

# Institutions for Mental Disease: Global Commitment to Health 1115 Demonstration Waiver Amendment

January 30, 2020

# Agenda

- Background: Medicaid and Institutions for Mental Diseases (IMDs)
- IMD Phase-down Requirements per Vermont Global Commitment to Health 1115 Waiver Demonstration
- Vermont Global Commitment to Health 1115 Waiver Demonstration Amendment: IMDs for Serious Mental Illness (SMI) and Serious Emotional Disturbance (SED)
  - Description
  - Limitations
- Fiscal Impact of IMD SMI/SED Amendment

# Background: Medicaid and IMDs

- Medicaid prohibits payment to Institutions for Mental Diseases (IMDs) for services provided to Medicaid covered individuals age 21-64.
- An IMD is defined as a hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, which includes (Substance Use Disorders (SUDs)).

# 2017 Global Commitment to Health Waiver IMD Investment Phase-down Requirement

- Vermont has historically funded care at IMDs in Vermont with “Managed Care Organization investments,” now referred to “Investments,” made available through the Global Commitment to Health 1115 Demonstration Waiver.
- In the 2017 renewal of Vermont’s 1115 Demonstration Waiver, the state was required to submit (no later than 12/31/18) a phase-down schedule for the Vermont Psychiatric Care Hospital and other IMD expenditures covered by investments.
- The state was required to propose a lower amount of IMD expenditures for Calendar Year 2021 and to eliminate investment expenditures on IMDs by 12/31/2025.

# Proposed Phase-down Schedule

- 2021: 95% of FMAP
- 2022: 90% of FMAP
- 2023: 85% of FMAP
- 2024: 80% of FMAP
- 2025: 75% of FMAP
- 2026: 0% of FMAP

# IMDs for Serious Mental Illness (SMI) and Serious Emotional Disturbance (SED): 1115 Amendment

- Awarded December 5, 2019.
- Enables Federal Financial Participation (FFP) for short-term stays at IMDs for diagnoses of serious mental illness (SMI) and/or serious emotional disturbance (SED).
- Stays must be 60 days or fewer with a statewide average length of stay of 30 days or fewer.

# IMD SMI/SED Amendment: Limitations

- IMD waivers available through CMS **DO NOT** provide FFP for forensic mental health patients. There are four categories of patients who receive “forensic” psychiatric care:
  1. Individuals who are awaiting a psychiatric evaluation as part of a trial
  2. Individuals who have been found incompetent to stand trial
  3. Individuals who have been found to be insane at the time of the crime were tried and found not guilty by reason of insanity
  4. Individuals who are pre-adjudication or have been convicted and are in DOC custody who develop the need for acute psychiatric care on either a voluntary or involuntary basis

# IMD SMI/SED Amendment: Limitations Cont.

- IMD SMI/SED Amendment also **DOES NOT** provide FFP for:
  - Care for persons who are otherwise not Vermont Medicaid eligible.
  - Care for persons whose lengths of stay exceeds 60 days.



# Fiscal Impact of IMD SMI/SED Amendment

IMD Summary (CY 2018 actuals)						
	Allowable	Unallowable - Forensic	Unallowable - LOS > 60 days	Unallowable - Not Medicaid eligible	Unallowable Subtotal	Total
Lund Home			\$ 2,188,170		\$ 2,188,170	\$ 2,188,170
VPCH	\$ 1,435,942	\$ 9,655,822	\$ 7,547,575	\$ 2,658,776	\$ 19,862,173	\$ 21,298,115
BR	\$ 11,985,675	\$ 1,578,900	\$ 3,511,200	\$ 2,490,900	\$ 7,581,000	\$ 19,566,675
<b>Total</b>	<b>\$ 13,421,617</b>	<b>\$ 11,234,722</b>	<b>\$ 13,246,945</b>	<b>\$ 5,149,676</b>	<b>\$ 29,631,343</b>	<b>\$ 43,052,960</b>
ffp %		0.5439	0.5439	0.5439	0.5439	
loss of ffp		\$ 6,110,565	\$ 7,205,013	\$ 2,800,909	\$ 16,116,487	

# Fiscal Impact of IMD SMI/SED Amendment: Investment Cap

- Projections as of QE0919; updated projections will be finalized once CY2019 reporting is complete (early February 2020)
- Accounts for the following known changes:
  - Brattleboro Retreat rate increase
  - Brattleboro additional bed capacity
  - Delivery System Reform Investments
  - SUD IMD expenses to be claimed as GC Program

	CY2017	CY2018	CY2019	CY2020	CY2021
Annual Investment Limit	\$ 142,500,000	\$ 148,500,000	\$ 138,500,000	\$ 136,500,000	\$ 136,500,000
Projected Spending	\$ 142,332,671	\$ 148,500,000	\$ 138,195,371	\$ 131,177,478	\$ 115,144,971
Balance	\$ 167,329	\$ 0	\$ 304,269	\$ 5,322,522	\$ 21,355,029