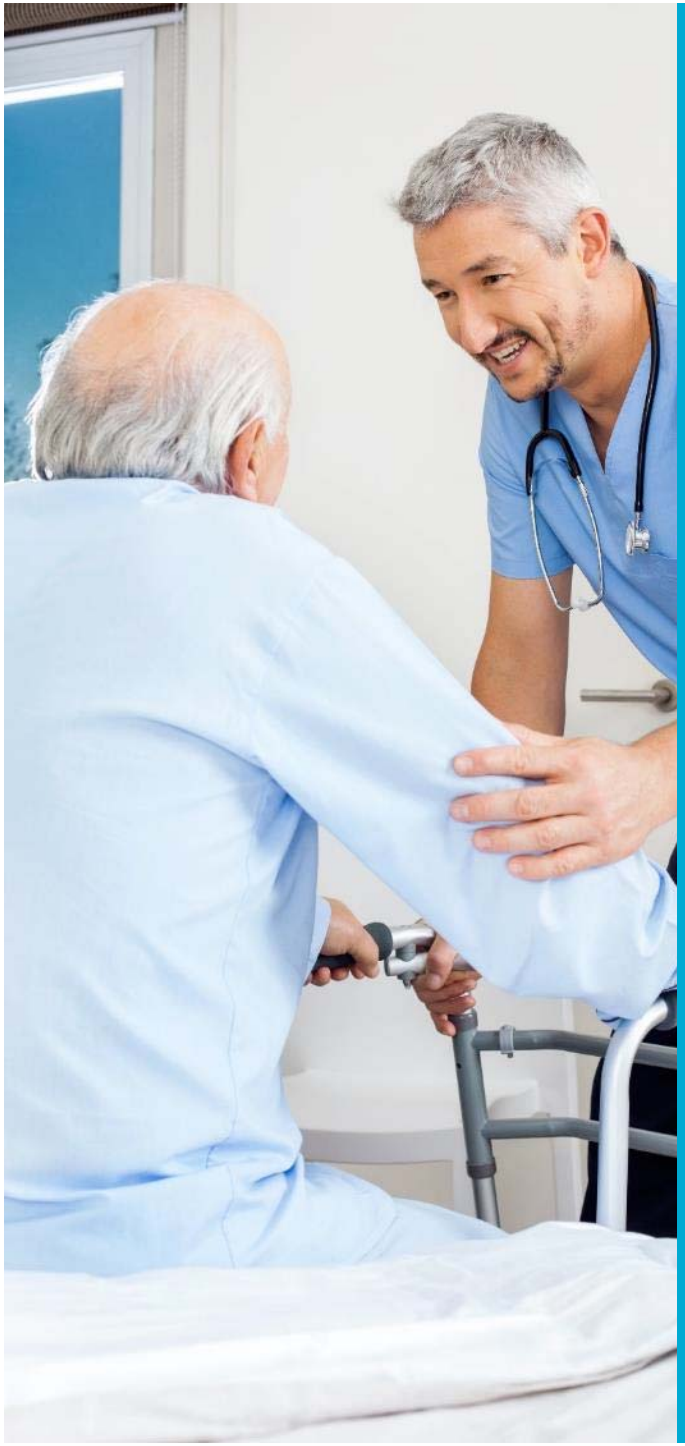

Washington State Behavioral Health System Assessment Final Recommendations

November 22, 2016

PCG | Health

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Agenda

1. PCG Overview and Scope of Work
2. Review of Initial Findings
3. Stakeholder Visioning and Recommendations Evaluation Approach
4. Recommendations

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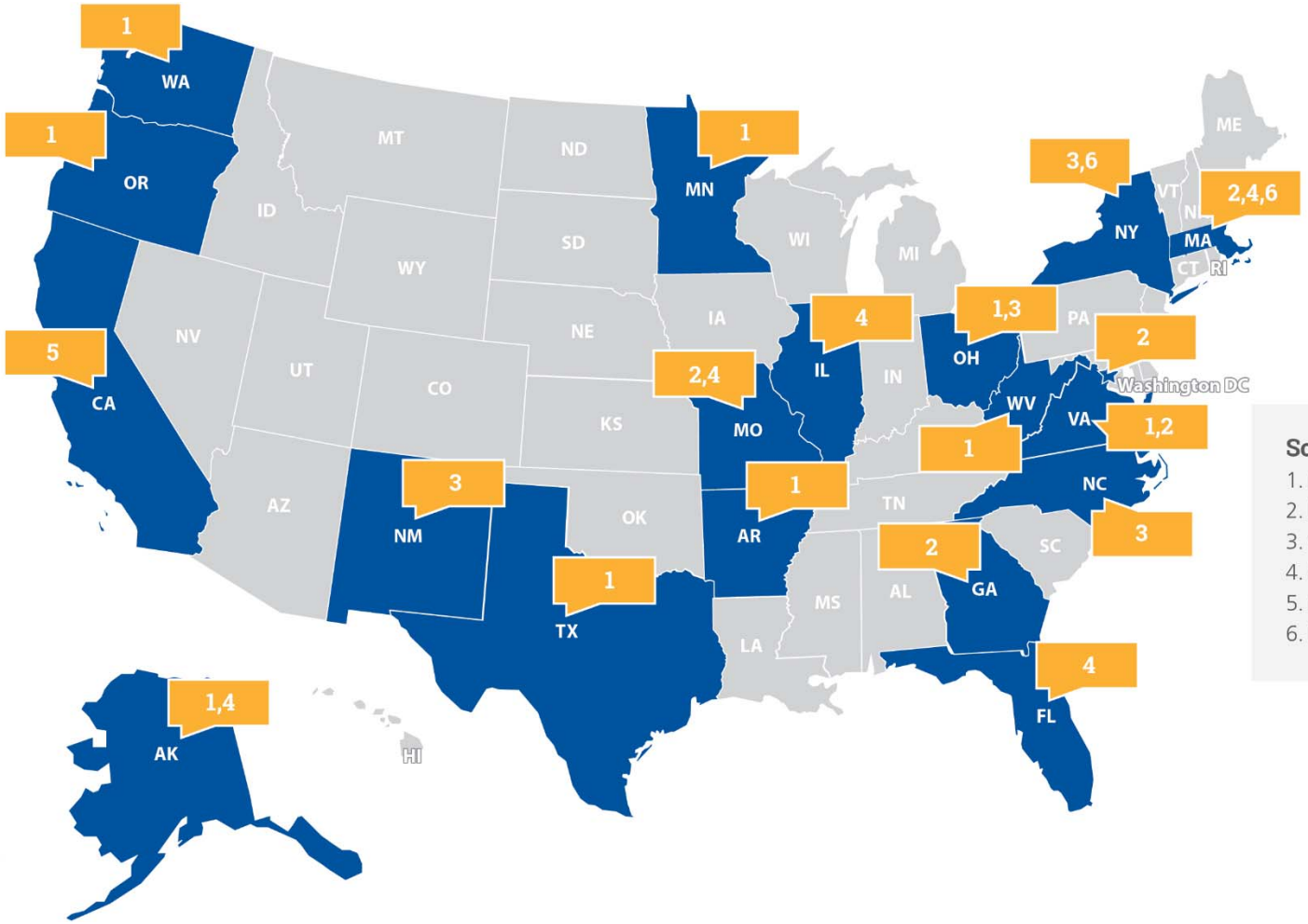
Public Consulting Group (PCG) Overview

- PCG is a management consulting firm helping state, county, and other municipal governments achieve their performance goals and better serve populations in need through industry-leading consulting, operations, and technology solutions
- More than ***30 years*** of experience serving the public sector
- Extensive ***experience in all 50 states***, clients in six Canadian provinces, and a growing practice in the European Union

PCG Behavioral Health Experience

PCG has notable experience in Behavioral Health consulting working with agencies across the country.



Scope of Behavioral Health Work

1. BH System Analysis
2. Payment Reform & Rate Setting
3. Compliance & Quality Assurance
4. Cost Reporting
5. BH Integration
6. Provider Technical Assistance

PCG Scope of Work

PCG is contracted to examine the current configuration and financing of the state hospital system and make recommendations in several areas as directed in Engrossed Substitute Senate Bill 6656.

CONTRACT DELIVERABLES

- Initial Findings Report
- **Final Recommendations Report**
- Implementation & Communications Plan

The Final Recommendations Report has been submitted to OFM for review.

- The report is in a draft format and is currently in the review process.
- The report provides nine major recommendations.
- These recommendations are the result of a stakeholder visioning process. Stakeholders helped to develop and vet recommendations presented by PCG.

Review of Initial Findings

Review of Initial Findings

Major Findings:

1. State hospital utilization and operations face a number of challenges.
2. Community based resources exist in a disparate set of systems that does not effectively support complex patient needs.
3. Ambiguity and lack of system-wide standardization weakens the ability of providers, BHOs, and patients alike to effectively use the system.
4. Best practices for mental health funding are incentivizing reduced institutionalization and increased outcomes-oriented community care.

Key Challenges Identified:

- the volume of patients committed to the state hospital and subsequent admission delays
- discharge delays for patients who no longer require state hospitalization
- availability of specialized residential and other community programs
- coordination across the care continuum

Stakeholder Visioning and Recommendations Evaluation Approach

Stakeholder Sessions

For the recommendations report, PCG captured stakeholder feedback through two major avenues:

Visioning Sessions

Conducted in-person among groups including representatives from:

- Department of Social and Health Services
- Health Care Authority
- Service Employees International Union
- Union of Professional Workers
- Washington Federation of State Employees

One-on-one interviews

Conducted with stakeholders not available to attend group visioning sessions within the specified time frame. PCG conducted one-on-one interviews with:

- 4 community health providers
- 4 SCQISH Committee members

Visioning Sessions

The Visioning Sessions provided a systematic way for participants to collaborate and identify common themes in improving the behavioral health system.

Visioning Approach

The Exercise:

1. Imagine a highly effective, fully integrated behavioral health system in the year 2020.
2. Identify the action steps taken by the state between now and then to realize that vision.

The Process:

1. Participants considered action items individually and then brainstormed with others.
2. All identified action steps and components of a highly effective system were posted for all to review and discuss.
3. Participants were asked to group the recommendations into discrete categories.

Visioning Sessions

The outcome of the collective visioning sessions was the identification of six areas of improvement:

1. Refine the role of state hospitals to serve the right patients in the right environment.

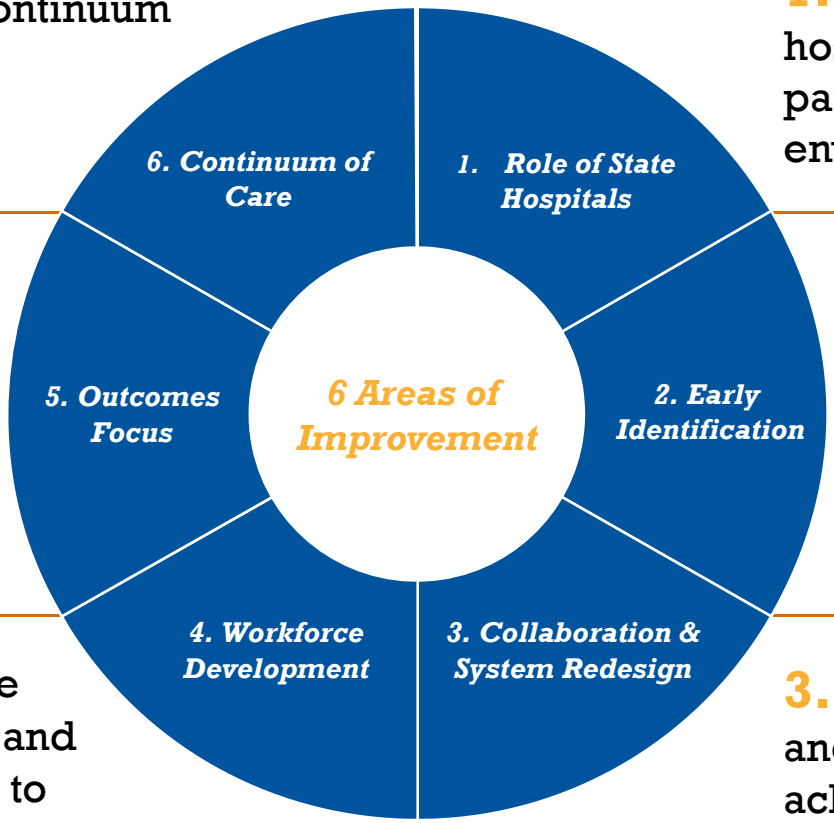
2. Improve early identification and treatment of behavioral health needs.

3. Increase collaboration and redesign system to achieve patient centered care.

4. Support workforce development efforts and use of best practices to attract and retain staff.

5. Increase focus on outcomes to ensure the system delivers desired results and continuous improvement.

6. Establish a robust continuum of care and support for transitions.



Evaluation Criteria

Building on the Areas of Opportunity, PCG developed a set of evaluation criteria. Proposed recommendations were assessed against these criteria.

6 Areas of Improvement

Evaluation Criteria

- ✓ Improve Efficiency/Effectiveness of Behavioral Health System
- ✓ Facilitate Community Supports and Limit Use of State Hospitals
- ✓ Focus on Patient Centered, Recovery Oriented Care
- ✓ Ease of Implementation
- ✓ Realized Savings to Offset Cost

Recommendation Selected for inclusion in Final Report

Recommendations

Recommendations

Recommendation #1

Require the Director of the Health Care Authority to submit a state psychiatric hospital managed care risk model to the Governor and the Legislature by October 1, 2017 to support putting Medicaid managed care organizations at risk for this benefit effective January 1, 2020.

Recommendations

Recommendation #1

Benefits

- Prepare state agencies and managed care organizations to implement full integration
- Align financial structure with goal of reducing inpatient utilization

Areas of Opportunity

- Increase collaboration and redesign system to achieve patient centered care
- Refine the role of state hospitals to serve the right patients in the right environment
- Support workforce development efforts and use of best practices to attract and retain staff

Recommendations

Recommendation #1

Time Frame

- Twelve months to design the risk model. In follow up, use 2018 to develop risk model features and 2019 to implement for effective launch 1/1/20

Key Considerations

- State psychiatric hospital business model lacks readiness for managed care
- Undefined legal role of a business entity in managing a civil commitment
- Undeveloped MCO contract provisions and performance metrics that permit the framework of the model to be understood by MCOs and hospitals

Recommendations

Recommendation #1

Key Points

- HCA, in coordination with DSHS, must draft a risk model "blueprint" to demonstrate that the concept can successfully be made operational
- The transition time in the next three years is optimally used to design, develop and implement the appropriate risk model
- Addresses the need for accountability and risk management for hospital bed use by non-Medicaid populations and Medicaid enrollees not enrolled in managed care

Outcomes

- Promotes value based purchasing
- Encourages competition based on cost and quality among hospitals
- Promotes improved health care outcomes through financial incentives
- Promotes full integration of physical and behavioral health in 2020

Recommendations

Recommendation #2

Establish a new unit within the Office of Financial Management (OFM) that integrates and coordinates fiscal analysis of all behavioral health services across agencies and units of government.

Recommendations

Recommendation #2

Benefits

- Supplements and does not replace existing agency-based budget oversight
- With behavioral health initiatives increasingly stretching across agencies and state and local governments, this unit provides a singular focus on "connecting the dots"
- Assures synergies of agency budget initiatives so that each initiative is "greater than the sum of its parts"

Areas of Opportunity

- Increase collaboration and redesign system to achieve patient centered care
- Refine the role of state hospitals to serve the right patients in the right environment

Recommendations

Recommendation #2

Time Frame

- Staff the unit and positions by Spring 2017

Key Considerations

- Individuals with the knowledge and experience to manage a complex unit/division of state government
- An estimated 6 new positions would be required, reflecting the following FTE roles: 1 director, 2 HCA analysts, 1 DSHS analyst, and up to 2 FTEs of additional analyst support

Recommendations

Recommendation #2

County Behavioral Health Funding

- The state does not have ultimate authority over county budgets.
- Important the state has a general understanding of the types of services that each county funds with their dollars.

Non Medicaid DSHS Funding

- DSHS BHA is responsible for over a budget of over $1.1 billion in the 2015-17 biennium.
- Important the state has detailed understanding of what these funds finance and how those services relate to other behavioral health spending in the state.

Integrated Financial Analysis Unit

Medicaid Services in Hospital and Community Settings

- Plan for IMD reductions by developing offsetting strategies that will maximize state reimbursement.
- Focus on State Operational changes, Non State Hospital Alternatives, and Community Based Alternatives.

Medicaid Delivery System Reform Incentive Program Planning

- CMS approved $1.5 billion investment over the next 5 years to transform Medicaid in Washington
- Highlights of the framework include a project for "Bi-directional Integration of Care" and "Care Transitions" for those in need of supportive housing.

Medicaid Value Based Purchasing Planning

- Healthier Washington established a goal of tying 90% of state payments to value by 2019.
- Washington's behavioral health leadership must ensure that they are invested in the VBP discussion.

Recommendations

Recommendation #3

Enhance community support by strengthening subacute care episode management and community services to reduce admissions to state psychiatric hospitals.

Specifically, this will be done by funding 3 new mobile crisis teams, 2 new crisis walk in centers, a 15% increase in the number of peer support specialists and the commencement of a grant program to enhance substance use disorder treatment more broadly into mental health care.

Recommendations

Recommendation #3

Benefits

- Increases access for consumers at risk of destabilization to receive timely interventions
- Increases the likelihood that consumers will be served by professionals familiar with them and/or their conditions in their own communities
- Encourages greater collaboration among mental health professionals in a community
- Better addresses the significant need for integrated treatment of mental health and substance use disorder issues

Areas of Opportunity

- Improve early identification and treatment of behavioral health needs
- Increase collaboration and redesign system to achieve patient centered care
- Establish a robust continuum of care and support for transitions
- Increase workforce development and use of best practices to attract and retain staff

Recommendations

Recommendation #3

Time Frame

- One to two years

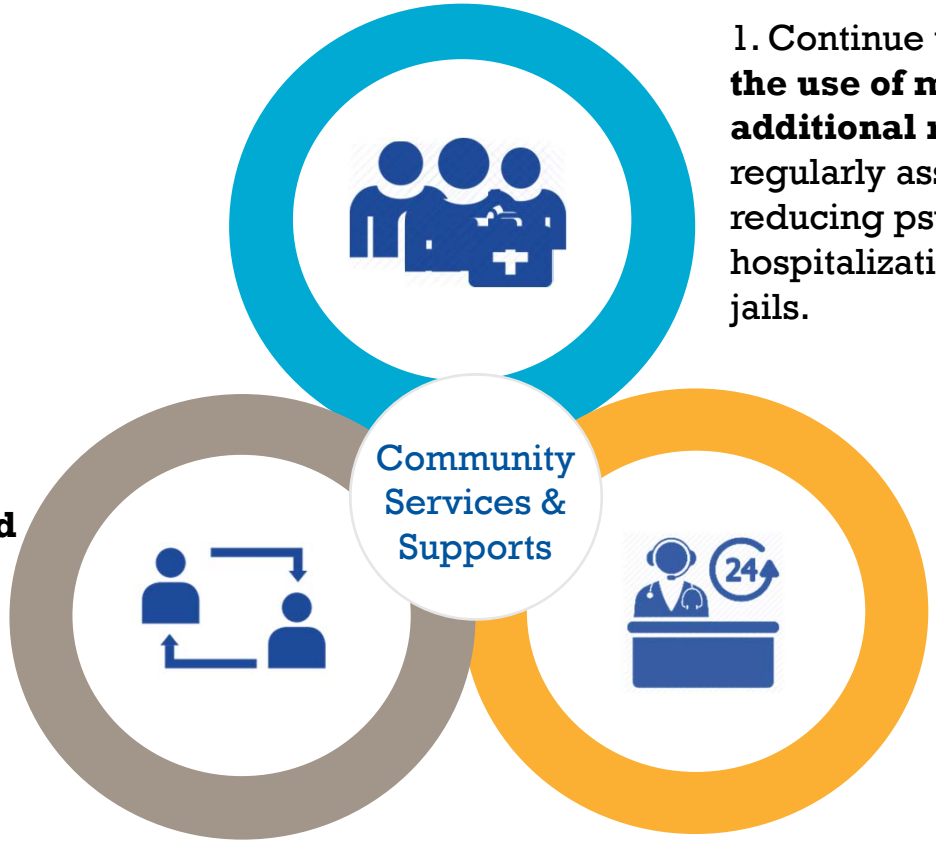
Key Considerations

- Communities may struggle to provide the requisite number and type of professionals to adequately staff teams and facilities
- In rural areas of the state, timely intervention may be hindered by distance
- Crisis walk-in centers do not currently exist in the state

Recommendations

Recommendation #3

1. Continue to **expand and refine the use of mobile crisis teams in additional regions of the state,** regularly assessing impact on reducing psychiatric hospitalizations and diverting from jails.



2. **Implement crisis walk-in centers in high need, urban areas.** Identification of areas for placement of crisis walk-in centers and mobile crisis teams should be coordinated so as to maximize coverage and avoid potential duplication of crisis services.

3. Fully integrate substance use disorder (SUD) and mental health disorder treatment, including **increased funding for peer specialists.**

Recommendations

Recommendation #4

Establish community bed capacity for civil commitments and transitional acute psychiatric care needs to promote regional care and the potential for an emphasis on specialty care for co-morbid conditions.

Recommendations

Recommendation #4

Benefits

- Allows the existing state hospitals to establish forensic centers of excellence to better treat forensic patients and focus more on hard to serve civil patients
- Enables more patients to be treated close to their home communities and support systems
- Creates facilities designed to address the particular needs of a region or particular co-occurring conditions
- Allows for capture of Medicaid funding to offset state costs

Areas of Opportunity

- Refining the role of state hospitals to serve the right patients in the right environment
- Increase collaboration and redesign system to achieve patient centered care

Recommendations

Recommendation #4

Time Frame

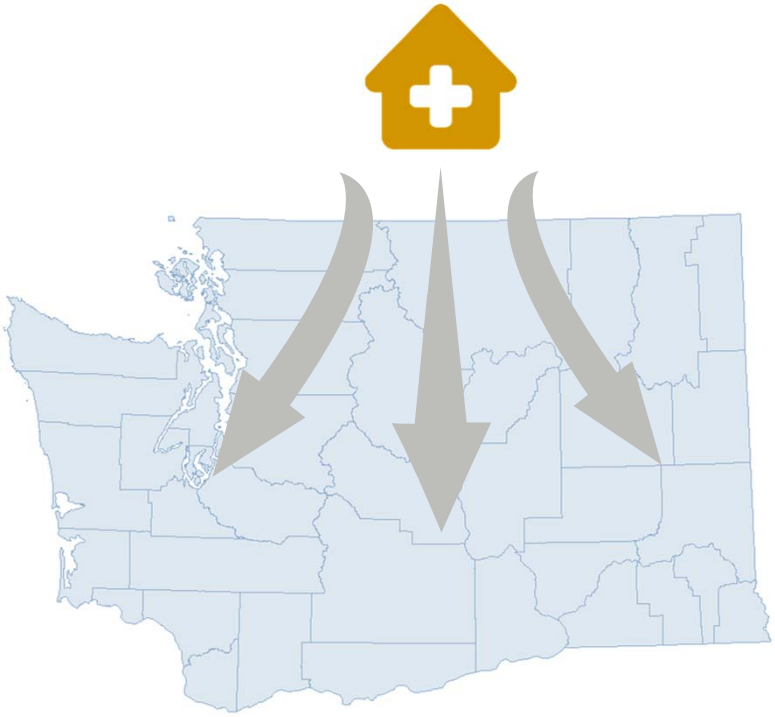
- Three to five years

Key Considerations

- Need for capital funding and processes to support the design and development of new facilities
- Review of existing community capacity and plan to accommodate population
- Adjustments to the orders issued by the Involuntary Treatment Act (ITA) Courts to allow greater placement flexibility

Recommendations

Recommendation #4



- Establishing community bed capacity will allow Washington to **provide acute psychiatric inpatient care in regional settings**
- These smaller facilities would be **recovery focused** and typically handle **shorter lengths of stay**
- A subcategory of this recommendation, PCG suggests that **Washington consider a 45-day commitment term for civil patients** who have completed a 14-day stay but require additional inpatient care prior to discharge

Recommendations

Recommendation #5

Reform state hospital programming to more broadly include substance use disorder integration and peer support.

Recommendations

Recommendation #5

Benefits

- Improved outcomes for comorbid patients
- Reduced risk of readmission and recidivism post discharge
- Reduced length of stay for inpatient treatment

Areas of Opportunity

- Increase collaboration and redesign system to achieve patient centered care
- Increase workforce development and use of best practices to attract and retain staff

Recommendations

Recommendation #5

Time Frame

- 18-month implementation and initial evaluation

Key Considerations

- Expanding more multi-disciplinary teams
- More staff training on co-occurring disorder treatment
- Community placement for individuals with co-disorder issues

Recommendations

Recommendation #5

Integration

- Align state hospital treatment protocols with the significant body of research supporting consistent and specific integration of substance use disorder and mental health treatment
- Integration aims to treat substance use disorder in the context of the patient's mental health and other behavioral disorders, using treatment modalities

Peer Support

Pilot Program

Place peers within the state hospitals to support patient needs well before the time of discharge and ideally close to the time of admission

Initial Phase

Fund 11 peers at Western State Hospital and 4 at Eastern State Hospital, serving 15 percent of the current patient population

Monitoring

Metrics related to discharges, community placements and long term placement/ readmission data should be evaluated over time

Recommendations

Recommendation #6

Align community mental health placements with identified civil placement discharge needs by:

1) Establishing a transitional, statewide supportive housing benefit administrator

2) Creating a temporary Office of Behavioral Health Housing Initiatives, charged with facilitating the collaboration of capacity building investment pools

3) Establishing expanded responsibility for selected state hospital transitions and management practices to ALTSA and DDA.

Recommendations

Recommendation #6

Benefits

- Alleviates discharge bottlenecks by aligning community resources with housing needs
- Facilitates the success of supportive housing integration with managed care in 2020
- Assures capacity building investment funds complement each other to achieve statewide service and facility needs
- Strengthens responsibility for the treatment management of persons with developmental disabilities

Areas of Opportunity

- Increase collaboration and redesign system to achieve patient centered care
- Establish a robust continuum of care and support for transitions

Recommendations

Recommendation #6

Time Frame

- Implement benefit administrator 7/1/17
- Create Office of Behavioral Health Housing Initiatives 1/1/17
- 18 months to expand ALTSA and DDA responsibility

Key Considerations

- Bridges gaps in development of supportive housing provider capacity and benefit development
- Bridges gaps in disparate capacity-building investment funds
- Responsibilities of two state entities (ALTSA and DDA) must be adjusted

Recommendations

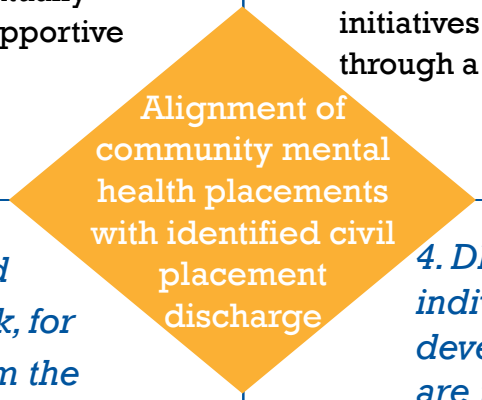
Recommendation #6

1. Create a transitional, Statewide Supportive Housing Benefit Administration

- Temporary assignment of this benefit to a third party administrator will eventually assure the success of MCO-led supportive housing in 2020

2. Create a Temporary Office of Behavioral Health Housing Initiatives

- Aim would be to provide a point of reference and set of benchmarks that permit these separate initiatives to be greater than the sum of their parts through a coordinated development effort



3. ALTSA should assume expanded responsibility, but not financial risk, for helping their clients transition from the state hospitals

- Directly addresses the discharge delays of multi-agency clients to improve the flow of patients through the hospitals
- Increased coordination/funding needed for individuals not meeting the nursing facility level of care.

4. DDA should expand responsibility for individuals with intellectual and developmental disabilities (ID/DD) who are in the state hospitals.

- Directly addresses the discharge delays to improve the flow of patients through the hospitals
- Funding to follow individuals into community placements

Recommendations

Recommendation #7

Develop new, regional care coordination models to follow rising risk and high risk patients throughout the care continuum, including those with significant mental health and substance use disorder needs.

Recommendations

Recommendation #7

Benefits

- Supports and monitors higher risk patients to promote compliance with the treatment plan and prevent escalation
- Reduces length of stay in inpatient settings for higher risk populations
- Facilitates better coordination among agencies when multiple entities are engaged in providing care and supports to address a range of patient needs
- Provides additional support for meeting the state's 2020 mandate for full integration

Areas of Opportunity

- Establish a robust continuum of care and support for transitions
- Increase collaboration and redesign system to achieve patient centered care

Recommendations

Recommendation #7

Time Frame

- All components of the recommendation implemented within 18 months

Key Considerations

- A system to accurately track target individuals in real time will be required
- BHO contract language must be updated

Recommendations

Recommendation #7

Direct BHOs to use reserve funding to implement a modified health home program that identifies and supports rising risk and high risk patients.

- Requires BHOs to establish a program that is consistent with some features of a health home
- Designated Care Manager
- Implement a “light” health home model to lay the foundation for transition to full integration in 2020

Recommendations

Recommendation #8

Invest in transitional care reform initiative to add step-up, step-down and HARPS resources. Specifically, add two new, 10-bed step down facilities in Western Washington and one new 10-bed step down facility in Eastern Washington.

Recommendations

Recommendation #8

Benefits

- Prevents initial hospitalization
- Prevents readmission
- Allows individuals ready for discharge, particularly at Western State Hospital, to find timely community residential placement
- Makes state hospital beds available for individuals in need of inpatient psychiatric care awaiting placement

Areas of Opportunity

- Improve early identification and treatment of behavioral health needs
- Increase collaboration and redesign system to achieve patient centered care

Recommendations

Recommendation #8

Time Frame

- Two years to build facilities and implement programs

Key Considerations

- Statutory limitations on voluntary admission
- Voluntary bed capacity
- Treatment protocols
- Will require extension of Residential Support Waiver to continue receiving federal match beyond 2019
- Dependent on identification of suitable providers through Request for Proposal process

Recommendations

Recommendation #8

Less restrictive option for those in need of a less acute level of care but who may not be ready for discharge

Step-Up Program

- Short-term inpatient care, mitigating the potential for escalation and preventing commitment
- Use of voluntary commitment beds in community hospitals in addition to new construction

Less restrictive option for those in need of a less acute level of care to remain in the community

Step-Down Program

- Adapt the model used to develop ESF facilities to also develop step-down capacity
- Determine whether other step-down services may be attached to an existing service facility such as a residential treatment facility or freestanding E&T

Housing and Recovery through Peer Services (HARPS)

Continue to incrementally increase the number of HARPS teams each year so an additional 100 individuals may be assisted

Recommendations

Recommendation #9

Create an integrative technology infrastructure to support behavioral health service delivery.

Recommendations

Recommendation #9

Benefits

- Links key agencies, caregivers, and patients to a common information platform
- Increases the volume and accuracy of information exchanges among behavioral health providers
- Provides the technology environment to support a Learning Health system

Areas of Opportunity

- Early identification and treatment of behavioral health needs
- Effective tracking and use of data for system improvement

Recommendations

Recommendation #9

Time Frame

- After a 6 to 12-month period of creating specifications, programming a system generally takes 2-3 years as capabilities are sequentially added in tiers

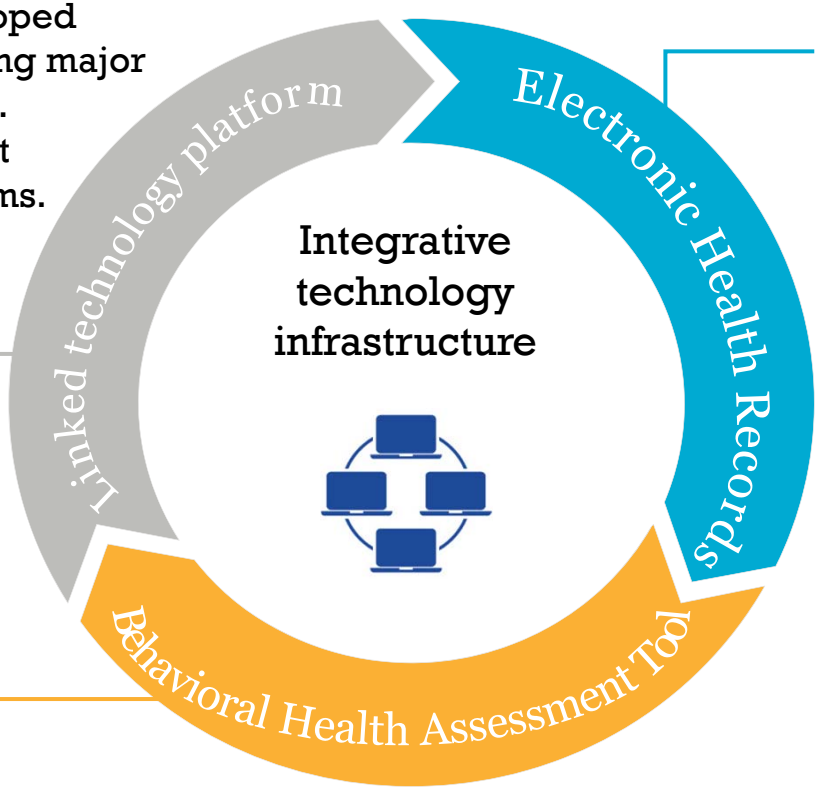
Key Considerations

- Knowledge gap amongst providers and state staff as they are not universally familiar with using a similar IT system
- Lack of current system means there isn't much background from which to draw for system design elements

Recommendations

Recommendation #9

Multiple states have developed technology platforms linking major service delivery programs. Washington can follow best practices from these systems.



- Incorporate electronic health information as part of the data contained in the system.
- Build a learning health system that uses health information to drive decision making and increase effective health care practices.

- A missing component in Washington's behavioral health system is a behavioral health assessment tool similar to the Comprehensive Assessment Reporting Evaluation (CARE) tool used by ALTSA.

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