

November 19, 2016

Administrator Andy Slavitt
Center for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244

Re: Illinois Behavioral Health Transformation Section 1115 Medicaid Demonstration Waiver

Heartland Alliance for Human Needs & Human Rights welcomes the opportunity to provide comments on the pending Illinois Behavioral Health Transformation Section 1115 Medicaid Demonstration Waiver. The proposal represents an exciting and long overdue opportunity to reform and invest in the state's behavioral health system. Heartland Alliance is wholly supportive of its approval.

Heartland Alliance is a leading health and human service organization working mainly in the Chicago metropolitan region. We operate numerous behavioral health programs through our Federally Qualified Health Centers Heartland Health Outreach and Heartland Health Centers, as well as a number of other community-based programs that provide job training, housing, and other human services. Our program participants have often experienced severe hardship such as homelessness, violence, and trauma, and these experiences only magnify the need for effective behavioral health supports. A wider range of behavioral health services would benefit our participants tremendously and the vision put forth by the Rauner Administration is a well-developed and thoughtful proposal to provide the comprehensive services our participants needs.

The Administration also deserves a tremendous amount of credit for how it has sought out and incorporated stakeholder input. The Administration held a number of public hearings and working groups to solicit input, and accepted comments and suggestions even prior to publishing its initial draft. Heartland Alliance is grateful for having the opportunity to participate in many of these meetings and has developed a solid working relationship with the Administration staff leading the waiver effort. Indeed, many of our suggested changes were incorporated in the state's submission to the Center for Medicare and Medicaid Services (CMS), such as expanding eligibility for supportive housing services to those with a primary substance use disorder diagnosis, extending pre-release services to youth incarcerated in Department of Juvenile Justice facilities, and providing training for community providers to work not only with managed care organizations (MCO) but also with the Medicaid system as a whole. We appreciate these changes and look forward to continuing to work with the state as the transformation effort continues.

Millions of Illinoisans stand to benefit from the services included in the waiver and Heartland Alliance implores CMS to work with Illinois officials to approve this demonstration with all due haste. Please see below for comments and suggestions on how to ensure a smooth implementation process and maximize the opportunities represented by this proposal.

Overall Recommendation: Formalize the stakeholder input process during implementation

The Rauner Administration has indicated that stakeholder engagement will continue throughout implementation. We appreciate this and recommend establishing a formal implementation committee or other stakeholder body to help structure how information is provided to the public and how feedback can be delivered to the state in an ongoing way. The implementation committee should be open to the public and all informational materials and meeting minutes should be shared publicly, as is the current policy for the Medicaid Advisory Committee and its subcommittees.

This committee could assist the state in operationalizing the proposed demonstration, provide updates and feedback on the impact of new benefits and initiatives on community providers and those they serve, aid in analyzing outcome and evaluation metrics from the demonstration, and assist in implementing any needed course corrections or policy changes as the demonstration is rolled out. Relevant State Plan Amendments and administrative rule changes should also be shared and discussed within the implementation committee to ensure that the range of transformation efforts take the considerable experience of providers and other community stakeholders into account.

Section 3.1.1: Supportive housing services

Heartland Alliance is a long-time champion and provider of permanent supportive housing as a successful and cost-effective intervention to help those experiencing homelessness obtain and retain stable housing. A secure housing placement is critical for those with behavioral health conditions to have the foundation needed to address their challenges and this model consistently shows improved health outcomes and stability for its participants. Studies from Chicago and elsewhere have also consistently demonstrated significant cost savings from reduced hospitalization and emergency room utilization when unstably housed individuals are placed in permanent housing with needed supports.^{1,2} We commend the state for including this new set of services in the Medicaid waiver and strongly advocate for its approval by CMS.

Many details regarding eligibility remain to be defined but Heartland Alliance would recommend that the eligibility criteria remain broad enough that the state and MCOs can prioritize these services based on community needs and housing availability. We do not support strict definitional criteria regarding homelessness, at-risk of homeless, or at-risk of institutional care as such criteria may prohibit an individual or family who could benefit from these services from being eligible. We would also recommend that the eligibility criteria regarding the risk of institutional care include being at-risk of entering a criminal justice facility.

Section 3.1.2: Supported employment services

Heartland Alliance urges CMS to approve the supported employment benefit proposed in the demonstration. We view the Dartmouth Individual Placement and Supports as an excellent model to assist those with serious mental illness in obtaining employment and are excited about the prospects for this benefit to help our participants lead more fulfilling lives.

¹ Sadowski, L., Kee, R., VanderWeele, T., & Buchanan, D. Effect of a Housing and Case Management Program on Emergency Department Visits and Hospitalizations among Chronically Ill Homeless Adults: A Randomized Trial. *Journal of the American Medical Association*. May 6, 2009, 301: 17, p. 1771-1778. Available at <http://jamanetwork.com/journals/jama/fullarticle/183842>.

² Economic Roundtable. Where We Sleep: Costs when Homeless and Housed in Los Angeles. 2009. Available at https://economicrt.org/wp-content/uploads/2009/11/Where_We_Sleep_2009.pdf.

Section 3.1.3: Services to ensure successful transitions for justice-involved individuals at the Illinois Department of Corrections (DOC), Cook County Jail (CCJ), and the Illinois Department of Juvenile Justice (DJJ)

Heartland Alliance thanks the state for its vision to address the behavioral health needs of those exiting jails and prisons and supports the range of new services proposed in this demonstration. Support for individuals diagnosed with behavioral health conditions leaving jails and prisons is essential to ensure they have the resources and treatment needed to successfully reenter the community. Without linkages to community-based treatment and other supports, a returning citizen may struggle to improve their lives and avoid future criminal justice involvement.

We are very excited about these services and offer several recommendations to ensure their full success. First, these services must be structured to link individuals exiting DOC, CCJ, and DJJ facilities to stable housing and Supplemental Security Income (SSI) when appropriate. The state indicated they would consider this recommendation during the state comment period, but it should be included in the design of these services. The similarly designed Returning Home Ohio Program found a 60% reduction in recidivism rates for participating individuals, but stable housing and a source of income were critical to this success. Returning Home Ohio also found that more than 30 days of pre-release services and more than one pre-release visit with a community-based provider were needed for those individuals with the highest needs and fewest community supports.³ Illinois should allow community providers to engage 60 days prior to release when the individuals needs indicate that more time will be needed to ensure the proper community supports are in place. At a minimum, the state should track whether returning citizens are being successfully linked to community providers and adjust their service provision as needed to ensure successful linkages.

Heartland Alliance also supports the pre-release medication assisted treatment pilot program proposed in the waiver. We recommend, however, that the state not restrict the pilot only to the use of Naltrexone and instead retain the flexibility to use any long-acting injectable medication assisted treatment that is approved by the American Society of Addiction Medicine. Long-acting injectable medications have virtually no risk of diversion, so the state should keep open the possibility of using other medications that exist today or may come to market during the pilot.

Section 3.1.4: Redesign of substance use disorder service continuum

Heartland Alliance fully supports the range of new substance use disorder benefits proposed in the waiver. We are particularly encouraged by the inclusion of clinically managed, high-intensity, residential services for up to 30 days. This length of stay is often needed for inpatient substance use disorder treatment to be effective and we appreciate the state's proposal to address this gap in services. This expanded benefit package could not come at a more crucial time considering the opioid abuse and overdose epidemic that Illinois and the nation is currently facing. We are also very supportive of the proposed recovery coaching benefit. Heartland Alliance has employed individuals with lived experience for well over a decade and we have seen the value they bring in offering support to those struggling with addiction.

Section 3.1.5: Optimization of the mental health service continuum

Heartland Alliance believes a continuum of services is needed to properly address the range of mental health challenges experienced in our communities. This includes both inpatient residential treatment when clinically

³ Fontaine, J., Gilchrist-Scott, D., Roman, J., Taxy, S., & Roman, C. "Supportive Housing for Returning Prisoners: Outcomes and Impacts of the Returning Home-Ohio Pilot Project", Urban Institute Justice Policy Center, August 2012. Available at <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/412632-Supportive-Housing-for-Returning-Prisoners-Outcomes-and-Impacts-of-the-Returning-Home-Ohio-Pilot-Project.PDF>.

needed and short-term crisis beds. We are heartened that the state included these services in the waiver proposal and encourage their approval. These new services may lead to occasional unnecessary inpatient treatment, however, so we recommend that the state establish clear and evidenced-based medical necessity and discharge criteria. The state should track the use of these services closely and make corrections if it appears that inpatient treatment is occurring when community-based treatment is preferred.

Section 3.1.6: Additional benefits for children and youth with behavioral health conditions and/or serious emotional disturbance

We support these new benefits and thank the Administration for making changes based on previous recommendations by the community.

Section 4.1: Behavioral and physical health integration activities

Heartland Alliance recognizes the promise of better integrating behavioral and physical health services and has endeavored to design our own programs in an integrated fashion. We are encouraged that the state is pursuing a wide-range of integration activities and support their approval. We also strongly recommend that the state pursue the Integrated Health Home model described throughout the waiver proposal and look forward to working closely with the Administration to design these innovative programs.

Section 4.2: Infant/early childhood mental health initiatives

Heartland Alliance thanks the Administration for including these initiatives and fully supports their approval.

Section 4.3: Workforce-Strengthening Initiatives

Strengthening the behavioral health workforce is critical to any effort to improve the behavioral health system in Illinois. We fully support the range of proposed initiatives but urge the state to retain the flexibility needed to address whatever workforce challenges may exist or arise in the behavioral health system. The proposed needs assessment is an important and needed first step. We suggest that the state allocate resources based on the results of the needs assessment rather than constraining the types of infrastructure and workforce needs it plans to invest in. The needs assessment should also heavily involve community stakeholders and the process, results, and related materials should be made public.

For example, the waiver is currently drafted to provide financial support for the acquisition of tele-medicine equipment, but the Administration stated in its response to state comments that it would not provide financial assistance for the acquisition of other critical provider infrastructure such as billing systems, IT security upgrades, and other systems needed to obtain reimbursement from Medicaid or MCOs. We would instead recommend waiting to see the results of the needs assessment prior to making such a decision considering the range of needs within the behavioral health system. Many behavioral health and other service providers have not historically worked within the Medicaid system, such as supportive housing providers and substance use disorder treatment providers, and may lack the financial capital to make the investments needed to acquire these systems. These providers will be critical partners in delivering the services envisioned in the waiver proposal, so investing financial resources to support these providers in accessing Medicaid reimbursement may be the best use of waiver resources. The needs assessment should evaluate the provider community's readiness to participate in the Medicaid and MCO system, as well as other needs related to tele-medicine and workforce development, and then the state should decide which investments are most important for the success of the transformation effort.

Heartland Alliance also recommends that the state's proposed bonus payment pools not be restricted to hospitals but instead allow all safety net providers with tuition repayment programs to be eligible.

Community-based mental health and substance use disorder providers struggle to retain qualified staff as hospitals often can offer higher salaries. These incentives should therefore not be restricted to hospitals to avoid further disparity in the benefits these employers can provide.

Section 4.4: First episode psychosis (FEP) programs

Heartland Alliance is very excited about the prospect of an Illinois FEP program and is thankful for the changes the state made to eligibility in response to our comments. FEP is a very promising new model of care with a strong research demonstrating its ability to address psychotic symptoms early, prevent disability, and improve the quality of life for young people experiencing these symptoms.⁴ We strongly urge CMS to approve this initiative.

In closing, we would like to again thank the Administration for its willingness to partner with Heartland Alliance and a broad range of stakeholders in the development of this proposal. The demonstration represents a tremendous opportunity to improve behavioral health care in Illinois and we look forward to continuing to work with the state to implement these services upon approval from CMS.

Sincerely,

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Heartland Alliance for Human Needs & Human Rights

⁴ Rosenheck, R., Leslie, D., Sint, K., Lin, H., Robinson, D.G., Schooler, N.R., Mueser, K.T., Penn, D.L., Addington, J., Brunette, M.F., Correll, C.U., Estroff, S.E., Marcy, P., Robinson, J., Rupp, A., Schoenbaum, M., & Kane, J.M. Cost-Effectiveness of Comprehensive, Integrated Care for First Episode Psychosis in the NIMH RAISE Early Treatment Program. *Schizophrenia Bulletin*. 2016 Jul; 42(4):896-906