Medicaid Reform: What Opponents of SB 597 & 598 **Say** and What They Really **Mean** are Two Different Things

Integrating physical and behavioral healthcare services in Medicaid has been discussed for over three decades. Attempts by some opposition groups to silence this discussion, divert attention, and throw arrows at meaningful reform is like listening to a broken record. What they **say** and what they really **mean** are two completely different things.

What they SAY: *"SB 597 & 598 is a money grab by health plans"*

What they MEAN: "Health plans can provide more services than we do today for a better price."

- **FACT:** Michigan health plans will be contractually required to provide all the services now provided by PIHPs at the same or higher levels of quality for a better price. And if they don't, they will take the risk of losses.

- **FACT:** Nine out of Michigan's 10 Prepaid Inpatient Health Plans (PIHPs) that oversee mental health services had structural deficits of nearly $93 million in 2018. These regional PIHPs are another administrative layer of the state – they're unlicensed public insurance and care entities created by statute over a decade ago.

- **FACT:** Today's ten PHIPs and the 46 CMHs don't compete to provide behavioral health services. They are direct recipients of state and federal dollars.

- **FACT:** PHIPs have received legislatively appropriated financial bailouts while Medicaid health plans bear all the financial risk under competitively-bid contracts with MDHHS.

- **FACT:** Because PHIPs and CMHs don't have performance-based contacts, they don't have to report administrative costs. Health plans have performance-based contracts, and they publicly report detailed metrics, including administrative costs.

- **FACT:** Managed care health plans have saved the state hundreds of millions of dollars by providing more efficient care and early care that reduces expensive procedures that come when care is ignored. Each plan has a contract with the state that limits profits.

- **FACT:** Health plans have administrative rates below typical government programs and their profits – which average under 3% – are subject to state review and oversight. There is no "21%" administrative costs taken by Medicaid health plans. Plans also pay taxes on their 3 percent margins.

What they SAY: *"Integration isn't working in other states"*

What they MEAN: *"Integration may be providing more and better services to patients in other states, but PIHP bureaucrats don't want to risk losing their jobs."*

- **FACT:** 33 states have already or are starting to integrate care for Medicaid consumers and satisfaction rates have increased.

- **FACT:** Arizona integrated care nearly a decade ago. An evaluation found improvement in all measures of patient experience, ambulatory care, preventive care, and chronic disease management.

- **FACT:** Washington integrated care in 2015. An evaluation of integration efforts for adult populations and found statistically significant improvement in 10 out of 19 enrollee outcomes in 2016 and 11 out of 19 enrollee outcomes in 2017, including access to preventive/ambulatory health services, SUD treatment penetration, and mental health treatment penetration.

What they SAY: *"These bills don't integrate care – they only integrate funding"*

What they MEAN: *"We want the status quo"*

- **FACT:** Page 21, Section 109F, Subsection (3) of SB 597 says "By June 1, 2022, the department shall develop and begin implementation of a plan to fully integrate the administration of physical health care services and behavioral health specialty services and supports for eligible Medicaid beneficiaries"

- **FACT:** Under the bills, DHHS sets the terms and conditions for providing integrated care, not the health plans, PIHPs or CMHs.

- **FACT:** The Substance Abuse and Mental Health Services Administration (SAMSHA) defines the highest level of integrated care as one that has integrated systems and collaborative communications at the system, team and individual level which is exactly what this legislation provides for.

What they SAY: *"The legislation will remove government oversight"*

What they MEAN: *"We want the system to remain siloed."*

- **FACT:** The 46 CMH boards across the state are not going away – the bills require the best plans (managed care or PHIPs) selected by DHHS through a competitive contract process to contract with each CMH to deliver behavioral health services for consumers. (Page 22, Section 109f, Subsection 4(b) of SB 597)

- **FACT:** The legislation expressly permits DHHS (a.k.a. government) to issue contracts setting the terms and conditions for specialty integrated plan contacts.

- **FACT:** The legislation provides a gradual phased-in approach to integrated care by populations allowing the Legislature and DHHS to monitor results and make recommendations to for continuation, delay, or modification. (Page 26, Section 109f, Subsection (8) of SB 597).

- **FACT**: Newly created Specialty Integrated Plans (SIPs) would be regulated by CMS (federal), MDHHS and DIFS (state) clearly ensuring that SIPs are accountable to the public.

- **FACT:** Medicaid health plans are required to have at least a third of its governing body be representatives of its membership. Plans must also have a Consumer Advisory Council that reports to its governing body.

What they SAY: *"Health plans can't provide behavior health care services"*

What they MEAN: *"We don't want you to know that health plans already oversee behavioral care to virtually all persons with employer-sponsored health plans, as well as mild to moderate mental health services to Medicaid patients."*

- **FACT:** Health plans provide behavioral healthcare services to millions of Michiganders right now in the commercial market.

- **FACT:** Health plans already deliver mild to moderate behavioral healthcare services to Medicaid patients.

- **FACT:** Old data is being provided by PIHPs from a period when Medicaid health plans were required to provide a set number of outpatient mild-to-moderate health care visits. Today, DHHS contracts requires plans to provide unlimited mild-to-moderate visits with no authorization requirements.