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Illinois Department of Human Services

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Community Based Mental Health Services
Fee for Services Conversion
FY 2006 Commitment

Consistent with the principals in the fiscal year 2005 Memorandum of Understanding with members of the General Assembly, the Department of Human Services commits to the following.

Continuing transition efforts shall include a strong consumer voice and be shaped by community needs to promote consumer access and service capacity as a means of minimizing service disruptions. All transition efforts shall be within a recovery philosophy, emphasizing the potential of all individuals to recover from the challenging impact of psychiatric illness through a system that is family/support centered, consumer directed, and encourages independence, integration and a productive role in the community for all individuals.

Providers, representing the backbone of the service delivery system, shall also continue to play a key role in the planning and transition process and the practical implications of changes in reimbursement structures, and the development of performance, and operational requirements. The evolution of state systems and the provider network shall be expected as a part of system changes.

Following the completion of the tasks undertaken by the existing fee for service stakeholder input structure, the System Restructuring Initiative Task Group (SRI) shall be restructured and its advisory function shall be transitioned to an alternative Advisory Structure under the Division of Mental Health of the Department. In addition, the SRI subcommittees or Working Groups that include stakeholders and expert consultants addressing specific areas of work will be restructured so that the same type of input becomes a part of the alternative Advisory Structure.

The following activities shall be completed during FY 06:

1) The membership, appointment process, and meeting schedule for the alternative Advisory Structure shall be clearly articulated to assure that the fee-for-service issue, including SASS, can transition effectively into the on-going structures. The composition of the Advisory Structure should be at least 50% consumers or families, and should include local beneficiaries of the public mental health system, such as representatives from law enforcement, schools, judicial systems, and/or local mental health funding boards.

   a) Regional planning and input bodies shall be used periodically to review and analyze service and need data, and to gather input regarding community needs. That information should be brought to the state-wide DMH Advisory Structure for overall public mental health planning and priorities.

b) The SRI shall cease to exist as a separate group once the restructured DMH Advisory Structure is in place and the work has been fully transitioned to the new Advisory Structure, its subcommittees or working groups.

2) DMH shall continue to work with HFS and other affected departments to develop a Medicaid state plan amendment that includes current recommendations from the services workgroup related to recovery-focused service taxonomy with corresponding changes to Rule 132 and rates for these services. To the extent possible given the required federal approvals, the state plan amendment, changes to Rule132 and rates shall be effective no later than July 1, 2006, to correspond to the full implementation of fee-for-service. If all the recommended changes cannot be accomplished by this date the priority recommendations should be done first.

a) A workgroup process is preferred as a method to develop recommendations for revised service definitions for HFS and DMH consideration. The existing services workgroup can be adjusted to incorporate greater clinical representation for this function.

3) The provider communication structure and methods that have been developed during the field test process shall be expanded beyond the 30 field test agencies to include all 158 providers impacted by the transition to fee-for-service. Logistics and resources required for monthly, state-wide meetings cause it to be likely that alternative communication strategies will be necessary, such as relying on website postings, email, and less frequent regional or “semi-regional’ meetings. As a part of increased reliance on regional structures for communication, DMH shall make best efforts to ensure the consistency of regional information and resources. Progress reports on these alternate communication strategies and resource requirements will be part of the quarterly reports.

4) FY 06 provider contracts shall include the following:

a) FY 06 contracts shall permit a limited portion of Medicaid and Non-Medicaid funding to be reallocated from those providers with very low billing levels to those with the highest levels of billing. The financial work group will continue to work with DHS/DMH on implementation of this process.

b) Providers shall continue to receive monthly advances of contract amounts, although the specific amounts of the advances shall be sufficiently flexible to allow the adjustments referenced above that begin to align billing and contract amounts, and to address cash flow problems associated with the 718 Mental Health Trust Fund.

c) Reconciliations shall continue to compare advance payment amounts with billing levels for all providers, with a monthly summary that details the number of providers above/below 100%, 90%, and 80% of prorata Medicaid and Non-Medicaid billing levels by date of service.

d) Capacity grants shall be maintained at current levels for FY 06, which is consistent with the recommendation from the finance workgroup and SRI. Further analysis of the amount of capacity grants and services supported by capacity grants shall be completed during FY 06 to facilitate changes that are aligned with service taxonomy and rate changes that are implemented with fee-for-service and as a part of the state plan amendment and Rule 132 changes.

e) The existing financial workgroup, including representatives from across the entire provider network and consumers/families, shall continue to provide input to DMH regarding FY 06 contracts and financially related transition issues. The membership in the existing financial workgroup shall be adjusted to include broader representation from the provider network while maintaining a reasonable size.

f) Reconciliation of provider contracts shall continue as outlined in the FY 05 Community – Based Mental Health Services Memorandum of Understanding, as amended.

5) A plan for provider technical assistance and training shall be developed and implemented for FY 06 that includes large group training and tailored technical assistance. The technical assistance shall be for a limited number of providers identified through criteria as needing additional assistance to be given best-effort opportunity to successfully complete the transition to fee-for-service. The technical assistance and training shall be provided through a combination of DMH, consulting and, potentially, provider trade association resources.

6) A process shall be developed and articulated to identify geographic or service areas where service disruptions may occur, along with development of a contingency plan to address consumer needs in the event of changes in service capacity/availability during the transition to fee-for-service.

7) DMH shall complete a readiness review of the state systems, using consultants with appropriate experience. The readiness process shall identify and address critical implementation issues that must be addressed prior to the full implementation of fee-for-service.

8) Mechanisms shall be identified and developed to address two cash flow issues that have been identified as a part of the field test process—the 718 Mental Health Trust Fund shortfall, and the time from claim submission to payment on Medicaid claims. Discussions on alternate financing of the mental health system shall occur with the current SRI finance group during June and July and reported to the House Fee-For-Service Initiatives Committee. If no agreement is reached, discussions will continue.

9) DMH shall lead a process to develop baseline access to care standards that are measured regularly at local, regional and state-wide levels. The process shall include input from the stakeholder workgroup.

10) DMH in collaboration with the SRI/Advisory Structure shall prepare quarterly progress reports describing progress on the fee-for-service transition. Those reports shall be delivered the House Special Committee on Fee-For- Service, the Senate Health and Human Services Committee, and the Governor and published on the website no later than 30 days following the close of the quarter.

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Secretary