

Detroit Wayne Mental Health seeks to partner with Medicaid HMO for integrated care

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- Organization proposes to share savings by coordinating physical and behavioral health services
- Estimated savings could be \$25 million in unnecessary hospital costs, which could be used to expand mental health care
- Plan needs changes in state law and regulations, and a willing Medicaid partner

A new proposal from the Detroit Wayne Mental Health Authority would team the state's largest provider of behavioral health services with at least one Medicaid health plan to coordinate mental and physical health services.

If successful, care coordination could save millions of dollars that potentially can be used to expand mental health services and at the same time cut HMO expenses, DWMHA officials said.

The organization last week issued a request for information to Medicaid HMOs and other interested agencies for an integrated approach to health care services. At least 25 health organizations have downloaded the proposal since it was posted May 10 on the [Michigan Inter-governmental Trade Network](#).

Under the 20-page proposal, which must first overcome some regulatory and legislative hurdles, savings of up to an estimated \$25 million would come from reducing unnecessary hospital emergency room visits and inpatient and catastrophic care could be used to expand mental health services, said Willie Brooks, CEO of DWMHA.

Brooks said DWMHA alone spends \$55 million annual on hospital costs. He said HMOs could be expected to also save an unspecified amount of money by reducing unnecessary hospital and outpatient costs.

"We cannot partake in the (three) [pilot programs](#)(the state plans to launch later this year to test integrated care), yet at the same time we part to be part of the integrated care" movement because of the potential savings involved, Brooks said. "It will be beneficial to patients and fits in with the holistic care philosophy we have adopted."

Brooks said last year [DWMHA pledged](#) to gear its future services in a holistic care approach that focuses on improving behavioral and physical health, and the economic, social justice and spiritual well-being of patients.

As the largest of the 10 regional prepaid inpatient health plans in Michigan, DWMHA has an overall budget of about \$780 million. It serves more than 73,000 people, including 82 percent Medicaid or Healthy Michigan, 11 percent non-Medicaid and 6 percent Medicare-Medicaid dual eligible patients.

The proposal deadline is June 14 and DWMHA plans to start the integrated care approach this fall, Brooks said.

Seeking shared savings

Dom Pallone, executive director of the Michigan Association of Health Plans, said several Medicaid health plans are reviewing the integration proposal. He said the plan is contingent on health plans sharing savings from the physical health side.

"This just looks like an effort by a PIHP (Prepaid Inpatient Health Plan) to see if they can find new revenue to offset their financial losses," Pallone said in an email to Crain's. "They seem to be looking for proposals to do care coordination, but there aren't any state barriers to doing more on care coordination, so I'm not really sure why they haven't done something in this arena already."

Brooks said DWMHA initiated the proposal because Wayne County was not selected by the Michigan Department of Health and Human Services as a pilot region to test integrated care. He said it has been working on coordinating care with mental health providers, physicians and health plans, but the new proposal would formalize interactions and speed up integration.

Robert Sheehan, CEO of the Community Mental Health Association of Michigan, said similar innovations between mental health organizations and managed care payers are starting to happen across the state. To date, however, there hasn't been any shared savings plans worked out.

"Wayne County is very large and is requesting a health plan partner. There are also some great partnerships going on in Oakland County and in some northern counties (in Michigan), but no shared savings yet," Sheehan said. "There are a lot of mental health providers working with health plans on co-location of services and sharing of clinical records."

Pallone said Medicaid health plans want to improve the current system and are working in many ways toward those goals already with mental health agencies and the 10 regional prepaid inpatient health plans, which manage \$2.8 billion in state Medicaid behavioral health funds.

"I don't think this is asking for true integration — financial, administrative and clinical — and isn't very innovative," he said. "(Health plans and the association) also will continue to work with our partners at MDHHS and the Legislature to find a path forward that

improves health outcomes for the whole person in a way that is fiscally responsible to the limited resources of taxpayers."

In 2016, then-Gov. Rick Snyder proposed Section 298, a plan to merge the \$9 billion Medicaid physical health system managed by health plans and the now \$2.8 billion Medicaid behavioral health system. In a compromise, Snyder agreed to test integration in three pilot programs, which will be managed by health plans. The pilots, which are expected to begin this fall and run two years, will be tested in Genesee, Saginaw, Muskegon, Lake, Oceana and Mason counties. Some details, including health plans paying for support services for people in their homes, have yet to be worked out.

This week, Brooks met with MDHHS officials to ask for a waiver from the state regulation that requires prepaid inpatient health plans like DWMHA to use all funds, including potential savings from efficiencies, during the fiscal year. Currently, state regulations mandate that savings of mental health agencies and profits from Medicaid HMOs must be accounted for at the end of the year and not held over.

State health officials promised to work with Detroit Wayne Mental Health Authority, a DWMHA spokesman said. However, DWMHA and the HMOs also need changes in state laws.

"The challenge we have is for the state to allow HMOs and community mental health agencies to take the savings and reinvest it into" mental health services in an ongoing basis, Brooks said.

"We and Medicaid HMOs are punished if we don't spend (savings) right away," he said. "The state allows Medicaid HMOs to make money, but when they calculate their rates they take into consideration profits and reduce rates."

How proposal would work

Under the proposed contract, Brooks said, the Medicaid HMOs and Detroit Wayne Mental Health Authority would continue to be paid from the state and manage their funding as always. But there would be an alternative payment model system created by the organizations to return physical health savings to the mental health authority on a quarterly or monthly basis.

"Maintaining two distinct risk pools, behavior health (DWMHA) and physical health (Medicaid HMO) is necessary to protect the integrity of the relationship between DWMHA and partnered (HMOs)," the proposal says.

In the meantime, the proposal calls for DWMHA to make available to Medicaid HMOs a network of physical health satellite offices. Each office will include dental, vision, preventative health care and other services. Mutual credentialing of providers will also be necessary.

Brooks said developing a medical records exchange system and streamlining referral processes is key to coordinating and integrating care.

It is unclear now how many patients could be served under an integrated approach. It depends if one or more Medicaid health plans participate and whether other populations besides managed care are included. For example, Detroit Wayne Mental Health Authority serves about 17,000 people who are not enrolled in a health plan, are receiving fee-for-service Medicaid services or have serious mental illnesses.

"DWMHA will work with as many MHPs as are interested in partnering on an integration model that is based on the DWMHA model of care, core values, and pilot goals," the proposal says.