



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES

LANSING

GRETCHEN WHITMER  
GOVERNOR

ROBERT GORDON  
DIRECTOR

**FOR IMMEDIATE RELEASE**

June 14, 2019

**CONTACT:** Lynn Sutfin

517-241-2112

[SutfinL1@michigan.gov](mailto:SutfinL1@michigan.gov)

**MDHHS announces delay of Section 298 pilot implementation**

LANSING, Mich. – The Michigan Department of Health and Human Services (MDHHS) and Section 298 pilot participants are delaying implementation of the Section 298 Initiative until Oct. 1, 2020 in order to complete design of the financial integration pilot model.

The initiative is a statewide effort to improve the integration of physical health services and specialty behavioral health services in Michigan. It is based upon Section 298 in Public Act 268 of 2016. The Michigan legislature approved a revised version of Section 298 as part of Public Act 207 of 2018.

As part of the initiative, the Michigan legislature directed MDHHS to implement up to three pilots to test the financial integration of Medicaid-funded physical health and specialty behavioral health services.

Progress has been made on the initiative, including developing a proposed care management workflow; identifying an approach to key public policy needs; and defining key data sharing requirements critical to whole-person care. However, further work is still needed to reach agreements on risk-management and ownership of the specialty behavioral health provider network; utilization management, claims processing and other managed care responsibilities; and rates and payment structures.

Following resolution of these items, time will be needed to secure federal Centers for Medicare & Medicaid Services waiver approval, establish new contracts, finalize technology and reporting changes, establish new payment flows and potentially create new legal structures and undergo accreditation reviews. An Oct. 1, 2019 agreement on outstanding elements and design of the integrated model is being targeted to allow time for these implementation activities.

Due to this decision, the proposed renewal applications for Children's Waiver Program, Habilitation Supports Waiver and Waiver for Children with Serious Emotional Disturbances have been revised to reflect that waiver changes regarding the 298 site implementation initiative will not be submitted to CMS at this time. The revised waivers will be posted on June 14 and public comments will be accepted until July 15.

For more information about the initiative, visit [Michigan.gov/stakeholder298](http://Michigan.gov/stakeholder298).

###