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Sent via email

Communications received by the ten community mental health centers (CMHCs) at the end of last week have caused more than a little turmoil in New Hampshire's mental health community. It was with complete surprise that the CMHCs learned on Thursday afternoon, October 6th, that the Department of Health and Human Services (DHHS) is abandoning a major payment reform project for behavioral health services, and now plans to include them in the Medicaid managed care RFP – due to be issued in less than a week.

For over two and a half years now, DHHS and its Bureau of Behavioral Health (BBH) have been working to change the payment system for CMHC services, from a fee for service system to a prepaid system (PAHP). The plan was for DHHS to submit a 1915 (b) waiver request to CMS this month, with implementation projected for February of 2012. While the CMHCs found this to be ambitious, we have been working hard to assist DHHS and BBH to determine how best to get our systems set up for this change.

The commitment to this change was a big part of the last legislative session. HB 2 (Ch. 224, Laws of 2011) included this requirement:

224:24 Department of Health and Human Services, Division of Community Based Care Services, Bureau of Behavioral Health, 1915(b) Prepaid Health Plan. The department of health and human services shall seek approval from the federal Centers for Medicare and Medicaid Services (CMS) for a 1915(b) waiver to deliver and pay for Medicaid services to Medicaid-eligible persons with severe mental disabilities through a prepaid health plan. Upon receipt of approval, the department shall promptly implement the prepaid health plan by entering into contracts with community mental health service providers, subject to approval by the governor and executive council.

This language, and recent presentations and representations from DHHS, suggested that, in the context of Medicaid managed care, mental health services would be addressed through the 1915 (b) waiver, at least in the first phase of this transformation. The mental health centers' focus was, naturally, on the waiver.

The sudden nature of this decision and Thursday's announcement without prior discussion with the CMHC partners are troubling and raise a lot of questions. The CMHCs have worked with the Department in good faith and were under the impression that we were partners with the Department in the payment reform effort. The 11th-hour announcement, coming immediately on

the heels of DHHS statements that payment reform would be separate from Medicaid managed care, belie this. The CMHCs were completely excluded from the discussion and the decision.

We know the Department has invested literally thousands of man hours into this project, hired consultants, and worked with actuaries and lawyers to prepare for the waiver. In addition, the CMHCs have likely invested nearly \$1 million in the process. We don't know if this is a wasted effort, or if any of the payment reform work can be salvaged for use in a new payment arena; but we do know that there is a serious risk that poor planning and uncertainty will lend harm to the system. Hopefully, that will not happen, but time and resources have been wasted and have diverted our attention.

There are some short term issues that now need to be addressed by policy makers:

1. For more than 40 years, local mental health centers have provided critical, community-based care to those in need. What efforts will be made in the new contracting process to ensure that this community system stays intact to assure services to those most in need of community-based mental health services?
2. The last-minute DHHS policy reversal means that the impact of Medicaid managed care on behavioral health was not part of the discussion at the recent stakeholder meetings and focus groups. How will the Department adjust for that?
3. How will the State compensate the non-profit community mental health centers for the hundreds of thousands of dollars they have invested in working with the DHHS on the waiver preparation for the past 2 ½ years?

We are sure that there are many more questions that will arise and we will attempt to answer them with this new Fire-Alarm sounding. As more information becomes available, we will let you know.

Thank you,

Jay Couture, President
NH Community Behavioral Health Association