



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES

LANSING

GRETCHEN WHITMER
GOVERNOR

ELIZABETH HERTEL
DIRECTOR

FOR IMMEDIATE RELEASE
Jan. 9, 2025

CONTACT: Lynn Sutfin
517-241-2112
Sutfin1@michigan.gov

Michigan selected by CMS as one of four states to participate in innovative behavioral health model

New model seeks to improve quality of care, access and outcomes

LANSING, Mich. – As part of its continuing commitment to improving behavioral health access to care and outcomes, the Michigan Department of Health and Human Services (MDHHS) is participating in the Innovation in Behavioral Health (IBH) Model.

The IBH Model focuses on improving quality of care and behavioral and physical health outcomes for adults enrolled in Medicaid and Medicare with moderate to severe mental health conditions and substance use disorder (SUD). The model will support aligning payment between Medicaid and Medicare for integrated services and improving quality reporting and data sharing. Michigan is one of four states selected by the Centers for Medicare & Medicaid Services (CMS) to participate in the model.

“We are excited to have been chosen by CMS to offer this enhanced level of care to Medicaid beneficiaries seeking treatment for behavioral health issues and substance use disorder,” said Elizabeth Hertel, MDHHS director. “Michigan residents will receive more personalized and integrated care through this model designed to reduce visits to the emergency department, improve behavioral and physical health outcomes and address quality of life needs such as housing, food and transportation.”

Medicaid and Medicare populations experience disproportionately high rates of mental health conditions or SUDs, or both. As a result, they are more likely to experience poor health outcomes such as frequent visits to the emergency department and hospitalizations or premature death. In FY2022, Michigan’s Community Mental Health Service Programs served 178,837 individuals for behavioral health issues; with 12,806 of those individuals receiving substance use services only. An additional 62,691 admissions for SUD services were administered by the state’s 10 Pre-Paid Inpatient Health Plans.

Michigan plans to implement the IBH Model in multiple locations throughout the state in both urban and rural areas, including the Upper Peninsula. Sites will be chosen from among providers who are currently participating in the Certified Community Behavioral Health Clinic demonstration or as a Health Home.

“Michigan’s receipt of this award from CMS underscores and will strengthen Michigan’s innovative community-based approaches to meeting the behavioral health needs of Michiganders. Building on Michigan’s network of Certified Community Behavioral Health Clinics and Behavioral Health Homes – two initiatives led by MDHHS - this newly funded initiative will foster even greater access to and coordination of behavioral health care and other community health and human services for Michiganders enrolled in Medicaid or Medicare,” said Robert Sheehan, Community Mental Health Association of Michigan CEO. “CMHA applauds MDHHS for expanding its partnership with CMS, the latest in a long list of leading-edge behavioral health initiatives.”

Specialty behavioral health providers will screen and assess patients for priority health conditions as well as behavioral health conditions and SUD. Providers will lead an interprofessional care team and be responsible for coordinating with other members of the care team to address patients’ behavioral and physical health and health-related social needs such as housing, food and transportation. Providers will be compensated based on the quality of care provided and improved patient outcomes.

The eight-year model period begins Jan. 1, 2025, and consists of a three-year pre-implementation period prior to services starting. MDHHS was awarded \$7.5 million by CMS for planning and implementation.

#