

Western Highlands Network (WHN)

1915(b)(c) Waiver Review

On February 1, 2011, Tim Flora, County Internal Auditor, and Jim Holland, Human Services Support Team Manager, conducted an interview with Western Highlands Senior Management. Included were Arthur Carder, CEO; Charles Schoeneit, COO; and Dan Herring, Clinical Services Director. Sharon Lentz, CFO was absent due to medical issues. The purpose of the interview was to evaluate WHN's waiver plan development, implementation schedule, and financial viability once the waiver is in place.

The interview focused on these specific areas:

- Risk Pool development/funding and management
- Managing service demand and waiver-only services, particularly during start-up
- Strategies for managing risk
- IT infrastructure status for utilization management, utilization review, claims management, performance management
- Partnerships with CCWNC (formerly Access II Care) and FQHCs
- Staff Recruitment/Retention
- Advantage to county citizens
- Handling consumer complaints

Risk Pool

WHN Response: As stated in current documentation from WHN and the state, the risk pool will be created through payments from the Division of Medical Assistance (DMA) to WHN and through savings created through implementation of the waiver. The state will assist in funding the waiver through payments at 2% above the monthly per member/per month (pmpm) allocation. In addition to state funding, WHN plans to provide the mandated Medicaid services and limit "waiver services" unless funding allows. According to WHN, they will focus on patients utilizing high dollar services (primarily inpatient hospitalization) to achieve better outcomes for patients while reducing costs. They emphasize their current ability to manage IPRS services. When reminded that they have the ability to say "No" to IPRS, but not to Medicaid, they state that by being able to manage the patients, they can intervene and manage services in a timely fashion. For example, they state Value Options may authorize a set number of visits, but not provide the "on the ground" service to evaluate effectiveness. They state their clinical staff will be able to better monitor outcomes and not be as open-ended as Value Options may be.

Recommendation: Continued required financial reporting to county on quarterly basis with monthly reporting on risk pool and fund balance during first two years of waiver. Additional quarterly information should include IBNER (Incurred But Not Enough Reported) to evaluate trend line of service delivery/utilization and analysis of administrative expenditures.

Managing Service Demand and Waiver-Only Services (particularly during start-up)

WHN Response: WHN will provide services as required by Medicaid and DMA contract for waiver services. Will focus on high-dollar utilization of services and provide frequent care management of such authorized services with clinicians. Work with care management of CCWNC (formerly Access II Care) and FQHCs to assure linkage to primary care.

Recommendation: WHN should engage in formal agreement with FQHCs for integrated behavioral health/physical health services for target population patients without a primary care home. Also recommend strengthening links to CCWNC for the provision of care management to all patients in a primary care home setting. WHN/CCWNC should negotiate with Mission Hospitals to allow care managers to have full discharge summary information (including meds) in order to begin care management immediately upon discharge.

Strategies for Managing Risk

WHN Response: Comprehensive care/case management with frequent utilization review. Use of IBNER and other reporting tools for management evaluation. Use of clinicians to case manage patients frequently in order to monitor care and to reduce likelihood of ineffective treatment programs. Financial reporting tools will be in place to quickly identify financial risks. Ultimately, WHN states they can employ numerous options if risk appears insurmountable. Options include: merging with another LME, utilize fund balance for short-term relief, give notice to DHHS to terminate waiver contract.

Recommendation: IT system should provide real time information on dashboards (or through other simple means) for fiscal/programmatic management. At the current time, the system is not in place. IT plan submitted has not completed any steps toward completion. State has contracted with Mercer to evaluate IT systems in June/July. Finally, WHN should develop contingency plans that are approved by WHN Board so that if certain financial thresholds (triggers) are reached, then WHN would be required to give notice to end waiver.

IT Infrastructure

WHN Response: WHN has a comprehensive IT implementation plan that has two main phases. The first phase brings WHN up to industry standards for IT systems. The second phase is the development of “waiver system” to handle the UR, UM, and Assessment for services. All is going according to schedule and do not anticipate problems. This is simply a modification of the existing system that manages IPRS services.

Recommendation: WHN sent IT plan to the county and none of the deliverables has been achieved. There is substantial development that must take place prior to implementation. The county should require full implementation of IT plan and sign off by state and state consultant (Mercer) to include real-time performance testing certification as a condition of county approval.

Partnerships with CCWNC (formerly Access II Care) and FQHCs

WHN Response: Have strong partnerships forged with both CCWNC and WNCCHS now. CCWNC has case managers integrated into WHN now. WHN does not know how many additional or what type of care/case managers will be needed with CCWNC, but values their work and will continue strong partnership. CCWNC was a part of meetings with the Secretary and Dr. Craigan Gray on waiver. Have strong partnerships with WNCCHS now and will continue as they partner for provision of integrated care.

Recommendation: Agreement with both CCWNC and WNCCHS should be in place concerning roles of each organization and how they plan to support the waiver and documentation of protocols for care/case management of Access II Care and service delivery by WNCCHS (or FQHCs within region).

Staff Recruitment/Retention

WHN Response: Excellent clinical and para-professional staff is essential to provide care and to secure the ability to manage care and reduce costs. They believe they have a competitive salary and benefit package that will recruit and retain staff without impacting community clinical care staffing levels. They understand the need to have a stable workforce in order to assure high quality care and to assist in managing that care in a way that minimizes fiscal impact.

Recommendation: Compile staffing recruitment /retention reporting for WHN Board to assure staffing ratios required for cases and retention of quality staff is maintained. Provide comprehensive reporting system that evaluates and reports staff productivity. A comprehensive HR report that includes turnover or a stability factor should be completed and presented to Board monthly, if not already in place.

Advantage to County Citizens

WHN Response: Access to services that are managed locally and allows consumers to have conversations with people in the community about their care. Eventually, the services they receive can be innovative while working within the mandated framework of Medicaid required services.

Recommendation: Full support of WHN's efforts to respond quickly to consumer's behavioral health needs and to secure care that links to primary care home and provides quality holistic physical and mental health while maximizing available resources.

Handling Consumer Complaints

WHN Response: With local control, consumers can work directly with case/care managers and clinical staff and have an active role in health care. Appeals would all be handled locally and are confident that issues will be addressed appropriately and satisfactorily for consumer and organization without using state appeal process.

Recommendation: Require reporting to WHN Board and county concerning consumer appeal information (aggregate) as compared to current fee for service system.

SUMMARY

Based on the interview, review of financial data (proposed budget), staffing proposal, and IT Implementation Plan, the recommendation would be to endorse the waiver concept conditionally upon the following stipulations to be met prior to or upon implementation of the waiver:

- Continued financial reporting to county on quarterly basis and monthly reporting of risk pool reserves and fund balance
- Formal agreement with CCWNC and FQHC's establishing relationship of care management/coordination and protocols for establishment of primary medical home for consumers
- Submission of county approved contingency plans identifying financial thresholds (triggers) that would require implementation of 30 day notice of termination of waiver
- Real-time performance testing certification by independent consultant that IT systems meet all criteria necessary to manage waiver
- Performance management systems reporting real-time and historic data related to utilization management, utilization review, service utilization, staff performance (aggregate and individual), consumer complaints