

HB 422: Children's Mental Health Outcomes *Study Plan*

Revised and adopted by the Children, Families, Health, and Human Services Interim Committee
on June 3, 2015

INTRODUCTION

The 2015 Legislature approved House Bill 422, a bill to improve outcomes for youth in the children's mental health system. Toward that end, the bill requires the Children, Families, Health, and Human Services Interim Committee to undertake an interim study in order to:

- recommend to the 2017 Legislature a system for evidence-based outcomes for youth and options for performance-based reimbursement for children's mental health providers; and
- develop legislation for an evidence-based outcomes pilot project to be carried out by the Department of Public Health and Human Services (DPHHS).

Because the interim study requirements were included in legislation rather than a study resolution, the study must be conducted and was not subject to the post-session polling of study proposals.

THE CHILDREN'S MENTAL HEALTH SYSTEM

In Fiscal Year 2014, more than 16,700 children were enrolled in mental health services managed by DPHHS. The services range from therapy or other interventions provided in an outpatient setting to intensive treatment provided in hospitals or residential treatment facilities. Costs of the services totaled nearly \$123 million in FY 2014.

Children of all ages may receive publicly funded mental health services, although most must meet income eligibility requirements as well as have a serious emotional disturbance (SED) to qualify for services. The SED criteria vary, depending on whether the child is 6 years of age or older or under 6 years of age. However, the child must have a specific mental disorder or severe behavioral abnormality that has caused the child to experience a substantial impairment in functioning for at least 6 months.

The Healthy Montana Kids Plan, using both Medicaid and Children's Health Insurance Program (CHIP) funds, pays for the bulk of mental health services provided to children. School funds also pay for certain school-based services that are available to children without regard to the child's income.

STUDY TASKS

HB 422 requires the Committee to take into consideration the following items as it shapes its recommendations and develops legislation:

- the current array of children's mental health services and any available data on the effectiveness of the services;
- the degree to which the array and effectiveness of services offered by a provider might factor into the reimbursement the provider receives under the pilot project;
- potential incentives for and risks of the evidence-based outcomes model under review;
- existing data that must be collected to evaluate the effectiveness of the model; and
- the need for changes to the state's information technology systems in order to collect and analyze data.

In addition, HB 422 requires the Committee to hold at least one meeting outside of Helena to obtain comment on the elements of an evidence-based outcomes model that will best meet the needs of Montana children and that takes into account the geographic and demographic features of the state.

STUDY RESOURCES

DPHHS will serve as the main state agency resource for the study. The agency's Children's Mental Health Bureau oversees most of the mental health services provided to eligible children. DPHHS also operates the Medicaid program and the Healthy Montana Kids Plan, which combined pay the majority of costs for the services. The study will draw heavily on the department for information on the current system of services available to children, the reimbursement rates for those services, and the amount and types of payments made for the services.

Children's mental health providers and organizations representing them also will be tapped to assist with study activities. Providers have long expressed an interest in measuring the outcomes of the services provided to children, to determine whether the treatment is effective in meeting a child's treatment needs. In fact, several providers proposed the idea of a similar pilot project to the Select Committee on Efficiency in Government during the 2011-2012 interim. That committee proposed a bill that was approved by the 2013 Legislature but vetoed by the governor. However, the providers have continued to support the idea and are expected to be actively involved in the study.

The study also will draw on research conducted by national organizations that have looked into evidence-based practices, evidence-based outcomes, and outcomes measurement. In addition, about a dozen states have worked on implementing performance-based reimbursement systems, and the study will review those systems and the results — including benefits, drawbacks, and barriers — that other states have experienced.

OUTLINE OF STUDY ACTIVITIES

The study will include the following basic activities during the time periods noted:

1. **Compile background information: June 2015 through January 2016.** This stage will include several steps designed to provide the Committee with information about the children's mental health system, evidence-based outcomes, outcomes measurement, and performance-based reimbursement, as follows:
 - a. staff briefing papers summarizing the key elements and costs of the children's mental health system, the number of children served, identifiable trends in the provision of services, and the funding sources for the services;
 - b. presentations by speakers from national organizations that have conducted research on evidence-based outcomes and performance-based reimbursement;
 - c. presentations by DPHHS representatives, Montana mental health providers, and others on state-specific considerations for measuring outcomes and using performance-based reimbursement;
 - d. opportunities for public comment on the study topics and questions under consideration by the committee, including public comment at a meeting in Billings in November; and
 - e. presentations or written reports from the Legislative Fiscal Division, Office of Budget and Program Planning, or DPHHS on cost considerations related to outcomes measurement and proposed pilot project legislation.

The Billings meeting will fulfill the HB 422 requirement to hold a meeting outside of Helena.

2. **Identify issues: January through March 2016.** Study activities during this period will include a review of the information compiled to date and Committee identification of topics or questions that members would like to address through further analysis or legislation. This phase of the study will help the Committee focus its attention on those study issues it considers to be of greatest importance, so members may obtain any additional information they would like to receive before identifying recommendations for the 2017 Legislature and developing a bill draft for the pilot project.

- 3. Review and decide legislative options: March 2016 through August 2016.** After obtaining information, identifying issues, and researching options, the Committee will discuss and act on the recommendations and pilot project legislation for the 2017 Legislature.

The table on the following page provides a list of anticipated study activities and resources, as well as tentative dates for the activities and the amount of Committee meeting time each activity is anticipated to entail.

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Study Activity	Source	Activity	Meeting Date	Committee Time
(1) Review information on the array of children's mental health services, the criteria for obtaining services, the number of children served, the different payment sources for services, and the extent of data available on services and payments	Staff research, DPHHS	Staff materials and agency presentations	September 2015	2.5 hours
(2) Hold an out-of-town meeting to obtain comment on key elements of an evidence-based outcomes model that will best meet the needs of Montana children and take into account geographic and demographic features of the state	Staff research, stakeholders	Public comment	November 2015 (Billings)	3 hours
(3) Review information on identifiable data trends in services, evidence-based outcomes, and tools for measuring outcomes	Staff research, DPHHS, federal agencies or national groups, stakeholders	Staff materials and panel presentations	November 2015 and January 2016	4.5 hours
(4) Review information on performance-based reimbursements options, incentives and risks of performance-based reimbursement, and barriers to use of performance-based pay	DPHHS, stakeholders, speakers from states using performance-based reimbursement	Staff materials and panel presentations	January and March 2016	4 hours
(5) Examine data needs, availability of data, and related changes to the state's IT systems	DPHHS, ITSD, others with knowledge of data collection and analysis	Presentations as needed	March 2016	1 hour
(6) Review information, make recommendations, develop pilot project legislation	Committee members	Committee work sessions and public comment	March through August 2016	10 hours
			Total	25 hours

Note: The Committee decided at its June 3 meeting to hold the out-of-town meeting required for this study in November, rather than next spring as proposed in the draft study plan. The meeting will be held in Billings.