

1. Preface

1.1 Transmittal Title Page

Complete this Transmittal Title page at the beginning of a demonstration and submit as the title page of all Monitoring Reports. The content of this transmittal table should stay consistent over time.

State	<i>Illinois</i>
Demonstration Name	<i>Illinois Behavioral Health Transformation Demonstration</i>
Approval Date	<i>May 7, 2018</i>
Approval Period	<i>July 1, 2018 – June 30, 2023</i>
Demonstration Goals and Objectives	<p><i>Overall, the purpose of the Illinois Behavioral Health 1115 Demonstration Waiver is to transform the system of behavioral healthcare for Medicaid members by improving access to community-based services. To achieve this purpose, the waiver demonstration focuses on the following six goals:</i></p> <ol style="list-style-type: none"> <i>1. Rebalance the behavioral health ecosystem, reducing overreliance on institutional care and shifting to community-based care.</i> <i>2. Promote integration of behavioral health and physical health care for behavioral health members with high needs.</i> <i>3. Promote integration of behavioral health and primary care for behavioral health members with lower needs.</i> <i>4. Support development of robust and sustainable behavioral health services that provide both core and preventative care to ensure that members receive the full complement of high-quality treatment they need.</i> <i>5. Invest in support services to address the larger needs of behavioral health members, such as housing and employment services.</i> <i>6. Create an enabling environment to move behavioral health providers toward outcomes and value-based payments.</i>

Medicaid Section 1115 Monitoring Report
Illinois – Illinois Behavioral Health Transformation Demonstration]
July 1, 2018 – June 30, 2023
[Reporting Period] – [1/1/19 – 12/30/19]
Submitted on [6/16/20]

2. Executive Summary

In May 2018, the Centers for Medicare and Medicaid Services (CMS) approved Illinois' request for an 1115 demonstration waiver to improve the system of care for Medicaid beneficiaries with behavioral health problems. Under the demonstration, the Illinois Department of Healthcare and Family Services (HFS) aimed to implement 10 pilots with services not available to Illinois Medicaid beneficiaries. The pilots are:

- 1. Residential and Inpatient Treatment for Individuals with SUD Pilot;*
- 2. Clinically Managed Withdrawal Management Services Pilot;*
- 3. SUD Case Management Pilot;*
- 4. Peer Recovery Support Services Pilot;*
- 5. Crisis Intervention Services Pilot;*
- 6. Evidence-based Home Visiting Services Pilot;*
- 7. Assistance in Community Integration Services Pilot;*
- 8. Supported Employment Services Pilot;*
- 9. Intensive In-Home Services Pilot; and*
- 10. Respite Services Pilot.*

The overall start-up and implementation of the 1115 waiver pilots have been delayed by several circumstances and changes in the Medicaid behavioral health landscape. From the time that HFS submitted its 1115 application to CMS on 10/5/2016 and notification of its approval on 5/7/2018, the Department rebid the majority of the state's existing Medicaid managed care program contracts, consolidating multiple programs into a single streamlined program and expanded managed care statewide. This unprecedented procurement consolidated the Family Health Plans/ACA Adults (FHP/ACA), the Integrated Care Program (ICP) and the Managed Long-Term Services and Supports (MLTSS) program into a single contracting approach while reducing the number of contracted managed care organizations (MCOs) from 11 to 6. Implementation of the new contracts began in January 2018 for existing enrollees, with the full transition timeline for existing and new enrollees taking place between QTR1-QTR3 2018. Therefore, the state was still in the process of managing the transition to the new MCO contracts when the approval of the 1115 Waiver was received in May 2018. This timing resulted in delays in the initial planning for implementation of the 1115 pilots until the Fall of 2018.

The second key source of delay was the Illinois gubernatorial election in November 2018 and subsequent change in administration which resulted in a delay in the start-up and ongoing implementation of the 1115 demonstration waiver. Senior leadership at HFS changed significantly in September 2018 and again in March 2019. Program and policy decisions, along with staffing assignments related to the 1115 waiver experienced delays until the beginning of SFY2019. While initial internal planning for the implementation of the pilots took place prior to the election, program and policy decisions necessary to execute these plans were delayed until new agency leadership was in place.

Legal issues have also impacted the proposed timeline for the implementation of the 1115 waiver pilots, especially those related to children's mental health. The required NB Consent Decree Implementation Plan was drafted under the previous administration and relied heavily on the pilots included in the 1115 Waiver. However, under the new administration and in collaboration with the Court Appointed NB

Subject Matter Expert, the Department significantly revised the NB Consent Decree Implementation Plan, which included a more robust array of services to develop and implement along with several 1115 pilots. Design work on the additional services and the full implementation of the Plan was approved by the Court, the Plaintiff's Counsel and the NB Court-Appointed Subject Matter Expert in December 2019 and is not in the implementation phase. The implementation will necessitate the revision of the Intensive In-Home Pilot and the Crisis Stabilization Services Pilot. Those revisions are still being finalized by the Department.

Given the numerous, substantial changes in the Medicaid healthcare landscape since October 2016 when the Department submitted its 1115 behavioral health waiver request to CMS, HFS has been working on the submission of a 1915 (i) State Plan Amendment to replace the following existing 1115 waiver pilots:

- *Assistance in Community Integration Services Pilot;*
- *Supported Employment Services Pilot;*
- *Intensive In-Home Services Pilot; and*
- *Respite Pilot*

These pilots were designed under the 1115 Waiver Authority to be restricted to less than statewide and to have annual enrollment limits. In seeking to move these services under the 1915 (i) Authority, the Department believes that it will greatly improve access to behavioral health across the full population of Medicaid beneficiaries in Illinois.

While most of the 1115 Waiver pilots have experienced delays in implementation, the four substance use disorder pilots have begun enrolling Medicaid beneficiaries. In particular, CMS approval of Illinois' section 1115 demonstration authorized the state to receive federal financial participation (FFP) for the continuum of services to treat addictions to opioids and other substances, including services provided Medicaid enrollees with a substance use disorder (SUD) who are short-term residents in residential and inpatient treatment facilities that meet the definition of an Institution for Mental Disease (IMD). Through the end of CY 2019 a total of 4,150 beneficiaries with SUD have been served through the IMD Pilot. Enrollment in the pilot by quarter is as follows:

- *3rd Quarter 2018 (DY1Q1): 533*
- *4th Quarter 2018 (DY1Q2): 576*
- *1st Quarter 2019 (DY1Q3): 466*
- *2nd Quarter 2019 (DY1Q4): 765*
- *3rd Quarter 2019 (DY2Q1): 732*
- *4th Quarter 2019 (DY2Q2): 1,078*

The Department is currently in the process of examining if the state needs to continue pursuing FFP for SUD IMD services through its 1115 Waiver Authority or if the provisions of the SUPPORT Act (2018) allow HFS to support these services through its State Plan Authority. As mentioned above, much has changed in the behavioral health landscape since the state's application was submitted to CMS in October 2016 and the Department is committed to delivering services to Medicaid beneficiaries that are responsive to current program and policy opportunities.