



**Office of
Mental Health**

Where Do We Go From Here? Positioning Your Agency for the Future of Medicaid Managed Care, HCBS, and Value Based Payment

**NYS Office of Mental Health
MHANYS Conference, October 17, 2018**

What is the Public Mental Health System?

- Approximately 4,500 State, voluntary, and county-operated mental health programs
 - i.e., Clinics, PROS, ACT Teams, CPEPs, Inpatient Programs, HCBS providers
- Serves approximately 772,000 individuals
- \$7 Billion in public mental health system expenditures
 - All funding sources such as Medicaid, Medicare, commercial insurance, SSI revenues for supporting housing and state aid
 - About \$1.5 billion in State aid for mental health services

Mental Health Funding in NYS

- **Medicaid – largest payer**
- **Medicare**
 - Second largest payer for public mental health services
 - Significant payer for inpatient psychiatric care in Article 28 hospitals
- **State and local general fund dollars**
 - Funds a range of services such as supported education, peer support, drop in centers, clubhouses, vocational supports, crisis services, housing, housing supports
- **Third Party Health Insurance**

Payment of Medicaid Services

Medicaid coverage is generally provided in two ways:

1. Directly through fee-for-service
 - Covers Medicaid State Plan Services (SPA services) at fixed rates.
 - Rates are set by NYS. These are non-negotiable.
2. Through Medicaid Managed Care
 - Covers some or all Medicaid State Plan Services (SPA services).
 - May also cover additional managed care only benefits.
 - Rates are generally negotiated with managed care plans.
 - NYS can establish government approved rates for types of providers or services.

Behavioral Health in Managed Care

- Mainstream Managed Care Organizations (MCO):
 - Integrated benefits for adults 21 and over
 - Plans were qualified by NYS to administer the BH benefit
- Health and Recovery Plans (HARPs):
 - For adults (21 and over) with serious mental illness and/or substance use
 - Focused on integrated care for people with serious mental illness and substance use
 - Specialized staff and enhanced benefits
 - Behavioral Health Home and Community Based Services
 - About 130,000 enrollees statewide

HARP Only Enhanced Benefits: Adult Home and Community Based Services

Find Housing. Live Independently.

- Psychosocial Rehabilitation
- Community Psychiatric Support and Treatment
- Habilitation
- Non-Medical Transportation for needed community services

Return to School. Find a Job.

- Education Support Services
- Pre-Vocational Services
- Transitional Employment
- Intensive Supported Employment
- Ongoing Supported Employment

Manage Stress. Prevent Crises.

- Short-Term Crisis Respite
- Intensive Crisis Respite

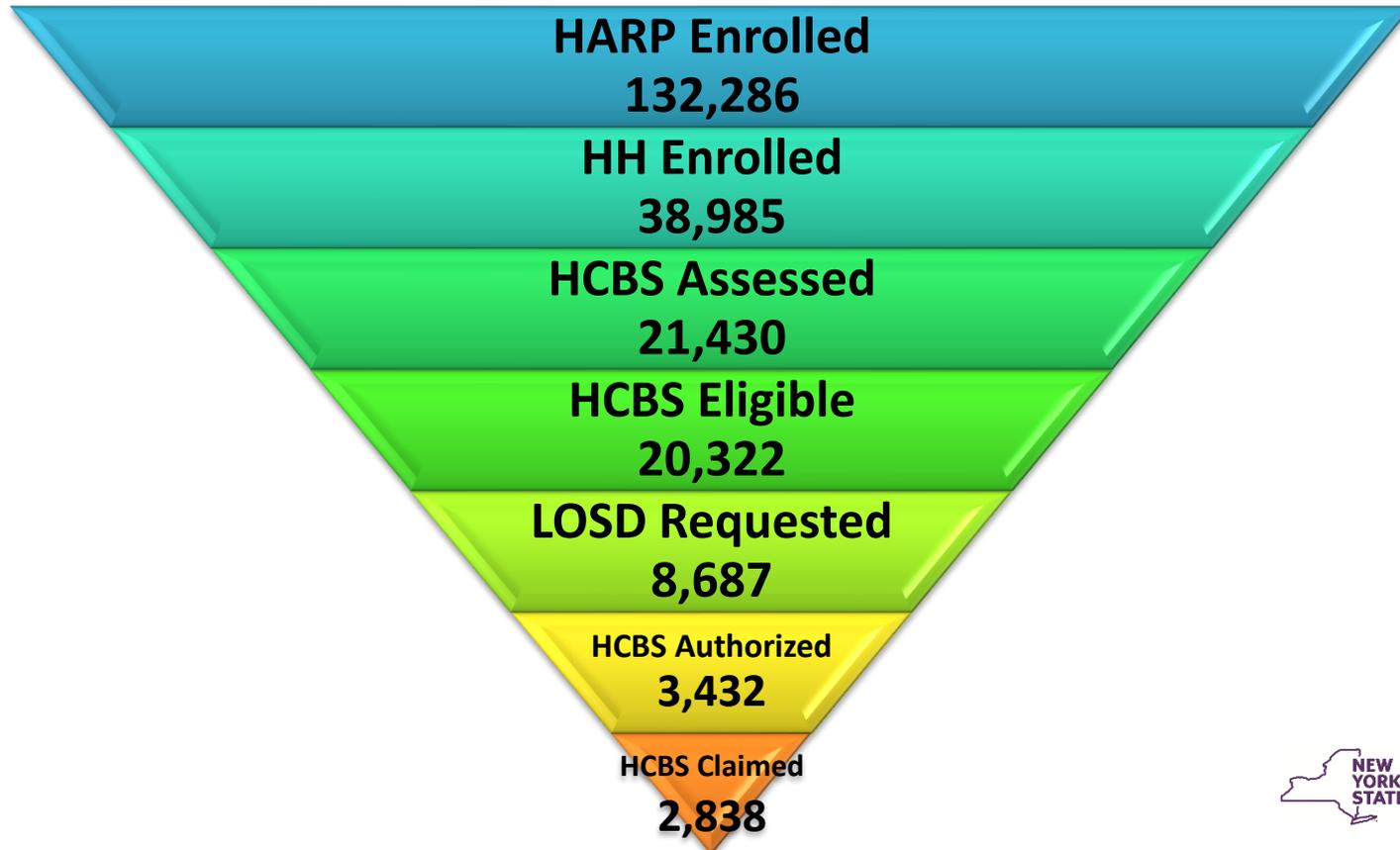
Get Help from People who Have Been There and Other Significant Supporters

- Peer Support Services
- Family Support and Training

BH HCBS Access: Implementation Challenges

- Low Health Home enrollment for HARP members
- Poor engagement, outreach and education of workforce and consumers
- Few referrals from HH CMAs to BH HCBS
- NYS Eligibility Assessment billing challenges
- Workforce and financial viability issues due to low volume of service recipients

Adult Behavioral Health HCBS, updated 9/24/2018



Recovery Coordination Agencies, Quality and Infrastructure Funding

- Recovery Coordination Agency (RCA)
 - Care management agencies affiliated with a Health Home
 - BH HCBS assessments for HARP members not in Health Homes
- Adult BH HCBS Infrastructure and Quality Funding
 - \$75 million investment to increase referrals to and uptake of BH HCBS
 - Build infrastructure and redesign systems to achieve rapid access to BH HCBS
 - ***Managed care plans will contract with providers who have a comprehensive approach to address assessment through service access.***
- Quality and Infrastructure program can support RCA implementation and HCBS growth

What is Value-Based Payment (VBP) through Medicaid Managed Care in NYS?

- Reimbursement focused on value.
 - Fee-for-Service incentivizes volume, not outcomes.
- Reduce total cost of care.
 - Providers are rewarded for achieving cross-system quality outcomes at or below expected total costs.
- Focus is on quadruple aim:
 - Improve Quality
 - Patient Experience
 - Reduce Costs
 - Care Team Well-being
- By April 1st, 2020, 80-90% of total MCO expenditure (in terms of total dollars) must be captured in at least Level 1 VBPs.
 - At least 35% of total payments contracted through Level 2 VBPs or higher for fully capitated plans and 15% contracted in Level 2 or higher for not fully capitated plans.

Value Based Payment (VBP) - Levels of Risk

Level 0 VBP	Level 1 VBP	Level 2 VBP	Level 3 VBP
Activity Based Payments (ABP) with quality bonus and/or withhold based on quality scores	ABP with upside-only shared savings available when outcome scores are sufficient	ABP with risk sharing (upside available when outcome scores are sufficient)	Prospective capitation bundle (with outcome-based component)
Activity Based Payments	Activity Based Payments	Activity Based Payments	Prospective total budget payments
No Risk Sharing	↑ Upside Only	↑ Upside & ↓ Downside Risk	↑ Upside & ↓ Downside Risk

Behavioral Health and Medicaid

Without a focus on BH, value based outcome and spending reductions will be hard to achieve

- In NYS, Medicaid members with a BH diagnosis account for
 - 21% of the population but 60% of Medicaid expenditures
 - 53.5% of hospital admissions
 - 45% of ED visits
 - 82% of all readmissions within 30 days of the original admission
 - 59% of those readmissions were for a medical condition
- The average length of stay per admission for BH Medicaid users is 30% longer than for the overall Medicaid population
- People with a BH conditions experience poor inpatient to outpatient connection

Source: Measuring Physical and Behavioral Health Integration in the Context of Value-Based Purchasing. Greg Allen, December 7, 2016. <http://www.nashp.org/wp-content/uploads/2016/12/Allen-Slides.pdf>
based on 2014 Medicaid claims data



Behavioral Health Care Collaboratives

- New York State is investing \$60 million over three years to support BH providers transitioning to VBP.
 - Funds reinvested from Medicaid managed care savings
- Funds flow through MCOs to support qualified groups of community -based behavioral health providers moving towards clinical integration, including:
 - Data analytics and Information Technology
 - Governance
 - Shared policies, procedures, and standards

Behavioral Health Care Collaboratives

- 19 BHCCs funded and under contract.
 - Includes full array of available mental health and substance use services.
- 75% Medicaid managed care covered lives in New York City.
- 90% Medicaid managed care covered lives in Rest of State.
- **The final BHCC deliverable is participation in a VBP arrangement.**

Early Success

With New York State support, the BHCC initiative has already seen substantive results in increased:

- communication;
- education; and
- collaboration

among BHCC providers AND the local system of care.

Communication

- Providers are meeting regularly, engaging in conversations about how to manage shared populations with entities that may have been competitors or not on their radar.
- Conversations and partnerships have opened up with Prospective Payment Systems (PPS), Federally Qualified Health Centers (FQHCs), private physician and hospital groups.

Education

BHCC participants are becoming familiar with VBP and the New York State VBP Roadmap, including:

- Clinical Advisory Group measures;
- VBP arrangement types;
- VBP levels of risk; and
- Participation in a VBP arrangement.

Builds on the training provided by the [NYS Managed Care Technical Assistance Center](#).

Collaboration

Examples:

- Creation of referral resources that catalogue the services provider/hours open/contact information of BHCC partners.
- Environmental scans across the BHCC network to determine:
 - Technology in use;
 - Measures already being collected; and
 - Gaps in the above.

Collaboration

- Some BHCCs are determining the cost of delivering services; a necessary pre-requisite of engaging in VBP.
- Some BHCCs across the state are working together on various aspects of infrastructure.
- Partnering with data platforms, such as:
 - RHIOs: real time alerts;
 - PSYCKES: building BHCC views for population health management; and
 - Coordinated Care Services Inc. (CCSI): creating actionable dashboards from PSYCKES data.

TCGP: Flow of Funds

IPA to IPA Contract

