

# STRENGTHENING MEDICAID: ALIGNMENT & REDESIGN THROUGH CARE INTEGRATION

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# OUR VISION

*A fully integrated continuum of care that seamlessly addresses individuals' physical, behavioral health and long-term care needs*

# 1115 COMPREHENSIVE WAIVER DEMONSTRATION: WHAT IS AN 1115?

- The New Jersey 1115 Comprehensive Medicaid Waiver Demonstration is a “Research and Demonstration” waiver granted by the Centers for Medicare and Medicaid Services (CMS) under Section 1115(a) of the Social Security Act (SSA).
- Demonstrations under Section 1115 of the SSA give states flexibility to design and improve their programs using innovative ideas that are typically not allowed under Medicaid and CHIP rules.
- The Comprehensive Waiver gives NJ the authority to operate most of the NJ FamilyCare program, including:
  - Mandatory Managed Care
  - Managed Long Term Services and Supports (MLTSS)
  - Supports Program
  - Children’s Home and Community Based Services (HCBS) Programs
  - Delivery System Reform Incentive Payment (DSRIP)

# 1115 COMPREHENSIVE WAIVER DEMONSTRATION: KEY ACCOMPLISHMENTS

- Implemented a comprehensive integrated community-based MLTSS benefit.
- Consolidated and streamlined reporting of the NJ FamilyCare program under a single waiver authority.
- Improved the Medicaid eligibility system by reducing the backlog of new applications and redeterminations.
- Implemented three Behavioral Health Home State Plan Amendments (SPAs) serving individuals with chronic conditions.

# 1115 COMPREHENSIVE WAIVER DEMONSTRATION: KEY ACCOMPLISHMENTS

- Rebalanced the inequalities of primary and preventative services through targeted increases to reimbursement rates.
- Implemented targeted home and community-based programs for beneficiaries with serious emotional disturbance, autism spectrum disorder; and intellectual and developmental disabilities.
- Provided DSRIP funding for hospitals to make significant structural improvements in the health care delivery system.
- Introduced Qualified Income Trusts (QITs) as a new way to access MLTSS for individuals who need long-term services and supports, however, are over the income threshold.

# KEY CONCEPTS FOR RENEWAL

- Maintain the Managed Long Term Services and Supports (MLTSS) program.
- Move to an integrated behavioral health delivery system (which includes mental health/substance use disorder) that includes a flexible and comprehensive substance use disorder (SUD) benefit.
- Increase access to services and supports for individuals with intellectual and developmental disabilities.
- Further streamline NJ FamilyCare eligibility and enrollment.
- Explore the use of the High-Fidelity Housing First (HFHF) model to use federal Medicaid reimbursement to fund housing-specific case management for Medicaid clients who are homeless or at risk of homelessness

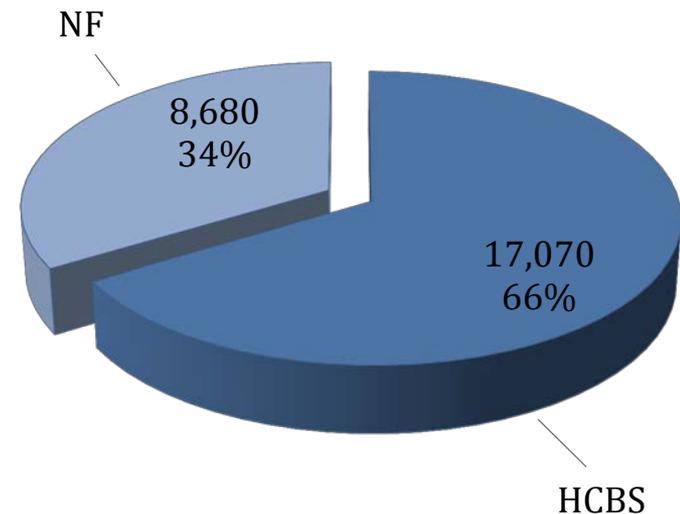
# KEY CONCEPTS FOR RENEWAL

- Increase care coordination for individuals who are dually eligible for Medicare and Medicaid.
- Develop an uninterrupted reentry system for individuals incarcerated.
- Develop a value-based purchasing strategy that includes data-driven performance measures.
- Enhance access to critical providers and underserved areas through alternative provider development initiatives.
- Continue DSRIP funding to promote and foster health care delivery system innovations.

# MANAGED LONG TERM SERVICES AND SUPPORTS

- As of April 2016: 25,750 beneficiaries were enrolled in MLTSS.
  - Approximately 2/3 in Home and Community-Based Settings
- Since implementation, the Nursing Facility population has decreased by approximately 1,000 individuals.
- With the renewal, New Jersey plans on continuing the current MLTSS structure and building upon its successes by driving quality and integration.

**MLTSS Population by Setting as of April 2016**



# BEHAVIORAL HEALTH INTEGRATION

Adults with SMI die on average 25 years earlier than other Americans, largely due to untreated medical conditions

81% of NJ Medicaid high utilization inpatients have a BH (MH/SUD) diagnosis, including 44% with SMI

Sources: *Journal of Psychopharmacology*. 2010 Nov; 24(4\_supplement): 61–68; Rutgers Center for State Health Policy.

# BEHAVIORAL HEALTH INTEGRATION: 1115 COMPREHENSIVE WAIVER REVIEW

- Under the current 1115 Comprehensive Waiver, New Jersey proposed the following:
  - An Administrative Services Organization (ASO) for adults and was given authority to move to a risk-based delivery system through an amendment over the five year demonstration.
  - In July 2015, Behavioral Health for Adults transitioned to a non-risk Interim Managing Entity (IME) to manage the following:
    - Substance Use Disorder (SUD) Services (Medicaid and State-only)
    - Community Support Services (CSS)
    - Addictions hotline
    - Referrals to treatment
  - Implementation of a behavioral health home through a Medicaid State Plan Amendment.

# BEHAVIORAL HEALTH INTEGRATION: SUCSESSES TO DATE

- MCOs have built capacity to manage Behavioral Health benefits for MLTSS members and individuals with intellectual and developmental disabilities (I/DD).
- Through behavioral health homes, five counties now are offering integrated care management and co-located or coordinated primary and behavioral health care.
- The IME received over 42,350 calls from July 2015 through March 2016.
  - About 20% of the calls received by the IME were referred to treatment.

# BEHAVIORAL HEALTH INTEGRATION: A PHASED IN APPROACH

## Phase I: MLTSS and Health Homes

- MLTSS plans integrate PH, BH and LTSS for individuals with long-term care needs
- Health Homes enable integrated care management for individuals with SMI and SED

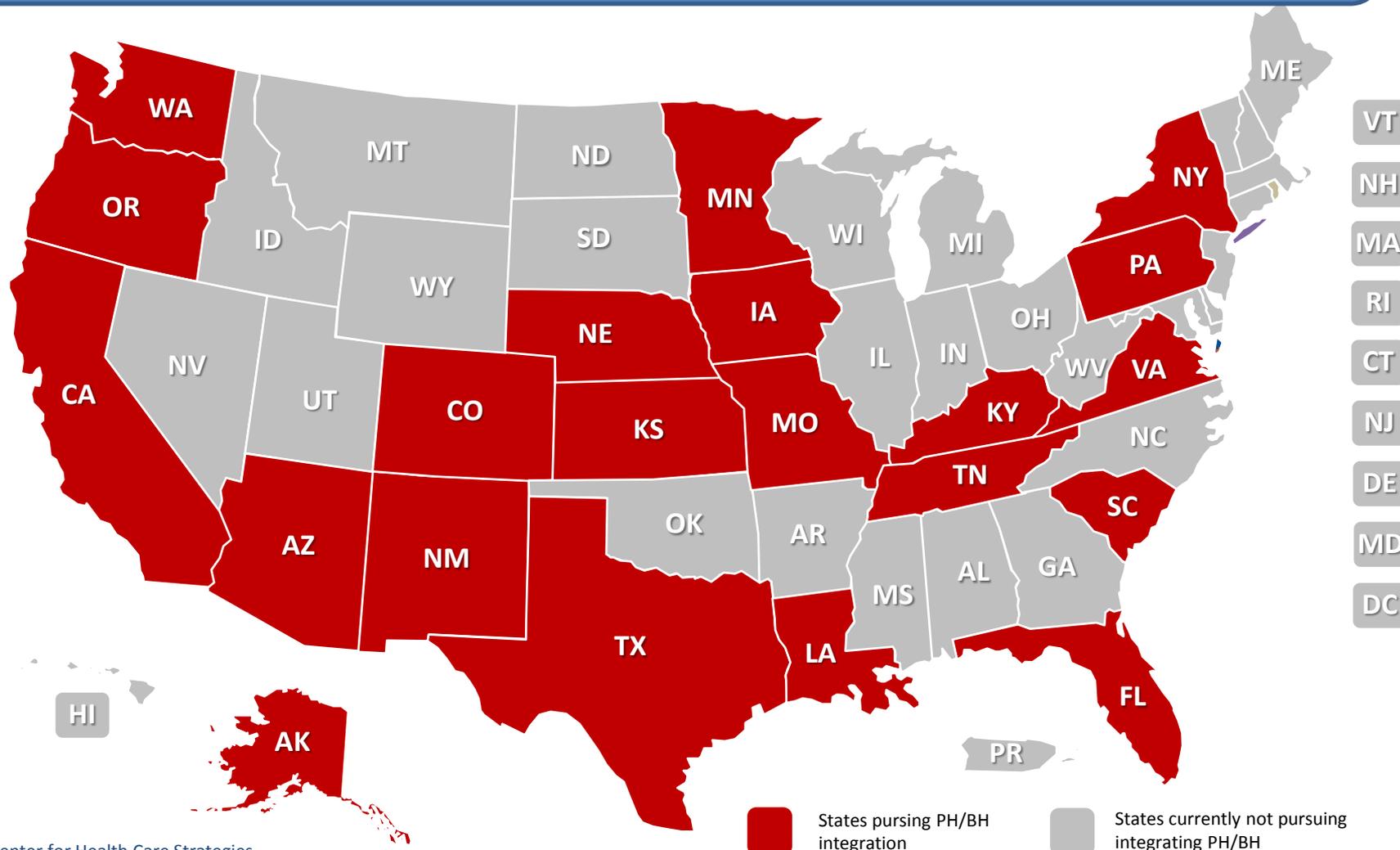
## Phase II: Building System Capacity

- Interim Management Entity (IME) provides prior authorization and referral to treatment for SUD services
- Governor authorizes \$120M to improve BH system capacity
- Extend presumptive eligibility to BH providers
- BH provider payments move from deficit funding to FFS
- SUD benefit “true-up” for individuals in Plan A through State Plan Amendment.

## Phase III: Fully Integrated Care

- Create a comprehensive continuum of SUD care
- Integrate MH/SUD benefits into an integrated, coordinated health delivery system
- Implement quality incentives to reward integrated care delivery
- Address regulation barriers

# NATIONAL CONTEXT: STATES PURSUING PH/BH INTEGRATION



Source: Center for Health Care Strategies.  
Includes announced reforms as of May 2016.

# BEHAVIORAL HEALTH INTEGRATION: THREE LEVELS

## Payer

- MLTSS
- IME
- BH Integration into a coordinated Health Delivery System

## Provider

- Health Homes
- Co-Location/  
Integrated Care  
Delivery

## Regulatory

- Streamlining licensure requirements
- Clarifying billing procedures

# SERVING ADULTS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES

- The Supports Program, administered under the Division of Developmental Disabilities (DDD), launched in July 2015 as part of the Comprehensive Waiver.
- DDD also administers the Community Care Waiver (CCW), the last remaining active 1915(c) waiver in New Jersey.
- Under the renewal, New Jersey requests to move the authority for CCW under the Comprehensive Waiver.
  - Creates an easier way to navigate between Supports Program and CCW.
  - Does not move the CCW services into managed care.
- A pilot program for adults that will address the distinct needs of individuals with co-occurring developmental disabilities and acute behavioral health needs is being explored.

# SERVING CHILDREN AND FAMILIES WITH COMPREHENSIVE SUPPORTS

- The Children's Home and Community-Based programs under the Comprehensive Waiver are administered by the Department of Children and Families (DCF), Division of Children's System of Care (CSOC). These programs include:
  - Autism Spectrum Disorder (ASD) pilot
  - Children with Intellectual and Developmental Disabilities with Co-occurring Mental Illness (ID/DD-MI) pilot
  - Serious Emotional Disturbance (SED) program
- Under the renewal, a new Children's Support Services program will be initiated to expand access to services for youth with autism and intellectual and developmental disabilities.

# TREATING CHILDREN WITH AUTISM SPECTRUM DISORDER

- In New Jersey, 1 out of every 41 children is diagnosed with Autism Spectrum Disorder.
- NJ FamilyCare began to cover services for youth with Autism as a pilot under the Comprehensive Waiver.
- CMS provided guidance to states regarding coverage of Autism services under EPSDT.
- Staff from DMAHS, CSOC, and the Department of Banking and Insurance (DOBI) are collaborating to build a comprehensive package of services to provide to youth with Autism as part of the Medicaid State Plan.

# ELIGIBILITY & ENROLLMENT FLEXIBILITIES

New Jersey will be requesting the following flexibilities in the renewal:

- Authority for individuals who are applying for long term care and home and community-based services to self-attest to the transfer of assets.
  - Continued authority for individuals under 100% of Federal Poverty Level (FPL).
  - Expanded authority for individuals up to 300% of the Federal Benefit Rate (FBR), following build-out of an Asset Verification System.
- Requirement for new managed care enrollees to choose a Medicaid MCO upon applying for NJ FamilyCare or be auto-assigned.
- Requirement of Medicare enrollment as a condition of Medicaid eligibility for individuals who are eligible for Medicare.

# INTEGRATING CARE FOR DUAL ELIGIBLES

- To ensure access to seamless, integrated programs for dual eligible individuals, New Jersey pursued a Dual-eligible Special Needs Plan (D-SNP) and required plans to become FIDE-SNPs.
- Under the renewal, New Jersey will require the following changes to its current FIDE-SNP operations:
  - **Seamless Conversion:** New Jersey requests the ability to require its FIDE-SNP plans to seamlessly convert all individuals who are eligible for Medicare and Medicaid into a FIDE-SNP when the individual first becomes eligible for Medicare.
  - **Integrated Enrollment Option:** New Jersey will further request the ability to assign any eligible FIDE-SNP members to the same Medicare and Medicaid plan, to ensure alignment and commencement of care coordination activities as soon as the individual is eligible.

# TRANSITIONING INCARCERATED INDIVIDUALS BACK INTO THE COMMUNITY

To support other state agencies' efforts to reduce the recidivism rate, New Jersey is requesting authority to allow incarcerated individuals preparing to re-enter the community:

- Continued Medicaid eligibility for 18 to 24 months before redetermination to promote continuity of services.
- Auto-assignment into an MCO to ensure their care is managed at the earliest point possible.
- Individuals will be eligible for enrollment into the SUD program, which includes recovery based supports.
- MCOs will be required to have a dedicated Care Manager working with the jails, prisons and re-entry programs to coordinate both health and social services upon release.
- A designated Behavioral Health Home is also being explored.
- Expanding Presumptive Eligibility to Behavioral Health providers.

# MEDICAID HOUSING AND TENANCY SUPPORTS

- Under the waiver, New Jersey requests to explore the use of the High-Fidelity Housing First (HFHF) model to meet the needs of individuals who are at-risk for homelessness or who are considered to be chronically homeless.
- New Jersey proposes to provide housing-related services to all Medicaid recipients. Broadly defined, these services are a range of flexible services that support individuals and families.
  - Housing Screening Services
  - Housing Transition Services
  - Housing Tenancy Sustaining Services

## ENHANCE ACCESS TO CARE THROUGH ALTERNATIVE PROVIDER DEVELOPMENT INITIATIVES

- Access demands require that New Jersey think beyond the traditional health care workforce model.
- Under the renewal, New Jersey will seek to increase the use of evidence-based telehealth options.
- Value-based purchasing efforts create an opportunity to align performance metrics with NJ FamilyCare beneficiaries' experience accessing care, particularly in areas with documented need.

# A VALUE-BASED PURCHASING STRATEGY INCLUDING DATA-DRIVEN PERFORMANCE MEASURES

- Current value-based purchasing strategies (VBP) include MCO Pay-for-Performance and the Delivery System Reform Incentive Payment (DSRIP) Program.
- New Jersey is seeking authority to continue the DSRIP program for two years, with an option to extend for three additional years, if certain performance benchmarks are met by participating hospitals.
- Under the renewal, New Jersey will develop a VBP strategic plan.
  - To drive a greater percentage of VBP within MCO contracts.
  - To develop the VBP strategic plan, the State will consider all major models of VBP, such as Pay for Performance, Bundled Payments, and Shared Savings/Shared Risks.
  - The VBP will establish priorities, goals, action steps and measurements for the next five years that will move to a delivery system that rewards payments based on quality, value and outcomes.

# WAIVER RENEWAL PROCESS

- As part of the waiver renewal, in accordance with 42 CFR 431.408, New Jersey is providing a 60 day public comment period for stakeholders and other interested parties. After the comment period has ended, the state will review the comments, make any changes to the application based on those comments and submit the application to CMS.
- Once the renewal application package is received by CMS, in accordance with 42 CFR 431.416(a), CMS has 15 days to determine if the application package is complete. The 30 day Federal public comment period will begin upon response to the state that the package is complete.
- After completion of the 30 day Federal public comment period, CMS will review comments and begin negotiations with the state regarding the renewal. Should it be necessary, under 42 CFR 431.412(c)(4), CMS may grant a temporary extension of the existing waiver demonstration while the successor demonstration is under review.

# COMMENTS

- The Renewal application can be found on the Division's website at:  
<http://www.state.nj.us/humanservices/dmahs/home/waiver.html>
- The comment period ends August 12, 2016.
- Comments can be sent via email to  
[dmahs.cmwcomments@dhs.state.nj.us](mailto:dmahs.cmwcomments@dhs.state.nj.us) (preferred method)
  - Or by mail or fax to:
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