Virginia Department of Medical Assistance Services
Notice of Public Hearing and Public Comment Period

Under 42 CFR Part 431 and the final rule under PART 431 in the February 27, 2012 issue of the Federal Register, 77 FR 11678-11700, notice is hereby given that on:
(1) September 16th from 1:00-3:00pm
Location: the Fairfax County Government Center
Board of Supervisors Auditorium
1200 Government Center Parkway
Fairfax, VA 22035

and on

(2) September 17th from 1:00-3:00pm
Location: the Department of Motor Vehicles (DMV) Richmond Central Office
Conference Room 702
2300 West Broad Street Richmond, VA 23269

The Virginia Department of Medical Assistance Services (DMAS) will hold public hearings regarding the Virginia GAP Program for the Seriously Mentally Ill §1115 waiver application that will be submitted to the Centers for Medicare and Medicaid Services (CMS). This submission and desired approval will authorize the implementation of the GAP Program for a two year demonstration which will be implemented January 2015 through January 2017 or until Virginia implements a plan to provide health coverage for individuals up to 138% of the Federal Poverty Level. This notice also serves to open the 30 day public comment period, which closes October 7th at 4:30pm eastern standard time.

DMAS welcomes public comment on the entire GAP program for the Seriously Mentally Ill waiver proposal. We ask specific consideration be given to comments concerning: Eligibility Criteria, Benefits, and Enrollment.

Instructions for written Public Comment Submission:
Mail Submission– written comments shall be addressed to Molly Huffstetler, Department of Medical Assistance Services 600 East Broad Street, Suite 1300 Richmond, VA 23219

Electronic Submission – for ease in compilation of comments, all submissions must be a Microsoft Word document, submitted as an email attachment to: 1115waiver@dmas.virginia.gov.

On June 20, 2014, Governor McAuliffe declared, "I am moving forward to get Virginians healthcare." To that end, he charged Secretary of Health and Human Resources, Dr. Bill Hazel, to create a detailed plan, outlining opportunities and implementation targets to provide Virginians greater access to physical and behavioral health care. A significant portion of the uninsured across the Commonwealth not only lack basic health care, but also suffer from conditions that lead to complex behavioral health needs. These health and behavioral health needs cannot continue to go unmet. Therefore Virginia proposes a §1115 demonstration waiver

to create a limited yet targeted benefit package of services that builds on a successful model of using existing partnerships to provide and integrate basic medical and behavioral health care services.

According to national statistics, in the past year, it is estimated that 20% of adults (age 18 years or older) experienced some form of behavioral illness and approximately 4.1% of Americans experience a serious mental illness (SMI). These figures are significantly higher among low income, uninsured populations. In addition, nearly 50% of individuals with a serious mental illness (SMI) also have a co-occurring substance use disorder. Also, individuals with SMI have an increased risk for co-morbid medical conditions such as diabetes, heart disease and obesity. Consequently, individuals with SMI have significantly decreased longevity, and in fact, die an average of 25 years earlier than individuals without a SMI.

The tragedy is that SMI, substance use disorders are the most common co-morbid medical conditions are all highly treatable. Effective treatment is available and people can recover. Without access to such treatment, individuals with SMI are often unnecessarily hospitalized, may be unable to find and sustain employment, struggle with affordable and available housing, become involved with the criminal justice system, and suffer with social and interpersonal isolation.

Enabling persons with SMI to access both behavioral health and primary health services will enhance the treatment they can receive, allow their care to be coordinated among providers, and significantly decrease the severity of their condition. With treatment, individuals with SMI and co-occurring or co-morbid conditions can recover and live, work, parent, learn and participate fully in their community.

The three key goals of this Demonstration are to:

1. Improve access to health care for a segment of the uninsured population in Virginia who have significant behavioral and medical needs;
2. Improve health and behavioral health outcomes of demonstration participants; and,
3. Serve as a bridge to Closing the Coverage Gap for uninsured Virginians.

Description of the current or new beneficiary groups that will be impacted by the demonstration

This demonstration will target participants who meet eligibility parameters resulting from a diagnosis related to serious mental illness (SMI). DMAS is working with stakeholders and behavioral health experts to determine the eligibility criteria and welcome public comments to assist in this process.

In addition to a SMI related diagnosis, individuals must meet ALL of the requirements outlined below to be eligible for the demonstration:

- Adult age 19 through 64 years old;
- U. S. Citizen or lawfully residing immigrant;
- Not eligible for any existing entitlement program including: Medicaid, Children's Health Insurance Program (CHIP/FAMIS), or Medicare;
- Resident of Virginia;

- Household income that is below 100% of the Federal Poverty Limit (FPL);
- Uninsured;
- Screened and meet the criteria for SMI (as described above); and
- Not residing in a long term care facility, mental health facility, or penal institution.

Proposed Health Care Delivery System

The ultimate goal of this demonstration is to enable program eligible individuals with SMI to gain access to both behavioral health and primary health services. To implement this program quickly, the Department of Medical Assistance Services (DMAS) will utilize existing partnerships and provider networks. Virginians who meet the program eligibility criteria outlined above will receive a coordinated, limited, benefit package that includes both medical and behavioral health services.

Referrals for this demonstration will come from a variety of sources, including, but not limited to: self-referral, community mental health providers, health care providers, community organizations, law enforcement, jail/prisons (upon discharge), and hospitals. Once determined eligible, individuals will be enrolled into the program. Participants will receive benefits defined for the demonstration, and will do so through existing provider networks, paying the rates and using the same service authorization processes they currently use for the Medicaid and CHIP programs. DMAS anticipates that the benefits that are included in the demonstration, that are currently covered by the Behavioral Health Services Agreement (BHSA), will continue to be provided through the BHSA. DMAS' eligibility contractor will implement the eligibility rules, and the benefits and terms of payment will be specified in a contract document that will be executed with existing partners.

Through this demonstration, Virginia will seek to test the belief that integrating care coordination, primary care, specialty care, pharmacy, and behavioral health care for this uninsured population will result in better health and sustained living for participants. It is further believed that participants will also have fewer improper emergency department (ED) visits, less inpatient hospital utilization, less interaction with the criminal justice system, and reduce other often uncompensated health care costs.

Benefit and Cost-Sharing Requirements

As mentioned in the previous sections, the benefit package for this demonstration will be limited in scope, providing access to the most critical services for the SMI population. Specific benefits to be incorporated into the benefit package have not been finalized, though DMAS is working with stakeholders and experts to determine the appropriate package. DMAS welcomes public comments to assist in this process.

As with eligibility, the benefit package for the GAP Program will be defined after soliciting public comment and in consultation with experts. The final details and information will be incorporated into DMAS' official §1115 waiver application to CMS.

The lens through which DMAS is working to determine benefits includes:

- Providing access to a limited benefit package of primary care, specialty care, behavioral health community services, laboratory, pharmacy, diagnostic services, and care coordination.

- An understanding that the demonstration will not pay for any services beyond the limited benefit package such as inpatient and outpatient hospital visits, emergency department visits, home health, nursing home, long-term care, routine dental, non-emergent transportation, or routine optometry services.

- Program oversight and administration will be provided by the Virginia Department of Medical Assistance Services (DMAS)

- Administration of actual benefits and care coordination between health and behavioral health care services will be conducted by existing DMAS partners.

This demonstration does not include any cost-sharing requirements.

Increase or Decreases in Enrollment and Expenditures

Enrollment into the demonstration must be limited due to funding constraints, therefore this demonstration does not create a new entitlement program. Enrollment will not be capped but financial eligibility criteria may be reduced in the future, in order to stay within the funding allocated for this program. Additional terms under which any limits will be imposed will be further specified in the §1115 Waiver application, following the public comment period, through consultation with CMS.

Contracted partners will be paid an allocation for administration, in addition to actual expenses for medical claims. Specifics regarding the financing of the demonstration will be identified during the public comment process.

The estimate for the cost of services will be based on benefits covered, service utilization, and the rate of enrollment. DMAS has estimated that up to 20,000 individuals may receive services over the period of this demonstration at an average cost of $7,000 to $8,600 per individual. Fifty percent of the costs of this demonstration will be paid with federal funds.

The estimated total cost for State Fiscal Year (SFY) 2015 ranges from $60 to $80 million in total funds. In SFY 2016, estimated total costs are between $120 and $160 million. DMAS will monitor the utilization and cost data to ensure that the funds allotted for this project are not exceeded. This two year demonstration will be implemented from January 2015 through January 2017 or until Virginia implements a plan to provide health coverage for individuals up to 138% of the Federal Poverty Level.

To ensure budget neutrality as required by all §1115 waiver demonstrations, cost savings will come from the following:

- Effective management of uninsured individuals who experience SMI. This will enable eligible Virginians to remain in their communities, remain employed, and support them in efficient use of the health care system. Further, they will not need to seek to qualify for a disability determination, which would most likely result in enrollment into the Medicaid program.

- Once individuals who are under 138% of the FPL gain access to full health coverage, their previous access to health and behavioral health benefits (through this §1115 waiver demonstration), will have aided in stabilizing their health and behavioral health conditions. As a result, there will be a reduced cost to Medicaid or other full health coverage plan once they are enrolled.

Details of the Hypothesis

Virginia recognizes that while only one component to the health care reimbursement paradigm, publically funded payment sources are the most significant contributor in the overall health care system. Therefore, the central hypothesis of the Virginia GAP program for individuals with serious mental illness, is situated around a belief that managing care for the chronically uninsured population diagnosed with SMI and other comorbid conditions will improve health outcomes and lower costs to the overall health system.

Research illustrates that SMI and affiliated conditions are often treatable with proper benefits and services. Therefore, the Virginia GAP program will investigate the following hypothesis.

1) Effective management of uninsured individuals who experience SMI, will enable these Virginians to remain in the community, remain employed, and therefore not need to seek to qualify for a disability determination, which would most likely lead to enrollment into the Medicaid program or continuing to receive costly episodic and often uncompensated care.

2) Once individuals who live under 138% of the FPL gain access to full health coverage, their previous access to health and behavioral health benefits (through this §1115 waiver demonstration), will have aided in stabilizing their health and behavioral health conditions. As a result, there will be a reduced cost to Medicaid or other full health coverage plan once they are enrolled

Evaluation Parameters of the Proposal

The State's evaluation plan will be comprehensive and include the collection of claims and/or encounter data and relevant HEDIS quality measures.

The State will report on outcomes and goals as required by the waiver. In addition, the State will report to the Governor and the Virginia General Assembly on utilization, costs, outcomes, and trends.

Specific Waiver and Expenditure Authorities it is Seeking

As the specific components of the program are finalized during the public comment phase and in collaboration with federal partners, the final waiver and expenditure authorities seeking to be waived will be incorporated into DMAS' official §1115 waiver application to CMS.

1) Amount Duration and Scope of Services – Section 1902(a) (10) (B)
   Allowing Virginia to offer program participants a benefit package that differs from State Plan Services

2) Freedom of Choice – Section 1902(a) (23) (A)
   Allowing Virginia the flexibility to assign program participants to the most appropriate program partner.

3) Different Delivery Systems – Section 1902(a) (23)
   Allowing Virginia to provide different delivery systems for the population under this demonstration

4) Methods of Administration – Transportation – Section 1902(a)(4) insofar as it incorporates 42 CFR 431.53
   Allowing Virginia, to the extent necessary, to not provide non-emergency transportation to and from providers for participants

5) Retroactive Eligibility – Section 1902(a) (34)
   Allowing Virginia to not offer participants retroactive eligibility for demonstration participation

6) Early Periodic Screening, Diagnoses, and Testing (EPSDT) – Section 1904(a) (4)
   Allowing Virginia to be exempt from the requirement to offer EPSDT services to 19 and 20 year olds