Behavioral Health Task Force 1.0 & 2.0
Frequently Asked Questions

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1. **What is the Washtenaw Community Health Organization (WCHO)?**
   The WCHO was established as a legal entity in 2000 as a partnership between Washtenaw County and the University of Michigan. The purpose of the WCHO was to establish an integrated health care delivery system to provide mental health, substance abuse, and primary and specialty health care to Medicaid, low income and indigent consumers in Washtenaw County. The WCHO partnership was established to provide for improved integration between physical and mental health services, to foster innovation, to provide for educational sites to train new practitioners, to seek grant funding and, most importantly, to improve the quality of care.

2. **Who has managed the WCHO partnership?**
   The WCHO Board of Directors is the decision-making entity for the partnership and oversees the operations of the organization. The two partner organizations, Washtenaw County and the University of Michigan, each appoint six members to the WCHO Board, including primary & secondary consumers.

3. **Does the WCHO deliver services directly to consumers?**
   No, the WCHO does not deliver direct services, but instead oversees mental health and developmental disability programming and services by contracting with organizations and independent providers to deliver specialty mental health and substance use services and services for the developmentally disabled.

4. **Which organizations provide direct patient services to Medicaid, low income, and indigent consumers in Washtenaw County?**
   Community Support and Treatment Services (CSTS), a Washtenaw County department with over 350 employees, is the principal provider of direct mental health patient services, via a contract with the WCHO (including services to individuals with serious mental illness, substance use disorders, developmentally disabled, and children with severe emotional disturbance). In addition, there are more than 100 organizations that also provide direct services, contracted through the WCHO.

5. **How many people have been served, on an annual basis, by programs contracted through the WCHO and what is the annual operating budget?**
   The WCHO has a total budget of $80,000,000 and a total of 4,655 clients area served annually. Of that total budget, $34,841,456 was allocated to services provided by CSTS and $37,749,455 for services provided by other organizations contracted through the WCHO. See the document, “The Annual Summary and Evaluation of the Quality Assessment and Performance Improvement Program, FY2014 (QAPIP),” for a summary of the current status of mental health care in our community, created by the Community Mental Health Partnership of Southeastern Michigan (CHMPSM), Region 6 Pre-Paid Inpatient Health Plan (PIHP).

6. **Is the organizational structure of the WCHO unique compared to other counties in Michigan?**
   This is one of only two such Community Mental Health Organizations in Michigan.

7. **What other models for organizing mental health services are allowed in Michigan?**
   There are only three models allowed in the State mental health code for organizing mental health services for publicly funded patients: 1) a Community Mental Health Organization; 2) a Community Mental Health Authority; and 3) a Community Mental Health Agency. The WCHO is a Community Mental Health Organization.

8. **What are the primary differences between each of the three models for organizing mental health services?**
    a. ***Community Mental Health Organization (Organization):*** The WCHO operates under this model. This model can be established by two or more counties or, by special provisions in the Urban Cooperation Act of 1967, between a publically funded university with a medical school and a county with a population of at least 100,000. Each of the partnership entities proportionately appoints the members of a 12-member board of directors. The 12-member board must contain 1/3 either primary or secondary consumers and at least 1/2 of those must be primary consumers. This is a separate legal entity. It receives funding from the State and arranges for provision of services to the county residents who qualify. The Organization may establish policies and procedures separate from those of the county. In Michigan, there were only two Organizations: WCHO and a partnership between two counties in northern Michigan.
    b. ***Community Mental Health Authority (Authority):*** The Authority model is identical to the Organization model except that the county commissioners appoint the entire board of the Authority. The 12-member board must contain 1/3 either primary or secondary consumers and at least 1/2 of those must be primary consumers. The Authority is a separate legal entity and is responsible for receiving funds from the State and providing services to qualified residents. The Authority may establish policies and procedures separate from those of the county. Throughout Michigan, the direct care providers are usually employees of the Authority. All but six counties in Michigan are organized as Authorities.
    c. ***Community Mental Health Agency (Agency):*** The County may establish an Agency (county department) to receive funds from the State and provide services to qualified residents. The commissioners appoint a 12-member Mental Health Board. In this model, the Mental Health Board is advisory to the County Board of Commissioners, with very limited authority. The 12-member board must contain 1/3 either primary or secondary consumers and at least 1/2 of those must be primary consumers. The direct care providers usually are employees of the county. The Agency follows the policies and procedures of the county. There are only three Agencies in Michigan: Lapeer, Muskegon and Ottawa counties. Lapeer is planning to convert to an Authority model.

9. **Why was the original Behavioral Health Task Force (now known as 1.0) formed?**
In the summer of 2014, it became apparent that there was a serious crisis in financing mental health services for publicly funded patients in Washtenaw County, when the WCHO informed the county that there was a shortfall of several million dollars in funding. Immediately, the County Commissioners raised questions concerning the perceived inefficiencies and ineffectiveness of the WCHO, duplication of administrative expenses between the WCHO and CSTS, and the desirability of maintaining the WCHO partnership between Washtenaw County and the University of Michigan. Washtenaw County and the University of Michigan Health System (UMHS) established this Task Force on September 3, 2014, to evaluate the issues, options and implications of either maintaining or eliminating the partnership and the WCHO. The Task Force completed its work in December 2014.

10. **Who participated in the original Behavioral Health Task Force 1.0?**
The Task Force consisted of three voting members: Verna McDaniel, Washtenaw County Administrator; Brent M. Williams, M.D., MPH, Medical Director, UM Complex Care Management Program; and Robert Laverty, the Chair of Task Force. The Task Force invited the participation of advisors, consultants, and experts from the University of Michigan Health System, county government, WCHO, Community Support & Treatment Services (CSTS), the State of Michigan, and the regional agency for mental health services. The Task Force received valuable voluntary assistance by the Center for Healthcare Research and Transformation (CHART).

11. **How often did the Task Force meet and what was accomplished?**
    The Task Force met eleven times, conducted interviews, and reviewed numerous documents and financial information. The three alternative organizational models were evaluated.

12. **Did the Task Force determine that the WCHO had fulfilled its original purpose?**
    In evaluating the current partnership (WCHO), the Task Force concluded that this arrangement has not achieved the potential envisioned in its original purposes and goals. This view is widely held. The Task Force identified numerous factors that have contributed to this outcome. The most significant factors are:
    a. Frequent changes in leadership.
    b. WCHO and its major contractor for direct patient care (CSTS) are separate entities with separate management teams. They do not coordinate planning, budgeting and evaluation; and lack effective communication and joint problem solving.
    c. Changing role of WCHO from a regional entity to a local entity.
    d. Confusing and declining funding.
    e. Ineffective management of the partnership by the parent entities (Washtenaw County and UMHS).
    f. Lack of adequate governance of WCHO.
    g. Lack of funding and focus on integrating medical and mental health care.

13. **What additional challenges does the Task Force anticipate will be presented in the future?**
    The future funding, organizing and integration of mental health services with physical healthcare will be even more challenging in the future. Contributing to this uncertainty are new global payment systems, the Affordable Care Act, increased numbers of Medicaid patients eligible for mental health services, and expanded emphasis on care management. In the future, the organization and management of mental health services must be more flexible, efficient, effectively governed, effectively managed, responsive, innovative and clear on its purpose and goals.

14. **What were the goals of the Task Force when developing their recommendations?**
    The Task Force identified the following goals to be considered when developing the recommendations:
    a. Determine if the current form of partnership (WCHO) between the county and UMHS should be continued.
    b. If the WCHO is to be continued, what changes are needed that will result in a more effective organization?
    c. If the WCHO is not to be continued, what will take its place?
    d. Will the recommendations position Washtenaw County to deal with current and future challenges and opportunities?

15. **What were the final recommendations of the Behavioral Task Force 1.0?**
    The Task Force made the following eight (8) Recommendations:
    1. Discontinue the legal partnership and dissolve the WCHO.
    2. Implement a Community Mental Health Agency model (Agency) for providing mental health services for publicly funded patients.
        a. Confirm the financial impact on the county by moving to an Agency model.
        b. Appoint a Community Mental Health Board that is capable of assuming the role of a governing body for a Community Mental Health Authority.
        c. Seek recommendations from UMHS and SJMHS for representation on the Mental Health Board.
    3. Prepare to transition from the Agency model to a Community Mental Health Authority model (Authority) within two years.
    4. Establish an affiliation agreement between the county, UMHS and SJMHS to conduct strategic planning for mental health services, identify and implement pilot programs, provide

educational opportunities, conduct research and seek grants.

5. Formalize specific programmatic agreements between the county, UMHS and SJMHS for mental health services.
6. Provide for the involvement of Packard Health, other safety net clinics and the Washtenaw Health Initiative (WHI) in the planning, assessment and delivery of mental health services.
7. Conduct a formal search to select a person capable of providing leadership to the Agency and to manage the transition to the Authority.
8. Implement an annual, formal evaluation process, conducted by an external consultant, to assess the performance of the Agency. This should include a focus on clinical quality, client satisfaction, financial performance, program development, and results for the clients served.

16. **What was the primary factor that resulted in the Task Force's recommendation to dissolve the WCHO and shift to an Agency structure as an interim step in transitioning to an Authority?**
Since the WCHO and its major contractor for direct patient care (CSTS, a department of Washtenaw County) are separate entities with separate management teams, they do not coordinate planning, budgeting, and evaluation. In addition, they lack effective communication and joint problem solving. The Task Force determined that the most significant requirement to improve organizational performance was to consolidate all employees into a single organization, with a single management structure and clear accountability for decision-making, budgeting, communication, and outcomes. This was not achievable within the current structure of the WCHO, which currently has approximately 33 employees, which are leased from the County. The time required to manage such a transition would be unreasonable, given the acute need to correct the current dysfunctional arrangement. Moving immediately to an Agency model (with CSTS serving as the Agency for Washtenaw County), consolidating the current functions of the WCHO within CSTS, can be accomplished more quickly than revamping WCHO or establishing an Authority.

17. **What will be the impact on staffing by moving to the Agency model as an interim step?**
Currently, the employees of CSTS are county employees with collective bargaining agreements, so there should be no issues regarding legacy costs or collective bargaining agreements by having CSTS assume the responsibilities of the Agency. The Agency will be unified with a single management structure and direct accountability to county government. The Community Mental Health Board is advisory to the County Board of Commissioners. Significant work will be required to transition the current WCHO employees to the Agency. A significant set of responsibilities will need to be transferred to the Agency (CSTS) following restructuring (example: $37 million in contracts with providers other than CSTS). Therefore, there will not be an impact on the current staffing of CSTS, although non-critical vacancies will not be filled at this time. The WCHO staff will continue to perform critical operations until they can be transitioned to the new Agency.

18. **Why did the Task Force recommend a transition from the Agency model to a Community Mental Health Authority model (Authority) within two years?**
The Agency model is viewed as a short-term reorganization to immediately address the present dysfunctional structure. Adopting an Agency model is proposed as an intermediate step for moving to an Authority model. Evidenced by the other counties in Michigan, the Authority model has been a successful structure for providing mental health services. This model provides for a separate legal entity that is not bound by county policies and procedures, is more flexible in responding to a changing health care environment, can make more rapid decisions, manages its own employees, and provides some insulation to the county from financial liability. A disadvantage Authorities may experience are the overhead costs for establishing benefit and pension programs, separate from the county. The county will need to evaluate the financial impact and required steps to transition from an Agency to an Authority. In order to be effective, the Authority must be able to unify its planning, management, and decision-making. The county administration has undertaken an actuarial study to determine the financial implications of this transition.

19. **Will the shortfall in funding impact services to patients?**
The work of the Task Force and the recommendations will not resolve the immediate budget gap faced by WCHO and CSTS. However, these Task Force recommendations will enable the county, the supporting institutions, and the providers to better address the challenges that lie ahead. The existing management teams, with the encouragement of the WCHO Board and the Board of Commissioners, have been tasked with eliminating the deficit by holding non-critical positions vacant, eliminating duplicative positions, and working with providers to reduce ancillary services. In addition, the management team is continuing to work with the Pre-Paid Inpatient Health Plan (PIHP) to address the Medicaid costs associated with consumer services. The impact on services to consumers will be minimized as much as possible.

20. **Will any cost savings be achieved by shifting to an Agency model?**
Moving from WCHO to an Agency model will require additional matching funds from the county. Currently, the county contributes approximately $1.2 million toward mental health services. This amount will increase, but should be manageable. County governments are required to match certain elements of funding of mental health services. Under both the Organization model and Authority model the county may be shielded from the maximum required match. The amount of the match can equal up to 10% of certain funds provided by the State. The exact amount of the match is dependent on a complicated calculation. The finance staff of WCHO estimates that if Washtenaw switches from WCHO to an Agency, the funding required from the county will increase from $1,128,080 to $1,691,533, or an increase of $563,453. This calculation is being verified. Some cost savings are available by eliminating duplicative administrative costs between WCHO and CSTS. However, this will not solve the total budget gap. Estimates are that 4-5 positions could be eliminated with a savings of $750,000 to $1.2 million. Many of the administrative functions within WCHO will need to be continued, regardless of the existence of the partnership. Several staff positions are reimbursed in whole or in part by the PIHP (Prepaid Inpatient Health Plan), which receives and allocates Medicaid funds to Community Mental Health agencies, based on the number of individuals enrolled in their geographic area.

21. **Will the partnership between Washtenaw County and the University of Michigan continue?**
Yes, the University of Michigan Health System (UMHS) and Washtenaw County have enjoyed a long-standing relationship in serving publicly funded patients needing mental health services and are committed to continuing to strengthen this relationship. While important progress in integrated care has been made under the WCHO, the partners believe there are additional opportunities for a more collaborative approach, which could lead to: a) more systematic identification and assessment of needs and opportunities for integrated care for CSTS clients receiving care in the UMHS system; b) better methods for tracking CSTS clients' health care across medical and mental health settings; c) more effective and sustainable integrated care for CSTS clients by virtue of joint planning, implementation, support, and evaluation; and d) better positioning at UMHS and CSTS to lead the development of regional and/or statewide initiatives in integrated care.

22. **Will the St. Joseph Mercy Health System (SJMHS) be included in future collaborative planning?**
Yes. An important finding of the Task Force was that an opportunity was missed, when the WCHO was formed, in not including the St Joseph Mercy Health System. The legislation enabling the formation of the WCHO did not contemplate or allow for such an arrangement. It is now recognized that this will be an important strategy for future success. St. Joseph Mercy Health System (SJMHS) has agreed to be a participant.

23. What is the timeline for implementing these eight (8) Task Force Recommendations?

Implementation will follow acceptance of these recommendations by county leadership, UMHS, and the State of Michigan. It will require three to six months to accomplish the transition from WCHO to a Community Mental Health Agency and to prepare for the eventual development of a Community Mental Health Authority within two years. In the interim, the WCHO Board will continue its governance duties. The county administration will bear the responsibility for managing the implementation plan since the county is the primary service arm of the Community Mental Health Service Provider (CMHSP) and continuity of services is critical to our consumers.

24. What are the next steps to be taken to implement the Recommendations?

The Board of Commissioners accepted the recommendations of the Task Force and authorized the following implementation tasks to be completed:

a. Verify the financial impact of any increased funding by the county when converting from the WCHO to an Agency.
b. Seek formal approval of the State of Michigan and the PIHP for moving to the Agency model. Give formal notice to terminate the current agreement as required in the Inter-local Agreement and seek approval to terminate prior to the one-year time frame specified in the agreement.
c. Prepare a public statement on the proposed changes.
d. Inform and seek cooperation of the board and staff of WCHO and the leadership and staff of CSTS.
e. Develop a detailed implementation plan for transferring required functions from WCHO to CSTS.
f. Staff meetings with WCHO and CSTS.
g. Transition plans for WCHO staff that will be transferring to CSTS, to other county jobs or who will be leaving.
h. Initiate search process for the Executive Director of the Agency. Process to be developed by county administration.
i. Initiate discussions with UMHS and SJMHS to establish an affiliation agreement and specific programmatic agreements.
j. Initiate the process for identifying, selecting and appointing the Community Mental Health Board. Prepare its organizational documents. Seek candidates to appoint from UMHS and SJMHS.
k. Create a formal board development and education program.
l. Develop an organizational evaluation process and identify an external consultant to perform the evaluation annually.
m. Complete the actuarial study to determine financial implications of transitioning to a Community Mental Health Authority.
n. Comprehensive evaluation of contractors, other than CSTS; reducing number of contractors and implementing more comprehensive quality monitors.

25. **What is the Behavioral Health Task Force 2.0?**

By Spring 2015, Washtenaw County, the University of Michigan Health System (UMHS), and the WCHO had made significant progress in implementing the Task Force recommendations, taking steps to discontinue the legal partnership between the County and the University of Michigan, dissolve the WCHO, and implement a Community Mental Health Agency model as an interim step toward transitioning to a Community Mental Health Authority within the next two years. The Behavioral Health Task Force 2.0 was formed in April 2015. Key community stakeholders were invited to serve in an advisory capacity to support the county, UMHS, and SJMHS in finalizing plans to implement the new approach to developing an integrated health care delivery system to provide mental health, substance abuse, and primary and specialty health care to Medicaid, low income, and indigent consumers.

26. **What are the goals of the Behavioral Health Task Force 2.0?**
    The Behavioral Health Task Force 2.0 will address Recommendations #5 to #8 from the Final Report of the original Task Force which completed its work in December 2014:
    5. Formalize specific programmatic agreements between the county, UMHS and SJMHS for mental health services.
    6. Provide for the involvement of Packard Health, other safety net clinics and the Washtenaw Health Initiative (WHI) in the planning, assessment and delivery of mental health services.
    7. Conduct a formal search to select a person capable of providing leadership to the Agency and to manage the transition to the Authority.
    8. Implement an annual, formal evaluation process, conducted by an external consultant, to assess the performance of the Agency. This should include a focus on clinical quality, client satisfaction, financial performance, program development, and results for the clients served.

27. **Should the regional Pre-Paid Inpatient Health Plan (PIHP) be exercising any authority during the transition to ensure the continuity of services to consumers in Washtenaw?**
    The PIHP is responsible for Medicaid, behavioral health to individuals, Substance Use Disorder (SUD) benefits, Healthy Michigan, and MiChild. The PIHP must ensure the continuation of services contracted with Washtenaw County. The Community Mental Health Service Provider (CMHSP) is responsible for local issues such as general funds, or other direct CMHSP contract concerns.

28. **What is the new obligation of the new organization to provide the same administrative-type services that have gone to WCHO before?**
    If the WCHO ceases to exist, there is no ability to force the successor organization to assume any leftover WCHO responsibilities without a new agreement/negotiation. The PIHP should be looking for assurance that services are uninterrupted.

29. **If delegated activities are sub-delegated, does PIHP need to be a party to that arrangement?**
    If sub-delegation wasn't permitted under the contract, then that needs to be considered for discussion. The PIHP has asked to be a part of the taskforce 2.0, as the taskforce's decisions will have an impact on the region.

30. **Is there any budget impact to the region with these changes? (For example: is Medicaid expected to pick up the legal expenses of redoing all of the founding documents or can that be charged to Washtenaw local dollars?)**
    There hasn't been dialogue in the region yet regarding these types of costs.

31. **How does the dissolution of the WCHO affect financial or other reporting obligations that occur after the new agency takes over (e.g. closing the year end books)?**
    Contract language will be amended to address this.

32. **Could the region be liable for something that occurred at the WCHO if a lawsuit is filed after the organization is dissolved (i.e., does any obligation default to the region that took place at one of the Community Mental Health Service Providers, CMHSPs, within the region?)**
    Any obligations probably won't fall to the successor organization, but attorney consultation will be needed.

33. **CSTS (as a service provider) has Joint Commission accreditation. Does that alone give them deemed status or will there be an additional certification process from the state to become the Community Mental Health Service Provider (CMHSP)?**
The Mental Health Code requires each CMHSP to be certified by Michigan Department of Community Health (MDCH). MDCH would need to conduct a CMHSP review on the successor entity.

34. **What is the regional impact of the timeline for a Community Mental Health (CMH) agency transition (i.e., state contract for General Funds, new board members for PIHP, timing of PIHP/CMH contracts)?**
As soon as there is a new entity in place, the state and Community Mental Health (CMH) agency will have general fund discussions. PIHP will need to ensure that there are not any gaps in service delivery.

35. **Does the state need to formally designate and contract with the new Community Mental Health (CMH) agency prior to the PIHP waiving procurement standards to contract with the new Community Mental Health (CMH) entity in Washtenaw as the CMHSP?**
The state will need to certify the new Community Mental Health (CMH) Agency before PIHP contracts are put in place. All three parties (state, PIHP, CMH) will need to work closely to address these transition issues.

36. **What entity is liable for future closeouts of liabilities? What rolls up to the PIHP for Medicaid?**
The PIHP is responsible for Medicaid matters. The state will handle any non-Medicaid related closeout with the Community Mental Health agency.

37. **Is there any concern from the state related to the changes in Washtenaw County, going from an Organization, to an Agency, to an Authority?**
From the state's perspective, assurances will be needed for general fund and block grant funds.

38. **Would there be any special financial audits or auditors assuring the transitions are occurring appropriately related to financial assets and liabilities?**
A compliance examination process will occur.

39. **Washtenaw County (as part of this transition) intends to have an affiliation agreement with St. Joseph Mercy Health System and the University of Michigan Health System. Does the PIHP have to be a party to those agreements? What if the Regional Board disagrees with the agreements?**
The PIHP would only need to be involved if the agreement relates to services being purchased or delegated. The CMHSP contract language regarding delegation and sub-delegation would also need to be reviewed for guidance.

40. **How will these changes be communicated?**
The following communication plan is in place:
    a. ***General Public***: The Behavioral Health Task Force section of the county website at e-Washtenaw.org contains:
        - Frequently Asked Questions (FAQ) document
        - Action Plan & Timeline, detailing the steps being taken to implement the Recommendations
    b. ***Service Providers:*** The WCHO and CSTS are contacting service providers directly to provide any relevant information.
    c. ***Consumers:*** CSTS will be sending relevant communications directly to consumers and will be hosting Town Hall meetings, dates and times to be announced.