

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 1515

H.P. 1060

House of Representatives, March 30, 2005

**Resolve, To Establish a Responsive, Community-based, Cost-effective and Comprehensive Adult Mental Health System**

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Reference to the Committee on Health and Human Services suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative PINGREE of North Haven.  
Cosponsored by Senator MAYO of Sagadahoc and  
Representatives: CUMMINGS of Portland, CURLEY of Scarborough, DUDLEY of Portland,  
MILLER of Somerville, WALCOTT of Lewiston, WEBSTER of Freeport, Senators:  
BRENNAN of Cumberland, ROSEN of Hancock.

2           **Sec. 1. Development of regional system for management of mental**  
3 **health system. Resolved:** That the Department of Health and Human  
4 Services, referred to in this resolve as "the department," in  
5 consultation with provider, consumer and advocacy  
6 representatives, shall develop a capitated regional system,  
7 referred to in this resolve as "the regional system," for the  
8 financing, management and oversight of the state mental health  
9 system; and be it further

10           **Sec. 2. Duties of department. Resolved:** That, in implementing  
11 the requirements of this resolve, the department shall:

12           **1. Develop plan.** Develop and implement a plan for the  
13 regional system;

14           **2. Maintain existing system.** Maintain the existing mental  
15 health system of services during the transition to the regional  
16 system;

17           **3. Develop statewide mental health policy.** Develop a  
18 statewide mental health policy;

19           **4. Coordination of services.** Coordinate services among  
20 other state agencies;

21           **5. Coordination of meetings.** Coordinate and hold quarterly  
22 stakeholder oversight committee meetings;

23           **6. Regional entities.** Develop standards for and contract  
24 with regional entities and monitor and evaluate the delivery of  
25 services and the quality of these services; and

26           **7. Medicaid waivers.** Ensure that all applicable federal  
27 Medicaid waivers are filed in a timely manner; and be it further

28           **Sec. 3. Plan for system redesign. Resolved:** That the department  
29 shall develop a plan for system redesign that includes plans for  
30 implementing the regional system, financing the regional system  
31 and transitioning from the current system. The department shall  
32 disseminate the plan and review it with stakeholders prior to  
33 filing for a Medicaid waiver under section 1 or issuing the  
34 request for proposal pursuant to section 5. The plan must  
35 include a process for evaluating the pilot project under section  
36 5 before the regional system is implemented statewide.

37           **1. System readiness.** Prior to submitting a waiver and  
38 issuing a request for proposal, the department shall ensure that  
39 the following are completed:  
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2 A. An actuarial analysis. In accordance with 42 Code of  
4 Federal Regulations, Section 438.6(c), any system design  
6 that includes capitation, risk-sharing or other significant  
8 changes in the reimbursement methodology to providers of  
10 mental health services must be developed with the  
12 involvement of independent actuarial expertise. A joint  
14 committee that includes providers and representatives from  
16 the appropriate offices of State Government, as determined  
18 by the Governor, shall oversee the development of the  
20 rate-setting methodology. Capitation reimbursement  
22 methodologies must give due consideration to the issues of  
24 appropriate levels of care and the needs of high-cost  
26 recipients of services who may need residential treatment  
28 services;

30 B. A human resources analysis. The department shall  
32 undertake an independent human resource needs analysis that  
34 describes what managerial and administrative skills and  
36 services will need to be purchased in order to carry out the  
38 design, pricing, implementation and management of any new  
40 systems design. This analysis must also describe what  
42 services will be eliminated from direct departmental  
44 responsibility to allow for administrative savings;

46 C. An administrative burdens review. Identification of  
48 savings and system efficiencies must begin with a review and  
reduction of administrative burdens and the cost of these  
burdens to direct service agencies. The reductions in both  
administrative burdens and cost must achieve a savings of at  
least 15% in the costs of the system in 2005;

50 D. A data systems readiness review. The department shall  
52 identify the minimum data set necessary for appropriate  
54 oversight, management and outcome measurement of the system  
56 of care. As a part of its plan for system redesign, the  
58 department shall undertake a review of data requirements and  
60 the capabilities of existing data systems in order to  
62 determine, prior to implementation, what, if any, enhanced  
64 data capacity will need to be purchased from independent  
66 vendors;

68 E. Development of an outcome measures assessment. In  
70 consultation with consumers, providers and other  
72 stakeholders, the department shall develop a manageable,  
74 measurable set of performance standards and contract outcome  
76 measures for the regional system. These performance  
78 standards and outcome measures must be based on existing  
mandates and developed with due regard to available

2 resources and with reference to national standards for  
public mental health systems; and

4 F. A regulatory framework. The department, in conjunction  
with appropriate consumer and provider stakeholders, shall  
6 adopt rules that establish a clear regulatory framework  
prior to the implementation date that describes the regional  
8 system and its core components, including scope of services  
and populations covered, cost effectiveness and assumptions  
10 used to calculate savings. Rules adopted pursuant to this  
paragraph are major substantive rules as defined in the  
12 Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A.

14 **2. Legislative review.** The department shall make regular  
reports to the joint standing committee of the Legislature having  
16 jurisdiction over health and human services matters regarding the  
development, implementation and ongoing management of the  
18 regional system.

20 **3. Cost of system redesign.** The plan for system redesign  
must describe the financing of the start-up and administration of  
22 the new regional system. Administrative costs may not reduce  
existing levels of direct services for adults. The plan must  
24 describe strategies to reduce state administrative costs to  
support the administrative requirements of regional entities; and  
26 be it further

28 **Sec. 4. System design components. Resolved:** That the regional  
system design must contain the following components.

30 **1. Population served.** The regional system design must  
32 encompass all adults with severe and persistent mental illness  
who were eligible as of July 1, 2003 for services under the  
34 MaineCare Assistance Manual, Section 17. These include MaineCare  
recipients, people without insurance and people who are  
36 underinsured.

38 **2. Core services.** Services provided under the regional  
system must be explicitly delineated in rules and contract and  
40 must include, at a minimum:

42 A. All MaineCare services currently provided under the  
MaineCare Assistance Manual, Sections 17, 65 and 97 as well  
44 as authorization responsibilities for inpatient psychiatric  
care;

46 B. Emerging, promising and best practices, including, but  
48 not limited to, those best practices currently identified by  
the United States Department of Health and Human Services,  
50 Substance Abuse and Mental Health Services Administration;

2 C. Treatment services for concurrent disorders;

4 D. Services that are provided to people with serious and  
6 persistent mental illness that are not  
MaineCare-reimbursable services but that are paid for by  
state grant funds, including services delivered in jails.

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10 **3. Establishment of regional entities.** The plan must  
establish the following regional entities:

12 A. Stakeholder oversight committees. The plan must  
14 establish a stakeholder oversight committee in each region  
of the State, to be defined in the plan. The composition  
and role of each committee must be specified in the plan; and

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18 B. Regional entities. The plan must include the  
establishment of regional entities that are responsible for  
developing and contracting for a network of services,  
20 managing utilization of inpatient and high-cost services,  
ensuring that individualized service plans are developed for  
22 people with serious mental illness, paying claims under  
contracts, ensuring the implementation of a system of  
24 continuous quality improvement within the region, meeting  
all state and federal standards and reporting on utilization  
and service quality to the department; and be it further

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28 **Sec. 5. Request for proposal components. Resolved:** That the  
department shall issue an initial request for proposal for a  
30 regional pilot project to begin no earlier than July 1, 2006;  
full implementation of the regional system must be completed by  
32 July 1, 2008.

34 **1. Components.** The request for proposal must:

36 A. Describe specific pilot project sites or regions;

38 B. Contain specific outcome and performance standards  
developed in accordance with section 3, subsection 1,  
40 paragraph E. These standards must be phased in over time  
and be measurable and reasonable;

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44 C. Allow for a variety of responses according to regional  
needs. The successful bidder may be a single provider,  
multiple providers or a consortium of agencies;

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48 D. Establish standards for access to care and the provision  
of coordinated, flexible services;

50 E. Require that the successful bidder:

- 2 (1) Be community-based; and
- 4 (2) Have a demonstrated ability and expertise to  
6 deliver, coordinate and manage community mental health  
services within a specified region;
- 8 F. Include standards for the coordination of care among  
10 different disciplines, between physical health and mental  
health and among the various state departments and bureaus  
12 that provide support or assistance;
- 14 G. Require that proposals ensure that individual needs and  
strengths will be recognized;
- 16 H. Require that proposals ensure consumer choice. The  
18 pilot project design must support services that are  
consumer-centered and that meet consumer needs;
- 20 I. Require that proposals address specific gaps in access,  
22 services and resources within the region;
- 24 J. Require that proposals provide incentives to regional  
entities and regional providers to deliver high-quality care  
26 and ensure clinical appropriateness. The pilot project  
design must recognize the importance of the therapeutic  
28 relationship in continuity of care;
- 30 K. Require that proposals address the coordination of  
treatment and support needs of the individual, such as  
32 social, vocational, housing and transportation necessities;
- 34 L. Require that proposals support the individual's recovery  
through the delivery of recovery-oriented and rehabilitative  
36 services. Individual service plans must be based on  
clinical assessment and functionality;
- 38 M. Require that proposals ensure flexible service delivery;
- 40 N. Require that proposals require that clinical decisions  
42 that determine access to care be consumer-focused and occur  
at the community provider level; and
- 44 O. Require that proposals incorporate the rules adopted by  
46 the former Department of Behavioral and Developmental  
Services regarding the rights of recipients of mental health  
48 services and effectively address the mandates of the Augusta  
Mental Health Institute consent decree compliance plans.
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## SUMMARY

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4       This resolve requires the Department of Health and Human  
Services to develop a regional system for the financing,  
management and oversight of the state mental health system.