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Healthcare Payment Reform and the Behavioral Health Safety Net

NATIONAL COUNCIL
FOR COMMUNITY BEHAVIORAL HEALTHCARE

WHAT'S ON THE HORIZON FOR THE COMMUNITY BEHAVIORAL HEALTHCARE SYSTEM?

If you are a person living with serious mental illness, you are likely to die 25 years earlier than people without a serious mental disorder. This stunning disparity illustrates the extreme challenges confronting the behavioral health safety net and the people it is intended to serve.

Severe funding shortages and fragmentation from federal policy changes that created the 50 states/50 sets of rules model has left the public behavioral healthcare system without essential payment and regulatory structures necessary for successful reform – in many cases to a much greater degree than the general healthcare system.

The magnitude of the challenges facing the general healthcare system appears to be forging a coalition of consumers, healthcare providers, hospitals, and insurance companies that is getting closer each day to agreement on how to address the three key components of healthcare reform:

1. Universal coverage
2. Payment system reform
3. Delivery system redesign

Universal coverage will bring increasing pressure to reengineer payment and delivery systems that improve quality while containing costs. Two efforts gaining traction will impact behavioral health providers greatly: Medical Homes are being piloted in multiple healthcare markets to manage the health status of persons with chronic medical conditions, and bundled payment pilots are testing risk and reward arrangements for acute care episodes.

In a “new world” of universal coverage with parity for behavioral health and where Medical Homes become accountable for the total healthcare expenditures of their patients and the associated financial risks and rewards, persons with serious mental health and substance use disorders (MH/SUD) will

be identified as critical to getting a handle on U.S. healthcare expenditures. Behavioral health providers will face significant pressure to address the health disparities for persons with MH/SUD. Centers that don't become part of Medical Home structures and/or aren't able to demonstrate through measureable results that they are able to provide high quality specialty behavioral health care that manages the total healthcare expenditures of their clients will be at risk.

Four behavioral health payment reform and delivery design changes can address these issues and align with general healthcare reform.

1. Medical Homes need to be re-envisioned as Person-Centered Healthcare Homes for persons with mental health and substance use disorders, with additional federal funding and active participation of community behavioral healthcare organizations.
2. Federal designation should be created for Federally Qualified Behavioral Healthcare Centers (FQBHC) with accompanying benefits and responsibilities aligning the behavioral health safety net with the general healthcare safety net, Federally Qualified Health Centers.
3. Dedicated federal funding streams should be developed to support behavioral health workforce development and Federally Qualified Behavioral Healthcare Centers that will have additional responsibility to serve uninsured and underinsured persons with serious mental health and substance use disorders.
4. Community behavioral healthcare organizations will need to align their service delivery, measurement, and billing systems to support these changes.

