

Medicaid State Plan/Waiver Changes

As we have previously discussed with you, starting in the Spring of 2004 the federal Centers for Medicare and Medicaid Services (CMS) notified SRS that substantial portions of the current Medicaid State Plan governing mental health/behavioral health/substance abuse services are now considered out of compliance with their practice standards. Left unaddressed, these now-identified deficits in Kansas' approved Medicaid State Plan services would render the state – and particularly the mental health/behavioral health and substance abuse service systems – vulnerable to negative funding decisions by CMS that would ultimately cripple our ability to provide these services to Kansans in the greatest need.

In order to comprehensively address the myriad issues about which CMS had expressed concern, throughout the first half of this year a collaborative and focused work group of staff from SRS and the Kansas Health Policy Authority (KHPA), assisted by consultants with CMS and state plan expertise, explored available responsive options. Guided by extensive prior stakeholder input (and the values that have shaped the development of sturdy community-based services), as well as the leadership guidance of state agencies and the legislature, a foundation for responding to CMS was developed.

Having developed the foundation for response to CMS, during June SRS sponsored a series of stakeholder meetings to fully review the pending issues, the core infrastructure we had built for responding, and discuss next steps. Hundreds of stakeholders participated in those meetings, and similar meetings are continuing with smaller interested groups.

At the end of June, our comprehensive package of proposals was submitted to CMS, including extensive amendments to the Kansas Medicaid state plan, an application to amend our existing waiver for youth with Serious Emotional Disturbance, and an application for a selective services contracting waiver to manage all public mental health/substance abuse services.

Following submission of waiver applications and state plan amendments to CMS at the end of June, SRS has continued with stakeholder information and implementation readiness activities, including:

1. Presented information and engaged in Q&A sessions with over 600 stakeholders in various settings, including mental health and behavioral health practitioners, consumers, family members, and private practitioners.
2. Developed implementation work groups to focus on preparing service system for changes, including: Psychiatric Residential Treatment Facility (PRTF) service standards and payment methodology; contract development for future services and system management, with related rate review and administrative payment methodology; and provider manual changes/claims payment system readiness. Each work group has engaged in extensive pre-work, both internally and cross agency work with Juvenile Justice Authority, Kansas Health Policy Authority, and Kansas Department of Health and Environment staff; and each has designated external members, based upon feedback from stakeholders, who will participate when the pre-work phase has been completed.

3. Worked with Wichita State University to host a web site that includes informational materials about what has been submitted to CMS, as well as updates about readiness activities and some interactive features when feedback is sought. We anticipate that a broader range of stakeholders can experience a more transparent and timely involvement with the process by use of this site.
4. Interacted with CMS (both Regional Office and Central Office staff), in concert with KHPA, to respond to informal inquiries/clarifications regarding our submissions. This included numerous conference calls to cover all substantive portions of the submissions, and follow up by providing additional detail and/or replacement language.
5. Worked with consultants to develop a comprehensive Request for Proposal (RFP) for the statewide substance abuse contract.

Overall, our comprehensive package of responses to CMS have been very well received. CMS has fully approved our selective services contracting waiver application, which will govern all public mental health and substance abuse services in Kansas effective July 1, 2007. As to the related state plan amendments and SED waiver amendments, we have received some additional technical questions from CMS, all of which have been answered, and we anticipate timely approval of those changes will be forthcoming.

We are very pleased that CMS quickly approved this comprehensive waiver application, and we will continue to work diligently to prepare ourselves, our service partners, and other stakeholders for the substantial changes that will take effect next July 1st. We are equally pleased with, and very much appreciate, the dedicated work of our system partners and stakeholders in preparing for these important changes. Your work has been intensive, involving subjects about which people are passionate and committed – and it has been productive and solution focused. We thank you for that.

As to mental health and behavioral health services: We will continue to develop implementation tools and strategies, including through the implementation work groups, and to provide periodic updates. This work will be particularly fast-paced regarding PRTF preparations, because those changes have a planned effective date of January 1, 2006. You can keep track of key implementation issues by visiting www.medicaidtraining.org, and connecting to any work group subject that interests you. If you have questions, concerns or other feedback, please do not hesitate to reach out to any work group member and/or to any of our staff.

As to substance abuse services: SRS Addiction And Prevention Services staff will host a series of meetings around the state on October 27th, November 1st, 15th and 17th, where they will review key concepts that will govern implementation of the waiver/state plan provisions related to substance abuse services. The comprehensive RFP related to substance abuse services will be formally issued within the next several weeks, pending review and approval by procurement officials and CMS. Once the RFP is issued, it will be available for review by anyone interested, and the formal process for bidding will be followed.

In-Home Family Treatment – Model Service for Provider Partnerships

Last Spring, I spent a considerable amount of time working with Community Mental Health Center (CMHC) leaders and Child Welfare Community Based Service (CWCBS) leaders, with the goal of improving access to mental health services for youth needing them. We purposed to identify a “model service” that we could focus on which would enhance the critical partnership between those provider groups to deliver services that were timely and effective to meet the needs of youth in turbulent and complex situations.

We spent time as a group focusing on the broader context of their services and the needs of the people they support; exploring the system issues that sometimes trip up access to meaningful services in a timely way; factoring in the real impact of CMS-based concerns related to medical necessity and service settings; and building a solution that could be used on a trial basis for a short term period and be consistent with the bigger fixes we were building to comprehensively address CMS requirements. The result of that dialogue was that we agreed to focus on In-Home Family Treatment services and craft an agreement that would

- provide a standardized template for parties to use in accessing and delivering this service;
- clarify and expand the usability of that service for youth experiencing intense mental health treatment needs;
- streamline and strengthen the foundation for that service by enhancing the medical necessity determination process in a way that both uses existing information and ensures a quick response time; and
- specify the roles of the parties that are consistent with the future of public mental health services in Kansas.

In July, we presented the near-final draft of this agreement to the Kansas Health Policy Authority (KHPA), and the construct we proposed was favorably considered by Dr. Nielsen and her staff. KHPA then assessed the proposed agreement, as well as some implementation suggestions, to determine the best way technically to achieve the desired outcomes. Following that, we met with Juvenile Justice Authority (JJA) and KHPA staff to discuss ways to effectively apply the terms of the agreement to all In-Home Family Treatment services being delivered. JJA Commissioner Jordan and his staff also favorably considered the construct, and agreed to join us in the process to finalize this agreement related to like services provided to youth they support.

The parties have finalized the agreement and, effective October 1st, the terms of that agreement are being applied to In-Home Family Treatment Services. We are anticipating a successful trial run with this enhanced service and provider arrangement, resulting in improved In-Home Family Treatment Service access/delivery, and in effective practice for the new waiver-related system relationships that will govern this service in the future. We appreciate the focused work of these partners in getting this “trial run” underway, and helping to pave the way for the future shape of mental health and behavioral health services.