May 6, 2015

Jennifer Kent, Director
Department of Health Care Services
1501 Capitol Avenue
Sacramento, California 95899

SUBJECT: CBHDA Comments on California Concept Paper Version 2.0 – Health Homes for Patients with Complex Needs (Draft 4/10/2015)

Dear Director Kent:

On behalf of the County Behavioral Health Directors Association of California (CBHDA), which represents the public mental health and substance use disorder programs in counties throughout California, I offer its perspective on the California Concept Paper Version 2.0 – *Health Homes for Patients with Complex Needs* – that was circulated for stakeholder review on April 10, 2015.

CBHDA strongly supports California's inclusion of individuals with serious and persistent mental illness as eligible for health home services under the proposed *Health Homes for Patients with Complex Needs* (HHPCN) concept. CBHDA also strongly supports the inclusion of a substance use disorder in the definition of eligible chronic conditions. CBHDA further supports the emphasis on persons with high-costs and high utilization who can benefit from increased care coordination between physical health, behavioral health (mental health and substance use treatment), community-based long-term care, and social supports to reduce hospitalizations and emergency department visits, improve patient engagement and decrease costs.

Research clearly shows that high healthcare costs and poor health outcomes associated with individuals with serious mental health and substance use conditions are primarily due to significantly higher rates of chronic health conditions, including diabetes, heart disease, and chronic respiratory diseases. According to the recent report commissioned by the Reforming States Group and released by the Milbank Memorial Fund in December 2014:

> Individuals with serious mental illness or substance use disorders have higher rates of acute and chronic medical conditions, shorter life expectancies (by an average of 25 years), and worse quality of life than the general medical population. They also have higher utilization of emergency and inpatient resources, resulting in higher costs. For example, 12 million visits (78/10,000 visits) annually to emergency departments are by people with serious mental illness and chemical dependency. For schizophrenia alone, the estimated annual cost in the United States is $62.7 billion dollars. Many of these expenditures could be reduced through routine health promotion activities; early identification and intervention; primary care screening, monitoring, and treatment; care

> coordination strategies; and other outreach programs. However, people with serious mental illness and substance use disorders have limited access to primary care due to environmental factors and stigma and are often underdiagnosed and undertreated."[1]

There are many factors that contribute to the poor physical health of people with severe mental illness, including lifestyle factors and medication side effects. However, there is increasing evidence that disparities in healthcare provision contribute to poor physical health outcomes.[2] These inequalities have been attributed to a variety of factors, including systemic issues (e.g., the separation of mental health services from other medical services, healthcare provider issues including the pervasive stigma associated with mental illness, and consequences of mental illness and side effects of its treatment).

The HHPCN concept addresses the whole health needs of complex populations through the direct provision of services and development of formal partnerships with other service providers, including primary care, social service agencies, and housing providers. CBHDA agrees that a number of important elements should be included in the HHPCN implementation in California to assure that the needs of beneficiaries with serious mental health and substance use conditions are appropriately met, including:

1) **Support Alternative Health Home Strategies for Target Populations with Serious Mental Health and Substance Use Conditions.** In recognition of the disparities in healthcare provision for individuals with serious mental health and substance use conditions, the HHPCN model must allow for alternative structures designed to meet the unique needs of this target population. CBHDA strongly supports the provision in the concept paper to allow county mental health plans and Drug Medi-Cal Organized Delivery System (DMC-ODS) demonstration sites to serve as the "health home managed care plan" for target populations with serious mental health and substance use conditions in participating counties. CBHDA also supports that proposed concept in which participation as the "health home managed care plan" for this target population would be voluntary on the part of the county. If the county declines, the health home managed care plan for this population would reside with the identified managed care plan in the participating county. Managed care plans should then contract with counties and/or their provider network to serve as community-based care management entities for the target population. The county or mental health/substance use provider would be responsible for providing the core health home services to the target population and receive payment for health home services via a contract with the designated "health home managed care plan."

   CBHDA also offers a small clarification on the description of eligible entities for voluntary participation as the health home managed care plan, as described on page 12 of the concept paper.

   - *MHPs and Drug Medi-Cal Organized Delivery System demonstration participants (DMC-ODS) where the entity is an integrated Mental Health / Substance Use Disorder plan*. (Page 12, 3rd paragraph)

[1] Gerrity, Martha. (2014). Integrating Primary Care into Behavioral Health Settings: What Works for Individuals with Serious Mental Illness.
[2] Lawrence, D. & Kisely, S. (2010). Inequalities in healthcare provision for people with severe mental illness. Journal of Psychopharmacology. (Oxford, England), 24 (4-supplement), 61-68.

CBHDA agrees that voluntary participation as the health home managed care plan should be limited to DMC-ODS pilot sites for substance use populations, rather than any county operating a Drug Medi-Cal program. However, the intent of the DMC-ODS pilot is not to create "Integrated Mental Health/Substance Use Disorder County Plans." Rather, the pilot will allow participating counties to administer the Drug Medi-Cal program as an organized delivery system under the authority of the 1115 Bridge to Reform waiver and make available to beneficiaries in participating counties certain benefits that are not currently included in our state plan, such as residential treatment. As such, CBHDA recommends amending the description as follows:

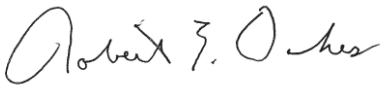
- *MHPs and Drug Medi-Cal Organized Delivery System demonstration participants (DMC-ODS) ~~where the entity is an integrated Mental Health / Substance Use Disorder plan~~*. (Page 12, 3rd paragraph)

2) **Alignment with 1115 Waiver Renewal and Other Delivery System Reform Initiatives.** CBHDA strongly urges DHCS to identify and pursue opportunities for alignment with other delivery system improvement initiatives, including those outlined in the state's 1115 waiver extension request. Specifically, CBHDA strongly urges DHCS to consider how the proposed implementation of the HHPCN concept aligns with the proposed 1115 waiver initiatives to test regional integrated "Whole Person Care" pilots, increase access to housing and supportive services, and improve coordination of behavioral and physical health care. For example, the proposed incentive approach under the waiver to increase physical and behavioral health coordination at the systems-level should be complementary with any strategies developed as part of the HHPCN concept to support "point-of-care" coordination.

3) **Plan for Sustainability.** There must be a plan for sustaining the HHPCN after the initial two years of enhanced federal financial participation and foundation support end.

Thank you for your continued commitment to California's community mental health and substance use systems. CBHDA welcomes the opportunity to discuss its comments and work collaboratively with DHCS for a successful rollout of the HHPCN concept. Please do not hesitate to contact Molly Brassil, Director of Public Policy, at mbrassil@cbhda.org.

Sincerely,



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