Alabama Medicaid Agency

501 Dexter Avenue
P.O. Box 5624
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www.medicaid.alabama.gov
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KAY IVEY
Governor

Telecommunication for the Deaf: 1-800-253-0799
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STEPHANIE MCGEE AZAR
Commissioner

PUBLIC NOTICE

SUBJECT: INTENT TO SUBMIT 1115 SERIOUS MENTAL ILLNESS (SMI) INSTITUTIONS FOR MENTAL DISEASES (IMD) WAIVER APPLICATION

Pursuant to 42 CFR §431.408, the Alabama Medicaid Agency (Alabama Medicaid) notifies the public that it intends to submit a Section 1115 Demonstration waiver application to the Centers for Medicare and Medicaid Services (CMS). Through this application, Medicaid is seeking federal authority to reimburse for acute inpatient stays in IMDs for individuals ages 21-64 diagnosed with a serious mental illness.

Reimbursement will be limited to IMDs operating in the Mobile, Washington and Baldwin counties to target the unique inpatient behavioral health access issues in that region. Medicaid enrollees will be able to access services via the IMDs participating in the demonstration, regardless of their county of residence. The proposed effective date of the waiver is October 1, 2021, pending CMS approval.

A copy of the draft Demonstration proposal will be available upon request for public review at each county office of the Department of Human Resources, the State Office of the Alabama Department of Mental Health, and the State Office of the Alabama Medicaid Agency. These documents are also available to be viewed on Alabama Medicaid's website at the following link: https://medicaid.alabama.gov/content/4.0_Programs/4.2_Medical_Services/4.2.6_Mental_Health/4.2.6.2_SMI_Waiver.aspx.

Written comments concerning the waiver proposal will be accepted starting January 5, 2021, and are due February 4, 2021. Send comments to the following e-mail address: PublicComment@Medicaid.Alabama.gov or mail hardcopy to: Administrative Secretary, Alabama Medicaid Agency, 501 Dexter Avenue, P.O. Box 5624, Montgomery, Alabama 36103-5624. All written comments will be available for review by the public during normal business hours at the above address.

In order to adhere to the Governor's orders regarding social distancing and based on guidance from CMS, public meetings to provide feedback regarding the proposal will be conducted via teleconference. Information regarding these teleconferences can be found in the "Comments and Public Input Process" section below.

DESCRIPTION, GOALS, AND OBJECTIVES

Medicaid seeks to achieve the following goals through implementation of this waiver:

- Reduced utilization and lengths of stay in emergency departments among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings.

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- Reduced preventable readmissions to acute care hospitals and residential settings.
- Improved availability of crisis stabilization services utilizing multiple service models to meet the unique needs across the state.
- Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI or SED including through increased integration of primary and behavioral health care.
- Improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.

Target Population and Eligibility Criteria

All Medicaid enrollees ages 21-64, eligible for full Medicaid benefits, and with a diagnosed SMI requiring an acute, inpatient level of care would be eligible for short term stays in an IMD under this waiver.

BENEFITS, COST SHARING, AND DELIVERY SYSTEM

No modifications to the current Alabama Medicaid fee-for-service or primary care case management entity (PCCM-E) arrangements are proposed. All enrollees will continue to receive services through their current delivery system. Additionally, this amendment does not propose any changes in the cost sharing requirements for any enrollees.

ANNUAL ENROLLMENT AND ANNUAL EXPENDITURES

This 1115 waiver will have no impact on annual Medicaid enrollment and is expected to be budget neutral as outlined in the tables below.

Historical Data
Alabama was one of 11 states selected for the Medicaid Emergency Psychiatric Demonstration (MEPD). The MEPD was effective for the period between July 2012 and March 2015. Historical enrollment and expenditures for state fiscal year (SFY) 2013 (October 1, 2012 – September 30, 2013) and 2014 (October 1, 2013 – September 30, 2014) from the MEPD are presented in Table 1 below.

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Table 1 – Historical Medicaid Emergency Psychiatric Demonstration (MEPD) Caseload and Expenditures

	SFY 2013 (October 1, 2012 to September 30, 2013)	SFY 2014 (October 1, 2013 to September 30, 2014)
MEPD Caseload (Member Months)	533	648
IMD Expenditures	$2,301,000	$2,914,248
State Plan Services Expenditures	$1,234,459	$1,401,499
Total Expenditures	**$3,535,459**	**$4,315,747**
Average IMD Length of Stay (days)	**9.3**	**10.6**

Demonstration Enrollment and Expenditures Projections
Projected Without Waiver and With Waiver caseloads, per capita expenditures, and total expenditures for Medicaid beneficiaries whose health care coverage is impacted by the demonstration for each demonstration year are illustrated in Table 2. Without and With Waiver projections are equal because they are considered hypothetical expenditures associated with services added under the demonstration or those that could be otherwise covered under the State Plan or established waiver authorities.

Table 2 – Without and With Waiver Caseload and Expenditure Projections

Demonstration Year	DY1	DY2	DY3	DY4	DY5	5 Year Total
Caseload (Member Months)	698	704	711	718	724	**3,555**
Per Capita (per member per month)						
IMD	$18,102	$18,817	$19,561	$20,334	$21,137	**$19,604**
State Plan Services	$2,949	$3,065	$3,187	$3,313	$3,443	**$3,194**
Total	**$21,051**	**$21,883**	**$22,747**	**$23,646**	**$24,581**	**$22,798**
Per Capita (per member per month)						
IMD	$12,632,308	$13,253,691	$13,905,640	$14,589,659	$15,307,324	**$69,688,622**
State Plan Services	$2,057,908	$2,159,137	$2,265,344	$2,376,777	$2,493,690	**$11,352,856**
Total	**$14,690,216**	**$15,412,828**	**$16,170,985**	**$16,966,436**	**$17,801,015**	**$81,041,478**

HYPOTHESIS AND EVALUATION PARAMETERS

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Alabama proposes the following evaluation plan, which has been developed in alignment with CMS evaluation design guidance for SMI 1115 demonstrations. The State will contract with an independent evaluator to conduct this review.

Objective/Goal	**Hypothesis**	**Evaluation Parameters/Methodology**
Evaluation Questions: • Does the demonstration result in reductions in utilization and lengths of stay in emergency departments among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings? • How do the demonstration effects on reducing utilization and lengths of stay in emergency departments among Medicaid beneficiaries with SMI/SED vary by geographic area or beneficiary characteristics? • How do demonstration activities contribute to reductions in utilization and lengths of stays in emergency departments among Medicaid beneficiaries with SMI/SED while awaiting mental health treatment in specialized settings?		
GOAL 1. Reduced utilization and lengths of stay in emergency departments among Medicaid beneficiaries with SMI while awaiting mental health treatment in specialized settings.	**Hypothesis 1.** The demonstration will result in reductions in utilization of stays in emergency department among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment.	**Data Sources:** • Claims data • Medical records or administrative records • Interviews or focus groups **Analytic Approach:** • Difference-in-differences model • Subgroup analyses • Descriptive quantitative analysis • Qualitative analysis

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Objective/Goal	Hypothesis	Evaluation Parameters/Methodology
Evaluation Questions: • Does the demonstration result in reductions in preventable readmissions to acute care hospitals and residential settings? • How do the demonstration effects on reducing preventable readmissions to acute care hospitals and residential settings vary by geographic area or beneficiary characteristics? • How do demonstration activities contribute to reductions in preventable readmissions to acute care hospitals and residential settings? • Does the demonstration result in increased screening and intervention for comorbid substance use disorders and physical health conditions during acute care psychiatric inpatient and residential stays and increased treatment for such conditions after discharge?		
GOAL 2. Reduced preventable readmissions to acute care hospitals and residential settings.	**Hypothesis 2.** The demonstration will result in reductions in preventable readmissions to acute care hospitals and residential settings.	**Data Sources:** • Claims data • Medical records • Beneficiary survey **Analytic Approach:** • Difference-in-difference models • Qualitative analysis • Descriptive quantitative analysis
Evaluation Questions: • To what extent does the demonstration result in improved availability of crisis outreach and response services throughout the state? • To what extent does the demonstration result in improved availability of intensive outpatient services and partial hospitalization? • To what extent does the demonstration improve the availability of crisis stabilization services provided during acute short-term stays in each of the following: public and private psychiatric hospitals, residential treatment facilities, general hospital psychiatric units, and community-based settings?		

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Objective/Goal	Hypothesis	Evaluation Parameters/Methodology
GOAL 3. Improved availability of crisis stabilization services, including services made available through call centers and mobile crisis units; intensive outpatient services, as well as services provided during acute short-term stays in residential crisis stabilization programs; psychiatric hospitals; and residential treatment settings throughout the state	**Hypothesis 3.** The demonstration will result in improved availability of crisis stabilization services throughout the state.	**Data Sources:** • Annual assessments of availability of mental health services • AHRF data • NMHSS survey • Administrative data • Provider survey **Analytic Approach:** • Descriptive quantitative analysis

Evaluation Questions:

- Does the demonstration result in improved access of beneficiaries with SMI/SED to community-based services to address their chronic mental health needs?
- To what extent does the demonstration result in improved availability of community-based services needed to comprehensively address the chronic mental health needs of beneficiaries with SMI/SED?
- To what extent does the demonstration result in improved access of SMI/SED beneficiaries to specific types of community-based services?
- How do the demonstration effects on access to community-based services vary by geographic area or beneficiary characteristics?
- Does the integration of primary and behavioral health care to address the chronic mental health care needs of beneficiaries with SMI/SED improve under the demonstration?

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Objective/Goal	Hypothesis	Evaluation Parameters/Methodology
GOAL 4. Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI, including through increased integration of primary and behavioral health care	**Hypothesis 4.** Access of beneficiaries with SMI/SED to community-based services to address their chronic mental health care needs will improve under the demonstration, including through increased integration of primary and behavioral health care.	**Data Sources:** • Claims data • Annual assessments of availability of mental health services • AHRF • NMHSS survey • Administrative data • URS • Medical records **Analytic Approach:** • Descriptive quantitative analysis • Chi squared analysis • Difference-in-differences model

Evaluation Questions:

- Does the demonstration result in improved care coordination for beneficiaries with SMI/SED?
- Does the demonstration result in improved continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities?
- Does the demonstration result in improved discharge planning and outcomes regarding housing for beneficiaries transitioning out of acute psychiatric care in hospitals and residential treatment facilities?
- How do demonstration activities contribute to improved continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities?

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Objective/Goal	Hypothesis	Evaluation Parameters/Methodology
GOAL 5. Improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.	**Hypothesis 5.** The demonstration will result in improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.	**Data Sources:** • Claims data • Medical records • Interviews or focus groups • Facility records **Analytic Approach:** • Difference-in-differences model • Descriptive quantitative analysis • Qualitative analysis

WAIVER AUTHORITY SOUGHT

The State is requesting expenditure authority under Section 1115 for otherwise covered services furnished to otherwise eligible individuals for short term stays for acute care in a psychiatric hospital that qualifies as an IMD.

The State also requests a waiver of §1902(a) of the Social Security Act regarding statewideness to the extent necessary to enable Alabama to reimburse IMDs for short term psychiatric stays in Mobile, Washington and Baldwin counties. Medicaid enrollees will be permitted to access IMD services regardless of their county of residence.

COMMENTS AND PUBLIC INPUT PROCESS

As required by federal regulation, Alabama Medicaid will open a formal comment period January 5, 2021, and interested parties are directed to https://medicaid.alabama.gov/content/4.0_Programs/4.2_Medical_Services/4.2.6_Mental_Health/4.2.6.2_SMI_Waiver.aspx. A copy of the draft Demonstration proposal will also be available upon request for public review at each county office of the Department of Human Resources, the State Office of the Alabama Department of Mental Health, and the State Office of the Alabama Medicaid Agency.

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January 12, 2021 10:00 a.m.

Join online: https://algov.webex.com/algov/j.php?MTID=mc6e52d969be07347beab236b5d5b721e
Meeting number (access code): 177 879 4328
Meeting password: Medicaid1

Join by phone:
(415) 655-0001
Meeting number (access code): 177 879 4328#
Attendee number: enter #

January 14, 2021 2:00 p.m.

Join online:
https://algov.webex.com/algov/j.php?MTID=mf777f61c4b11cdea93cb3ab0169d40a9
Meeting number (access code): 177 239 1600#
Meeting password: Medicaid1

Join by phone:
(415) 655-0001
Meeting number (access code): 177 239 1600#
Attendee number: enter #

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