DMAS' Role in the Public Mental Health System

JOINT SUBCOMMITTEE TO STUDY MENTAL HEALTH SERVICES IN THE COMMONWEALTH IN THE 21ST CENTURY

SYSTEM STRUCTURE & FINANCING WORK GROUP #1

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DIVISION OF DEVELOPMENTAL DISABILITIES AND BEHAVIORAL HEALTH
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

The DMAS Mission

Superior Care

Cost Effective

Continuous Improvement

Virginians Covered by Medicaid/CHIP

1 in 8 Virginians rely on Medicaid

Medicaid is the primary payer for **behavioral health** services

Medicaid covers **1 in 3** births in Virginia

33% of children in Virginia are covered by Medicaid & CHIP

2 in 3 nursing facility residents are supported by Medicaid

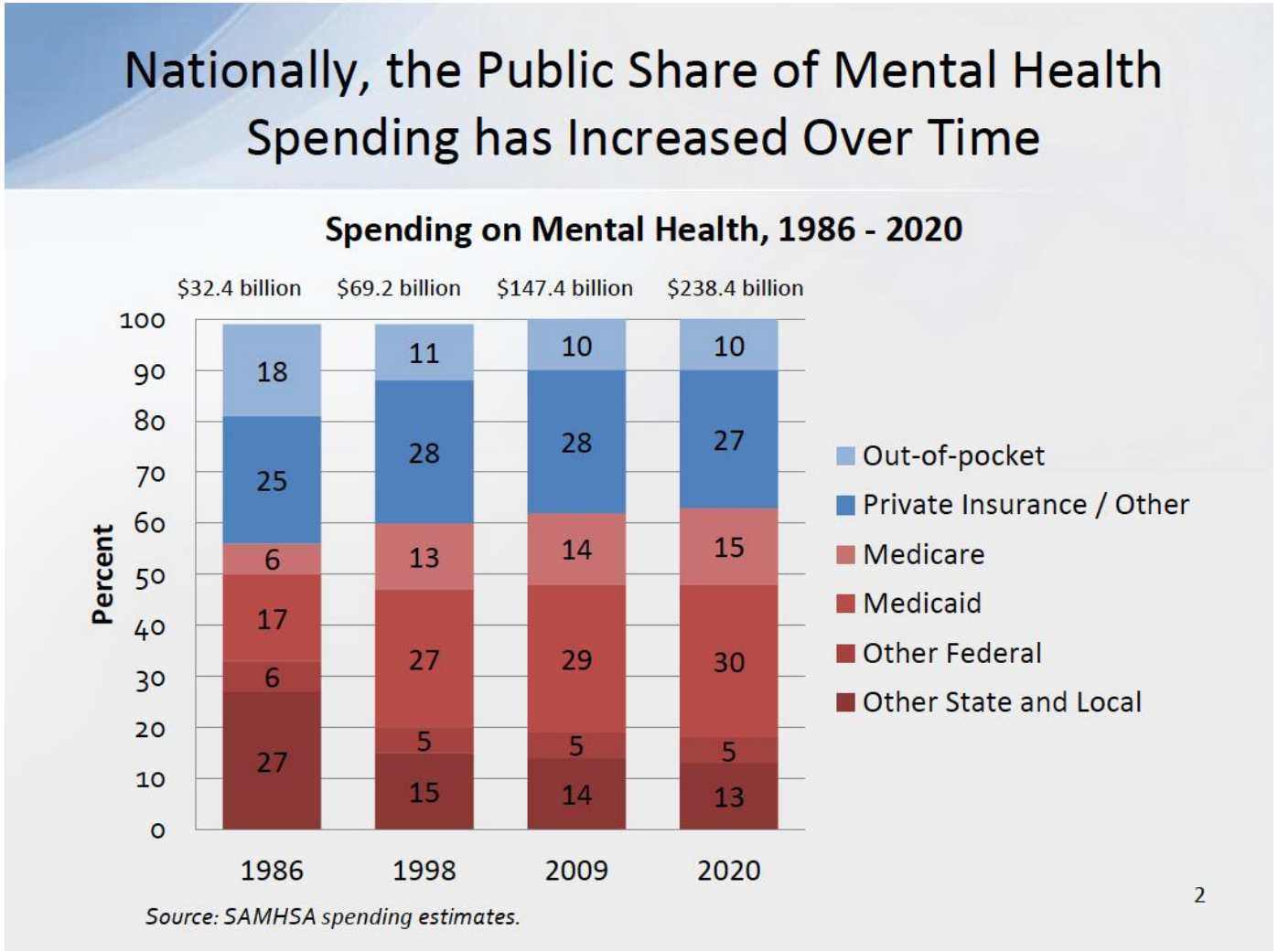
62% of long-term services and supports spending is in the community

Medicaid plays a critical role in the lives of over 1.3 million Virginians

Behavioral Health and Medicaid

- Medicaid covers a variety of behavioral health services
  - Inpatient Psychiatric Services
    - Private Freestanding Psychiatric Facilities
    - State Psychiatric Facilities
    - Acute Care Inpatient Psychiatric Units
  - Outpatient Psychiatric Services
  - Residential Treatment Services
    - Therapeutic Group Home
    - Psychiatric Residential Treatment Facilities
  - Substance Use Disorder Treatment
    - ASAM Level 1.0-4.0
    - Opioid Treatment Services
      - Opioid Treatment Programs
      - Preferred Office Based Opioid Treatment
    - ARTS Peer Supports
  - Community Mental Health Rehabilitation Services
    - Mental Health Case Management
    - Therapeutic Day Treatment (TDT) for Children
    - Day Treatment/ Partial Hospitalization for Adults
    - Crisis Intervention and Stabilization
    - Intensive Community Treatment
    - Mental Health Skill-building Services (MHSS)
    - Intensive In-Home
    - Psychosocial Rehab
    - Behavioral Therapy
    - Mental Health Peer Supports

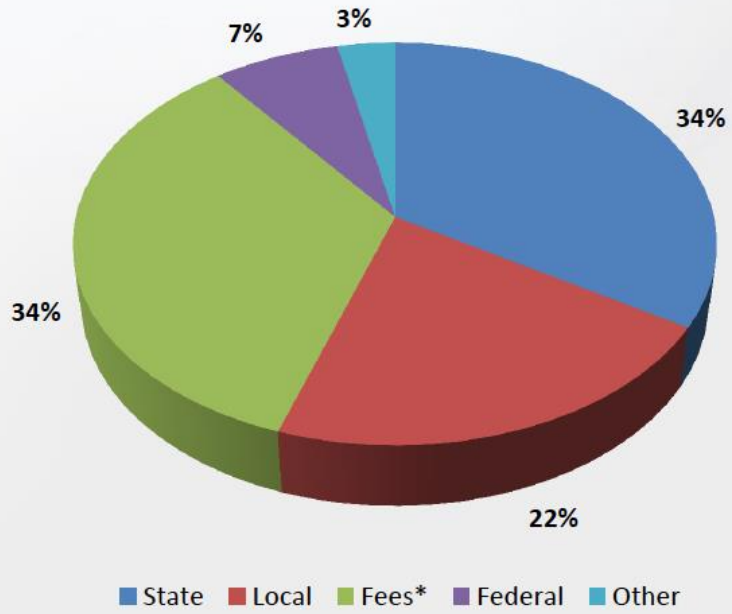
Medicaid is Now the Predominant Payer for MH Nationally…



…and in Virginia as Well

Mental Health Funding for Community Services Boards

FY 2015 Revenue by Source



Source	FY 2015 Amount ($ in millions)
State	$252.1
Local	$160.5
Fees*	$256.5
Federal	$54.0
Other	$24.7
Total	**$747.7**

** Fees are primarily Medicaid payments to CSBs for services.*

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Source: FY15 End of the Fiscal Year Performance Contract Reports from the CSBs. Excludes funding for developmental services.

Major Initiatives of Virginia Medicaid

- Launched Commonwealth Coordinated Care Plus in August 2017
- Implement Addiction and Recovery Treatment Services (ARTS) in 2017
- Transformed Children's Residential Treatment Services in 2017
- Transition of CMHRS into CCC Plus in January 2018
- Procured Managed Care for pregnant women and children (Medallion 4.0) in August 2018
- Transition of CMHRS into Med 4.0 August 2018
- Transition of RTS to Managed Care April 2018

95% of Virginia Medicaid enrollees are covered by managed care

Commonwealth Coordinated Care Plus (CCC Plus)

- New Medicaid managed care program began implementation August 2017 and fully implemented statewide in January 2018 – covering over 210,000 individuals
  - Serving older adults and individuals who are disabled
- Participation is required for qualifying populations
- **Integrated delivery model** that includes **medical services, behavioral health services and long term services and supports (LTSS)**
  - Community Mental Health Services were carved in January 2018
- Care coordination and person centered care with an interdisciplinary team approach

Medallion 4.0 – August 2018

- Implementation will begin August 1, 2018, scheduled to complete statewide by January 1, 2019.
- Medallion 4.0 will cover 760,000 Virginians
  - Covering infants, children, pregnant women and parents
- Same 6 MCOs as CCC Plus
- New carved-in populations and services:
  - Early Intervention Services
  - Third Party Liability (TPL)
  - Community Mental Health and Rehabilitation Services (CMHRS)

Total Cost of Populations with Mental Illness and/or SUD

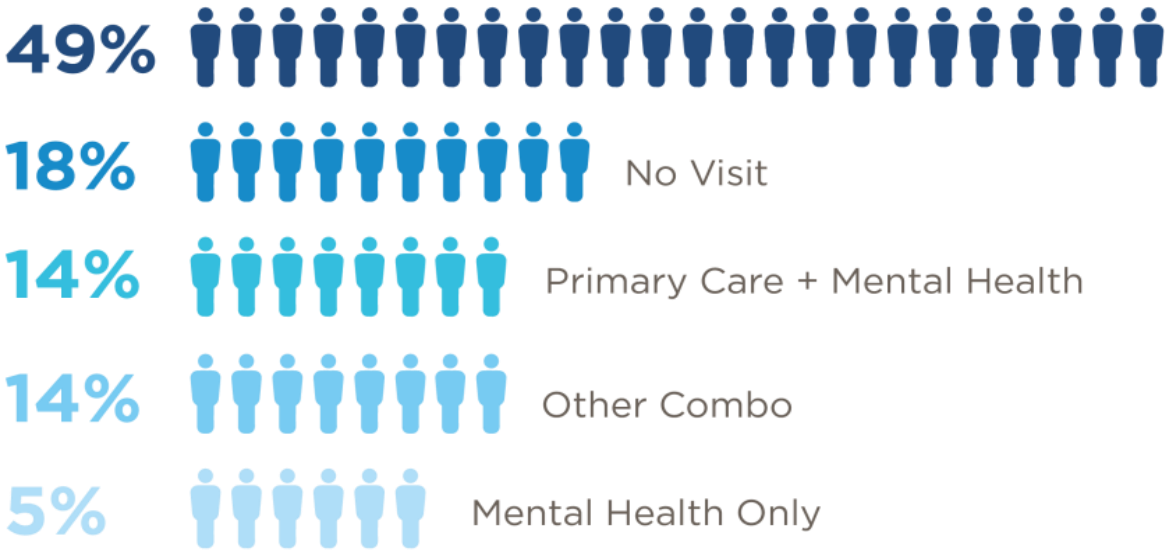
- Medicaid is the single largest payer in the United States for behavioral health services, including Mental Illness (MI) and Substance Use Disorders (SUD)
- Even though individuals with MI/SUD account for only 14% of total insured population they account for over 30% of total healthcare spending including:
  - 18% of Medicare healthcare spending
  - 31% of Commercial healthcare spending
  - **46% of Medicaid healthcare spending**

Source: Milliman American Psychiatry Association Report. Economic Impact of Integrated Behavioral Healthcare: Implications for Psychiatry. April 2014

Primary Care is the De Facto Mental Health Clinic

MENTAL HEALTH TREATMENT PATHWAYS

Visits for Individuals with Poor Mental Health



Findings from
109,593
respondents to the
2002-2009 Medical Expenditure Panel Surveys (MEPS)

Peterson, S., Miller, B., Payne-Murphy, J., & Phillips, R. (2014). Mental health treatment in the primary care setting: patterns and pathways. Family, Systems, & Health.

Transformation of Medicaid Community-Based Mental Health Delivery System

- Through a RWJF funded grant, the state partnered with the Farley Center, a nationally recognized expert on health care integration, to analyze Medicaid behavioral health spending at provider level and city/county level
- The Farley Center is working with stakeholders to create a plan for DMAS and other state agency partners to transform Virginia's existing delivery system into a comprehensive, evidence-based continuum of community-based mental health services with uniform standards and quality measures *(continued work pending 2018 Appropriations)*

Farley Center Analysis - Method

- Department of Medical Assistance Services (DMAS)
  - Claims Data from Fiscal Year 2017
- Department of Behavioral Health and Developmental Services
  - Psychiatric Free Standing Hospitals
  - State-funded BH Facilities
  - CSB Locations and Service Areas
- Department of Health
  - Population Health Outcomes, 2015
    - Mortality Rates
    - BH Outcomes including Self-Reported MH Status and many others

Aggregate Data – No Inference Intended on Individual Level

Farley Health Policy Center

Virginia Medicaid – Context of the State Population

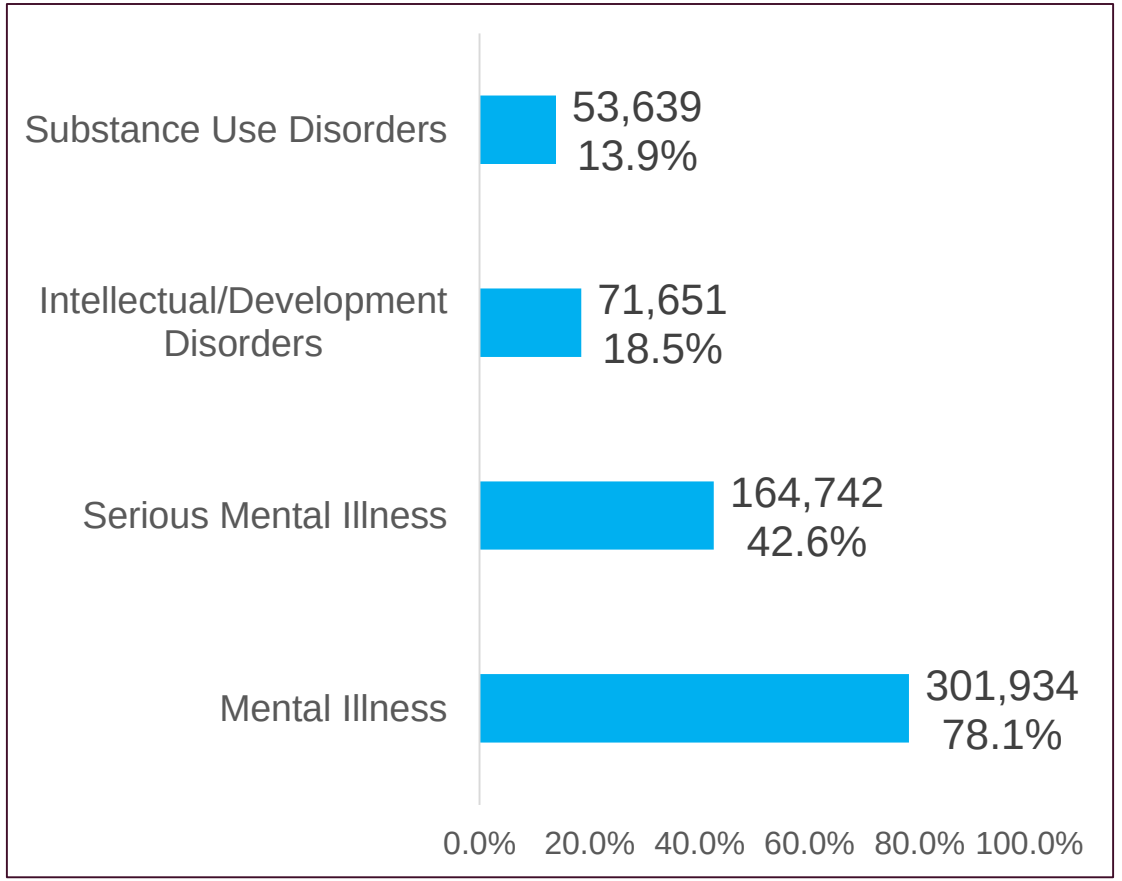
8.4 million Virginians – July 2017 Census Estimate*

	Medicaid	Medicaid/CHIP
No. (%) Enrolled - FY 2016	991,112 (11.8%)	1.099 million (13.1%)
No. (%) Enrolled - FY 2017	1.011 million (12.0%)	1.37 million (16.3%)
Total State and Federal Expenditures- FY 2016	$8.86 billion	$9.11 billion
Total State and Federal Expenditures- FY 2017	$9.37 billion	$9.67 billion

*Intercensal estimates- Published on January 30, 2017 by the Weldon Cooper Center for Public Service, Demographics Research Group, www.coopercenter.org/demographics

Behavioral Health Population: Medicaid

- Total BH Recipients in FY17-386,305; **28.1% of total Medicaid Recipients – 1.37 million**
- Data reflects # and % individuals for whom a claim was paid for medical services for those with BH condition
- Recipients can be diagnosed with more than one BH condition



Farley Health Policy Center

How the Money Flows

- State Plan- Contract between CMS/DMAS
- Nearly 50/50 split of dollars from Medicaid federal and state funds
- DMAS contracts with Managed Care Organizations (MCOs) and the Behavioral Health Services Administrator (BHSA) to manage the Behavioral Health services
- “Manage” includes credentialing/contracting with providers, authorizing services based on medical necessity, providing care coordination, and paying provider claims

Medicaid Expenditures FY17

	$	% of Total
Total Claims Expenditures	**$9,218,133,404**	**100**
FFS	$5,541,560,106	60.1
Long-Term Care	$2,684,481,133	29.1
Acute Care	$1,836,635,717	19.9
Mental Health Services	$862,339,335	9.4
Case Management	$158,103,920	1.7
Capitated	$3,676,573,298	39.9
MCO	$3,614,153,779	39.2
PACE	$62,419,519	0.7

Fee For Service Behavioral Health Service Expenditures FY17

	$	% of Total
Mental Health Services	**$862,339,335**	**100**
Mental Health Skill Building Services	**$252,678,903**	**29.3**
Therapeutic Day Treatment	**$187,116,301**	**21.7**
Other BH Services	**$151,843,988**	**17.6**
Intensive In-Home Treatment	$127,614,235	14.8
Residential Treatment Centers - Levels A/B/C	$110,209,774	12.8
Mental Hospital -State	$31,299,362	3.6
Mental Hospital- Private	$1,576,774	0.2

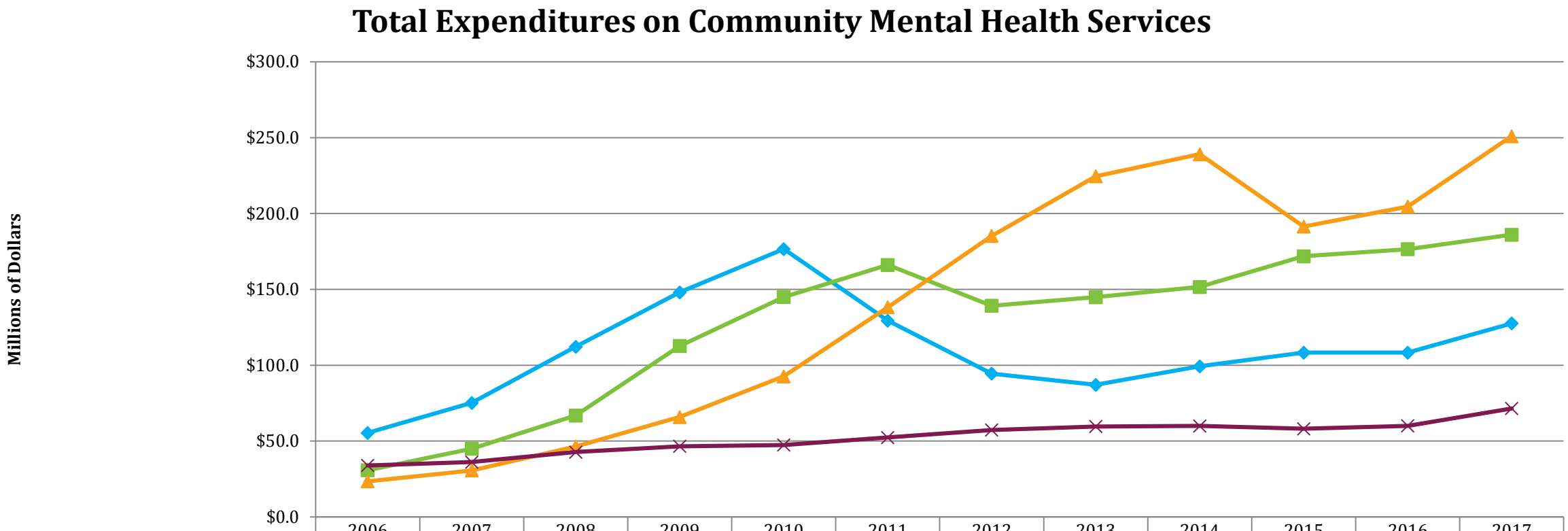
Other BH Services include EDPST Specialty Services, Therapeutic Group Home Services, Crisis Stabilization Services, Crisis Intervention Services, Psychosocial Rehabilitation Services, MH Case Management and Day Treatment/Partial Hospitalization

Cost and Type of Community Mental Health Service

Type of Community MH Service	Total Expenditures	% of Total
Mental Health Skill Building	**$250,995,665**	**39.5**
Therapeutic Day Treatment	**$186,000,194**	**29.2**
Intensive In-Home	**$127,614,235**	**20.1**
Psychosocial Rehab	$29,968,435	4.7
Crisis Stabilization	$20,645,574	3.2
Intensive Community Treatment	$13,024,735	2.0
Crisis Intervention	$4,682,024	0.7
Other	$3,220,495	0.5
Total	**$636,151,356**	**100**

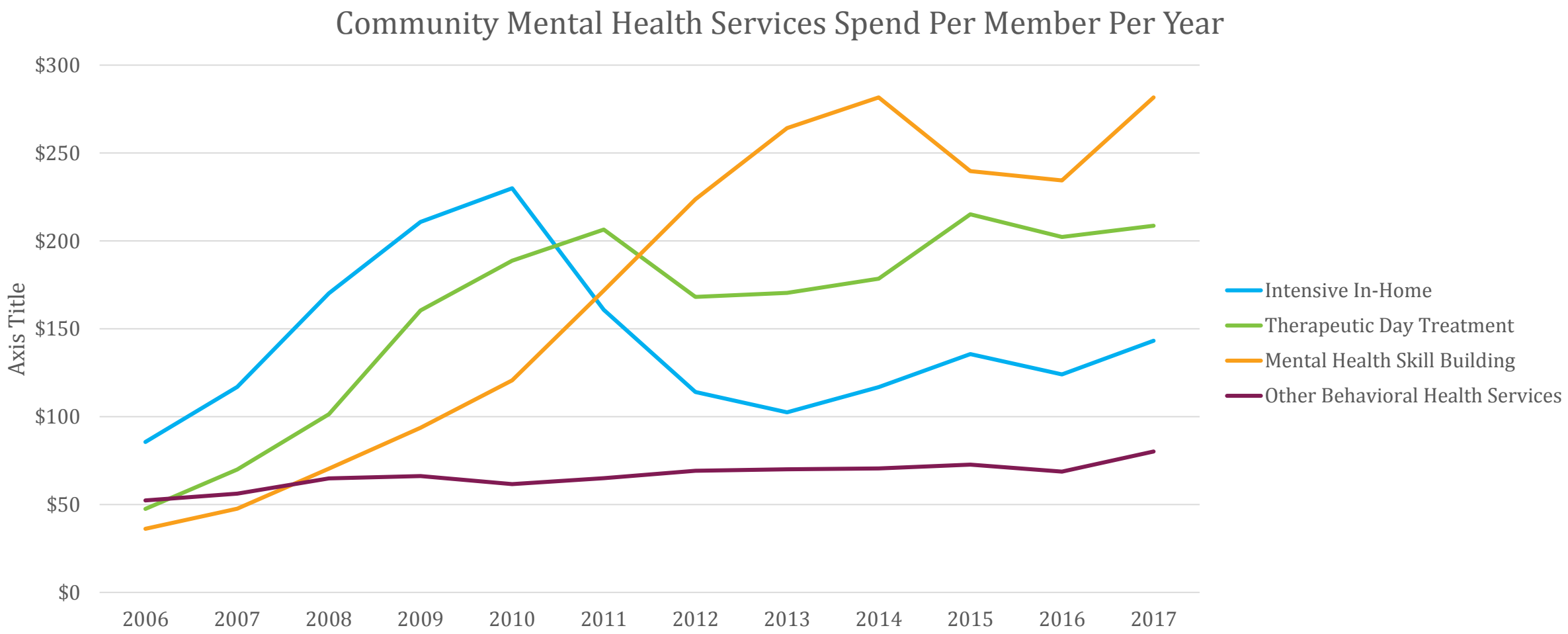
Other BH Services include EDPST Specialty Services, Therapeutic Group Home Services, MH Case Management and Day Treatment/Partial Hospitalization

Community Mental Health Services Expenses Over Time



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Intensive In-Home	$55.4	$75.2	$112.1	$148.0	$176.5	$129.3	$94.4	$87.1	$99.3	$108.3	$108.3	$127.6
Therapeutic Day Treatment	$30.8	$45.0	$66.8	$112.7	$144.9	$166.1	$139.2	$144.9	$151.6	$171.8	$176.5	$186.0
Mental Health Skill Building	$23.4	$30.7	$46.4	$65.8	$92.6	$138.2	$185.3	$224.5	$239.1	$191.4	$204.6	$251.0
Other Behavioral Health Services	$33.9	$36.2	$42.8	$46.5	$47.4	$52.4	$57.3	$59.6	$59.9	$58.1	$60.0	$71.5

Community Mental Health Services Spend Over Time - Per Member Per Year



Percentage of Total Medicaid Expenditures for Community MH Treatment Type: Non-CSBs vs CSBs

		Expenditures FY17	% of Total for Each Treatment
Intensive In-Home Treatment	Non-CSB	$126,110,391	98.8%
Total = $127,614,235	CSB	$1,503,845	1.2%
Therapeutic Day Treatment	Non-CSB	$143,557,814	76.7%
Total= $187,116,301	CSB	$43,558,487	23.3%
Mental Health Skill Building Services	Non-CSB	$238,800,535	94.5%
Total = $252,678,903	CSB	$13,878,368	5.5%
Other Behavioral Health Services	Non-CSB	$30,152,021	42.4%
Total= $71,171,203	CSB	$41,019,182	57.6%
EPSDT Specialty Services	Non-CSB	$80,538,145	99.8%
Total= $80,672,785	CSB	$134,640	0.2%

Non-CSB refers to private providers
Other BH Services: Includes Psychosocial Rehabilitation, Crisis Intervention and Stabilization and Intensive Community Treatment

Prevalence of Mental Illness Diagnoses and Facility Location

Legend

DMAS Regions

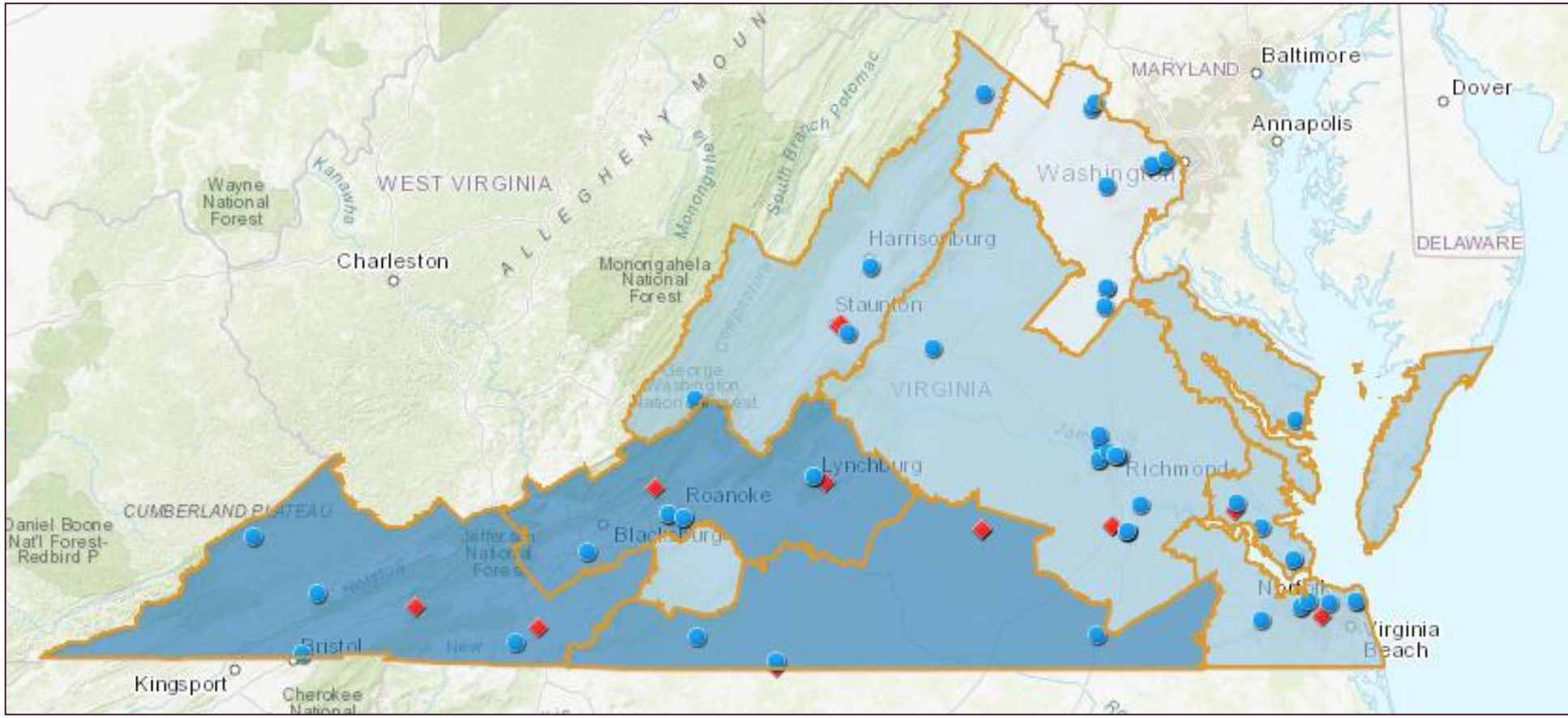
Private Psychiatric Hospitals

State-Operated Facilities - DBDHS

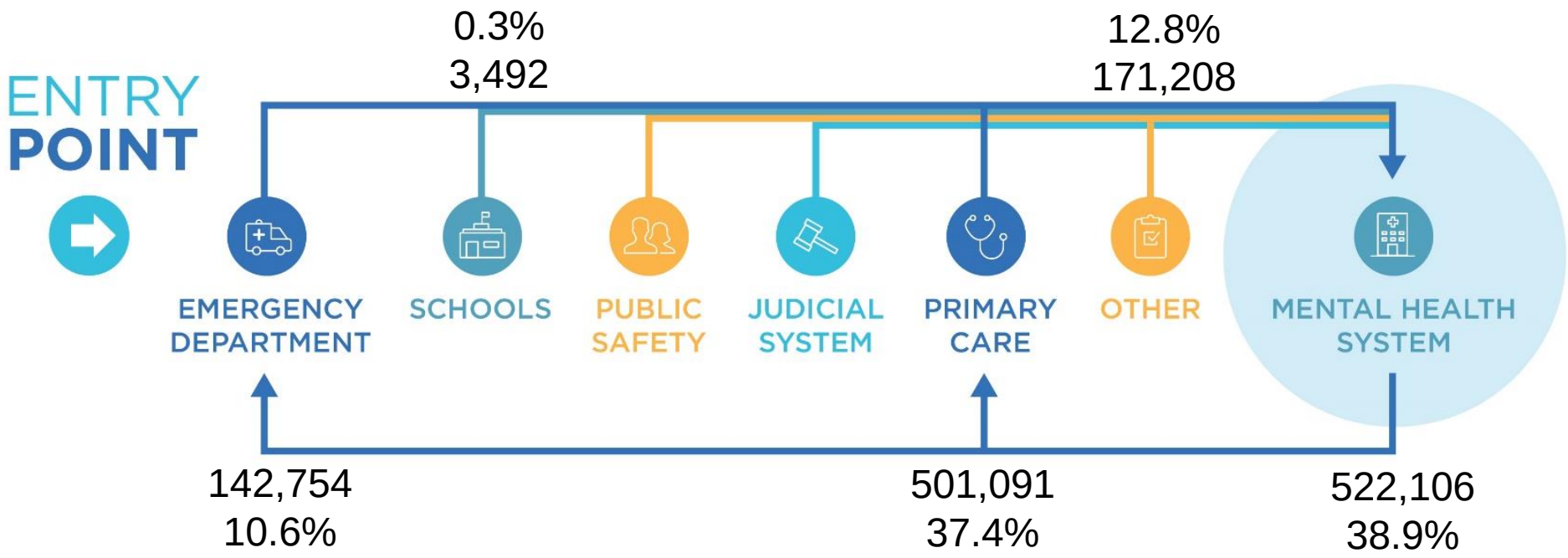
% of Total Medicaid Recipients with Mental Illness Diagnosis

per_recip_mi

- > 25.6 to 31.3
- > 19.9 to 25.6
- 14 to 19.9



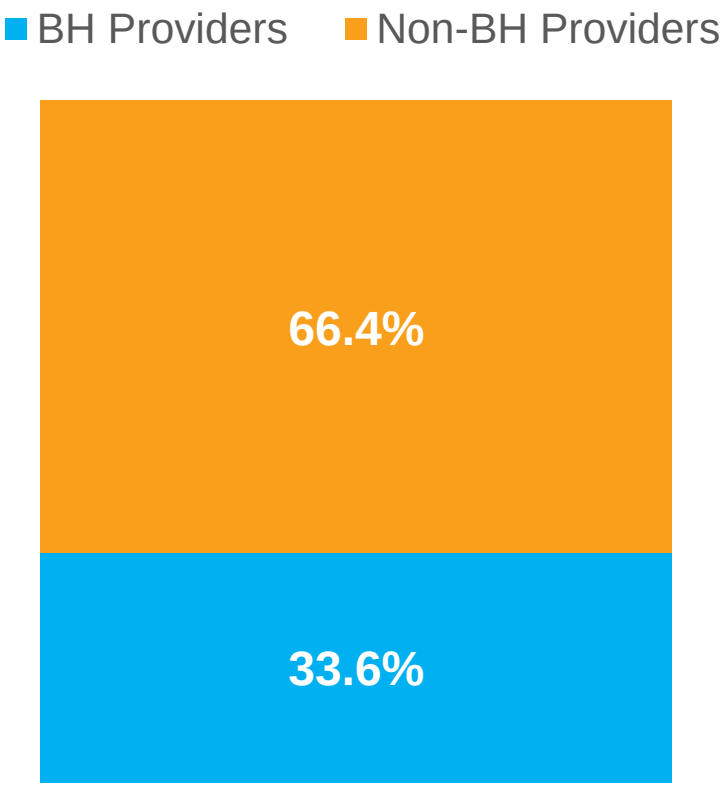
No Wrong Door - Virginia



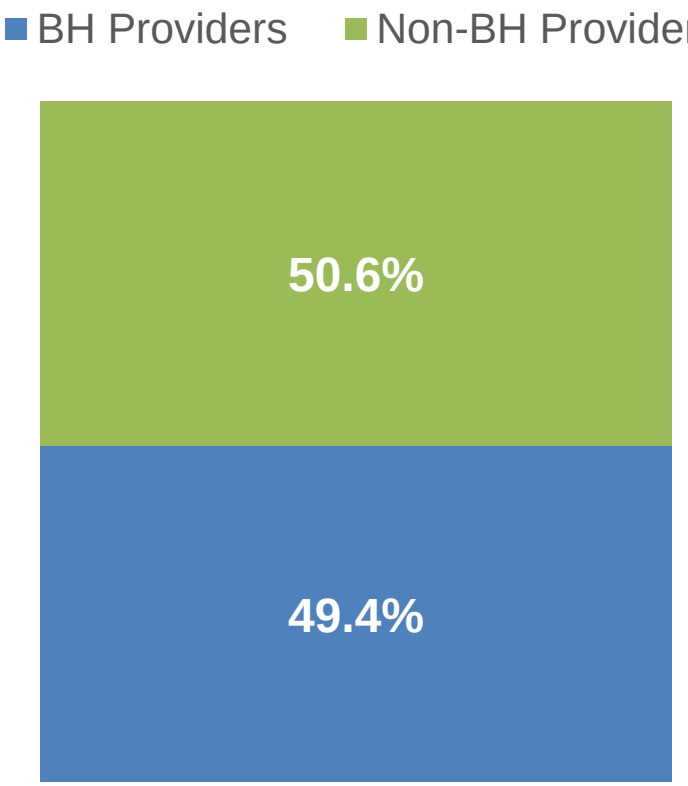
In FY2017, Medicaid recipients had 1,340,651 “behavioral health touches” across multiple care settings.

% of BH Prescriptions by Provider

Psychiatric Prescriptions



SUD Prescriptions



BH Providers include Psychiatrists, Psychologists, LCSWs, Nurses, Nurse Practitioners and other Behavioral Health providers as classified by DMAS. Non-BH Providers include Physicians (mostly in Primary Care – Family Med, Pediatrics, Internal Med, Geriatrics), Nurses, Nurse practitioners and other medical professionals as classified by DMAS.

…Our Future…


ENTRY
POINT
OTHER STATE SERVICES
MENTAL HEALTH SYSTEM
PRIMARY CARE
STATE HOSPITAL
EMERGENCY DEPARTMENT
SCHOOLS
PUBLIC SAFETY
JUDICIAL SYSTEM
OTHER

Guiding Principles for BH Transformation

- Care for **BH disorders** must be **delivered across a comprehensive continuum** that is community based and seamless
- **Multiple** Points of Entry
- Services must be **evidence based**
- **Payment** to providers will be **linked to performance** and meaningful outcomes (value based)
- Regardless of where care is delivered or whether the client has Medicaid or is uninsured, service definitions, **standards and metrics must be made uniform**
- By implementing the above principles, we will help ensure we can continue to **bend the cost curve** while **providing high quality, accessible care**

Valued Stakeholders

- **Providers**: CSB and private providers- associations developed and meet quarterly, involved in significant policy changes, initiatives, solicit feedback from stakeholders
- **State Agencies**: DBHDS, DHP, OCS, DSS, VDH meet routinely- collaboration, initiatives, policy changes, regulations and oversight of providers, services
- **Contractors**: MCOs, BHSA, Conduent
- **Advocates**: NAMI-VA, VOCAL, MHAV, Voices of Virginia's Children- associations developed and involved in significant policy changes, initiatives

DMAS' Goal for Behavioral Health Transformation

- Development and implementation of an evidence-based care continuum for individuals with behavioral health needs.
- Improve the value of behavioral health services purchased by the Commonwealth of Virginia while increasing access to behavioral health services for vulnerable populations in the settings that best meet their needs.
- Alignment and integration of behavioral health services across the Secretariat
- Standards and accountability – transition to Managed Care
- Multiple entry points to ease access – regardless of where members present, they have access to evidenced based treatment