

Legislative Analysis



SEC. 298 MEDICAID INTEGRATION PILOT PROJECTS

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<http://www.house.mi.gov/hfa>

Senate Bill 649 as Enrolled

Sponsor: Sen. Mike Shirkey

House Committee: Appropriations

Senate Committee: Appropriations

Complete to 12-14-17

Analysis available at

<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 649 would amend the Social Welfare Act to exempt new pilot projects authorized under Section 298 of the FY 2017-18 Department of Health and Human Services (DHHS) budget from the requirement that prepaid inpatient health plans (PIHPs) administer Medicaid specialty behavioral health services and supports and that those services and supports be carved out from basic Medicaid physical health care benefits. Section 298 designates Medicaid health plans instead of PIHPs as the managed care organization for Medicaid specialty behavioral health services and supports in the 3 pilot projects.

As the managed care organization of Medicaid specialty behavioral health services and supports, the Medicaid health plans would be responsible for establishing a behavioral health provider network. Section 298 requires that the local community mental health services programs (CMHSPs) in the geographic areas of the pilot projects are included in the Medicaid health plans' provider networks.

Section 298 requires DHHS to implement up to 3 pilot projects to financially integrate Medicaid physical health and behavioral health services using single contracts with the Medicaid health plans. Currently, DHHS contracts with Medicaid health plans to administer physical health services and contracts with PIHPs to administer specialty behavioral health services and supports.

The bill would also strike the reference to the Community Health Advisory Council that was abolished under Executive Reorganization Order 2007-13 and would strike the reference to the Medicaid managed care organization quality assurance assessment program (QAAP) that was abolished under the federal Deficit Reduction Act of 2005.

This bill would take effect 90 days after enactment.

MCL 400.109f

FISCAL IMPACT:

Senate Bill 649 would have no state fiscal impact. The FY 2017-18 DHHS budget already includes \$5.9 million Gross (\$2.0 million GF/GP) to support Section 298 implementation

costs including an independent project facilitator, project evaluator, actuarial rate development, DHHS personnel, and information technology updates.

Any local fiscal impact would be minimal as Section 298 requires community mental health services programs (CMHSPs) to be providers of specialty behavioral health services and supports in the pilot projects. Any local fiscal impact would also be dependent on whether a CMHSP is located in a geographic area chosen as a pilot project location.

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