



Health Care Reform: Impact on Behavioral Health Program Delivery and Financing

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Overview

- Context (Parity AND Health Reform)
- Two Major Forces Impacting Behavioral Health
 - Coverage Expansion
 - Delivery System Reform
- Provider Readiness



Context - Opportunities



Parity

- Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA)
 - Interim regulations issued (January 2009)
 - Medicaid guidance (forthcoming)
- Prohibits group health plans offering SUD/MH benefits from providing benefits in a more restrictive way than other covered medical/surgical benefits
 - Financial requirements (e.g. cost sharing)
 - Quantitative treatment limitations (e.g. number of visits)
 - Non-quantitative treatment limitations
 - Transparency (e.g. medical necessity, denials of care)



Parity (continued)

- Covered Plans
 - Group employer-funded plans
 - Medicaid managed care plans
 - SCHIP (State Children's Health Insurance Program)
- Exemptions from MHPAEA
 - Individual and small employer (< 50 employees) plans (parity will apply in 2014 under ACA)
 - Opt out if costs increase (> 2% first year, > 1% after that)



Health Reform

- Patient Protection and Affordable Care Act of 2010 (ACA)
 - Provisions phased in 2010 - 2014
- Goals
 - Increase access
 - Make coverage affordable
 - Improve quality
 - Enhance integration
 - Contain costs



Some Key ACA Phase In Dates

- September 2010 Protections
 - Cover prevention without co-pays
 - Cover adult children up to 26
 - No lifetime limits
- October 2010
 - Expanded Medicaid home and community based service options [1915 (i)]
- 2011
 - National Strategy for Quality Improvement
 - National Prevention and Wellness Strategy
- 2014 Protections
 - No pre-existing conditions
 - No annual limits
- 2014 Individual Mandate
- 2014 Coverage Expansion



Two Major Forces

- Coverage Expansion
 - People
 - Services
- Delivery System Reform
 - New payment strategies
 - Integration with medical care
 - Prevention and wellness emphasis
 - Health information technology



Coverage Expansion - People

- Some interesting statistics
 - Of 35 million uninsured that will be covered, 16 million will be newly eligible for Medicaid
 - 1.8 million uninsured have serious addictions
3.3 million uninsured have a mental illness
 - 39% of individuals served by Mental Health Authorities have no insurance
 - 61% of individuals served under programs funded by State Substance Abuse Authorities have no insurance
AND 87% of these are under 133% FPL

Source: Vandivort-Warren. Presentation at NIATx Summit, Boston, MA. July 2011



2014 Coverage Expansion

Below 133% FPL

*Up to \$14,400 individual or
\$29,500 family*

133 – 400% FPL

*Up to \$43,300 individual or
\$88,000 family*

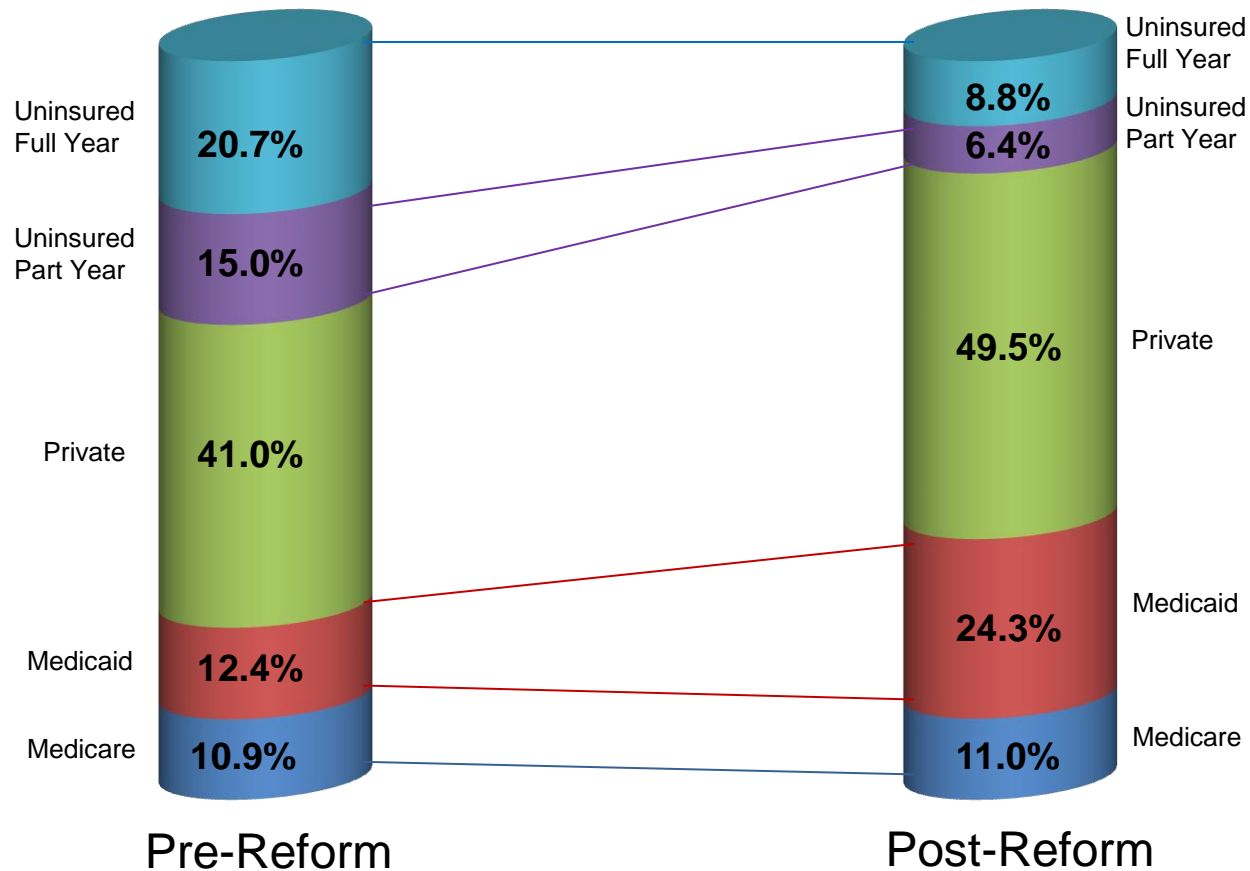
Medicaid Expansion To Childless Adults

- Coverage for essential MH/SA at parity for benchmark plan
- Feds pay 100% for 3 years, then down 90%
- Simplified enrollment, express apps: web too
- Integrated data with State exchanges: one application
- Foster kids up to age 26

State Exchanges

- Coverage for essential MH/SA at parity & prevention @ no co-pays
- Helps individuals and small employers with purchasing health insurance
- Assist by voucher to pay premiums or cost sharing
- Develops consumer friendly tools & plain language on insurance
- One application to both exchanges or Medicaid; can do on the web

Impact of Reform on Coverage of Nonelderly Adults with Mental Illness



Coverage Expansion - People

- ACA estimated to significantly expand coverage for people with mental and substance use disorders
- About 58% of expansion will occur via Medicaid provisions, e.g. previously ineligible childless adults (Donohoe, et al 2010)
- Private insurance will expand through state health insurance exchanges, elimination of pre-existing conditions, young adult coverage through parental policy, and individual mandates
- Still will be uninsured! (e.g. in Massachusetts although 95% of population have health insurance, only 84% of those coming to SA facilities have insurance)



Coverage Expansion - Services

- Parity (MHPAEA) applies, so mental health and substance abuse services are covered no more restrictively than medical services
- Essential Health Benefits
 - Required for private plans available through the state insurance exchanges
 - Must include mental health and substance abuse services
 - Specific services in the benefit package have not been announced
- Benchmark benefit in Medicaid expansion



System Reform – New Payment Strategies

- Likely some shift from block grant to Medicaid funding
- Continuation of fee-for-service payment BUT encouragement of more and new payment strategies
 - Accountable care organizations (ACOs)
 - Medicare in 2012
 - Shared savings if meet quality standards
 - Health homes
 - Medicaid enrollees with at least 2 chronic conditions
 - Incentive in form of increased federal match
 - State decision as to which conditions qualify and how paid (e.g. capitation)
- Rewarding performance
 - Development of State Dashboards on key performance indicators (proposed block grant change)
 - Combination of national and state-specific indicators
 - Change in performance to determine if states receive an incentive based on performance
 - Value-based purchasing in Medicare; P4P in health plans



System Reform - Integration

- Patient-centered care calls for “meeting people where they are”
- Encouragement of new delivery approaches that enhance coordination and integrate care across types and levels
 - Health homes
 - Accountable care organizations
- Bringing general medical care to specialty behavioral health settings is as central as incorporating behavioral health in primary care practices



System Reform – Prevention and Wellness

- Key to improving public health and containing costs
- Some examples
 - Eliminate cost sharing for recommended preventive services, including screening and counseling for alcohol misuse (Medicare and in-network private plans)
 - Incentives for Medicaid programs to expand coverage of preventive services
 - Whole-person orientation of health homes and accountable care organizations



System Reform – Health Information Technology

- Encouragement of health IT, including EHR
 - Improves services
 - Measures quality
 - Better coordination
- Before ACA, legislation established financial incentives for certain Medicare and Medicaid eligible health professionals and hospitals BUT many behavioral health providers are not eligible for these EHR incentives
- Special issues
 - 42 CFR Part 2 – confidentiality of records for substance abuse treatment
 - HIPAA regulations – all protected health information



Provider Readiness

- Almost 42% of SA, 10% of MH providers, do NOT have experience with 3rd party billing
- Less than 10% of BH providers have a nationally certified EHR
- Few working agreements with health centers
- Many staff don't have credentials required by MCOs
- Many small providers of SA treatment

Source: Vandivort-Warren. Presentation at NIATx Summit, Boston, MA. July 2011



Providers – Getting Ready

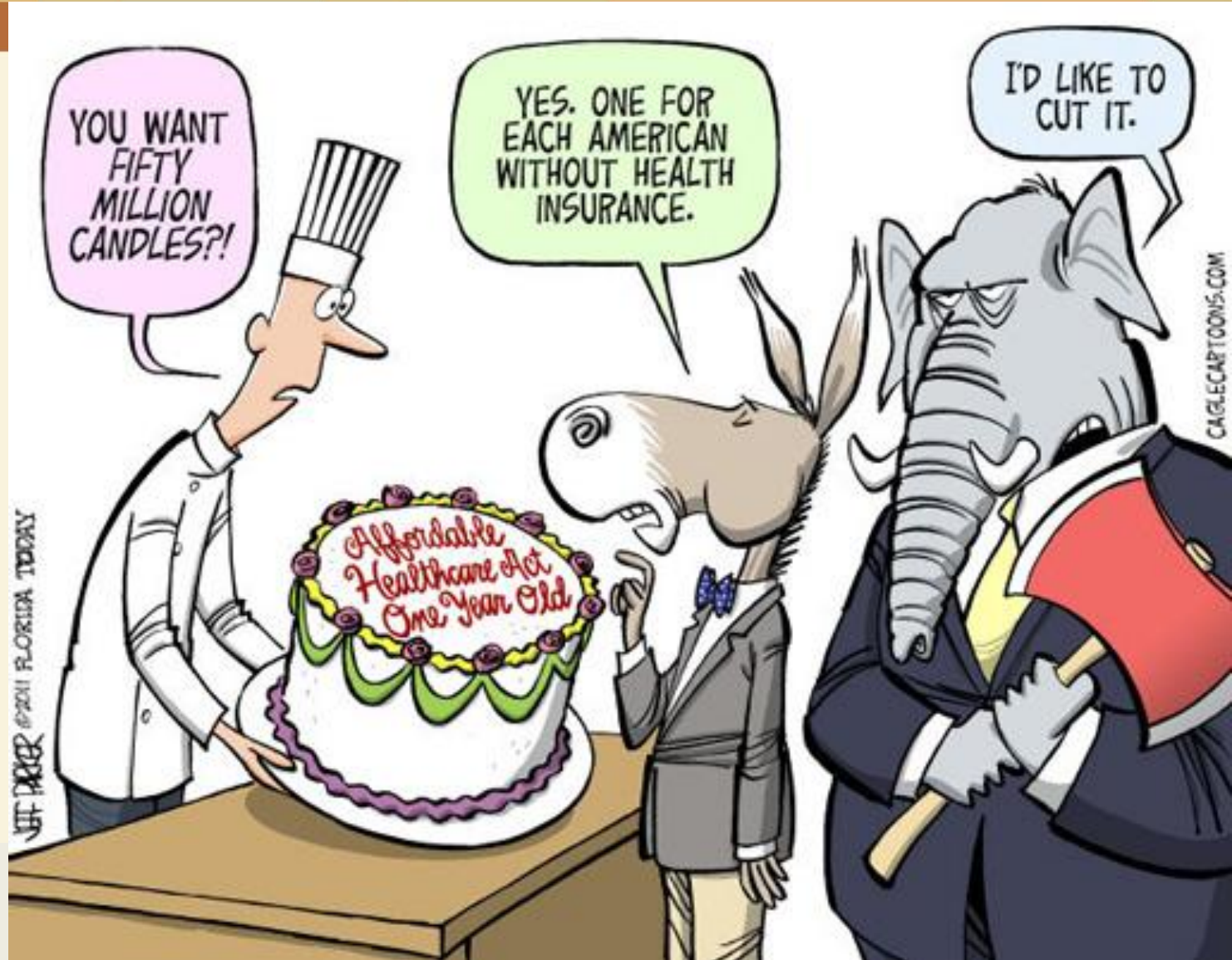


Summary

- More people will have insurance, many through Medicaid expansion
- New delivery models and changing payment approaches
 - Focus on primary care and coordination with specialty care
 - Emphasis on home and community based services
 - Emphasis on prevention and wellness
- Changing role of block grant



March 23, 2011, one year anniversary of the Patient Protection and Affordable Care Act of 2010, called Affordable Care Act (ACA)



Final Thoughts

Complicated
Moving Target
Challenging
BUT
Tremendous Opportunities

THANK YOU!



Resources on Health Reform

- Federal Government – www.healthcare.gov
 - Centers for Medicare and Medicaid Services www.cms.gov
 - Substance Abuse and Mental Health Services Administration www.samhsa.gov/healthcarereform
- Kaiser Family Foundation – www.healthreform.kff.org
- Legal Action Center – www.lac.org
- National Association of State Alcohol/Drug Abuse Directors (NASADAD) – www.nasadad.org
- National Council for Community Behavioral Healthcare www.thenationalcouncil.org
- National Academy of State Health Policy www.nashp.org/health-reform

