

Michigan Behavioral Health Delivery System Redesign

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*Putting people over politics so they can **live**
their best lives*

System Redesign Overview

Increased Transparency

- Increases public oversight, transparency, funding, access, and quality of behavioral health and I/DD services, regardless of insurance status or the ability to pay
- Boosts accountability through an empowered department and ASO with public oversight

Protects the Most Vulnerable

- Establishes that the inherent risk profile of the behavioral health and I/DD population does not lend itself to traditional capitated risk-sharing arrangements offered through managed care entities where utilization management is fundamentally imperative

Streamlines the Process

- Utilizes a self-insured, managed fee-for-service delivery system through a contracted single Administrative Services Organization
- Eliminates unnecessary and costly managed care administrative structures

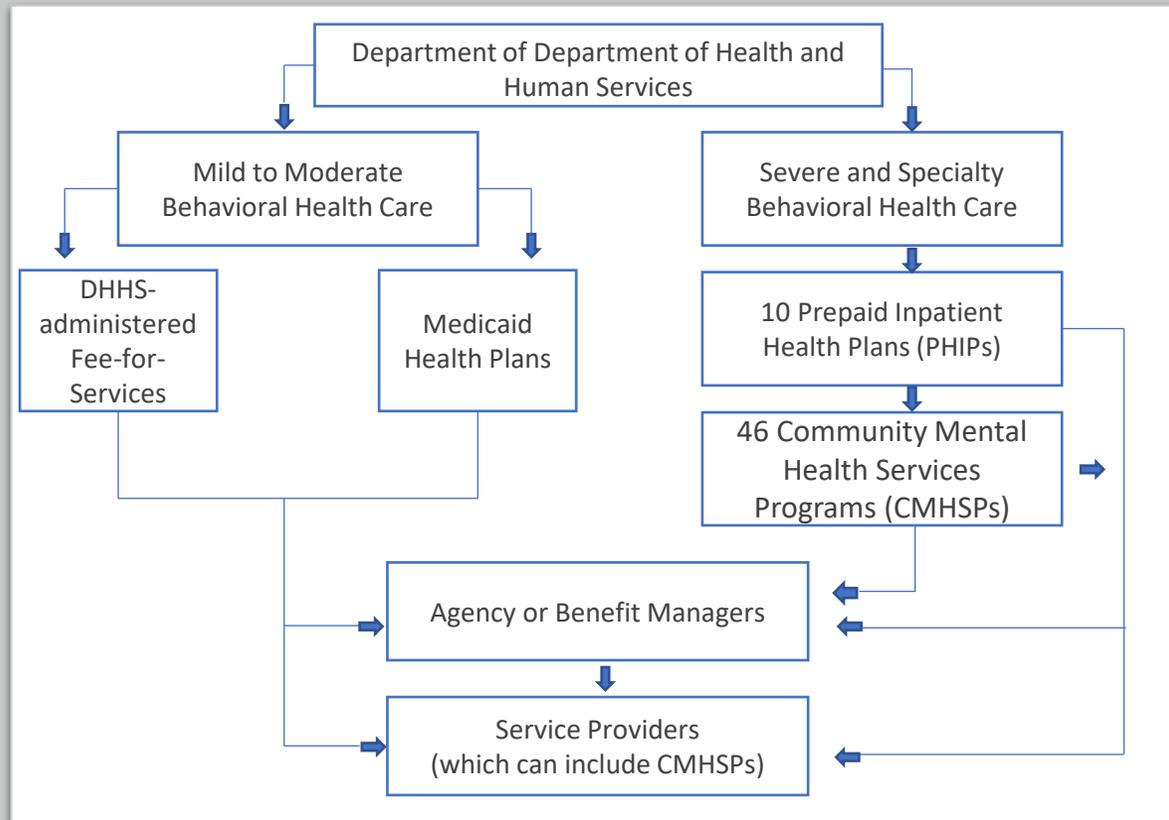
System Redesign Charts

Increased Stability

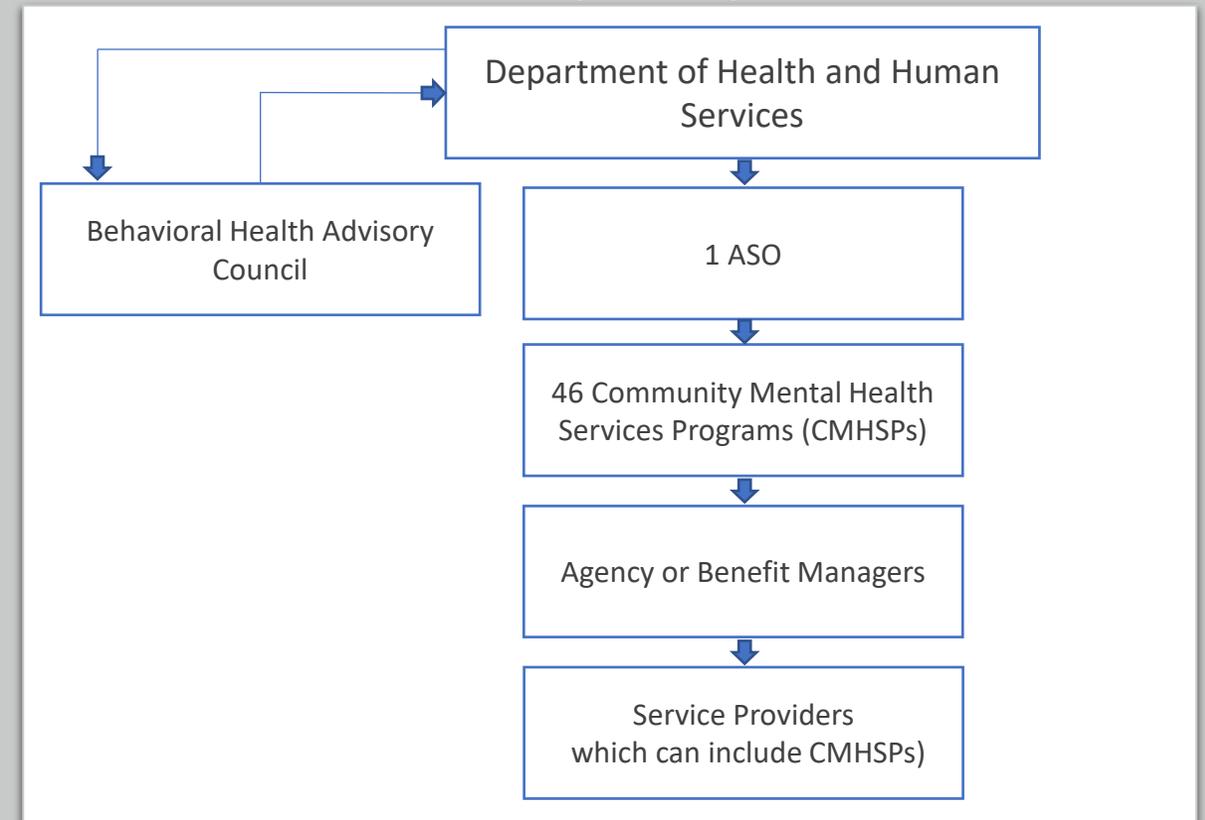
Improved Access to Care

Greater Consistency

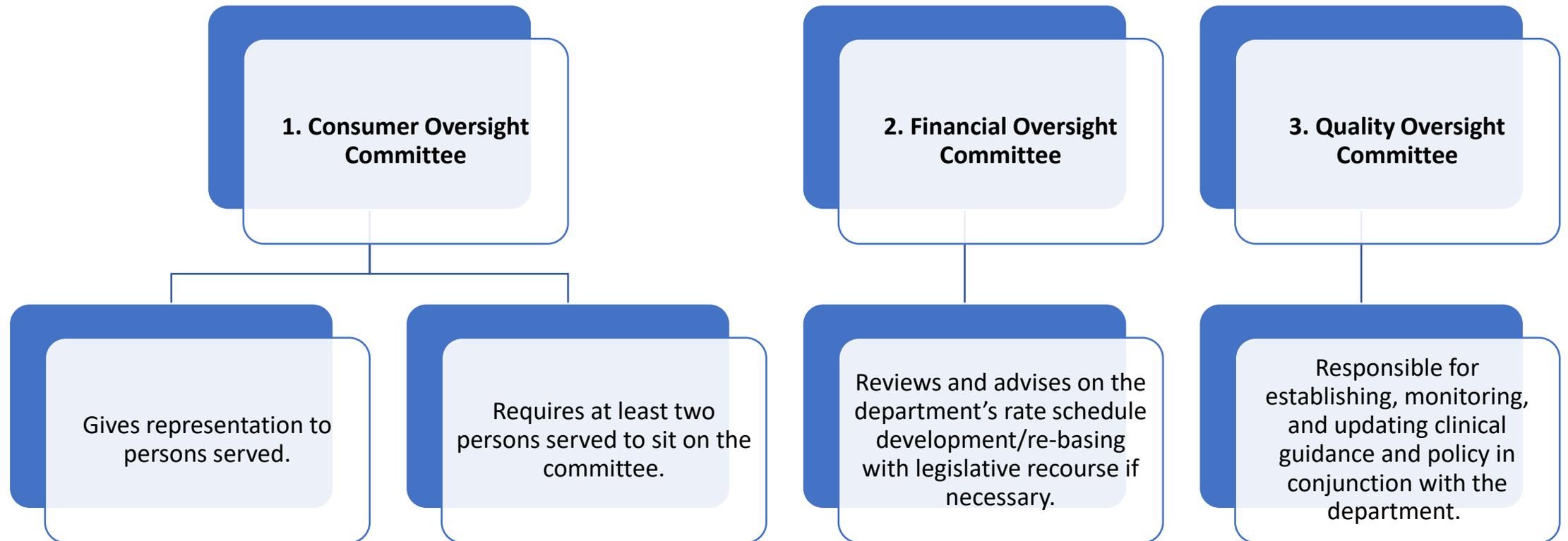
Current System



Proposed System



Behavioral Health Advisory Council



Role of Administrative Services Organization

Management

Provide one point of intensive care management to attend to all facets of a consumer's needs.

Data Analysis

Provide data analytics and predictive modeling to assist in fee schedules/payment incentives, data collection and sharing to optimize care coordination, and quality metric tracking on processes and outcomes.

Provider Support

Provide strong provider supports through a uniform fee schedule, a single set of guidelines for each service and expedient reimbursement.

Expected Cost Savings

Cost Savings



Increased Utilization



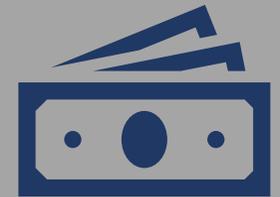
Increased Services

Total Expected Cost Savings: \$100 - \$300 million per year

- Due to the lack of transparency in the current system, we are unable to calculate the actual total cost savings.

ASO vs Medicaid Managed Care Administrative Cost

- Administrative cost for ASOs in other states, such as Connecticut, is between 3-4%
- Administrative costs for Michigan's Medicaid managed care entities is 6-12% for PIHPs and 18% for Medicaid health plans (the highest in the nation)
- Actuarial costs incurred due to federal regulation under the Medicaid managed care system would be eliminated, saving the state roughly \$25 million per year.



Advantages

Administrative

- Significant administrative cost savings leading to increased care for those served
- Greater transparency, public oversight and accountability
- No health plan laws to navigate (Fed. Medicaid managed care regs.)
- CMHSPs will be the focal point of the provision and delivery of behavioral health and I/DD services, including SUD

Access

- Efficiencies gained lead to increases in services received
- Increases in services received leads to serving a larger population such as the homeless

Quality

- ASO structure leads to reduction in ED visit rates, inpatient hospital admissions, and increases in preventive screenings and visits

Questions

