

**TEMPLATE FOR TRANSFORMATION PROJECT SUGGESTIONS**

For projects to be considered for inclusion in the Medicaid Transformation Project List, please provide the information requested in the template. We are looking for summarized information – **2-3 pages maximum per project**.

Please email completed templates by **January 15, 2016**, to [MedicaidTransformation@hca.wa.gov](mailto:MedicaidTransformation@hca.wa.gov) with the subject **Medicaid Waiver Project**. Thank you for your interest and support.

<b>Contact Information</b>	<p><i>Identify point person, telephone number, e-mail address</i>            Katherine Switz, 347-572-3080, <a href="mailto:kswitz@manymindscollaborative.org">kswitz@manymindscollaborative.org</a></p> <p><i>Which organizations were involved in developing this project suggestion?</i>            King County Administration, HERO House, Seattle Union Gospel Mission, Valley Cities, Recovery Cafe, Many Minds Collaborative</p>
<b>Project Title</b>	<p><i>Title of the project/intervention</i>            Creating “clubhouses” for those with severe mental illness in King County, WA</p>
<b>Rationale for the Project</b>	
<p><i>Include:</i>  <b>Problem statement – why this project is needed.</b>            The state of Washington consistently ranks among the top 10 states in the country with the highest incidence of “any mental illness” for persons aged 18 and older<sup>1</sup>. It is estimated that in Seattle-King County alone, over 400,000 adult residents have experienced a mental disorder in the past year<sup>2</sup>. Roughly 6% of our population (or 1 in 17) suffers from a <i>serious</i> mental illness; in King County, that translates into 95,000 people<sup>3</sup>. Typically, 40% of those affected never receive treatment<sup>4</sup>. The services currently available in King County are woefully inadequate to meet the needs of those with mental health conditions. In terms of clubhouses in specific, King County currently only has one certified clubhouse with a membership of approximately 600 people.</p> <ul style="list-style-type: none"> <li>• <b>Supporting research (evidence-based and promising practices) for the value of the proposed project.</b>            The <b>clubhouse model</b> is an inexpensive but highly effective solution that focuses on sustained long-term recovery for those with mental health conditions. A clubhouse is an internationally recognized evidence-based program that takes the form of a community center for those with mental illness to find peer support, achieve self-reliance and become productive members of society.</li> <li>• <b>Relationship to federal objectives for Medicaid<sup>1</sup> with particular attention to how this project benefits Medicaid beneficiaries.</b>            This project is consistent with federal and state Triple Aim objectives to reduce costs associated with avoidable services (e.g., hospital readmissions) and bring evidence-based services to scale. Specifically, the Clubhouse model is included on the Substance Abuse and Mental Health Service Administration’s (SAMHSA) National Registry of Evidence Based Practices and Programs. In addition, improvements in client outcomes were published by SAMHSA.</li> </ul>	
<b>Project Description</b>	
<p><i>Which Medicaid Transformation Goals are supported by this project/intervention? Check box(es)</i>  <input checked="" type="checkbox"/> Reduce avoidable use of intensive services</p>	

<sup>1</sup> SAMHSA 2014 Mental Illness Estimates by State. <http://archive.samhsa.gov/data/2k14/NSDUH170/sr170-mental-illness-state-estimates-2014.htm>

<sup>2</sup> Provine, Tony. “Talking about Mental Health.” AgeWise King County, March 2014.

<sup>3</sup> Ibid.

<sup>4</sup> USA Today *Nowhere to Go: The Cost of Not Caring*.

- X Improve population health, focused on prevention
  - Accelerate transition to value-based payment
  - Ensure Medicaid per-capita growth is below national trends

*Which Transformation Project Domain(s) are involved? Check box(es)*

Health Systems Capacity Building

- X Care Delivery Redesign
- X Population Health Improvement – prevention activities

*Describe:*

- ***Region(s) and sub-population(s) impacted by the project. Include a description of the target population (e.g., persons discharged from local jail facilities with serious mental illness and or substance use disorders).***

The clubhouse program will focus on residents in King County, WA who live with a severe and persistent mental illness.

- ***Relationship to Washington’s Medicaid Transformation goals.***

The clubhouse program is consistent with the state’s goal of reducing avoidable use of intensive services, particularly for psychiatric/acute care hospitals and jails. The cost of clubhouses has been estimated to be one-third the cost of hospital services and about half the cost of Community Mental health Centers.<sup>5</sup> The program also furthers the state’s goal to improve population health for mental illness and substance use disorders by taking a holistic, whole-person approach and incorporating social determinants of health in its design (i.e., employment, housing, treatment and other social support needs). The results are encouraging. For example, a 2012 study of the ‘work-order day’ model found in many clubhouses confirmed that participants had a significantly longer average competitive employment duration even after controlling for prior work history.<sup>6</sup>

- ***Project goals, interventions and outcomes expected during the waiver period, including relationship to improving health equity /reducing health disparities.***

The goal of the project is to provide clubhouse services (as described below) in King County, Washington. We believe, by providing these services, more individuals will recover from mental health conditions causing decreases in hospitalization, incarceration, and other key metrics. These improvements will lead to decreases in system costs. On balance, per national benchmark data, clubhouses have been shown to decrease system costs.

- ***Links to complementary transformation initiatives - those funded through other local, state or federal authorities (such as the health home program and Early Adopter/Behavioral Health Organization regional purchasing) and/or Medicaid Transformation initiatives # 2 and 3.***

This project compliments Medicaid Transformation initiatives #2 (broadening the array of service options to delay/avoid intensive care) and #3 (providing foundational community supports). It is also consistent with initial recommendations of King County’s Community Alternatives to Boarding Task Force to pursue strategic services and programs that connect clients to needed supports and help avoid inpatient and involuntary treatment. In addition, this application is supported by a philanthropic initiative in Washington state called Many Minds Collaborative. This collaborative has prioritized clubhouses for priority focus and is planning to allocate funding to support them, assuming commensurate support by government. Many Minds Collaborative is working closely with the King County Administration to ensure its efforts fully support those of relevant local and state government bodies.

- ***Potential partners, systems, and organizations (e.g., health and social service providers, ACH participants) needed to be engaged to achieve the results of the proposed project.***

Health and social service providers; King County government; Many Minds Collaborative; King County’s Accountable Community of Health (ACH)

**Core Investment Components**

<sup>5</sup> McKay, C.E., Yates, B.T., & Johnsen, M. (2007).

<sup>6</sup> Schonebaum, A. & Boyd, J. (2012).

*Describe:*

- **Proposed activities and cost estimates (“order of magnitude”) for the project.**

**Proposed Activities**

The project aims to enable the implementation of 5 clubhouses in King County. Two in the southern region, 1 in the northern region, and 2 in the downtown region. According to a King County Administration population/need analysis, this is the likely level and location of need. According to Clubhouse International best practices, King County Clubhouses will offer the following support for its members (see definition of members below): Work-Ordered Day; Employment Programs; Social and Recreational Programs;; Community Support; Educational opportunities; Outreach; Opportunities for decision-making and governance.

Membership is voluntary, long term, and open to anyone with a history of mental illness, unless that person poses a significant and current threat to the general safety of the clubhouse community.

**Cost estimates**

- **Best estimate (or ballpark if unknown) for:**

- *How many people you expect to serve, on a monthly or annual basis, when fully implemented.*

Each clubhouse will serve 500 adults each year for a total of 2500 over the proposed 5 clubhouses.

- *How much you expect the program to cost per person served, on a monthly or annual basis.*

We expect each clubhouse to have operating costs of approximately \$500,000 per year for a total for 5 clubhouses of \$2.5 million. This equals approximately \$1000 per member per year. There will be additional “start up” costs of approximately \$300,000 per clubhouse for the 4 new clubhouses (1 existing will not require this). Many Minds Collaborative mentioned above may be able to play a role in sourcing that capital from philanthropists.

- *How long it will take to fully implement the project within a region where you expect it will have to be phased in.* It will likely take 12-18 months from funding to operation though that may be able to shorten depending on funding flows.

- *The financial return on investment (ROI) opportunity, including estimated amounts and associated ROI timeline.*

We expect positive ROI within 5 years based on savings on the following: Reduced hospitalization; Reduced incarceration. The clubhouse model is relatively inexpensive to implement relative to daily cost of hospitalization, incarceration.

**Project Metrics**

*The state will monitor implementation of transformation projects at regional and statewide levels through process and outcome measures. Each project will require clearly defined outcomes that relate to the goals and specific process steps.*

*Wherever possible describe:*

- *Key process and outcome measures (and specific benchmark performance data if known) against which the performance of the project would be measured. Include priority measures sets described in the Waiver application <http://www.hca.wa.gov/hw/Documents/waiverappl.pdf> pages 46-47.*

Studies on clubhouses by Clubhouse International suggest the use of the following metrics: Reduced hospitalization; Reduced incarceration; Increased employment; Increased social “connection”/”community”; Improved quality of life (measured through randomized control trials). In the language of the transformation goals, the clubhouses will: Reduce available use of intensive services and settings and Improve population health, particularly mental illness.

- *If no specific benchmark performance data are currently available, what efforts will be undertaken to establish benchmark performance ahead of any proposed project implementation?*

The project as already begun to work with Clubhouse International to understand existing benchmarks for the above metrics. Where necessary, the project may conduct baseline analyses against which to gauge future impact. These baselines would then be available to any group implementing such a program in the future.