Health Reform and Medicaid:
Implications and Options

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National Council for Community Behavioral Healthcare
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The National Council: Serving and Leading

- Represent 1,950 community organizations that provide safety net mental health and substance abuse treatment services to over six million adults, children and families.

- National voice for legislation, regulations, policies, and practices that protect and expand access to effective mental health and addictions services.
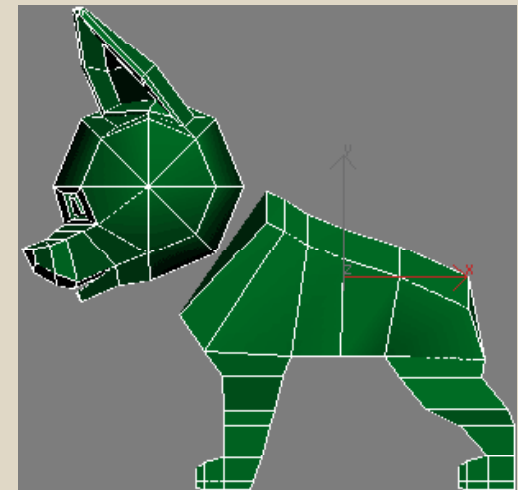
Overview

- A changing landscape for behavioral health

- New approaches to organizing care

- Demonstrating value and accountability

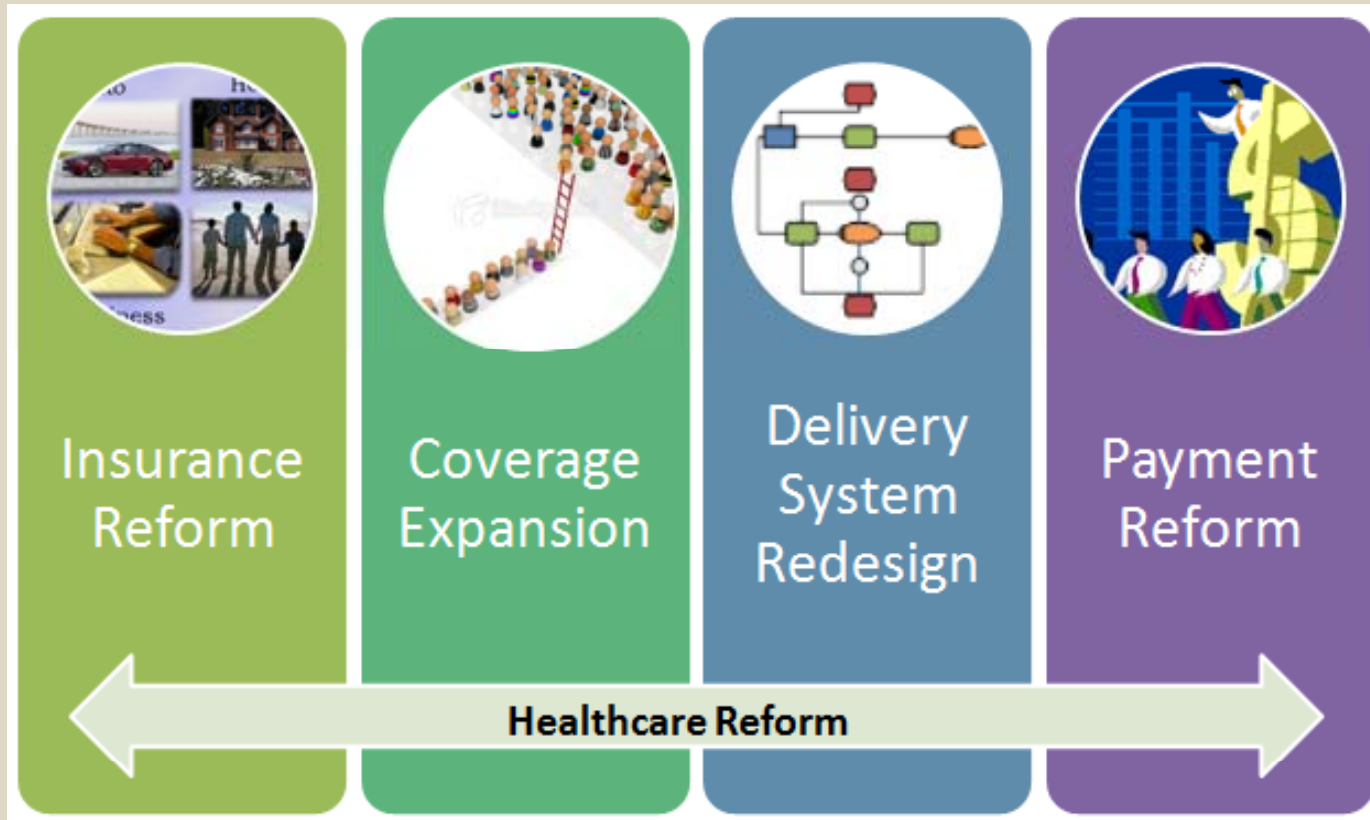"We're ready to begin the next phase of keeping things exactly the way they are."

Two Hypotheses

- **Sick Care/Health Care:** Federal, State and Local healthcare reform is in the process of dramatically changing the American healthcare system from a *sick care* system to a true *health care* system

- **Importance of Behavioral Health:** Prevalence and Cost Studies are showing that this cannot be accomplished without addressing the healthcare needs of Americans with a serious mental illness and the mental health and substance use needs of all Americans

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The Affordable Care Act: Four Key Strategies

Insurance Reform | Coverage Expansion | Delivery System Redesign | Payment Reform

Healthcare Reform

U.S. health care reform, with or without federal legislation, is moving forward to address key issues

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Benefits for the Newly Eligible

- **Essential benefits** include mental health and substance use treatment

- MH and SUD must be offered at **parity** with medical/surgical benefits

This means…

- …Most members of the safety net will have coverage, including mental health and substance use disorders
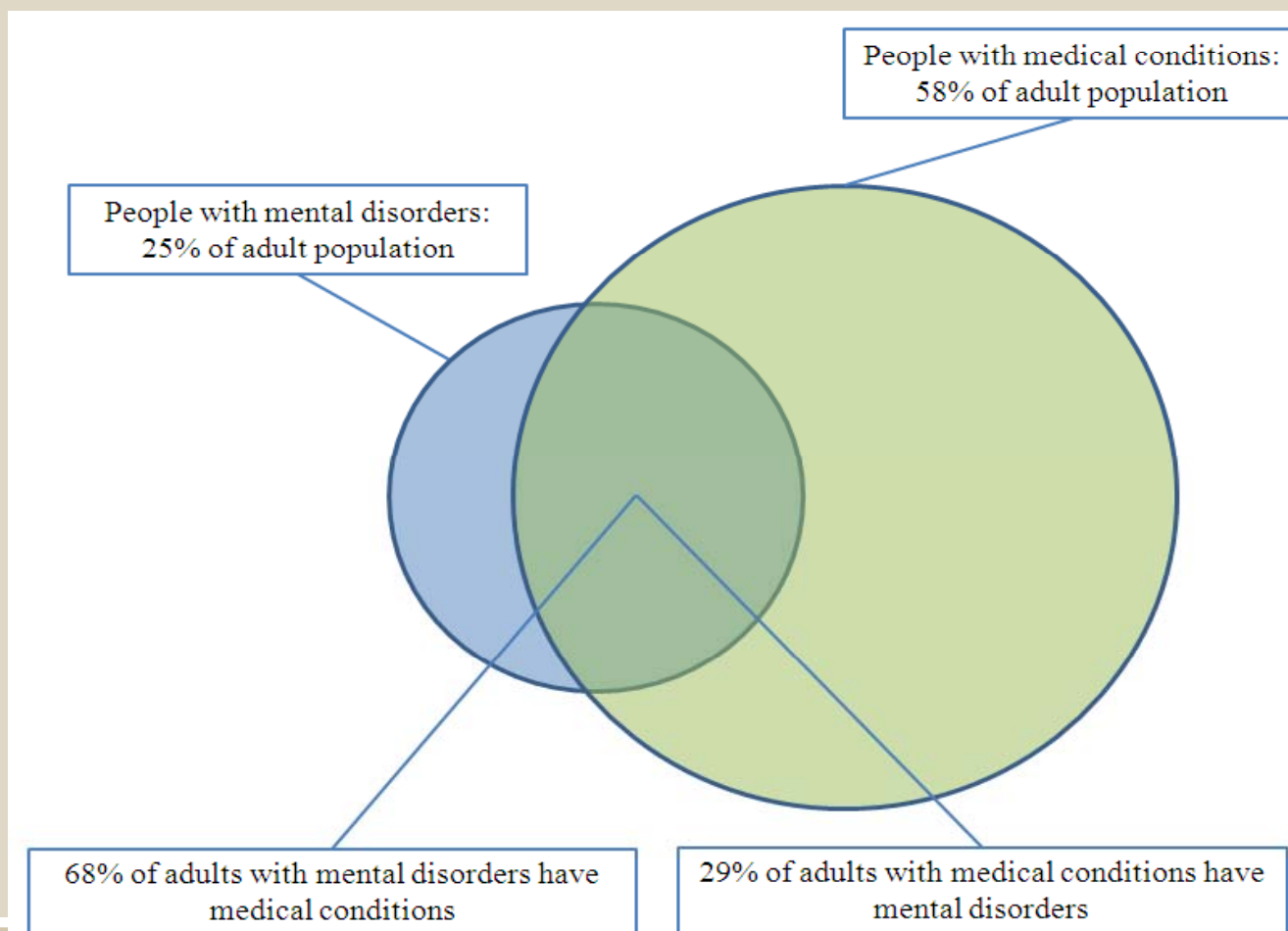
A Changing Healthcare Landscape: Ensuring a Role for Behavioral Health

- With new policy changes and more people with access to care, we will have to think creatively about how to **increase capacity**, **reach out** to underserved populations, and **provide services** in a way to meet new demands.

- **Accountability** is the cornerstone of the new healthcare environment.

- All of these initiatives will require **investment in new technologies**, especially technologies that interface with other systems and also measure outcomes.

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Co-morbidities in the Adult Population

People with medical conditions:
58% of adult population

People with mental disorders:
25% of adult population

68% of adults with mental disorders have
medical conditions

29% of adults with medical conditions have
mental disorders

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A Population Health Approach

- Need to think differently about health: move from a focus on **providing services** to a **single individual**… to **measurably improving outcomes** for the **populations** in our communities

- Key strategies/elements:
  - Prevention
  - Care management
  - Partnerships with primary care providers and others in the healthcare system
  - Data collection & continuous quality improvement
  - Clinical accountability

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Defining the Healthcare Home

Superb Access to Care

Patient Engage-ment in Care

Clinical Infor-mation Systems

Care Coor-dination

Team Care
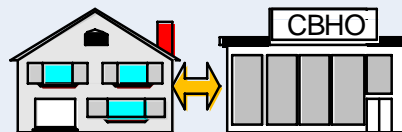
Patient Feed-back

Publicly Available Infor-mation

Person-Centered Healthcare Home

New Paradigm – Primary Care in Behavioral Health Organizations

Funding starting to open up for embedding primary medical care into CBHOs, a critical component of meeting the needs of adults with serious mental illness
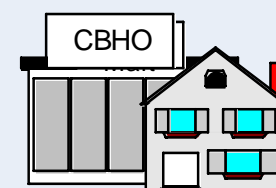
Clinical Design for Adults with Low to Moderate and Youth with Low to High BH Risk and Complexity

CBHO

Primary Care Clinic with Behavioral Health Clinicians embedded, providing assessment, PCP consultation, care management and direct service	Partnership/ Linkage with Specialty CBHO for persons who need their care stepped up to address increased risk and complexity with ability to step back to Primary Care

Clinical Design for Adults with Moderate to High BH Risk and Complexity

CBHO

Community Behavioral Healthcare Organization with an **embedded Primary Care Medical Clinic** with ability to address the full range of primary healthcare needs of persons with moderate to high behavioral health risk and complexity

New Medicaid State Option for Healthcare Homes

- State plan option allowing Medicaid beneficiaries with or at risk of two or more chronic conditions **(including mental illness or substance abuse)** to designate a "health home"

- Community mental health organizations are included as eligible providers

- Effective Jan. 2011

- Additional guidance forthcoming from HHS

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Eligibility Criteria

- To be eligible, individuals must have:
  - Two or more chronic conditions, OR
  - One condition and the risk of developing another, OR
  - **At least one serious and persistent mental health condition**

- The *chronic conditions* listed in statute **include a mental health condition, a substance abuse disorder,** asthma, diabetes, heart disease, and obesity (as evidenced by a BMI of > 25).

- States may add other conditions subject to approval by CMS

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Health Home Services

- 90% Federal match rate for the following services during the first 8 fiscal year quarters when the program is in effect:
  - Comprehensive care management
  - Care coordination and health promotion
  - Comprehensive transitional care from inpatient to other settings
  - Patient and family support
  - Referral to community and social support services
  - Use of health IT to link services (as feasible/appropriate)

States to Date

- 12 States have planning grants: MI, AR, WV, AZ, NV, NJ, NM, NC, CA, WA, AL, ID,

- 2 Grants in approval process W I, DC

- SAMHSA Discussions: MO, MN, NC, NH, NY, RI, OR, IA

- MO First State to Submit State Plan Amendment

- Quite a few states seem to be considering this option for populations with serious mental illness — no substance abuse proposals yet

Other Emerging Themes

- Rapid expansion of Medicaid managed care for all populations – Kentucky, California, New York, Florida

- Dual-eligible planning and implementation – large number of individuals with serious mental illness in this group.

- Safety-net accountable care experiments – Oregon, Washington, Northern New Mexico

- Global payment initiatives - Massachusetts

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Thoughts on the Implications for Behavioral Health

- We guarantee we are **_all_** moving into a period of disruption

- The growing use of HIT by the health care system will influence BH practice, whether BH adopts or not

- This is going to be hard stuff

- Behavioral Health won't automatically be included

- We need to strategically collect more/different data and use it to influence treatment decisions

- BH stakeholders need to develop the value proposition

- And we will likely have to ask to be involved

- This will require thinking and acting differently

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What can Health Foundations do to Help?

- Health Home Capacity Building
  - Care management
  - Health IT

- Support local experimentation. Relationship and project development between Behavioral Health organizations and
  - Community Health Centers
  - Safety-net clinics and hospitals

Questions?

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