

**Unofficial Draft Copy**

As of: June 7, 2012 (12:26pm)

LC0123

\*\*\*\* Bill No. \*\*\*\*

Introduced By \*\*\*\*\*

By Request of the Select Committee on Efficiency in Government

A Bill for an Act entitled: "An Act creating a pilot project to reimburse certain medicaid providers based on performance; creating a pay-for-performance task force; establishing the duties of the task force; providing for public participation in development of a pay-for-performance payment model; requiring data collection; and providing an effective date and a termination date."

WHEREAS, state government budgets have come under pressure in recent years because of prevailing national economic conditions; and

WHEREAS, the costs of providing social services makes up a large portion of state government budgets; and

WHEREAS, new approaches to funding social services may result in lower costs and better outcomes over the course of time; and

WHEREAS, research in other states indicates that linking provider payment to desired outcomes and quality improvements results in improved access to care, better care integration and coordination, family-focused planning, earlier and less restrictive interventions, and a reduced number of treatment days.

Be it enacted by the Legislature of the State of Montana:

NEW SECTION. **Section 1. Performance-based payment pilot project for children's mental health services -- legislative purpose.** (1) The department shall establish a pilot project for paying providers of children's mental health services according to performance-based principles that allow an enhanced payment to providers who demonstrate that the children they serve attain identified outcomes. The department shall develop the pilot project in accordance with the provisions of [sections 1 through 5].

(2) The department shall collect and analyze data related to the pilot project in order to determine its effectiveness and to evaluate whether the use of performance-based payment for services should be extended to other services, geographic regions, or populations.

(3) The purpose of the pilot project is to:

(a) improve the partnership and collaborative efforts between the department and providers of children's mental health services; and

(b) link the payment for providers with improvements in:

(i) access to care;

(ii) integration and coordination of care;

(iii) the development and use of individualized treatment plans; and

(iv) efforts to assure recovery and permanent placement for children who are receiving medicaid mental health services or who

are in foster care under the supervision of the state.

(4) The legislature shall review the results of the pilot project to determine whether:

(a) the project should be continued or expanded; and

(b) modifications are needed before the pay-for-performance payment model is expanded to additional children, providers, or services.

NEW SECTION. **Section 2. Scope of pilot project.** (1) The pay-for-performance pilot project provided for in [sections 1 through 5] may be designed to include services to children who are:

(a) enrolled in medicaid or healthy Montana kids; or

(b) in foster care under the supervision of the state.

(2) Providers are eligible to participate in the pilot project if they:

(a) offer services to children who are seriously emotionally disturbed as defined by the department by rule; and

(b) are licensed as:

(i) a mental health center as defined in 50-5-101;

(ii) a psychiatric residential treatment facility as defined by the department by rule; or

(iii) a child-placing agency as defined in Title 52, chapter 8, part 1.

(3) (a) The pilot project may be limited in scope to a specific:

(i) number of children; and

(ii) geographic region.

(b) The geographic region must include both rural and urban populations.

NEW SECTION. **Section 3. Task force -- membership -- meetings -- reimbursement.** (1) There is a pay-for-performance task force that shall work with the department to design a performance-based payment system for services provided to children eligible under [sections 1 through 5].

(2) The task force consists of 17 members appointed no later than August 1, 2013, as follows:

(a) 13 members appointed by the governor;

(b) two members of the Montana senate appointed by the senate committee on committees and each representing a different political party; and

(c) two members of the Montana house of representatives appointed by the speaker and each representing a different political party.

(3) The governor shall appoint as members:

(a) five providers of children's mental health services, with one representative of each of the five children's mental health service regions established by the department;

(b) two family members of children who have received medicaid mental health services;

(c) one person who serves as an advocate for children's mental health;

(d) one representative of the Montana university system who

has experience in measuring outcomes for children; and

(e) four department employees as follows:

(i) one representative of the children's mental health bureau;

(ii) one representative of the child and family services division;

(iii) one representative of the medicaid and health services branch; and

(iv) one representative of the director's office.

(4) Task force members shall elect a presiding officer at the first meeting.

(5) (a) Except as provided in subsection (4) (b), the task force shall meet at least six times per year. Meetings must be held in Helena.

(b) Meetings may be held by teleconference. If a majority of the task force determines that the task force is able to accomplish its work through quarterly meetings, the task force may meet four times per year.

(6) (a) Legislative members of the advisory group are entitled to receive compensation as provided in 5-2-301 for each task force meeting.

(b) Except as provided in subsection (4) (c), task force members are entitled to reimbursement for expenses as provided in 2-18-501 through 2-18-503.

(c) Task force members who are full-time salaried employees of the state are entitled to reimbursement for expenses as provided in 2-18-501 through 2-18-503 only if a task force

meeting is required under [section 4] and is held outside of Helena.

(7) Task force activities must be must be completed within the budget approved for the department.

NEW SECTION. **Section 4. Duties of task force.** (1) The pay-for-performance task force shall recommend to the legislature a pay-for-performance payment system to be used for the pilot project provided for in [sections 1 through 5].

(2) The task force shall adopt a short-term work plan and a long-term work plan that outline the scope of work to be completed, including the recommendation of an appropriate performance-based model for the pilot project. Each work plan must include deadlines for completion of each item identified in the work plan.

(3) In recommending a pay-for-performance payment model for children's mental health services, the task force shall take into consideration:

(a) the current array of children's mental health services allowed for under the Montana medicaid state plan and any data the department of public health and human services has collected regarding the effectiveness of the services;

(b) the degree to which the array and effectiveness of services offered by a provide may factor into the level of pay the provider receives under a pay-for-performance model;

(c) potential incentives for and risks of the pay-for-performance models under review;

(d) existing data that may be relevant to development of the model;

(e) the types of data that must be collected to evaluate the effectiveness of the model; and

(f) the need for changes to the state's information technology systems in order to collect and analyze data.

(4) The task force shall conduct at least one meeting with medicaid providers and other interested parties to obtain comment on the elements of a pay-for-performance payment model that:

(a) will best meet the needs of Montana children; and

(b) takes into account the geographic and demographic features of the state.

(5) The task force shall recommend a model after reviewing, in conjunction with the department:

(a) the current medicaid reimbursement system for the services covered by [sections 1 through 5];

(b) the department's system for collecting data related to children's mental health services and payments for the services;

(c) performance-based payment models used by other states, including enhanced tier payment systems; and

(d) public comment submitted to the task force.

(6) The task force shall make a recommendation to the 2015 legislature on the scope of the pilot project in accordance with [section 2(3)].

**NEW SECTION. Section 5. Pilot project timeline -- reporting requirement.** (1) The pay-for-performance task force

shall:

(a) complete the short-term and long-term work plans required under [section 4] by December 2013;

(b) develop proposed legislation that contains a pay-for-performance payment model and identifies other elements of the proposed pilot project for consideration by the 2015 Legislature and implementation on July 1, 2015; and

(c) develop recommendations for the 2017 legislature on the continuation or expansion of the pilot project, based on the collection and analysis of data related to the pilot project.

(2) The task force in conjunction with the department shall provide quarterly reports to the children, families, health, and human services interim committee on:

(a) the work of the task force;

(b) the status of legislative proposals; and

(c) data related to the defined benchmarks and outcomes of the pay-for-performance pilot project.

NEW SECTION. **Section 6. {standard} Codification**

**instruction.** [Sections 1 through 5] are intended to be codified as an integral part of Title 52, chapter 2, and the provisions of Title 52, chapter 2, apply to [sections 1 through 5].

NEW SECTION. **Section 7. {standard} Effective date.** [This act] is effective July 1, 2013.

NEW SECTION. **Section 8. {standard} Termination.** [This act]



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terminates June 30, 2017.

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