

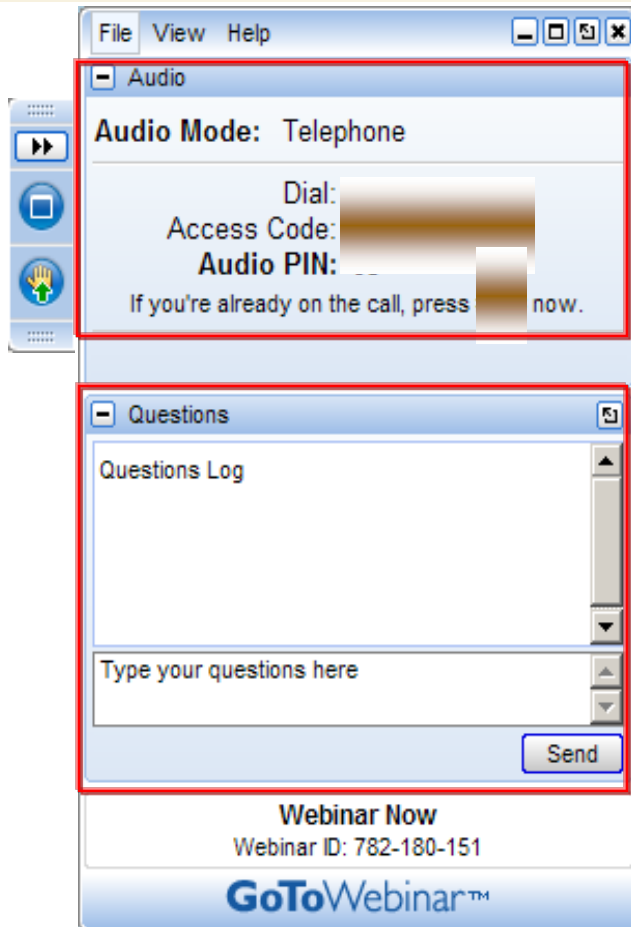


# Healthcare Reform: Implications for Behavioral Health Providers

Webinar presented by:

John O'Brien, Senior Advisor, SAMHSA  
Charles Ingoglia, Vice President, National Council  
Dale Jarvis, Managing Consultant, MCPP  
Healthcare Consulting

September 21, 2010  
2:00-3:30pm ET



## How to participate

- Your unique audio pin is located in the Audio Pane. See example.
- Submit your text question using the Questions pane
- **Note:** A copy of this presentation and the recording will be made available within 48 hours

# Abstract

The passage of the Patient Protection and Affordable Care Act has ensured that the role of behavioral health in the overall healthcare system will change. Now, it is more important than ever to know how healthcare reform will affect your role and the role of States, behavioral healthcare providers, and consumers.

Today's Webinar will provide information and guidance to plan and prepare for clinical and fiscal changes, including those related to Medicaid and discuss the implications of the Patient Protection and Affordable Care Act for the behavioral health system.

# Webinar Agenda

2:00 Welcome/Introductory Comments

**John O'Brien, MA** Senior Advisor for Healthcare Financing, SAMHSA

2:10 Presentation

**Charles Ingoglia, MSW** Vice President, Public Policy, NCCBH

**Dale Jarvis, CPA** Managing Consultant, MCPP Healthcare Consulting

3:10 Question & Answer Session

3:30 Conclude Teleconference

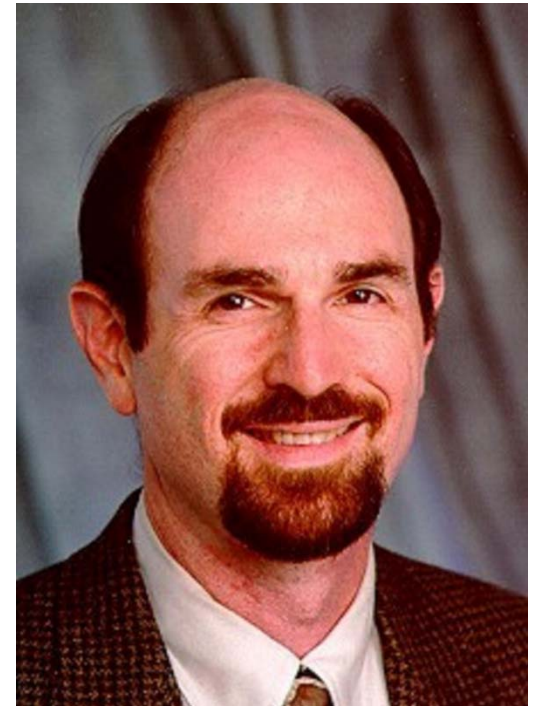
# Charles Ingoglia, MSW

Charles Ingoglia has worked as a provider, advocate, and educator for government and public sector organizations for more than 15 years. In his current role, Mr. Ingoglia directs the federal affairs function of the National Council for Community Behavioral Healthcare as well as its policy and technical assistance outreach to more than 1,700 member organizations across the nation. Most recently, his efforts have centered on key issues such as parity, healthcare reform, and increasing access and retention in community behavioral healthcare.



# Dale Jarvis, CPA

Dale Jarvis brings a diverse background as administrator, author and educator to healthcare organizations throughout the western United States. He has served as the financial director for healthcare organizations in Washington and Michigan. He also taught Health Care Financial Management at the University of Washington School of Public Health.



# John O'Brien, MA

John O'Brien has extensive experience in the design and implementation of system reform initiatives. He has provided consultation to more than 35 States and local human services authorities. He has worked with Medicaid, child welfare, State behavioral health and mental retardation authorities. His primary focus is assisting States in developing State plan amendments for mental health services, federal Medicaid Waivers, managed care vendor procurements and financing mental health, substance abuse and child welfare services and research of children's behavioral health systems.



# The Affordable Care Act

## Why is integration of primary care and behavioral health important?

- 12 M visits annually to ERs by people with MH/SUD
- 44% of all cigarette consumption by individuals with MH/SUD
- 70% of individuals with significant MH/SUD had at least 1 chronic health conditions, 45% have 2, and almost 30% have 3 or more

# SAMHSA's PCBHI Project

- Bi-directional approach to primary care and behavioral health integration
- 13 sites, more sites will be awarded
- Developing a technical assistance center to assist both mental health and substance abuse providers with primary care integration strategies

# This Webinar Explores Two Questions

**Question 1: Will healthcare reform really change the healthcare system?**

**Question 2: How will the answer to question #1 affect Americans with mental health and substance use disorders and the organizations that serve them?**



# Definition of Terms: Today's Alphabet Soup

- **SMI:** Serious Mental Illness
- **SU:** “Substance Use” describes the broadest context of Alcohol and Other Drug Services and Disorders
- **BH:** “Behavioral Health” describes Mental Health and Substance Use
- **COD:** *“An individual with a co-occurring disorder (COD) has been generally defined by the presence of both a mental disorder and substance-related disorder.”*  
(COSIG Clinical Protocol Committee)

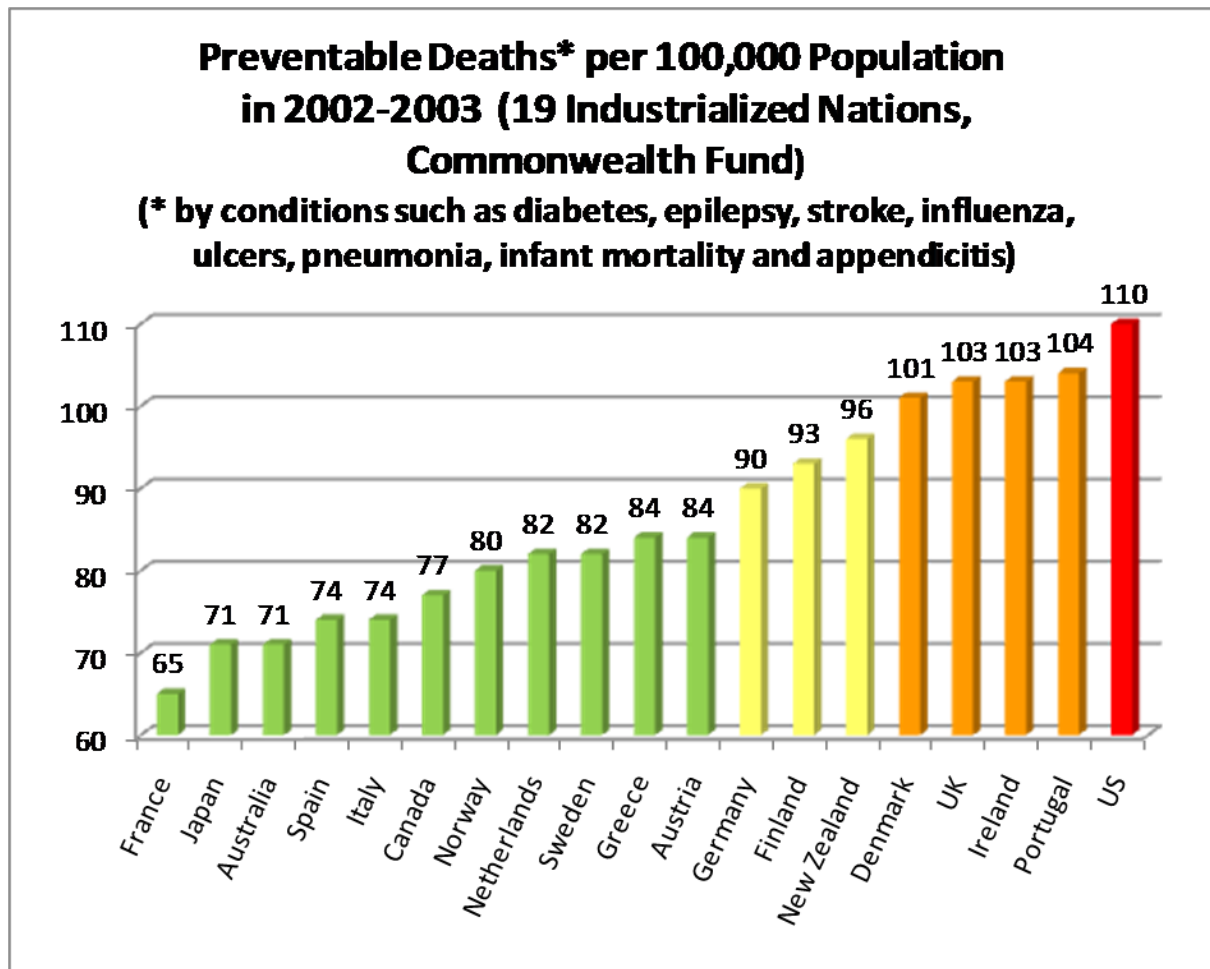


***Question 1: Will  
healthcare reform  
really change the  
healthcare system?***



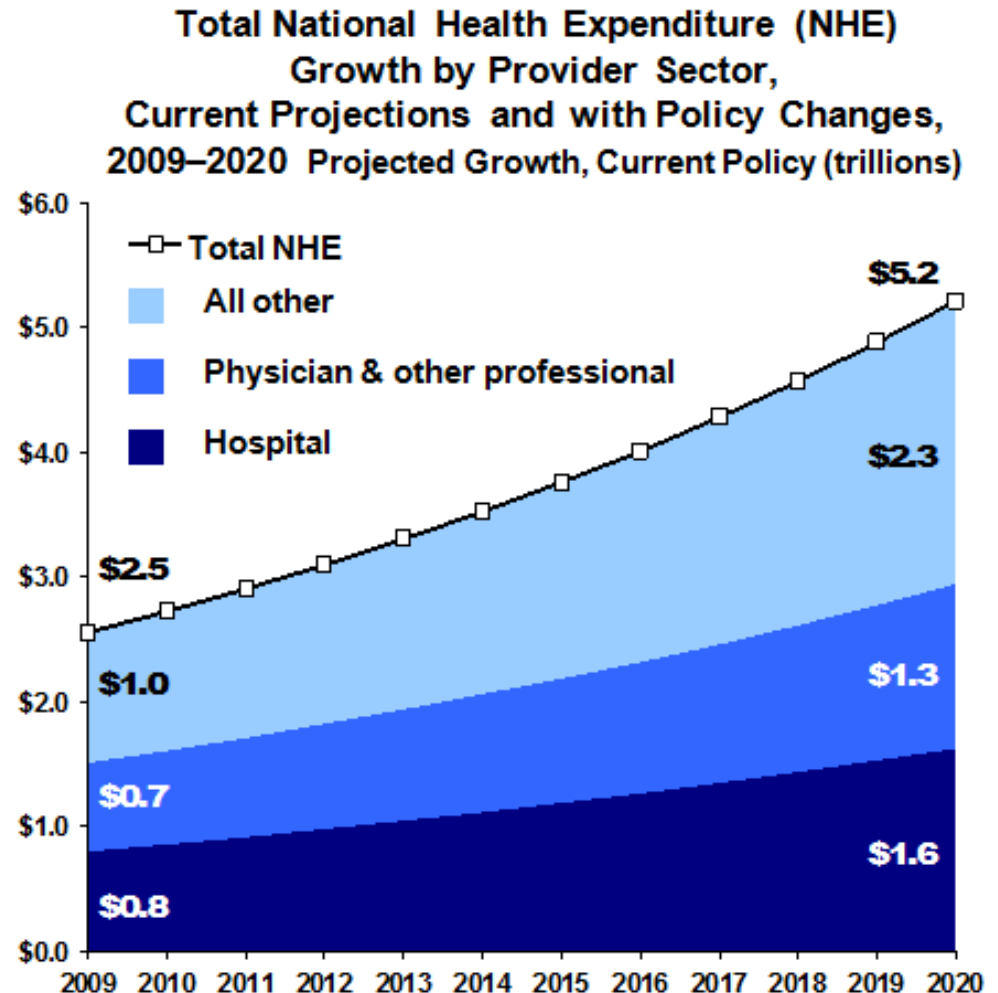
# Connecting Three Dots: Healthcare Quality

The U.S. Healthcare System is both the *Best* and the *Worst* Healthcare System in the Industrialized World



# Connecting Three Dots: Healthcare Cost

- The cost growth of the current American healthcare system is unsustainable
- Growing at a rate much higher than the rest of the economy



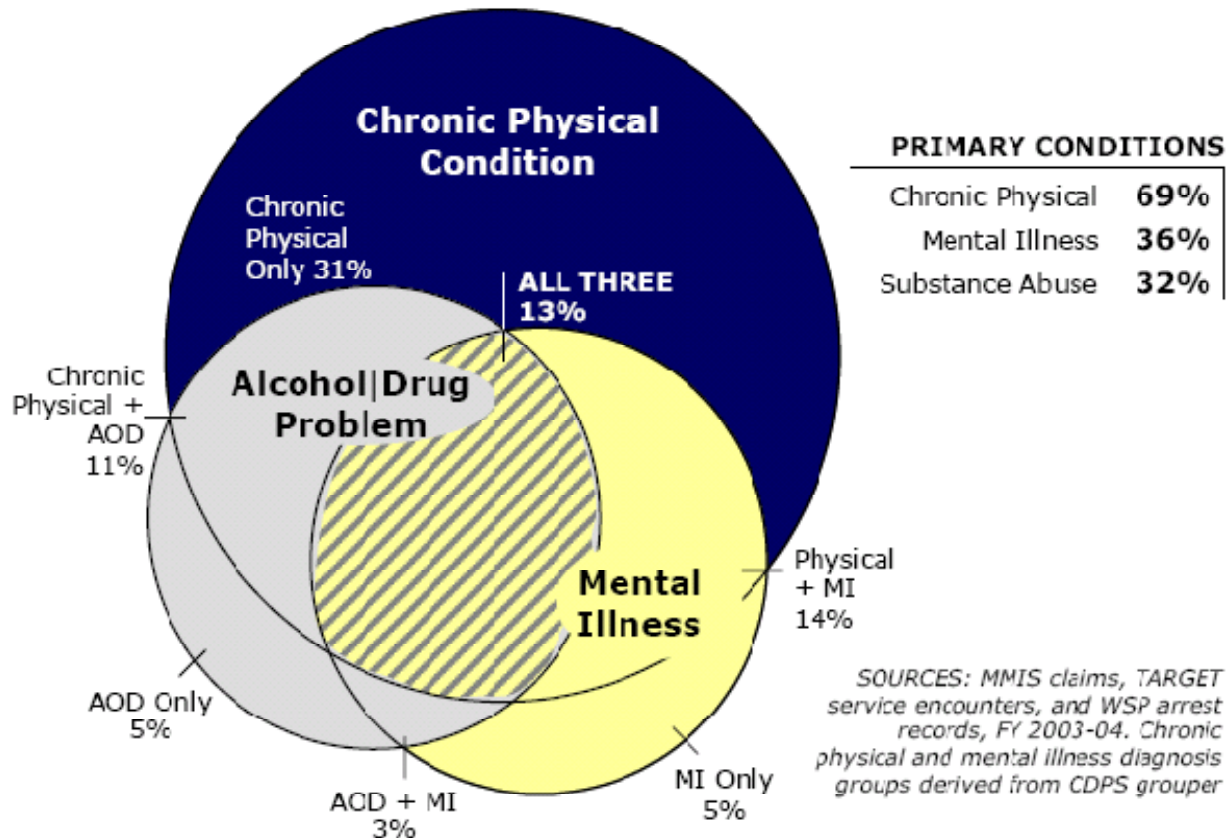
# Connecting Three Dots: The Importance of Behavioral Health

Mental Health, Substance Use, and Co-Occurring Disorders: an Inseparable Part of the Equation

## Co-occurring Diagnoses and the GA-U Population

52 percent had substance abuse or mental illness identified

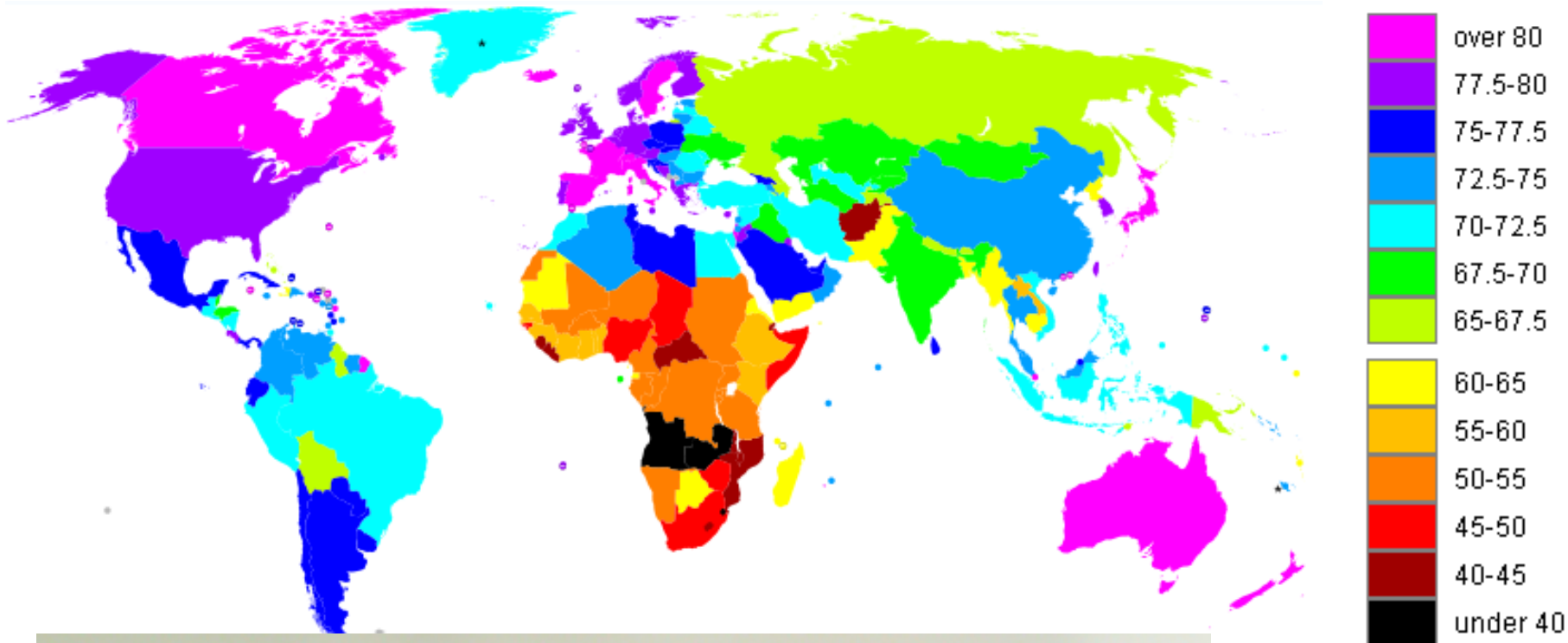
31 percent had a chronic physical condition only



# The Consequences for Americans with SMI and COD

- The 53 year lifespan for Americans with SMI is comparable with Sub-Saharan Africa
- Americans with COD are dying, on average, at age 45\*

\*Oregon Department of Human Services Addiction and Mental Health Division, June, 2008



NASMHPD 2006 Study: *Morbidity and Mortality in People with Serious Mental Illness*

# Consequences for the Overall Healthcare System

Healthcare Expenditures of Americans with Serious Mental Illness are 2 to 3 times higher

**California Fee for Service Medi-Cal Analysis - 2007**

	Medi-Cal FFS Total	Medi-Cal FFS SMI		Metric
Medi-Cal FFS Enrollees	1,580,440	166,786	11%	SMI % of Total
Medi-Cal FFS Costs	\$6,186,331,620	\$2,395,938,298	39%	SMI % of Total
Medi-Cal FFS Cost/Enrollee	\$3,914	\$14,365	3.7	SMI/Non-Ratio
Diabetes	4%	11%	2.8	SMI/Total-Ratio
Ischemic Heart Disease	2%	6%	3.0	↓
Cerebrovascular Disease	1%	3%	3.0	
Chronic Respiratory Disease	5%	13%	2.6	
Arthritis	2%	7%	3.5	
Health Failure	1%	3%	3.0	
Inpatient Episodes/1,000	100	293	2.9	
ER Visits/1,000	337	1,167	3.5	↓
Inpatient Acute Days/1,000	609	2,094	3.4	
Primary Care Visits/1,000	128	492	3.8	
Specialist Visits/1,000	1,211	6,058	5.0	↓

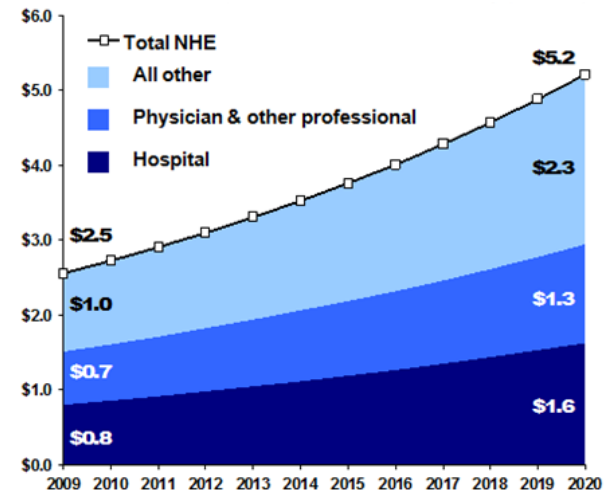
Data from JEN Associates, Cambridge, MA

# Alignment of the Stars for Persons with MH/SU/COD Disorders

- A growing awareness of the prevalence of MH/SU disorders and the cost of not providing effective treatment and supports
- Combined with the an awareness that
  - Behavioral Health is necessary for Health
  - Prevention is Effective
  - Treatment Works
  - People Recover
- Results in increasing recognition that we can't bend the cost curve without addressing the healthcare needs of persons with SMI and the MH/SU needs of all Americans
- We come back to this in Question 2

	Medi-Cal FFS		Metric
	Total	SMI	
Medi-Cal FFS Enrollees	1,580,440	166,786	11% SMI % of Total
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Data from JEN Associates, Cambridge, MA



# The Goals of Healthcare Reform are Quite Straightforward...

We need to **Improve Quality** and **Manage Costs** by...

- Moving further upstream with **prevention & early intervention** services to prevent health conditions from becoming chronic health conditions

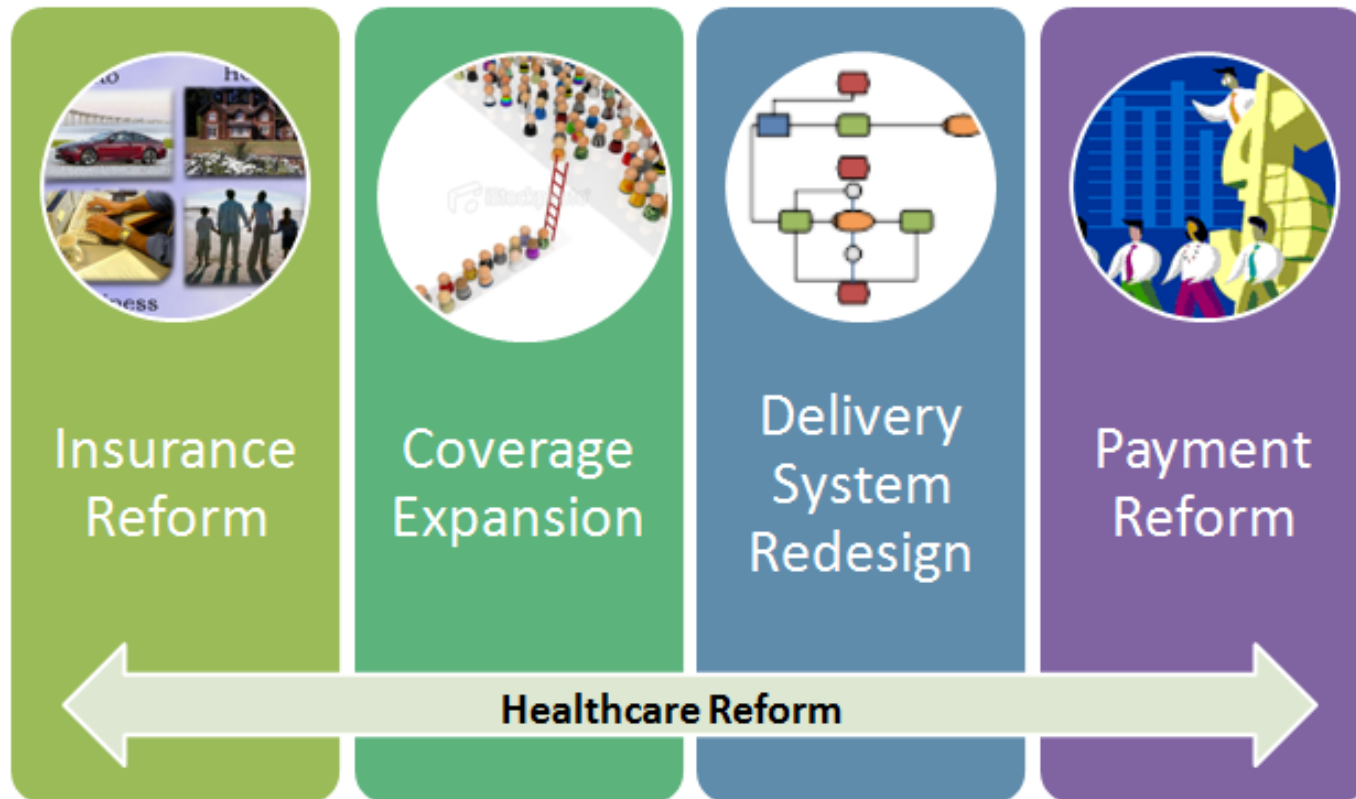


- Dramatically improving the **management of chronic health conditions** for Americans with one or more such conditions



- Reducing errors and waste in the system and reducing incentives for high cost, low value, procedure-based care

# Four Strategies in the New Healthcare Reform Law...



# Insurance Reform: The Accountable Care Act

Many new protections, including:

- Insurance companies can't deny coverage
- Bans pre-existing condition exclusions
- Prohibits all annual and lifetime limits
- Provide dependent coverage for children up to age 26 in individual and group policies



# Coverage Expansion: The Accountable Care Act



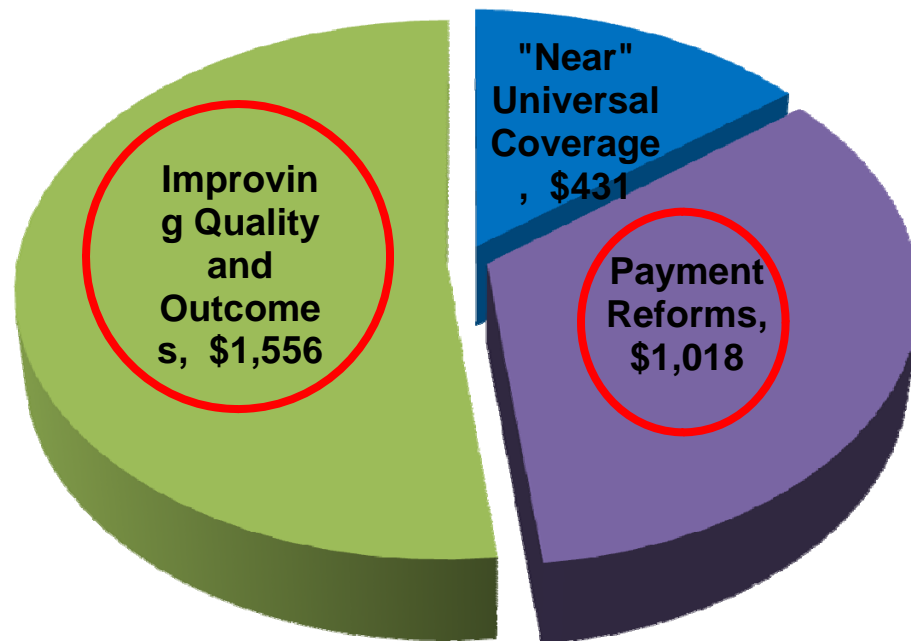
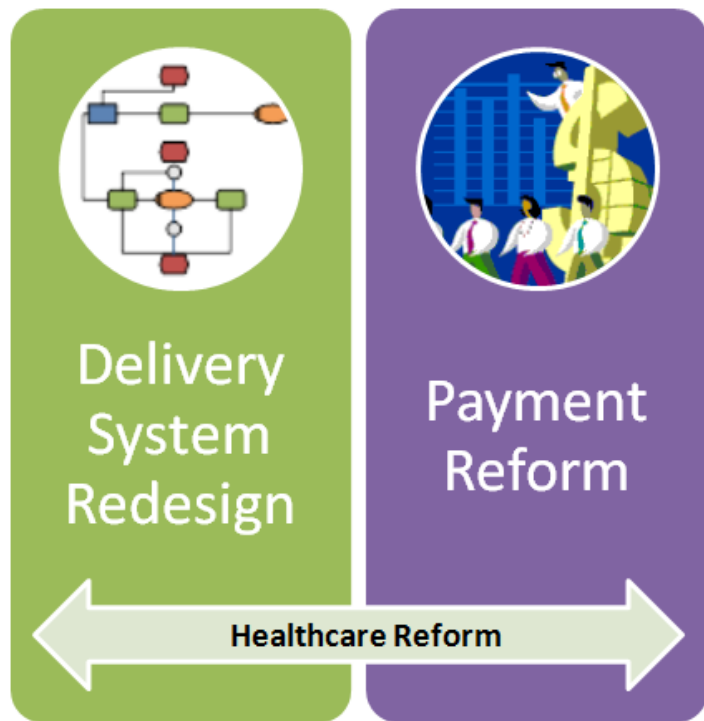
## Expands coverage to most Americans

- Expands Medicaid for all under 133% of the federal poverty level
- Creates State Health Insurance Exchanges to help newly insured and those with individual and small group coverage to purchase affordable policies (large buying club)
- Provides credits & subsidies up to 400% of the federal poverty level to help individuals and families purchase insurance

*Important: The majority of low income, uninsured Americans with behavioral health disorders will obtain coverage by 2014*

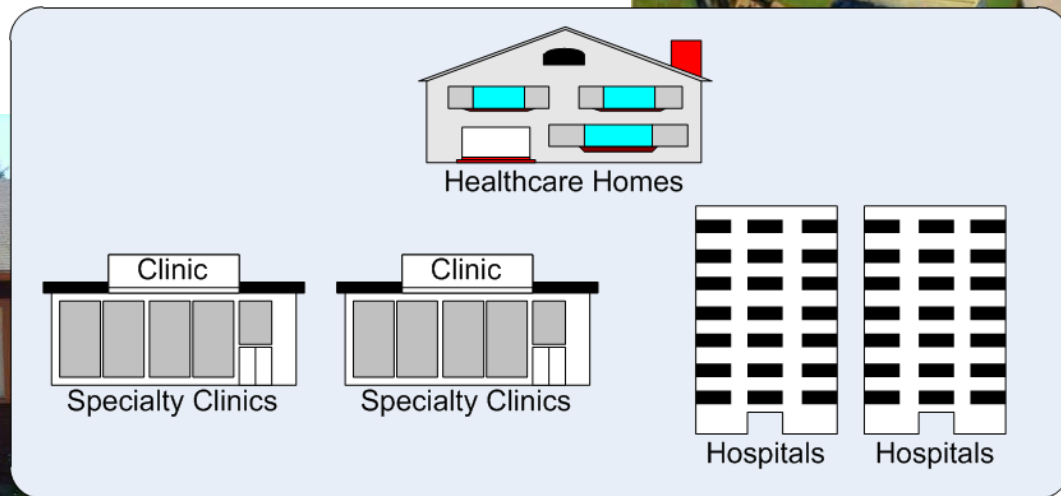
# Service Delivery Redesign and Payment Reform

The Commonwealth Funds The Path to a High Performance. U.S. health system identifies 10 Healthcare Reform Policies that can save \$3 trillion over 10 years (Commonwealth Fund, 2009).



# Everyone is Talking about Healthcare Homes

- What are they?
- Where did they get that name?
- Why are they important?



# Healthcare Homes: What are They?

- Trying to navigate the healthcare system in the U.S. is like trying to find your way through a tangled maze
- Especially if you are one of the 45% of Americans with a chronic health condition such as diabetes or hypertension
- Most of whom have three or more doctors that don't talk with each other or share information



# Healthcare Homes: Primary Care Clinics that Look and Act Differently

Picture a world where everyone has...

- An **ongoing relationship** with a PCP;
- A **Care Team** who collectively takes ; responsibility for ongoing care;
- A **Care Team** that **provides all healthcare** or makes **appropriate referrals**; and
- A **Care Team** that helps ensure that **care is coordinated and/or integrated**.



And where...

- **Quality and safety** are hallmarks;
- **Enhanced access** to care is available (evenings & weekends); and
- **Payment** appropriately recognizes the **Added Value**

*(Joint Principles of the Patient-Centered Medical Home: [www.pcpcc.net](http://www.pcpcc.net))*

# Healthcare Homes: What are They? Oregon's Description...

## **ACCESS TO CARE**

*Be there when I need you.*

## **ACCOUNTABILITY**

*Take responsibility for making sure I receive the best possible health care.*

## **COMPREHENSIVE WHOLE PERSON CARE**

*Provide or help me get the health care and services I need.*

## **CONTINUITY**

*Be my partner over time in caring for my health.*

## **COORDINATION AND INTEGRATION**

*Help me navigate the health care system to get the care I need in a safe and timely way.*

## **PERSON AND FAMILY CENTERED CARE**

*Recognize that I am the most important member of my care team - and that I am ultimately responsible for my overall health and wellness.*

# Healthcare Homes: Where Did They Get That Name?

Actually there are several names:

- Patient-Centered Medical Home (PCPCC)
- Person-Centered Healthcare Home (National Council)
- Patient-Centered Primary Care Home (Oregon)
- Medical Homes
- Health Homes

All are trying to convey the message that the primary care clinic of the future isn't going to look like most primary care clinics today



# Healthcare Homes: Why Are They Important?

## The Group Health Cooperative Story

- 2002-2006: Move towards medical home
  - Email your doctor
  - Online medical records
  - Same day/next day appointment

*Results:* Increased patient access but also saw provider burn-out and decline in quality scores

- 2007: More robust healthcare home pilot
  - Added more staff (15% more doctors; 44% more mid-levels; 17% more RNs; 18% more MAs/LPNs; 72% more pharmacists)
  - Shifted to 30 minute PCP slots

*Results:* Reduced burnout, increased quality scores, broke even in the first year



# Healthcare Homes: Why are They Important?

## Paul Grundy, MD\* on Patient-Centered Medical Homes



Pilots include Geisinger's, which Grundy says has been remarkably successful, yielding ... a 12% reduction in ER utilization, a 20% reduction in hospitalization, and a 48% reduction in rehospitalization.

*Excerpt from David Harlow's Health Care Law Blog  
9/15/2009*



"In Denmark, over the last few decades, the number of hospitals has dropped from 155 to 21 today" according to Grundy.

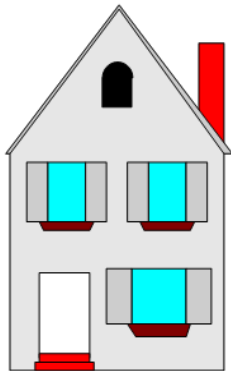
*Excerpt from the Providence Business News 5/27/2010*



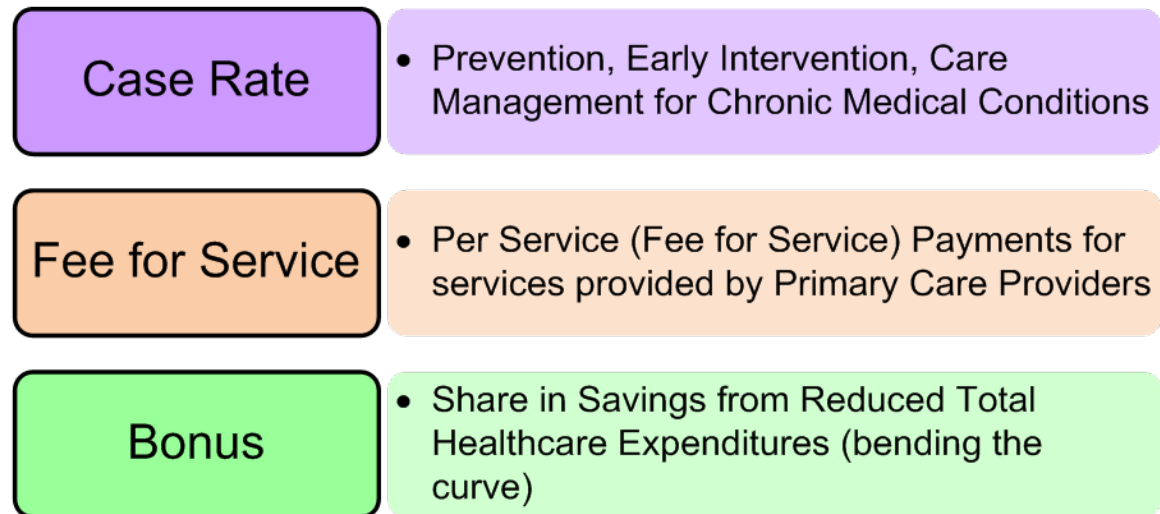
*\*Director of Healthcare, Technology and Strategic Initiatives for IBM Global Wellbeing Services*

# Payment Reform for Medical Homes

- Fee for Service is headed towards extinction
- Healthcare Home models are beginning with a 3-layer funding design with the goal of the FFS layer shrinking over time
- Being replaced with case rate or capitation with pay for performance



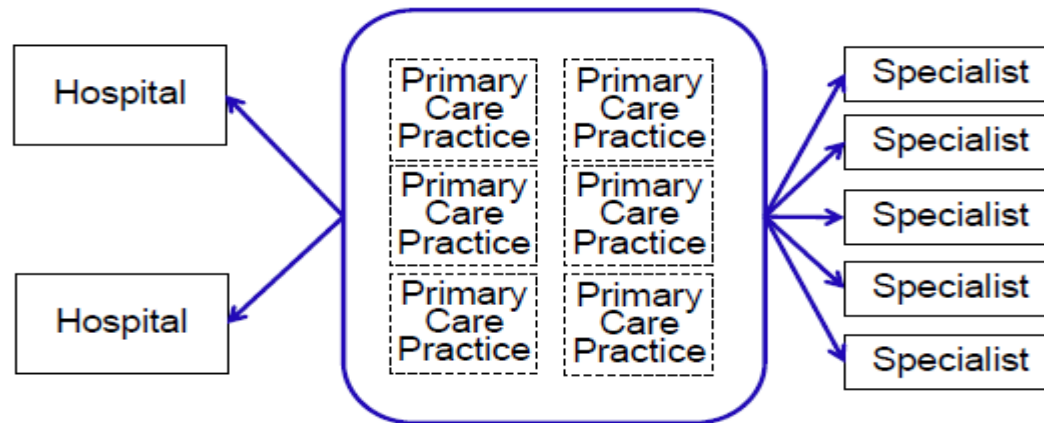
Person  
Centered  
Healthcare  
Homes



# All of which brings us to Accountable Care Organizations

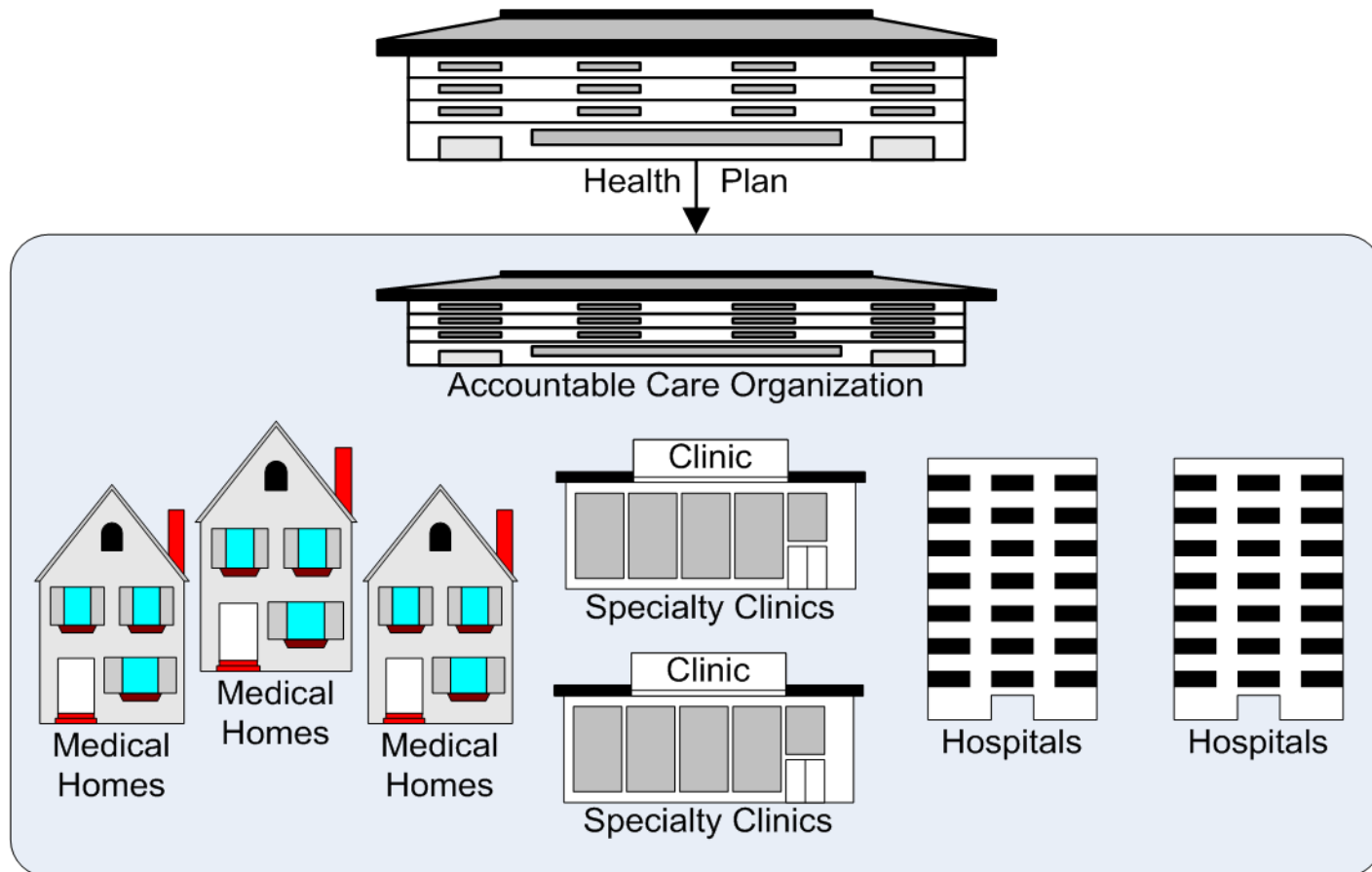
## Accountable Care Organizations Dual Purpose:

- Organization structure to support **coordination of care and payments** between Healthcare Homes, Specialists and Hospitals
- Way for small to mid-sized primary care practices to **obtain the infrastructure** of larger practices as they work to become Person-Centered Healthcare Homes

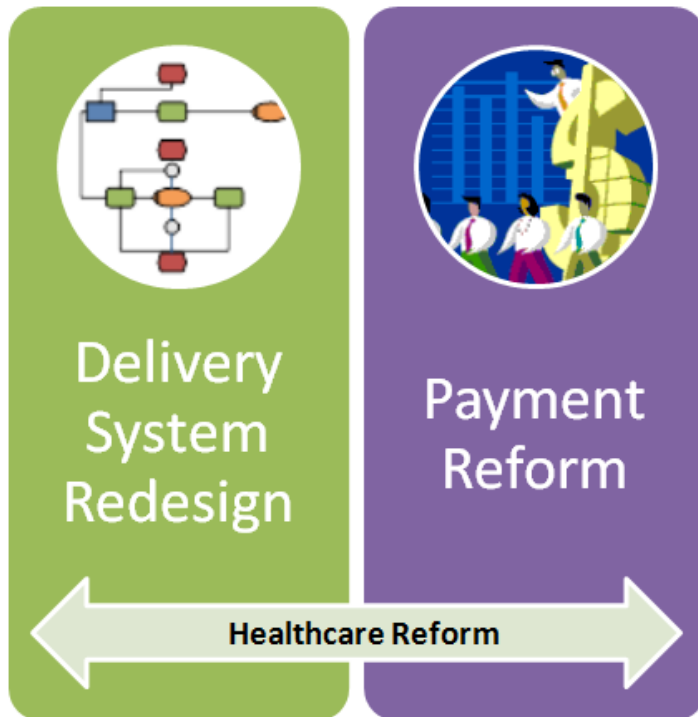


# Accountable Care Organizations: The Homes for Medical Homes

## Accountable Care Organization Model



# Service Delivery Redesign and Payment Reform



## \$700 Billion Question

Will the current healthcare reform law and accompanying payment reform & delivery system redesign *tools* be enough to improve quality and bend the cost curve before healthcare costs bankrupt us?

## Our Prediction

Not unless the healthcare system addresses the needs of individuals with MH/SU and/or COD

***Question 2: How will the answer to question #1 affect Americans with mental health and substance use disorders and the organizations that serve them?***

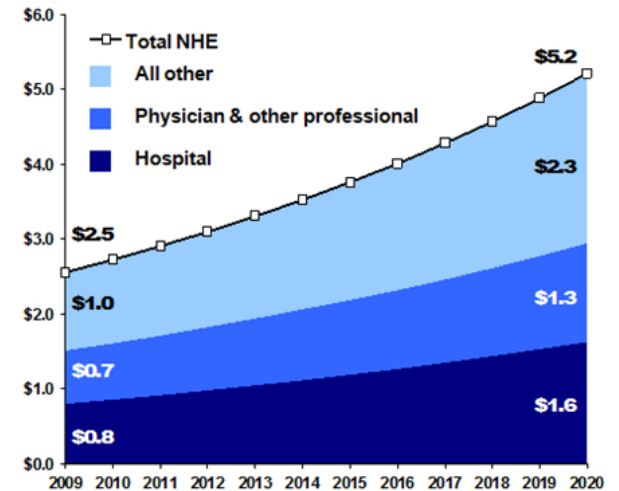


# Remember this slide? Alignment of the Stars...

- A growing awareness of the prevalence of MH/SU disorders and the cost of not providing effective treatment and supports
- Combined with the an awareness that
  - Behavioral Health is necessary for Health
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- Results in increasing recognition that we can't bend the cost curve without addressing the healthcare needs of persons with a SMI and the MH/SU needs of all Americans

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Data from JEN Associates, Cambridge, MA



# Did the Authors of the Accountable Care Act Understand These Things?

**Short answer: Yes**

**Longer answer:**

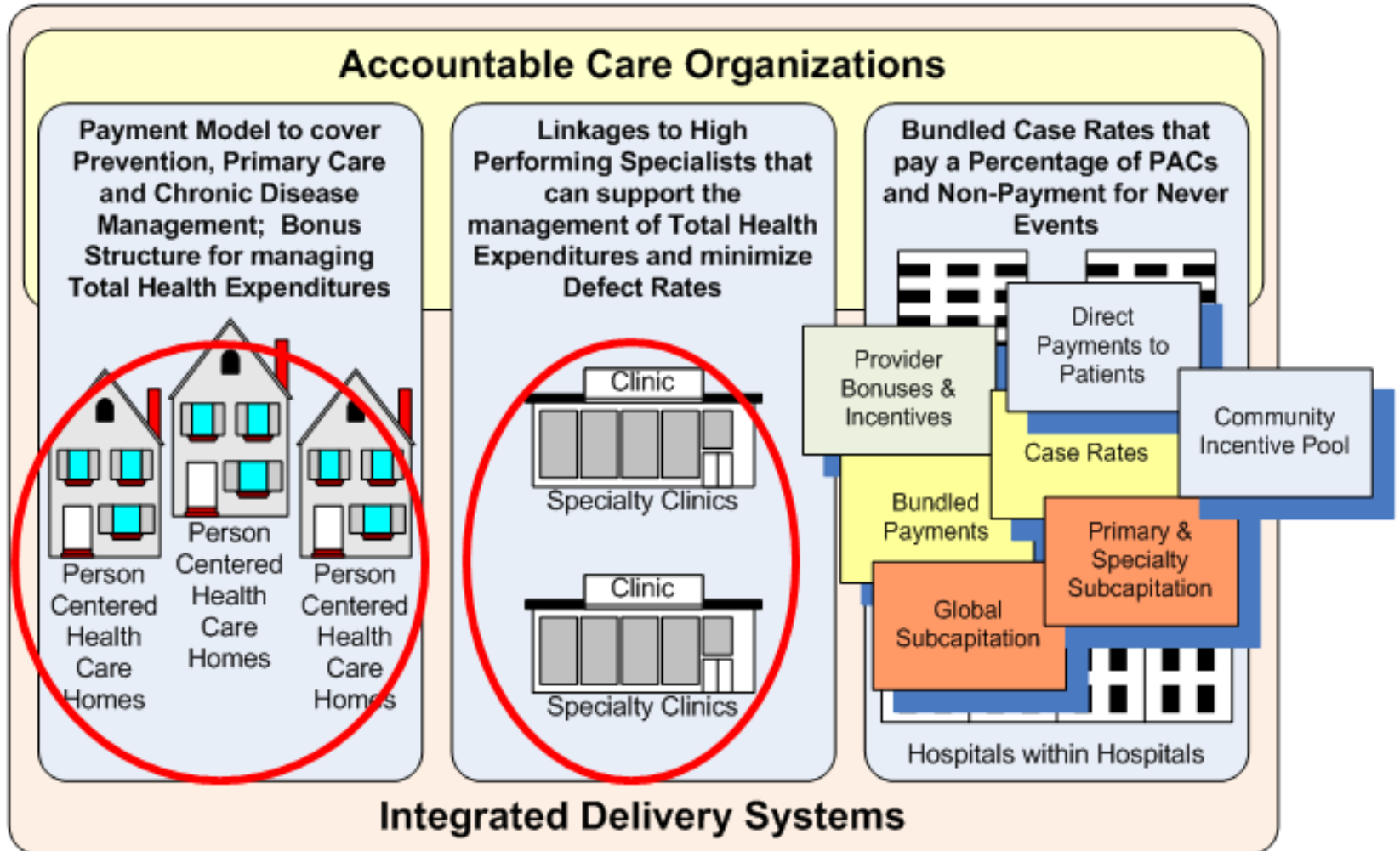
- **Parity in Medicaid Expansion:** Expands Medicaid eligibility to all Americans up to 133% of federal poverty and requires coverage of mental health and substance use disorder services for all newly eligible parents and childless adults and existing persons in Medicaid managed care programs
- **Parity in the Exchanges:** The ACA requires a basic benefit package that requires coverage of mental health and substance use disorder services for all health plans operating in the new Health Insurance Exchanges (for newly insured and those coming in from the individual and small-group markets)

# Did the Authors of the Accountable Care Act Understand These Things?

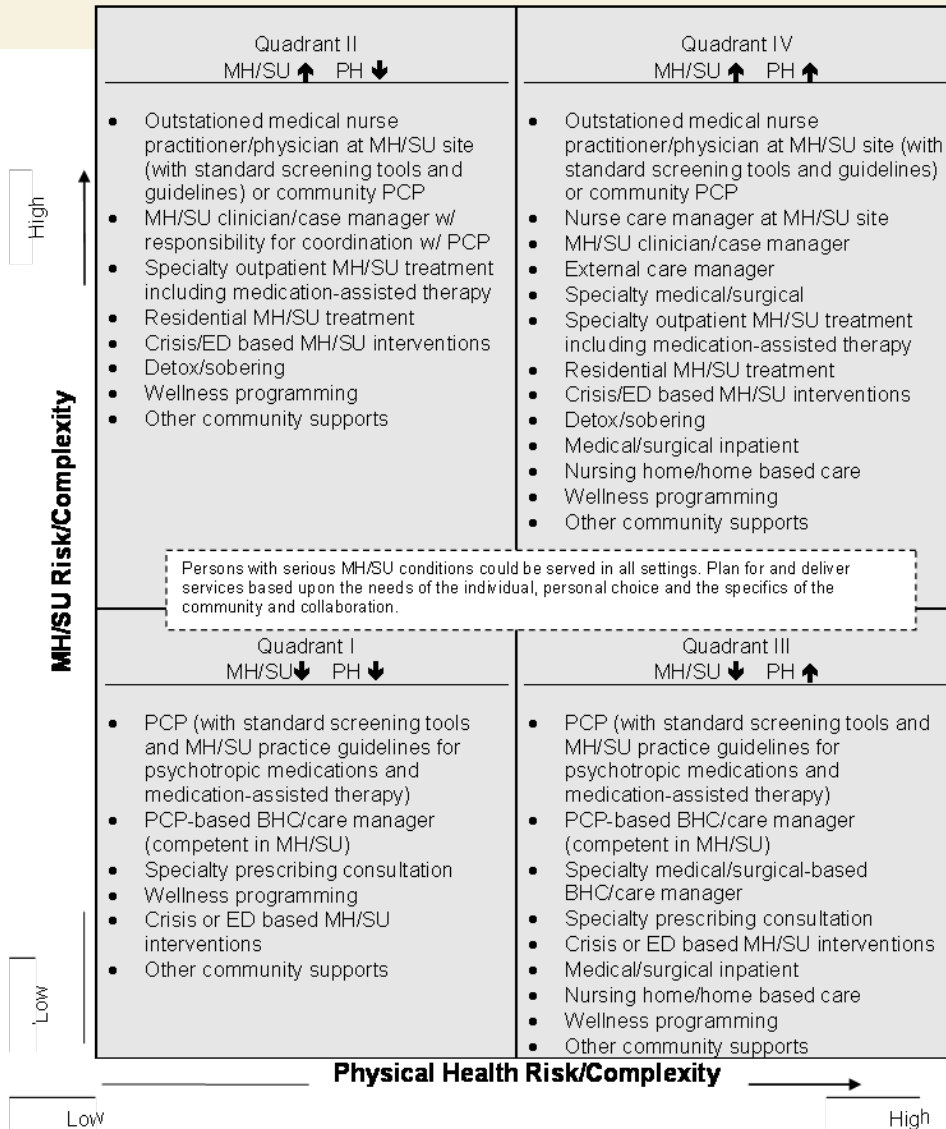
## Longer Answer (continued):

- **National Prevention Council:** The ACA creates a National Prevention Council with the director of the Office of National Drug Control Policy as a member and alcohol and other drug addictions listed as a national priority for that Council's report to Congress.
- **Workforce Expansion:** The ACA names behavioral-healthcare workers as a high priority in the bill's National Workforce Strategy section.
- **Community Health Team Grants:** The ACA lists addiction and mental-health providers as eligible for community health-team grants.

# What Are the Implications for Organizations that Provide MH/SU/COD Services?



# The Four Quadrant Clinical Integration Model



Each quadrant considers the behavioral health and physical health risk/complexity (low to high) of the population

Generally...

Persons in Quadrants I and III should receive BH services in Primary Care

Persons in Quadrants II and IV should receive PC services in Behavioral Health

**BUT WAIT, THIS PRINT IS TOO SMALL...**

# Person-Centered Healthcare Home: Quadrants I and III

The larger print:

## Quadrant I

- PCP
- PCP-based BHC/care manager
- Specialty prescribing consultation
- Wellness programming
- ED based MH/SU/COD interventions

## Quadrant III

- PCP
- PCP-based BHC/care manager
- Specialty medical/surgical-based BHC/care manager
- Specialty prescribing consultation
- ED based MH/SU/COD interventions
- Medical/surgical inpatient
- Nursing home/home-based care
- Wellness programming
- Other community supports

# Person-Centered Healthcare Home: Quadrants II and IV

The larger print:

## Quadrant II

- Outstationed medical NP/PCP
- BH clinician/case manager w/ responsibility for coordination w/ PCP
- Specialty outpatient MH/SU/ COD treatment including medication-assisted therapy
- Residential SU/COD treatment
- Crisis/ED based MH/SU/COD interventions
- Detox/sobering
- Wellness programming
- Other community supports

## Quadrant IV

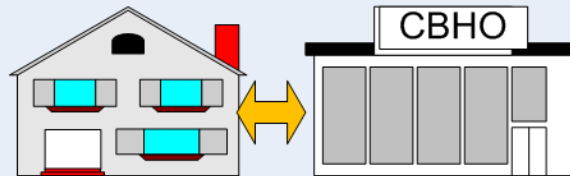
- Outstationed medical NP/PCP
- Nurse care manager/BH site
- BH clinician/case manager
- External care manager
- Specialty medical/surgical
- Specialty outpatient MH/SU/COD treatment
- Residential SU/COD treatment
- Crisis/ED based MH/SU/COD interventions
- Medical/surgical inpatient
- Nursing home/home based care
- Wellness programming
- Other community supports

# Behavioral Health Customization: Person-Centered Healthcare Homes

## Bi-Directional Care:

Behavioral  
 Health in  
 Primary Care  
*and*  
 Primary Care in  
 Behavioral  
 Health

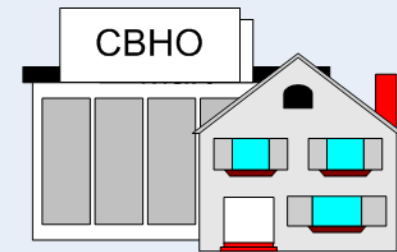
**Clinical Design for Adults with Low to Moderate and Youth with Low to High BH Risk and Complexity**



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**



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

# MH/SU/COD Customization: Person-Centered Healthcare Homes

**California** has done some of the most in-depth work...

to sort out the key questions of **who, how many, what and where** of Primary Care-Behavioral Health Integration

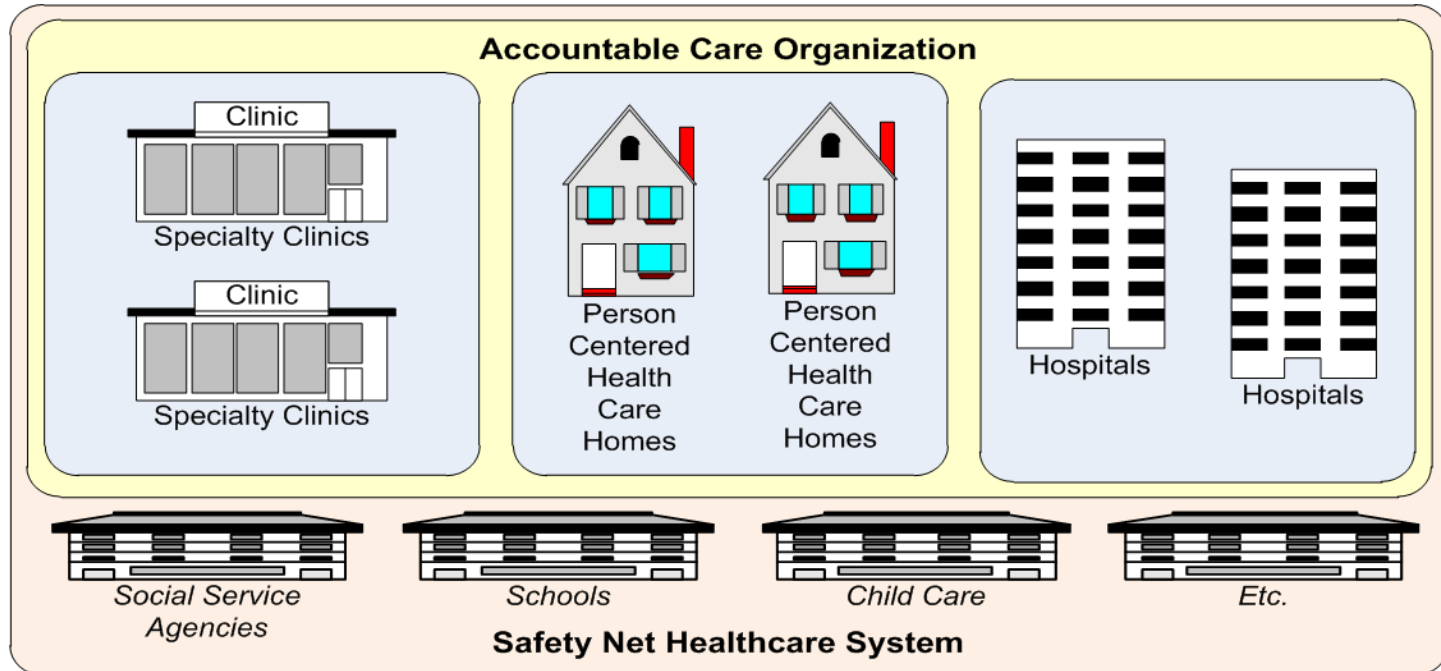
The California California Primary Care, Mental Health, and Substance Use Services Integration Policy Initiative

Four Levels of Mental Health/Substance Use Complexity and Need

	Mild	Moderate	Serious	Severe
What are the characteristics of each group?				
How many people are in each group?	Adults 2.8 million	Adults 2.6 million	Adults 847 thousand	Adults 706 thousand
What type of Healthcare Home Medical Services are needed?				
What are the MH/SU Services that should be available?				
Where should MH/SU services generally be provided?	Primary Care	Local Decision	Local Decision	Specialty Beh. Hlth.

# And What About Accountable Care Organizations for Persons with COD

- Good medical care alone isn't the answer
- We need to expand the available services in medical homes to include a focus on the behavioral health, housing, social and personal supports needed to achieve and maintain health

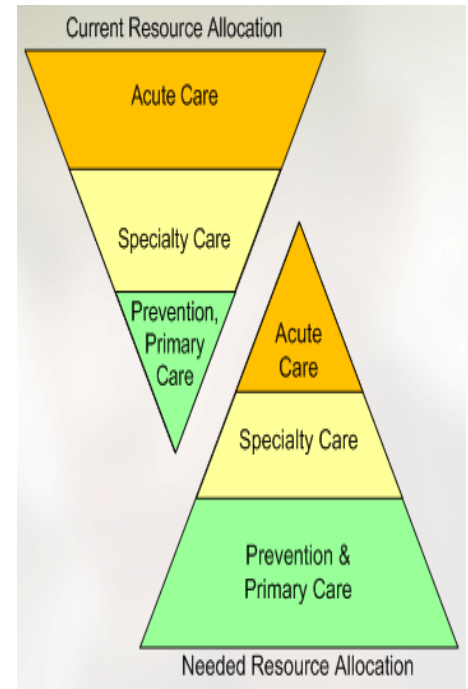


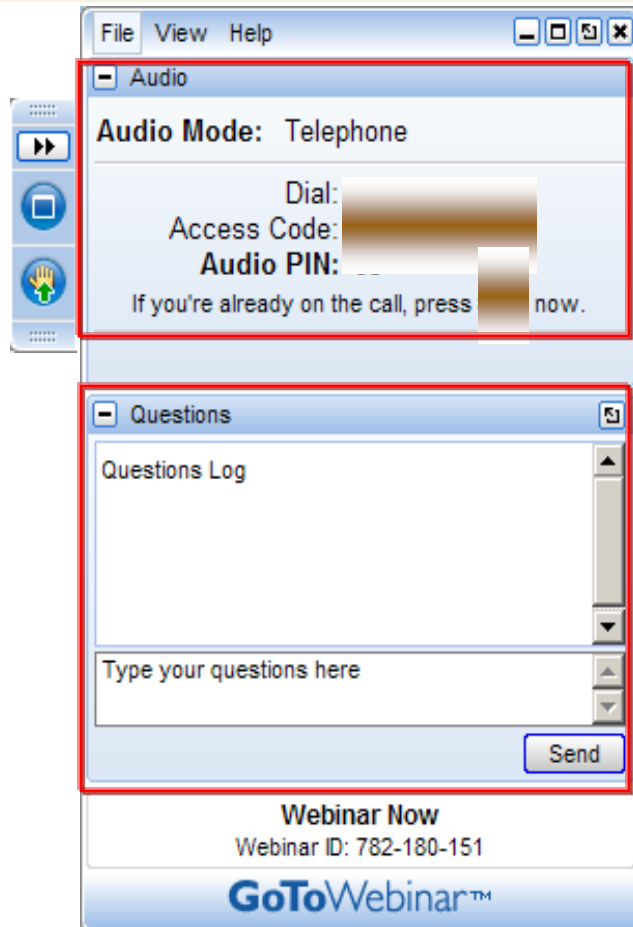
# But Will All These Great Ideas Really Work?

**Short Answer:** We don't know...

## **Longer Answer:**

- We have a once in a generation opportunity
- We have the knowledge and technology to move from a sick care to a health care system for persons with mental health, substance use and co-occurring disorders, but...
- It's going to take strong advocacy on the part of consumers and advocates
- And a lot of hard work by provider organizations to prepare for this brave new world





## How to participate

- Your unique audio pin is located in the Audio Pane. See example.
- Submit your text question using the Questions pane
- **Note:** A copy of this presentation and the recording will be make available within 48 hours

# Following the Webinar

**Thank you for participating in today's webinar!**

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- <http://www.thenationalcouncil.org/>
- <http://coce.samhsa.gov/>

Your feedback is important. Please complete the evaluation form that will be sent to you later today.

For additional information contact: [contact@codimail.org](mailto:contact@codimail.org)