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24 February 2016

Senator Anna MacKinnon

Chair, Senate Medicaid Reform Committee

State Capitol Room 516

Juneau AK, 99801

Re: Lifting the Grant Requirement for Behavioral Health Services

Senator MacKinnon,

The Alaska Behavioral Health Association (ABHA) is a member-driven, non-profit with leadership representing over 50 member organizations including both tribal and non-tribal publicly funded, private corporations that span the system of care from infants to the elderly, in urban and rural settings across Alaska. The Association was formed in 1996 to help improve the delivery of substance abuse and mental health treatment services in Alaska.

The behavioral health providers sincerely appreciate the committee's ongoing efforts and the attention paid to reforming Alaska's Medicaid system. We are especially thankful for the invitations we have received to participate throughout the development of the reform recommendations.

The Governor's Medicaid Expansion and Reform Bills ([HB148](#) and [SB78](#)), Representative Seaton's Reform Bill ([HB227](#)), and the Agnew Beck Report ([Recommended Medicaid Redesign + Expansion Strategies for Alaska](#)) all make the recommendation to lift the grant requirement to be able to be reimbursed by Medicaid for behavioral health services. It has been stated that the main motivation behind the recommendation is to increase access to available behavioral health services. This provision will essentially allow anyone (not just "a nonprofit corporation, a city or borough government, or other political subdivision of the state") to be reimbursed by Medicaid for behavioral health services.

*The Alaska Behavioral Health Association has some questions and concerns about the potential unintended consequences of lifting the grant requirement to be able to be reimbursed by Medicaid for behavioral health services.*

In short, this law has been in statute for decades and has fundamentally shaped our system of care. When asked, it does not appear that those wishing to remove the requirement have a good understanding of why the law was in place to begin with or what the potential unintended consequences might be should the requirement be removed. The Alaska Behavioral Health Association suggests that the decision to reverse this long-standing statutory requirement might be considered separately from the rest of the reform recommendations.

*We are neither for nor against the provision, but simply suggest more thorough discussion.*

Some likely impacts (with consideration) follow based on discussion to date that the behavioral health providers have held on potentially removing the grant requirement.

- Lifting the grant requirement may improve access to treatment for clinical services in more urban areas. Beneficiaries enrolled in the Medicaid program based on income, rather than disability, would most likely be accessing clinical behavioral health services. The potential impact on rehabilitative behavioral health services, particularly in more remote settings, is less certain.
- Smaller, remote communities have raised concerns about private, for profit, niche providers taking the more profitable service lines and leaving comprehensive community providers with the loss leaders (who typically require more intensive and costly services). This may result in either a limitation on the services available to the community, closed treatment programs, or worse – providers closing. Ideally, there would be agreements between providers in these communities to safeguard against this and help ensure that the clients get the services they need, but there is no requirement or guarantee that this happen.
- It is unclear what impact this will have on the State's overall Medicaid behavioral health services budget.
- We are not certain what impact this will have on the comprehensive community provider's ability to recruit and retain necessary workforce. Right now teams of providers work under the authority of a Community Behavioral Health Centers (CBHC). These providers already struggle to recruit and retain the workforce necessary to meet their community's behavioral health needs.
- The grant program is the only quality assurance control on behavioral health treatment services. The MMIS billing and payment system does not have the capability to track clinical quality outcomes. In part, this may lead to a race to the least costly provider (regardless of treatment efficacy). There will not likely be a level playing field when it comes to different providers.
- The grant requirements involve an enormous amount of reporting to a system focused on managing processes (instead of outcomes). Several providers have mentioned that lifting the grant requirement will allow them the opportunity to weigh the amount of grant funding they receive from the state against the relative effort and expense involved in order to make the decision of whether or not to forego the grant (this is especially true as we are refinancing our system of care to one more reliant on Medicaid).

Proponents of lifting the grant requirement have suggested that the Centers for Medicaid and Medicare (CMS) view the requirement as an impediment to access to behavioral health care. It is unclear how an Alaskan law that has been in statute for so long all of the sudden became an urgent concern. Given some of the potential unintentional impact, some of which is stated above, ABHA is not certain that simply lifting the grant requirement would not cause more harm than good – even to access.

Certainly more discussion would help uncover the far-reaching impact of the decision of whether or not to remove the grant requirement and would help avoid or mitigate any unintended consequences.

The Alaska Behavioral Health Association (ABHA) continuously strives to improve the efficiency and effectiveness of behavioral health treatment services in Alaska. Please feel free to contact us if there is any additional information that would be helpful to you as you consider this important provision.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Chard", is written over a light blue rectangular background.

Tom Chard

Alaska Behavioral Health Association (ABHA)