

Model for the Design and Governance of Oregon's Statewide Wraparound Initiative

For: **The Interagency Strategy Team**

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Contained within this report is a model to look at for the design and structure of Oregon's Statewide Wraparound Initiative. It represents just one way such a model might be designed, including how the governance of the Initiative might be set up. There is no perfect model for designing the Initiative's structure. Some of this will be trial and error and just looking at what might be a best fit for Oregon.

Saying that, what must be kept in mind in the design of the Statewide Wraparound Initiative is:

1. Without a specific structure and governance model, the system will never get off the ground. The passage of HB 2144 will lay out important principles and values, but it does not create a structure to make it happen.
2. The operational model should reinforce the values and principles of HB 2144. It should support strength-based, family driven care, integrated funding, offer a comprehensive array of services, etc.
3. The model needs to be designed to best achieve the desired outcomes that have been recently developed by the Inter-Agency Strategy Team.
4. The design should be based on a sound business model. There must be adequate and flexible funding, the system should be data driven and financially sustainable. If the model cannot be financially sustained, than do not waste the time and effort to create the model.
5. Finally, again, there is no perfect model or one model that there be consensus on every aspect of the design.

I. System of Care Functions Requiring a Structured Approach to the Design of the System

Any design model for the system of care initiative in Oregon must keep in mind the functions these systems routinely performed. These are found in Wraparound Milwaukee, New Jersey, Cuyahoga County, Maryland and all systems in the U.S. Functions that must be taken on are:

- Planning
- Decision making and oversight at the policy level – i.e., governance
- System management including decision making and oversight at the service delivery level
- Assessment and enrollment
- Care coordination
- Benefit-design/provider network
- Quality Assurance
- IT
- Family Advocacy and Youth Involvement
- Finance
- Evaluation
- Other

II. Assignment of “Risk”

Another consideration for the system design is where the ultimate risk is held. Who is at risk for paying for services, for ensuring adequate funding streams are available and most importantly, where the liability lies if the cost of care and/or administration of the system exceeds the budget.

Assignment of risk is also a consideration for what type of entity can actually operate the Initiative at the State or local level. Government entities, such as States or counties can more easily assume risk because they do so everyday in operating human service systems. But at a local level, a small community or individual agency provider set up as a not-for-profit organization may not be able to assume risk. So in developing the model contained in this report, where the risk is assigned is an important consideration in the design and structure of the Initiative.

III. Decision Making and Oversight at the Policy Level Versus Service Delivery Level, i.e., Governance

It is critical that there be a defined arrangement for policy level decision making and oversight, including the allocation of funds. This is a function of governance. But governance at this policy level should not be confused with system management at the point which services get delivered. These are distinct functions. It is conceivable as in Wraparound Milwaukee or Cleveland’s Tapestry Program that both the policy level decision-making and system management are performed by the same entity. But that does not appear to be the model that would work best in Oregon. In Oregon, we may be looking at a hybrid model in which some of the policy making, funding decisions and general system oversight, etc. gets made at the State level but there is governance at the local level for planning and operation of the actual service delivery systems. This includes the important delivery of care coordination and family advocacy services.

IV. Policy Issues, Governance and a Purchasing Collaborative

On the following page is a diagram for the structure and operation of the Statewide Wraparound Initiative. One of the first considerations in the proposed design of the Initiative is where the governance related to policy issues and overall decision-making lies. Where does the governance body get its’ authority to govern the System of Care.

HB 2144 identifies the various State partner agencies involved in this initiative. Those include the Department of Human Services, Office of Youth Authority Department of Education and Commission on Children and Families. It assigns the greatest authority to the Oregon Department of Human Services because under Section 5(4) “the Department of Human Services in consultation with the Children’s Wraparound Initiative Advisory Committee shall report biennially to the Governor and the Legislative Assembly on the programs toward and projected costs of full implementation of the wraparound initiative”

But because the Legislature also identifies those other State agencies and further under HB 2144, Section 4(1) “that they will combine state, federal and private resources to support implementation of a system of care and integrated service delivery at a local level, I suggest in

the proposed design that Oregon create a Purchasing Collaborative. The Purchasing Collaborative model was previously submitted as a possible legislative concept and it is up to the State to decide if they want to go in that direction. Purchasing collaboratives, like the model used in New Mexico, may have to be developed through a statute change or Administrative rule.

There may be alternative ways to pool funding without the collaborative by just setting up a funding pool at the State level under the direction of the Department of Human Services as the lead State agency. The Purchasing Collaborative model is still preferred and was the recommendation of Statewide Wraparound Planning Team and described in the Governor’s Report released last year. Also, the legislation under Section 4(2) calls for “seeking federal approval or waiver of federal requirements as necessary to facilitate the pooling of resources...” This might best be achieved through the combined Purchasing power of a State collaborative.

Without going into details at this point as to where the funding would come from, most of the system of care Initiatives have focused on redirecting funds from more “restrictive” and “costly” institutional based care to community-based systems of care. Additionally, by pooling funds across systems and increasing flexibility to how funds get allocated and spent, the system of care Initiatives, such as the one planned in Oregon, can usually make existing funds go farther for more youth. There are possible “federal waivers” or state plan amendments such as the 1915 (i) or even just billing more for targeted case management to increase available revenues. There are also the 4-E Waivers in child welfare that more readily allow for institutional room and board reimbursement for child welfare youth to be used for community-based diversion. Also, Medicaid funds received under the 1115 Medicaid Waiver that Oregon already has could be “carved out” for this target population of youth with mental health needs.

V. Stakeholder Participation

A key question with assigning “governance” for policy development and oversight to the State, whether it is entrusted to the Purchasing Collaborative or Dept. of Human Services is whether the governance authority is representative of the stakeholders that have an interest in the system of care. Does the governance body include families and youth, providers, advocates, local representatives? While the answer might normally be no, HB 2144 establishes under Section 5(1) the Children’s Wraparound Initiative Advisory Committee consisting of members representing:

- (a) partner agencies
- (b) local service providers
- (c) youth and families
- (d) advocacy organizations

The committee is charge under Section 5(3) “ to advise and assist in the implementation of the Wraparound Initiative”. Therefore, the statewide advisory committee created in the statute or a sub-group of the committee could oversee and be an advisory body to the State Purchasing Collaborative or to DHS to advise on how funds are pooled, policy development and general oversight of the Initiative.

VI. Governance at the Local Planning and Service Delivery Level

If governance for overall policy development and Initiative oversight including the pooled or blended funding is assigned to the State Purchasing Collaborative or Department of Human Service than the function of a local governance entity would be for planning and ensuring effective service delivery. Oregon could use a similar model to Wraparound Milwaukee. In the Wraparound Milwaukee model, all funds for providing services to the target group of youth with serious emotional needs are managed locally based on various contracts or MOU's between the State and Milwaukee County Human Service Department—Mental Health Division. The State Dept. of Health and Social Services provides Capitation payments to Milwaukee County for mental health care and case rates for child welfare services. Delinquency and Court Services provides a fixed allocation for care for delinquent youth. Those funds get pooled at the local level with Wraparound Milwaukee acting as a publicly operated administrative service organization. Wraparound Milwaukee contracts with multiple vendors to provide care coordination for about 900 youth and families.

There appears to be a strong intent in Oregon's HB 2144 to have local involvement and community input in the local delivery system. HB 2144 Section 3(a) calls for "building" local governance structures to implement systems of care that conform to the core values and principles of the Act.

So in the design proposed in the diagram in this report, a county Alliance is created as the overall Administrative Service Organization (ASO) which would contract with the State and receive service monies through a case rate methodology with the State. The Alliance would be made up of local county agencies who have a shared responsibility, financially, legally and programmatically for the target group of youth. The lead entity would most likely be County Human Services Department since

1. they already operate the Mental Health Carve-Outs, and, the
2. County Human Services Department can assume risk

To ensure this is a true collaborative and that the principles and values of Wraparound, particularly around family and youth input is incorporated into the Alliance, there would be a collaborative Partnership Council made of system stakeholders such as child welfare, juvenile justice, mental health education, public health, Care Oregon, leading provider agency representatives, judiciary representation, system advocates and significant family and youth participation.

Since there would be three initial State pilots, counties would have to apply through a type of RFP process based on community readiness criteria, including commitment to employ a strength-based, family directed and youth guided planning process. Eligible entities could be a single county or consortium of counties. The latter, most likely being developed along the geographical coverage provided by the Mental Health Organizations or carve-outs.

Among some of the responsibilities and roles taken on the by County Alliance as Administrative Service Entity would be:

- Initiating fiscal management structures to track case rate and/or capitation payment to authorize mental health services and track expenditures, process claims, prepare fiscal reports, etc.
- Operate a provider network or otherwise handle contracts/procurement
- Provide quality assurance and utilization management
- Conduct program evaluation

- Design or operate IT services
- Develop or contract for wraparound training and coaching services
- Work force development issues, hiring staff, etc.
- Create referral, screening and assessment mechanisms including the use of assessment tools/measurement scales
- Develop and contract for family advocacy services

The County Alliance would agree to implement and support the establishment of the Care Management Organization (CMO) which is the care coordination component of the system.

It would also be at the County Alliance level, that participating agencies, like local education, business, foundations, juvenile courts would agree to contribute local match funds or in-kind contributions of services or supports to youth and families served by the Project.

VII. Care Management Organization

The Care Management Organization would be responsible for providing care coordination services for children with serious mental health and emotional needs. The eligibility criteria for the initial pilot would most likely be

- County residents (or cluster of counties in a defined region model)
- School age
- CAS II level 4, 5 or 6
- Involved with mental health and at least one other system
- At risk for needing a higher level of care

While starting with higher level of need youth, this does not preclude eventually working with other populations.

The CMO is responsible for facilitating the child and family teams which develop and implement comprehensive individual plans of care for youth and their families. The care coordinators will help families develop the plans, will help identify and obtain appropriate formal and informal services to meet needs and regularly monitor and review plans.

In this proposed model for the CMO in Oregon, the CMO would also employ the parent/family advocates to ensure families have access, voice and ownership of their plan. The cost of this service can come from the case rate funds or the State Purchasing Collaborative could individually fund the family advocacy component (New Jersey model).

There are several options around how the Care Management Organization (CMO) would be set up. The responsibilities could be assumed directly by the County Alliance under the lead responsibilities of the County Human Services Dept. The staff could be directly hired by the County or be staffed working for the Mental Health Carve-Out. Another way would be for the County Alliance to contract out the CMO responsibilities to a not-for-profit or even for profit agency.

Whether the County assumes the responsibility or contracts it out, the CMO needs to be a separate entity or unit wherever it is created. Because of the unique philosophy, values and approaches of wraparound, it would not be a good fit within an existing service program. It needs to have a separate identity from existing county programs and service units. Care Coordinators need to work across multiple systems so they need autonomy and flexibility to do so. One family, one plan, one care coordinator!

Every recommendation contained in this report can be modified and changed as needed. There are no perfect models. But until a structure, such as that proposed in this plan is chosen—“a business model” – further discussion related to funding, IT design, need for federal waivers or plan amendment and other considerations will need to be put on hold.

Please see the organization chart on the next page.

PROPOSED STATEWIDE WRAPAROUND INITIATIVE PROGRAM DESIGN

