system

In 2009, the *T.R. vs. Quigley and Teeter* Medicaid class action lawsuit was filed regarding intensive children's mental health services for children and youth in Washington State. The lawsuit asserted the State of Washington was not fulfilling the federal requirements under the Early Periodic Screening, Diagnostic, and Treatment (EPSDT) for children at the top five percent of mental health need. Thus, the lawsuit sought to establish a statewide intensive home and community-based mental health program that is available to all children and youth who use Medicaid insurance and who need this high level of mental health service. On December 19th, 2013 the state and the plaintiffs reached a Settlement Agreement that was accepted on December 19, 2013 by the U.S. District Court. The *T.R. Settlement Agreement* includes the primary mandate that one program of intensive home and community-based services should be available to all Medicaid enrolled children statewide while seeking to eliminate multiple mental health programs that are designed for specific populations.

While developing services in response to *T.R.*, HCA and DSHS will implement a managed care contract with a single MCO that includes robust, active care coordination of health and mental health services for children in foster care. HCA and DSHS continue to move forward on the implementation of 2SSB 6312 that calls for a phased approach to full integration of mental health, substance use disorder treatment, and medical services by 2020. These parallel paths include integration in 2016 of mental health and substance use disorder treatment under a managed care delivery model, with physical health purchased separately until 2020. There is also an allowance for regions to choose to adopt full integration in 2016.

Development of a Service Delivery System, Benefit Design and Contracting Standards:

Request for Proposal:

The Health Care Authority (HCA) and the Department of Social and Health Services (DSHS) have issued a Request for Proposals (RFP) for health care services for children in foster care statewide. All eligible children with the exception of those in the placement and care authority of a federally recognized tribe or who meet clinical criteria for exemption from managed care will be mandatorily enrolled in AHFC.

The RFP is a crucial step in implementing a program that provides comprehensive continuity and coordination of health care services for children in foster care. The RFP will lead to the selection of a single MCO to serve children in the foster care and adoption support programs statewide. The contract will be a full-risk capitated managed care contract that follows the same contracting standards as Apple Health and includes enrollee protections such as grievance and appeal rights, information and notification requirements, network and appointment standards, and performance measures. The Medicaid benefits covered by this program include the full medical benefit with an unlimited mental health benefit for the treatment of mild to moderate mental health conditions.

The objectives of AHFC are to:

- Provide a family-centered approach to the provision of health care services for program enrollees, involving parents, caregivers, and other supports in the enrollee's care, and ensure needed services are easily accessible to enrollees and their caregivers;
- Improve access to care by establishing a medical home for children and youth in foster care and adoption support, and young adults who are alumni of the foster care system;
- Improve coordination of health and behavioral health care across systems via the use of HCA-contracted Health Homes for enrollees who meet Health Home criteria and care coordination/care management services for enrollees who do not meet Health Home criteria;
- Provide smooth transitions of health care services as children and youth move from home to foster care, from one placement to another, from hospital or other institutional setting to another or from such settings to home;
- Support enhanced stability for program enrollees by achieving improved health outcomes;
- Work with Children's Administration Social Workers and caregivers to ensure youth and young adults understand their health care options as they transition from foster care to independence;
- Control the cost of care by providing more comprehensive and coordinated health care services.

The current benefit for children is comprehensive; the problem in our delivery system for children and youth in foster care has been managing and accessing that benefit through the trauma and transitions that foster care creates. DSHS and HCA are currently seeking to contract with a single Managed Care Organization (MCO) that will develop a system of care coordination and care management that tracks children and youth in foster care and adoption support across placements and movement from one physical location to another. The MCO is required to provide trauma informed care and ensure continuity of access to needed services through transitions in placement. The MCO is also required to have in place a program that provides active coordination between multiple systems such as physical health care, chemical dependency, developmental disabilities, and the mental health system for all enrollees.

The RFP also includes robust, active care coordination of physical and mental health services a child may need while in out-of-home care. The function includes support to Children's Administration social workers who are coordinating access and services to Behavioral Rehabilitation Services (BRS) and Regional Support Network (RSN) services. Children needing the BRS level of care will continue to be managed through the Children's Administration's BRS program. DBHR's mental health system will continue to manage serious mental illness, including Children's Long Term Inpatient care.

Approximately one third of the potential recipients of Wraparound with Intensive Services (WISe), which are the TR services, have involvement with the foster care system. The Settlement Agreement and Implementation Plan for the T.R. v. Quigley & Teeter lawsuit contemplates implementation in a mental health system that looks substantially like the existing system for treatment of serious mental illness. A separate system for foster children that includes the treatment of serious mental illness would require coordination between programs to ensure appropriate services are provided.

Although the MCO contract will not include full integration of mental health and chemical dependency services, the coordination required is a first step in future integration and highlights the on-going efforts within DSHS and HCA improve the Children's Mental Health System for children and youth in foster care.

Payment Methodology for Apple Health Foster Care

As part of the RFP process, HCA's contracted actuaries have set "rate ranges" based on historical health care claims data supplied by HCA. Bidders will submit rates that fall within this rate range. Rates for full integration will be developed based on historical costs supported by encounter data, which will be known after two years of operation. The link to the RFP can be found at:

<http://www.hca.wa.gov/rfp/Managed%20Care%20Children%20Foster%20Care/Request%20for%20Proposal.pdf>

Steps to Fully Integrated Physical and Behavioral Health in Managed Care

The following steps incorporate implementation of the Apple Health Foster Care (AHFC) contract and the terms of the *T.R. Settlement Agreement*. The AHFC contract is tentatively scheduled to be in place July 2015, and will work with DSHS and the Regional Support Networks (RSNs) to incorporate TR services into the managed care program over time. The RSNs will merge with the chemical dependency providers in 2016 to form Behavioral Health Organizations (BHOs), with whom the AHFC MCO will continue to coordinate care for program enrollees.

The state will likely exit the T.R. lawsuit in June 2018. In 2018, the state will have had two years to mature the regional Behavioral Health Organizations (BHO) and develop the contractual relationship between them and the AHFC contractor. At that point, we anticipate that there will be full integration of behavioral health services for foster children into managed care.

Integration Timeline:

July 2015 (Tentatively scheduled):

- Begin and Implement Foster Care MCO Contract.
- Include the Contracted AHFC MCO into TR Discussions.

July 2015 – July, 2017

- Continue dialogue between the AHFC contractor and mental health systems and stakeholders to provide education in coordination and provision of mental health services with children and youth with serious mental illness.

Jan. 2017

- Engage an actuary to develop rates based on combined experience in the programs to be integrated.
- Begin stakeholder work with advocates, providers and consumers to ensure understanding of changes.

July 2017:

- Evaluate the foster care MCOs performance overall and specifically in providing and coordinating behavioral health services.
- Preparation for Integration:
 - Modify the Title XIX State Plan and enabling federal waivers to allow for integration.
 - Begin modification of contract terms to integrate full mental health benefits.
 - Provide training to MCO staff.
 - Modify payment systems (P1) as necessary.
 - Modify quality assurance plans as necessary.
 - Modify regulation and policy to allow for integration.
 - Modify reporting and feedback systems as necessary.

Jan. 2018:

- Evaluate the foster care MCOs readiness to expand services.
- Draft and execute an integrated contract.

Primary Challenge – T.R. v. Quigley & Teeter

As part of the *T.R. Settlement Agreement*, DBHR has begun implementation of Wraparound with Intensive Services (WISe). Approximately one third of the potential recipients of WISe services have involvement with the foster care system. The Settlement Agreement and Implementation Plan for the *T.R. v. Quigley & Teeter* lawsuit contemplates implementation in a mental health system that looks substantially like the existing system for treatment of serious mental illness. DSHS and HCA must work closely to ensure coordination of the foster care program services and WISe.

The Implementation Plan has the following elements that will be administered by the Behavioral Health and Service Integration Administration:

- Administration of a staged, statewide rollout over five years, ending in June, 2018.
- Administration of a fixed budget allocation from the legislature that BHSIA is controlling through WISE capacity and utilization control.
- Training and qualification of providers to administer the Children and Adolescent Needs and Strengths screening and assessment tool.
- Training and qualification of providers to provide WISE services.
- System partners, RSN, provider and youth and family participation in governance and development of the program.
- Detailed performance evaluation and feedback.
- Compliance with and participation in quality assurance activities.
- Ongoing monitoring of practice and clinical fidelity.
- Hands-on collaboration with other system partners for participation in and referral to WISE.

The Behavioral Health and Service Integration Administration (BHSIA) has been preparing RSNs and providers for the implementation of WISE for several years. Moving one-third of the affected population to a managed care organization requires the same level of preparation and coordination to ensure continuity and quality of care for those children.

Settlement Agreement (See Attachment A or the below link):

<http://www.dshs.wa.gov/pdf/dbhr/mh/cbhrfullagreement.pdf>

Implementation Plan (See Attachment B or the below link):

<http://www.dshs.wa.gov/pdf/dbhr/MH/TR.ImplementationPlan.8.1.2014.pdf>

Secondary Challenges:

- The current behavioral health environment has multiple changes in motion from 2SSB 6312, the Affordable Care Act and recent single bed certification court decision. Adding an additional element of change will stress providers and state resources beyond their ability to react to change.
- The potential contractors for the RFP for foster care services do not have expertise working with children who have serious mental illness or experience working with the delivery system for the treatment of serious mental illness.

Conclusion:

The legislation has provided DSHS and HCA with an opportunity to set attainable long term goals for Children's Mental Health improvement. The State is in its first year of implementation of the new intensive home and community-based mental health service, WISE, which is

anticipated to serve approximately 6,000 children and youth when fully implemented in 2018. Apple Health Foster Care (AHFC) will allow the State to move forward with the first steps in integrating behavioral health and physical health services into a single managed care program to serve vulnerable children, as DSHS implements WISE program services. AHFC will provide these children with a medical home in which to receive coordinated healthcare services along with the intensive services they receive through the WISE program.

DSHS will do comprehensive quality assurance on the care that these children receive. Implementing WISE practice statewide will take intense focus and commitment of resources from both DSHS and providers. Implementation of WISE gives the state and system a chance to learn how to make improvements to practices for children in a manner that is rational and sustainable.