

Stakeholder Update: Approval of SRS's Renewal Application and Related Materials – Mental Health (PAHP) & Substance Abuse (PIHP) Community Based Managed Care Services – July 2009

I. Waiver Renewal Granted – Approval Through 6.30.11

The Centers for Medicare & Medicaid Services have advised SRS that its application for renewal of the community-based managed care programs for mental health and substance abuse services is fully approved for the period of July 1, 2009 through June 30, 2011. The application and review process went very smoothly, and CMS approval was obtained in the first 90 day period, with no conditions.

CMS said: “The decision to approve this waiver renewal is based on evidence submitted to CMS showing that the State’s waiver program is consistent with the purposes of the Medicaid program, has met the applicable statutory and regulatory requirements for access to care and quality of services, and has been and will continue to be a cost-effective means of providing mental health and substance abuse services to enrollees.”

II. Independent Assessment Report

As part of our renewal application process, for both this first two-year renewal and the anticipated second two-year renewal in 2011, SRS was required to contract with an independent entity to conduct an Independent Assessment. The purpose of that assessment is to determine whether and to what extent the SRS has implemented the waiver so that quality of care, access to care, and costs of care are at least equal to pre-waiver levels. We contracted with TriWest Group to conduct that assessment, and they have completed their first assessment and report. The report demonstrates very strong performance for the first year of the waiver, and makes a limited set of recommendations for adjustments or improvements going forward.



In summary: Having reviewed 11 PAHP quality performance areas, 10 PIHP quality performance areas, 12 PAHP access to care performance areas, and 9 PIHP access to care performance areas the review concludes that in several of those areas “exemplary performance, at the highest range of managed care program effectiveness, was achieved”; and in none was performance found to be below pre-waiver levels.

In addition, the review concludes that the waiver program is cost effective: “Overall, the combined PAHP and PIHP waiver program is cost-effective. Both contracts under the waiver are associated with evidence of improvements in the quality of services and access to them, and overall costs are well below both the Base Year costs and Year One actuarial projections. There was no evidence of reductions in persons served or access, and there was instead evidence that access improved substantially (as documented in Section III on Access to Care). While there is some evidence that initial rate projections were too high, there is also evidence that the programs have reduced actual costs for inpatient care and controlled cost growth related to prescription medication spending and program changes (such as the addition of the PRTF benefit).”



III. PAHP Contract Amendments – Approved by CMS

- Exercises option to renew contract through SFY 2011, with one remaining optional year of renewal.
- Identifies conforming changes from implementation period and allows additional future technical adjustments.
- Fleashes out administrative cost settlement process.

IV. PIHP Contract Amendments – Approved by CMS

- Exercises option to renew contract through SFY 2012, subject to annual rate adjustments and other adjustments agreed between the parties.
- Incorporates additional details related to SAPT block grant management, as requested by SAMHSA.
- Identifies new actuarial rate for SFY 2010.

V. SRS Responses to EQRO and Independent Assessment Recommendations

- In the various EQRO reports (including information systems validations, performance measurement/project validations, focus study validations, managed care regulation compliance, and annual report), a series of enhancing recommendations were made either to our contractors or to us. Likewise, in the Independent Assessment report there are fine-tuning recommendations to us.
- Our PAHP and PIHP management staff have reviewed those recommendations and developed summary response plans, indicating how they will manage each subject, documenting resolution over time. In total, 44 recommendations related to the PIHP program are being addressed, and 29 recommendations related to the PAHP program are being addressed.

