

1 HOUSE BILL NO. 100

2 INTRODUCED BY R. EHLI

3 BY REQUEST OF THE SELECT COMMITTEE ON EFFICIENCY IN GOVERNMENT

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A PILOT PROJECT TO REIMBURSE CERTAIN
6 MEDICAID PROVIDERS BASED ON PERFORMANCE; CREATING A PAY-FOR-PERFORMANCE TASK
7 FORCE; ESTABLISHING THE DUTIES OF THE TASK FORCE; PROVIDING FOR PUBLIC PARTICIPATION
8 IN DEVELOPMENT OF A PAY-FOR-PERFORMANCE MODEL; REQUIRING DATA COLLECTION; AND
9 PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

10
11 WHEREAS, state government budgets have come under pressure in recent years because of prevailing
12 national economic conditions; and

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

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

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

20
21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

22
23 **NEW SECTION. Section 1. Pay-for-performance pilot project for children's mental health services**
24 **-- legislative purpose.** (1) The department of public health and human services shall establish a pilot project for
25 paying providers of children's mental health services according to performance-based principles that allow an
26 enhanced payment to providers who demonstrate that the children they serve attain identified outcomes. The
27 department shall develop the pilot project in accordance with the provisions of [sections 1 through 5].

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

- 1 (3) The purpose of the pilot project is to:
- 2 (a) improve the partnership and collaborative efforts between the department of public health and human
- 3 services and providers of children's mental health services; and
- 4 (b) link the payment for providers with improvements in:
- 5 (i) access to care;
- 6 (ii) integration and coordination of care;
- 7 (iii) the development and use of individualized treatment plans; and
- 8 (iv) efforts to ensure recovery and permanent placement for children who are receiving medicaid mental
- 9 health services or who are in foster care under the supervision of the state.
- 10 (4) The legislature shall review the results of the pilot project to determine whether:
- 11 (a) the project should be continued or expanded; and
- 12 (b) modifications are needed before the pay-for-performance model is expanded to include additional
- 13 children, providers, or services.

14

15 **NEW SECTION. Section 2. Scope of pilot project.** (1) The pay-for-performance pilot project provided

16 for in [sections 1 through 5] may be designed to include services to children who are:

- 17 (a) enrolled in medicaid or the healthy Montana kids plan; or
- 18 (b) in foster care under the supervision of the state.
- 19 (2) Providers are eligible to participate in the pilot project if they:
- 20 (a) offer services to youth with serious emotional disturbance as defined by the department of public
- 21 health and human services by rule; and
- 22 (b) are licensed as:
- 23 (i) a mental health center as defined in 50-5-101;
- 24 (ii) a psychiatric residential treatment facility as defined by the department by rule; or
- 25 (iii) a child-placing agency under Title 52, chapter 8, part 1.
- 26 (3) (a) The pilot project may be limited in scope to a specific:
- 27 (i) number of children; and
- 28 (ii) geographic region.
- 29 (b) The geographic region must include both rural and urban populations.
- 30

1 **NEW SECTION. Section 3. Task force -- membership -- meetings -- reimbursement.** (1) There is
2 a pay-for-performance task force that shall work with the department of public health and human services to
3 design a performance-based system for services provided to children who are eligible under [sections 1 through
4 5].

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

6 (a) 13 members appointed by the governor;

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

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

11 (3) The governor shall appoint as members:

12 (a) five providers of children's mental health services, including one representative of each of the five
13 children's mental health service regions established by the department of public health and human services;

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

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

16 (d) one representative of the Montana university system who has experience in measuring outcomes
17 for children; and

18 (e) four department of public health and human services employees as follows:

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

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

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

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

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

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

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

28 (6) (a) Legislative members of the task force are entitled to receive compensation as provided in 5-2-302
29 for each task force meeting.

30 (b) Except as provided in subsection (6)(c), task force members are entitled to reimbursement for

1 expenses as provided in 2-18-501 through 2-18-503.

2 (c) Task force members who are full-time salaried employees of the state are entitled to reimbursement
3 for expenses as provided in 2-18-501 through 2-18-503 only if a task force meeting under [section 4] is held
4 outside of Helena.

5 (7) Task force activities must be must be completed within the budget approved for the department of
6 public health and human services.

7

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

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

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

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

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

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

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

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

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

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

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

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

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

1 health and human services:

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

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

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

6 (d) public comment submitted to the task force.

7 (6) The task force shall make a recommendation to the 2015 legislature on the scope of the pilot project
8 as determined under [section 2(3)].

9

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

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

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

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

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

19 (a) the work of the task force;

20 (b) the status of legislative proposals; and

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

22

23 **NEW SECTION. Section 6. Codification instruction.** [Sections 1 through 5] are intended to be codified
24 as an integral part of Title 53, chapter 6, and the provisions of Title 53, chapter 6, apply to [sections 1 through 5].

25

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

27

28 **NEW SECTION. Section 8. Termination.** [This act] terminates June 30, 2017.

29

- END -