COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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December 6, 2018

MEMORANDUM

TO: The Honorable Thomas K. Norment, Jr.
Co-Chairman, Senate Finance Committee

The Honorable Emmett W. Hanger, Jr.
Co-Chairman, Senate Finance Committee

The Honorable S. Chris Jones
Chairman, House Appropriations Committee

FROM: Jennifer S. Lee, M.D. JL
Director, Virginia Department of Medical Assistance Services

SUBJECT: Report on Participation of Community Hospitals in the Provision of the Temporary Detention Order Process due September 30, 2018

This report is submitted in compliance with Item 300 D of the 2018 Appropriation Act which states: "The Department of Medical Assistance Services, in cooperation with the Department of Behavioral Health and Developmental Services shall examine options, including financial incentives and disincentives, for increasing the participation of community hospitals in the provision of medical services for individuals subject to temporary detention orders (TDOs). The department shall report on the options to the Chairmen of the House Appropriations and Senate Finance Committees by September 30, 2018.

Should you have any questions or need additional information, please feel free to contact me at (804) 786-8099.

JSL/

Enclosure

pc: The Honorable Daniel Carey, M.D., Secretary of Health and Human Resources

Participation of Community Hospitals in the Provision of the Temporary Detention Order (TDO) Process

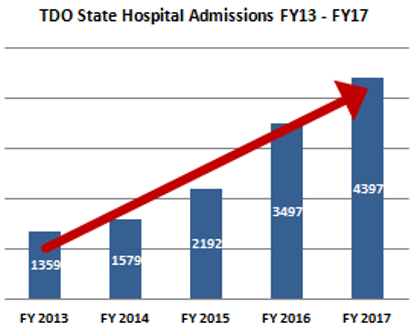
A Report to the General Assembly — *September 30, 2018*

Report Mandate:

2018 Appropriation Act, Item 300 D. The Department of Medical Assistance Services, in cooperation with the Department of Behavioral Health and Developmental Services shall examine options, including financial incentives and disincentives, for increasing the participation of community hospitals in the provision of medical services for individuals subject to temporary detention orders (TDOs). The department shall report on the options to the Chairmen of the House Appropriations and Senate Finance Committees by September 30, 2018.

Background

In 1995, the Virginia General Assembly mandated the Department of Medical Assistance Services (DMAS) pay for all temporary detention orders (TDO) admissions in the Commonwealth. DMAS pays hospitals on a per diem rate based on the Medicaid rate as of July 1 each year. DMAS and its contractors cover TDO admissions for uninsured, underinsured, Medicaid and Family Access to Medical Insurance Security (FAMIS, the Commonwealth's Children's Health Insurance Program) enrollees. Over the past several years, the role of private hospitals serving the needs of individuals needing a TDO has significantly decreased, creating a significant burden on the public system. The Joint Subcommittee to Study Mental Health Services in the Commonwealth in the 21st Century, chaired by Senator Creigh Deeds, made recommendations to reverse this trend. These recommendations included directing the DMAS and the Department of Behavioral Health and Developmental Services (DBHDS) to study options for increasing the participation of community hospitals in the provision of medical services for individuals subject to TDOs. The study shall also include options for alternatives to treatment in emergency departments and private inpatient facilities to reduce the overall number of TDOs in the Commonwealth.



Under the statutory procedures for TDOs effective July 1, 2014, when an individual is in emergency custody and needs temporary detention, and no other temporary detention facility can be found within the eight hour maximum time frame allowable by § 37.2-809.1 of the Code of Virginia, the regional state hospital shall admit the individual under TDO. These procedures are commonly called the "facility of last resort" procedures. This figure shows the growth of TDO State Hospital admissions from fiscal year (FY) 2013 to FY 2017 since the "facility of last resort" was implemented.

About DMAS and Medicaid

DMAS' mission is to ensure Virginia's Medicaid enrollees receive high-quality and cost-effective health care.

Medicaid plays a critical role in the lives of more than a million Virginians. Medicaid enrollees include children, pregnant women, parents and care takers, older adults and individuals with disabilities. Virginians must meet income thresholds and other eligibility criteria before qualifying to receive Medicaid benefits.

Medicaid covers primary and specialty health care, inpatient care, and behavioral health and addiction and recovery treatment services. Medicaid also covers long-term services and supports, making it possible for thousands of Virginians to remain in their homes or to access residential and nursing home care.

Quick Medicaid facts:

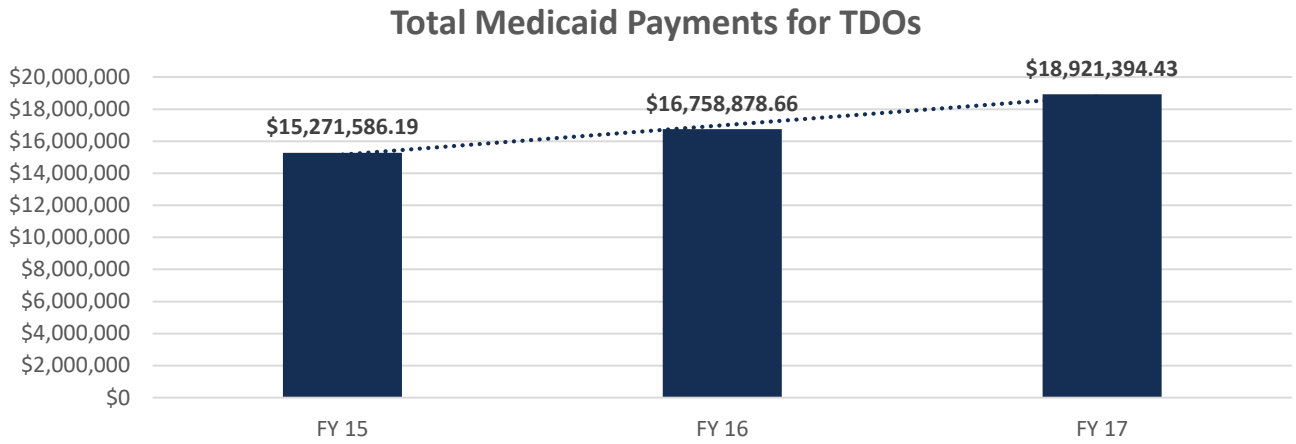
- Covers 1 in 8 Virginians
- Covers 1 in 3 births and 33% of children
- Supports 2 in 3 nursing facility residents

Virginia Medicaid and Children's Health Insurance Program (CHIP) are administered by the Department of Medical Assistance Services (DMAS) and are jointly funded by Virginia and the federal government under the Title XIX and Title XXI of the Social Security Act. Virginia generally receives $1 of federal matching funds for every $1 Virginia spends on Medicaid.

DBHDS has attempted several strategies to engage the private sector to increase their TDO acceptance rates, without positive results. Since FY 2013, state hospitals have experienced a 224 percent increase in the number of TDOs served and the medical costs associated with TDOs have doubled. The table below shows the increasing trends of TDO admissions and the decrease in the number of admissions in private hospitals for the past several years.

Year	Number of Crisis Evaluations	Number of TDOs	% of Evaluations Leading to TDOs	TDOs Admitted to Private Hospitals
FY 15	83,701	24,889	29.7%	(91.2%) 22,687
FY 16	96,041	25,798	26.8%	(86.5%) 22,322
FY 17	93,482	25,852	27.7%	(84.6%) 21,861

The graph below shows the DMAS total payments for TDO admissions since the passage of the General Assembly's last report. The data shows an increase in expenditures for TDOs in the Commonwealth for state fiscal years 2015 to 2017.



Actions Taken To Date

Recommendations to Advance Behavioral Health Integration

With support from the Robert Wood Johnson Foundation, the University of Colorado Farley Center for Health Policy partnered with DMAS in 2017 to learn about Virginia's needs, strengths, and opportunities to advance the integration of Medicaid funded behavioral health services. The Farley Center for Health Policy facilitated engagement with DMAS, DBHDS and the Virginia Department of Health (VDH) as well as other policy leaders, philanthropic organizations, non-profit associations, and workgroups focused on behavioral health across the Commonwealth. The analysis presented in the Fall of 2017 recommended the Commonwealth of Virginia make changes to integrate behavioral health care clinically, financially, and operationally while establishing new ways to measure and evaluate the quality of care. DMAS and DBHDS continue to work with the Farley Center for Health Policy and other key stakeholders to make recommendations for a continuum of care that is trauma and evidence-informed that will support the reduction in the need for TDO admissions.

Reducing Admissions

DBHDS is working with the Virginia Health and Hospital Association (VHHA) to develop solutions that will address the current hospital census crisis, regarding TDOs, and reduce admissions pressures. Working in partnership, DBHDS and VHHA are discussing several solutions with an eye toward rapid implementation, including the following:

- Ensuring adherence to doctor-to-doctor communication for individuals with medical issues to ensure proper communication and clarity on the issues and medical interventions needed;

- Adopting procedures to escalate admission denials to appropriate private facility administrators as needed ; and
- Identifying trends in the reasons for denial by private hospitals and implement targeted remedial measures.

In addition, to this work with VHHA, DBHDS:

- Established bed search expectations for Community Service Boards (CSBs) that are included in the Performance Contract and reviewed as part of DBHDS' quality oversight process. The bed search expectations are explicit criteria the CSBs must meet when searching for a bed for a TDO patient;
- Developed contracts with two private hospitals, one with all of Bon Secours facilities as of January 2018 and the other a children's program at Poplar Springs, which has been in operation for several years. These hospitals provide for the admission of individuals who would otherwise go to state hospitals;
- Required state funded crisis stabilization programs to admit individuals under a TDO. There are currently 15 DBHDS funded crisis stabilization units; 13 of which accept TDO admissions and the remaining are in preparation to do the same; and
- Ensured that emergency services workers consult with developmental disability professionals on any individual with a developmental disability in crisis prior to recommending a TDO. DBHDS tracks the TDO Exception Report which requires emergency service workers to document individuals who have a developmental disability, and consult with staff in the REACH program.

DMAS is also working to reduce the number of TDOs through contracts with DMAS Contractors, Magellan of Virginia and the Managed Care Organizations (MCOs). Magellan of Virginia serves as the behavioral health services administrator for DMAS. Magellan of Virginia and the MCOs are required to have trained Care Coordinators who address the needs of at-risk members and are knowledgeable of involuntary psychiatric admissions related to TDOs. Care Coordinators provide services such as assessing and planning of member services; linking members to services and supports; assisting members directly for the purpose of locating, developing, or obtaining needed services and resources; and coordinating services with other agencies, providers and family members involved. Care Coordinators are required to monitor progress and make sure that services are delivered at the intensity needed to prevent future hospitalizations. Care coordination is a key tool in reducing the number of TDOs, as care coordination ensures a member receives the support they need prior to a crisis situation. The DMAS contractors have approximately 1,600 qualified care coordinators serving members enrolled in Medicaid. DMAS offers specialized trainings twice a week for the care coordinators. Identification of high risk members and crisis prevention are examples of areas covered in the trainings. Dedicated DMAS staff are also available to all care coordinators for assistance and case consultation.

Increasing Discharges

DBHDS has enhanced discharge requirements and expectations for CSBs in the most recent FY19 Performance Contract. These enhanced requirements include the following:

- Communication requirements and time frames for care coordination between emergency services clinicians and CSB discharge planners at the point of admission and for state hospital and CSB staff at the time of discharge;
- Creation of a registry of CSB and community based resources to facilitate discharges effective April 1, 2018;
- Established time frames for the completion of referrals for CSB services;
- Creation of a timely resolution process for issues delaying discharge effective April 1, 2018; and
- Adoption of average daily census per 100,000 as a bench mark for monitoring CSB performance on state hospital bed use.

DBHDS also used its resources to develop several discharge options for individuals:

- In FY18, DBHDS established three assisted living facilities, operated by Community Service Boards, to provide supervision, care, and treatment for individuals on the extra-ordinary barriers to discharge list (EBL) with more complex and resource intensive needs. These facilities serve up to 155 individuals. Two of the three are fully licensed and operational. The third is in the process of obtaining its license and are on target to be operational in October 2018.

- DBHDS established four new group homes in 2018, via Invitation for Bid (IFB), to assist individuals with transitioning from state hospitals into more integrated community settings. These group homes collectively serve up to 60 individuals annually.
- In an effort to maximize the use of permanent supportive housing (PSH), DBHDS provided training and technical assistance to hospitals and CSBs to assist with discharges directly from state hospitals into PSH.
- DBHDS partnered with CSBs to use discharge assistance funds (DAP) and local inpatient purchase of service (LIPOS) funds in more flexible ways in order to address evolving needs of the system and increase discharge rates.

Promoting Positive Work Environment

Medical Screening Standards:

In collaboration with VHHA, DBHDS is developing medical screening standards and processes across all public and private systems of care with the goal of implementation by October 31, 2018. These standards are intended to streamline screening processes for individuals with medical conditions and make sure that individuals who require significant medical care receive that treatment prior to admission to a psychiatric unit.

Work Place Safety:

DBHDS retained national expertise through the Behavioral Health Policy Collaborative, to research best practices with demonstrated success in addressing work place safety in state hospital operations. Upon the completion of this research, DBHDS will implement core best practices in all hospitals. The project has several phases and is underway. DBHDS also funded emergency use of security staff in hospitals with the greatest levels of increased violence. It also is tracking staff injuries and related lost work days in a data dashboard, which is reviewed monthly to identify trends and necessary action by hospital systems.

Recruitment and Retention:

DBHDS took actions to address recruitment, retention, work place safety, and staff morale in state hospitals. These actions include recognition bonuses, advance notice for need to work overtime, job fairs with same day interviews, market analysis of wages and efforts to increase salaries within 3 percent of market salary. DBHDS will continue to monitor the impact of these changes on the workforce.

Next Steps

- DBHDS continues to implement STEP-VA to appropriately build out the CSB system of care; including developing a framework for a responsive crisis system that assists individuals in the community where their crisis occurs, regardless of age or diagnosis.
- DBHDS continues work with VHHA to implement collaborative strategies to ensure sufficient provider coverage.
- DBHDS and DMAS continue work with the University of Colorado Farley Center for Health Policy to examine community-based mental health services. The goal is to develop a trauma informed and evidence-informed continuum of services that reduce TDOs and permit individuals to transition from inpatient settings into stable and supportive environments.
- DMAS is on target to implement Medicaid Expansion on January 1, 2019. Medicaid Expansion will target individuals ages 19-64 who meet income eligibility requirements. Services such as doctor visits, hospital stays, prescription drugs and behavioral health care will be included. DMAS will continue outreach to health systems, CSBs, Department of Corrections, and other stakeholders to promote member eligibility for those who are uninsured, with a goal to increase access to preventative primary and behavioral health services.