

Behavioral Health In The Era Of Value-Based Care:

Improving Quality & Lowering Costs Through Population Health Management

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Strategic Questions For Behavioral Health Provider Organizations. . .

- Where does behavioral health fit in a health system increasingly focused on value?
- How is 'value' being defined?
- How is the focus on 'value' affecting health care financing, delivery systems, and provider payment?
- What are the emerging roles for behavioral health provider organizations?



The Regulatory & Policy Effects Of PPACA* & Parity

Drop in the uninsured population

- From an estimated 37 million people, or 20% of the population, in 2010¹
- To 29 million, or 16%, by the second half of 2014.¹

Parity legislation provides financial equity in mental health and addiction treatment benefits for almost all Americans with health insurance²

The Affordable Care Act has over 80 provisions that went into effect between 2010 and 2015:³

- **Expanded consumer access:** expanded Medicaid coverage, health insurance exchange, and essential health benefits³
- **Insurance coverage reform:** minimum medical loss ratios (MLR) for insurers; pre-existing condition exclusions and lifetime limits prohibited³
- **Integrated care coordination models:** Medicaid health homes and accountable care organizations in Medicare³
- **Pay-for-performance:** Medicare value-based purchasing initiatives and penalties for high rates of hospital readmissions³

1. Collins, S. R. (2015, January). The Rise in Health Care Coverage and Affordability Since Health Reform Took Effect.
2. U.S. Department of Labor, Employee Benefits Security Administration . (2010). The Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) . Washington, DC: U.S. Department of Labor, Employee Benefits Security Administration .
3. Oss, M. E. (2015, August 24). Key Features Of The Affordable Care Act – A Year-By-Year Update . Retrieved from OPEN MINDS: <https://www.openminds.com/market-intelligence/editorials/key-features-affordable-care-act-year-year-update.htm/>

*PPACA – Patient Protection & Affordable Care Act

The Expansion Of Use Of Managed Care Models – New Enrollment & New Populations¹

Increasing use of managed care financing and service delivery models

- Commercial
- Medicaid
- Medicare
- Dual eligible

New populations

- Complex disabilities
- Long-term care

1. Ramsland, S. (2014). Marketing To Managed Care: Issues In Providing Mental Health Services For Commercial Insurance & Managed Care Plans. The 2014 OPEN MINDS Executive Leadership Retreat. Gettysburg, PA: OPEN MINDS.

Managed Care Continues To Grow As Dominant Contracting Model

Managed Care Penetration, 2014

Segment	Total U.S. (Million)	Percent U.S.	Managed Care Enrollees (Million)	Managed Care Percent
Medicare	53.8	16.8%	15.6	29.0%
Medicaid*	54.0	16.9%	36.2	67.0%
Military	4.9	1.5%	4.9	100%
Commercial	165.2	51.6%	164.4	99.5%
Uninsured	42.0	13.1%	0.0	0.0%
TOTAL	319.9	100%	221.1	69.1%

*Exclusive of dual eligible beneficiaries

1. MCOL Research. (2014). Managed Care Fact Sheets > National Managed Care Penetration. Retrieved from MCO.org: http://www.mcol.com/managed_care_penetration

Proposed Consolidation Among Health Insurance Organizations, 2015

Insurance Organization	Enrollment	Percent of Market*
Cigna / Anthem	53,000,000 ¹	19%
United Health Group	46,000,000 ⁴	16%
Aetna / Humana	33,000,000 ¹	12%
Kaiser	10,100,000 ²	4%
Health Net	6,100,000 ³	2%
All Others	148,200,000	52%

The 2014 insured market is estimated to be 283 million⁵

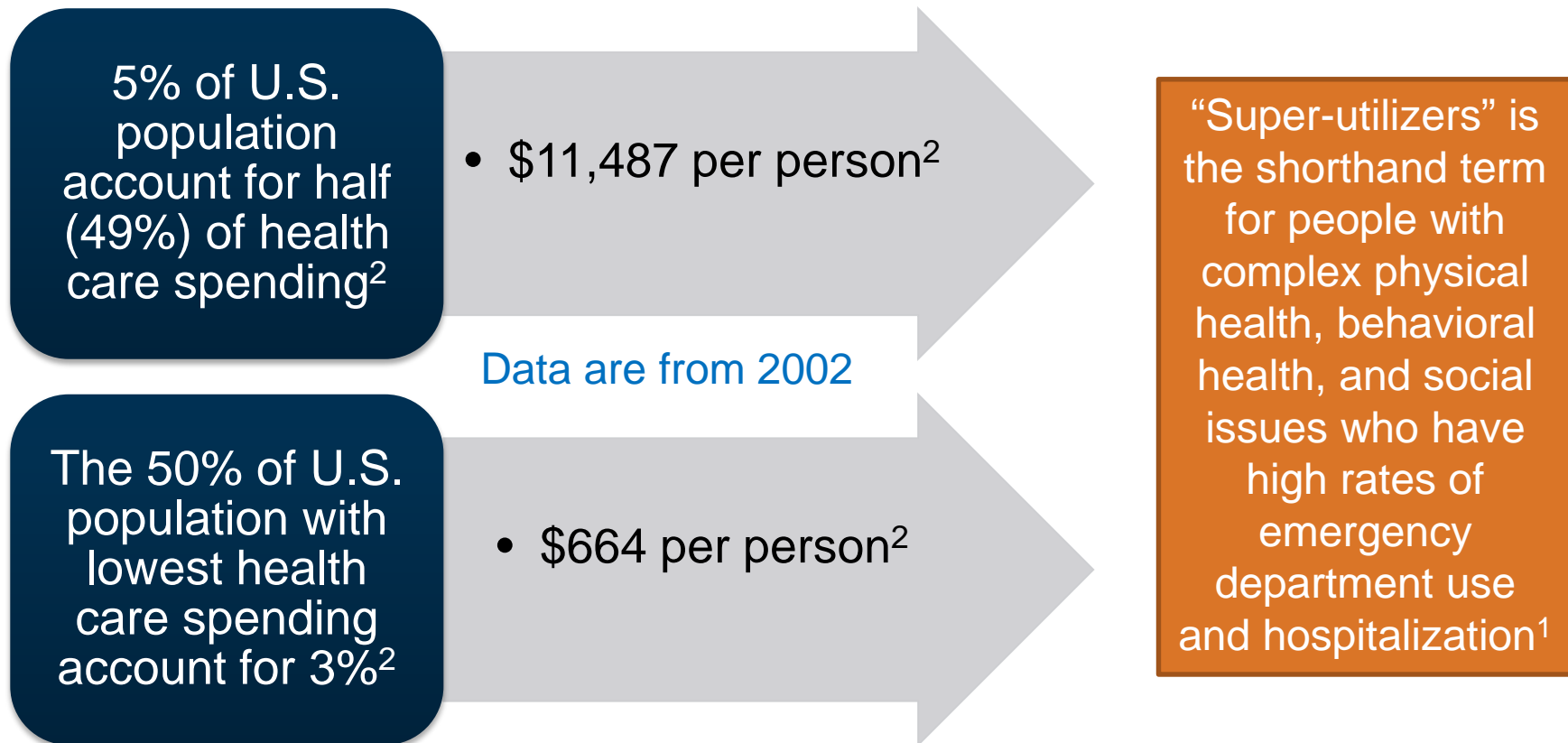
1. Luhby, T. (2015, July 24). In another merger of health insurance giants, Anthem has agreed to acquire Cigna in a \$54 billion deal. Retrieved from Money.CNN.com: <http://money.cnn.com/2015/07/24/news/companies/anthem-cigna-merger/>
2. Kaiser Permanente. (2015). Fast Facts about Kaiser Permanente. Retrieved from Kaiserpermanente.org: <http://share.kaiserpermanente.org/article/fast-facts-about-kaiser-permanente/>
3. Health Net. (2015, August 13). Investor Relations - News Release. Retrieved from investor.health.net: http://investor.health.net/phoenix.zhtml?c=70296&p=irol-newsArticle_Print&ID=2079496
4. Banerjee, A. (2015, July 24). Anthem to buy Cigna, creating biggest U.S. health insurer. Retrieved from Reuters.com: <http://www.reuters.com/article/2015/07/24/us-cigna-m-a-anthem-idUSKCN0PY12B20150724>
5. U.S. Census Bureau. (September 2015). Health Insurance in the United States: 2014; Table 1. Coverage Rates by Type of Health Insurance: 2013 and 2014. Retrieved from Census.gov: <http://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-253.pdf> (Note: consumers may have selected more than one coverage type causing over-counting in some categories of health insurance. Therefore the estimate of total insured individuals may be overstated.)

Competition Among Health Plans Has Sharpened The Focus On Value

- Health plan's responsibility is at the “population” level¹
- Looking to increase value by improving the consumer care experience, improving consumer health, and reducing the per capita cost of health care¹
- This is often referred to as “Triple Aim”¹

1. Case, J. (2014, October 21). A Primer on Defining the Triple Aim . Retrieved from IHI.org:
http://www.ihi.org/communities/blogs/_layouts/ihi/community/blog/itemview.aspx?List=81ca4a47-4ccd-4e9e-89d9-14d88ec59e8d&ID=63

The Quest For Value Is Causing A New Focus On “Superutilizer” Management To Increase Value Of Health Expenditures



1. The Robert Wood Johnson Foundation. (2015). Better Care for Superutilizers. Retrieved from The Robert Wood Johnson Foundation: <http://www.rwjf.org/en/library/collections/super-utilizers.html>
2. Schuster, J. (2014, July 24). A New Approach for People with Complex Service Needs: The Behaviorally-Focused Medical Home. Retrieved from OPEN MINDS: https://www.openminds.com/wp-content/uploads/indres/CommunityCare_WhitePaper_FINAL.pdf.

The Footprint Of Superutilizers In The Health System

- **Multiple specialists (and multiple prescriptions) (2004)**
 - Consumers with 5+ chronic conditions have an average of nearly 15 office visits per year²
 - Fill 50 prescriptions per year²
- **Medicaid "super-utilizers" (2012)**
 - Accounted for half of all 30-day hospital readmissions for the Medicaid population in 2012³
 - Had a readmission rate nearly six times as high as that for other Medicaid patients (52.4% versus 8.8%)³
 - Were hospitalized for mood disorders, schizophrenia and other psychotic disorders (first and second reasons).³
 - Are more likely to require follow-up care after discharge and to leave the hospital against medical advice compared with other Medicaid patients ³

Readmissions
add \$15 billion in
annual Medicare
payments
(2007)¹

1. Minott, J. (2008, November). Reducing Hospital Readmissions. Retrieved from AcademyHealth.org: <http://www.academyhealth.org/files/publications/ReducingHospitalReadmissions.pdf> [page 2]
2. Partnership For Solutions. (2004, September). Chronic Conditions: Making The Case For Ongoing Care. Retrieved from Partnership For Solutions: <http://www.partnershipforsolutions.org/DMS/files/chronicbook2004.pdf> [slide 17., slide 16]
3. Jiang, H. J. (2014, November). Characteristics of Hospital Stays for Nonelderly Medicaid Super-Utilizers, 2012. Retrieved from AHRQ.gov: <http://www.hcup-us.ahrq.gov/reports/statbriefs/sb184-Hospital-Stays-Medicaid-Super-Utilizers-2012.jsp>

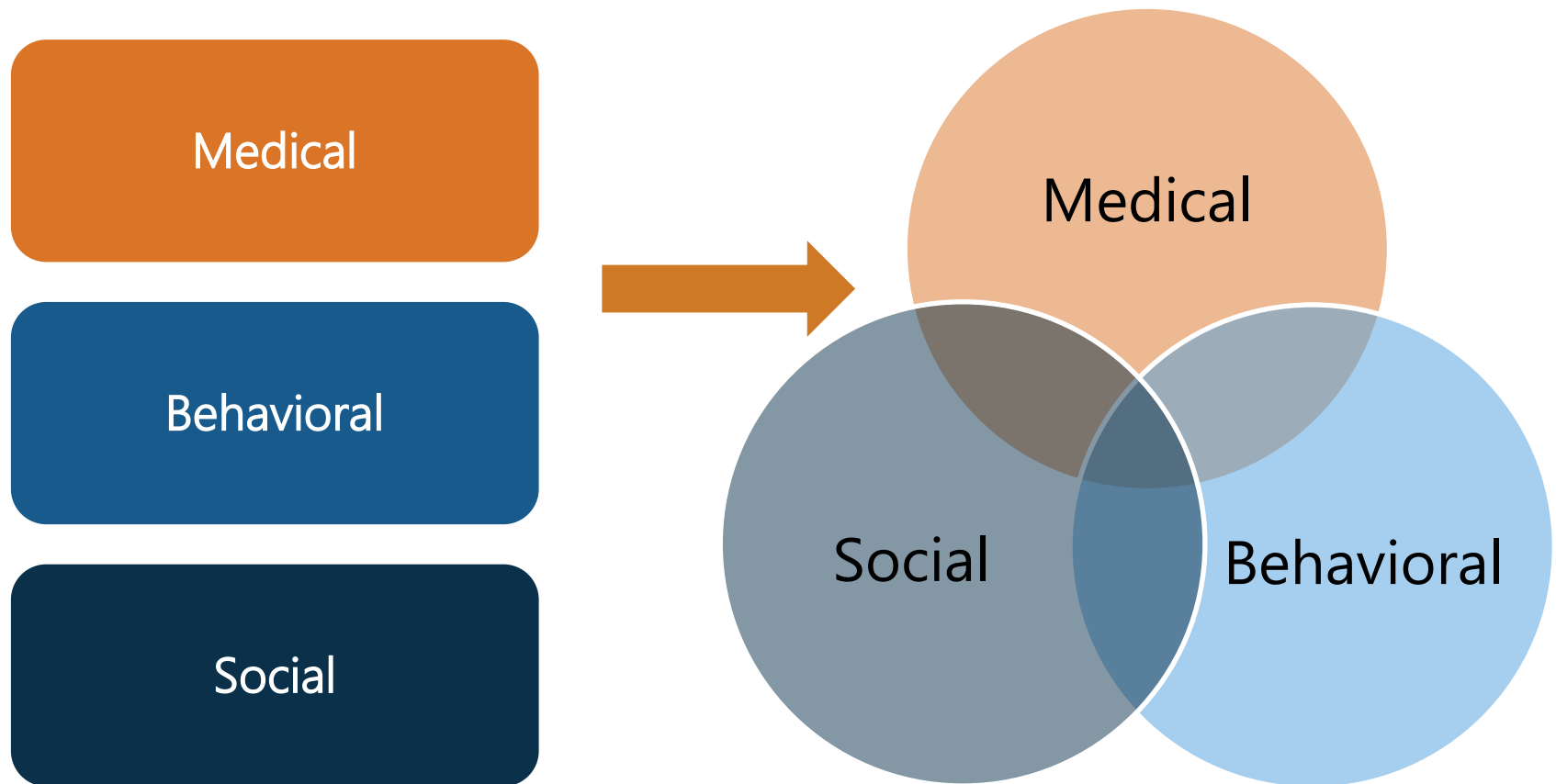
Behavioral Health Disorders Have A Big Impact On Spending

Data are from 2001-2002			Per Capita Costs Among Medicaid Only Beneficiaries With Disabilities	
Condition	No Mental Illness and No Drug/Alcohol	Mental Illness and Drug/Alcohol		
Asthma/COPD*	\$8,000	\$24,598		
Congestive Heart Failure	\$9,488	\$24,927		
Coronary Heart Disease	\$8,788	\$24,443		
Diabetes	\$9,498	\$36,730		
Hypertension	\$15,691	\$35,840		

*Chronic Obstructive Pulmonary Disease

1. Boyd, C. (2010, December). *Clarifying Multimorbidity Patterns to Improve Targeting and Delivery of Clinical Services for Medicaid Populations*. Retrieved from Center For Health Care Strategies, Inc.: http://www.chcs.org/media/clarifying_multimorbidity_patterns.pdf [figure 2]

Coordinated Care Models Across Medical, Behavioral, & Social Systems Are Emerging To Address The “Superutilizer” Challenge¹



1. Graphic by OPEN MINDS from source: Hasselman, D. (2013, October). Super Utilizer Summit. Retrieved from RWJF.org: http://www.rwjf.org/content/dam/farm/reports/issue_briefs/2013/rwjf407990

The Emerging Framework For Integrated Care Coordination Involves Population Health Management At All Levels¹



1. Oss, Monica E. (July 11, 2015). Mental Health Counselors In The Post-Health Care Reform Era: A Roadmap To Strategic Repositioning For Success. Pg. 9. American Mental Health Counselors Association Annual Conference, Philadelphia, Pennsylvania. Retrieved from http://c.ymcdn.com/sites/www.amhca.org/resource/collection/7CD83570-B647-4167-B1C3-01B144C94A40/AMHCA_7-11-15_Plenary_RoadmapToStrategicRepositioningMentalHealthCounselors_7-9-15.pdf.

Accountable Care Organization (ACO) Snapshot

- Over 600 ACOs in the 50 states and District of Columbia as of Q4 2013¹
- Most owned by hospital systems or community-based provider organizations¹
- 67% of Americans live in an area with ACO coverage³ (2014)
- Covers 15%-17% of the population³ (2014)

Medicare

- 368 Medicare ACOs currently in three programs:^{3e}(2014)
 - Medicare Shared Savings Program⁴
 - Advanced Payment ACO Model⁴
 - Pioneer ACO Model⁴

Medicaid

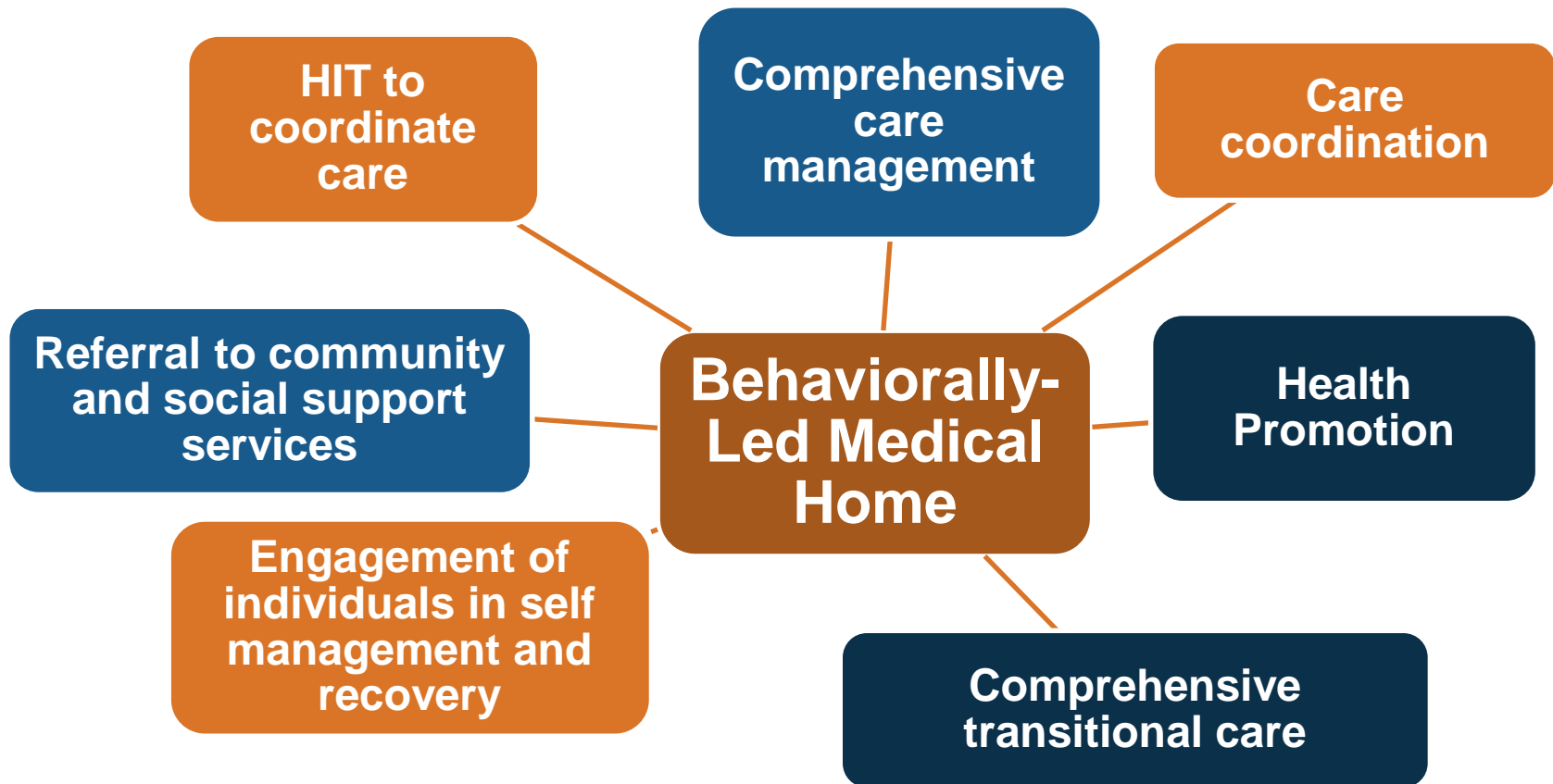
- Eight state Medicaid programs operate an ACO model² (2015)
- Nine states are in the process of developing ACO models² (2015)

Commercial

- Managed by physician groups, hospital systems, and private insurers⁵
- Around 154 commercial ACOs³

1. Muhlestein, D. (2014, January 29). Accountable Care Growth In 2014: A Look Ahead. Retrieved from Health Affairs Blog: <http://healthaffairs.org/blog/2014/01/29/accountable-care-growth-in-2014-a-look-ahead/>
2. OPEN MINDS. (2015, April 12). Eight States Sponsoring Medicaid ACOs; Nine States Pending . Retrieved from OPEN MINDS: <https://www.openminds.com/market-intelligence/news/eight-states-medicare-acos-nine-states-developing-medicare-acos.htm/>
3. Oliver Wyman. (2014, April). ACO UPDATE: ACCOUNTABLE CARE AT A TIPPING POINT. Retrieved from OliverWyman.com: [http://www.oliverwyman.com/content/dam/oliver-wyman/global/en/files/insights/health-life-sciences/2014/April/NYC-MKT08001-034%20\(4\).pdf](http://www.oliverwyman.com/content/dam/oliver-wyman/global/en/files/insights/health-life-sciences/2014/April/NYC-MKT08001-034%20(4).pdf)
4. (2015, September 14). Accountable Care Organizations (ACOs): General Information - ACO Programs at CMS. Retrieved from Innovation.cms.gov: <http://innovation.cms.gov/initiatives/aco/>
5. Accountable Care Facts. (2015). What is an Accountable Care Organization (ACO)? Retrieved from Accountable Care Facts: <http://www.accountablecarefacts.org/topten/what-is-an-accountable-care-organization-aco-1>

MCO*/ACOs** Use Medical Homes For Consumer Care Management & Risk Management¹



* Managed Care Organization

**Accountable Care Organization

1. Schuster, J. (2014, July 24). A New Approach for People with Complex Service Needs: The Behaviorally-Focused Medical Home. Retrieved from OPEN MINDS: https://www.openminds.com/wp-content/uploads/indres/CommunityCare_WhitePaper_FINAL.pdf

Medicaid Health Homes

- As of June 2015, 28 states were operating or planning to launch Medicaid health homes
 - 18 states with approved state plan amendments (SPAs)²
 - At least 8 states are in various stages of planning and implementing health homes²
- Over 1 million enrollees¹
- Medicaid health home enrollment is focused on high-need high-cost beneficiaries. Criteria for participation is: (1) two chronic conditions; (2) one chronic condition and risk for a second; or (3) a serious mental illness.¹

1. Medicaid.gov. (2015, May). Medicaid Health Homes: An Overview. Retrieved from Medicaid.gov: <http://www.medicaid.gov/state-resource-center/medicaid-state-technical-assistance/health-homes-technical-assistance/downloads/medicaid-health-homes-overview.pdf>
2. OPEN MINDS. (2015, August). How Are States Managing Medicaid Health Homes? Retrieved from OPEN MINDS Market Intelligence Report: https://www.openminds.com/wp-content/uploads/indres/Health-Home-Update_081415_final.pdf

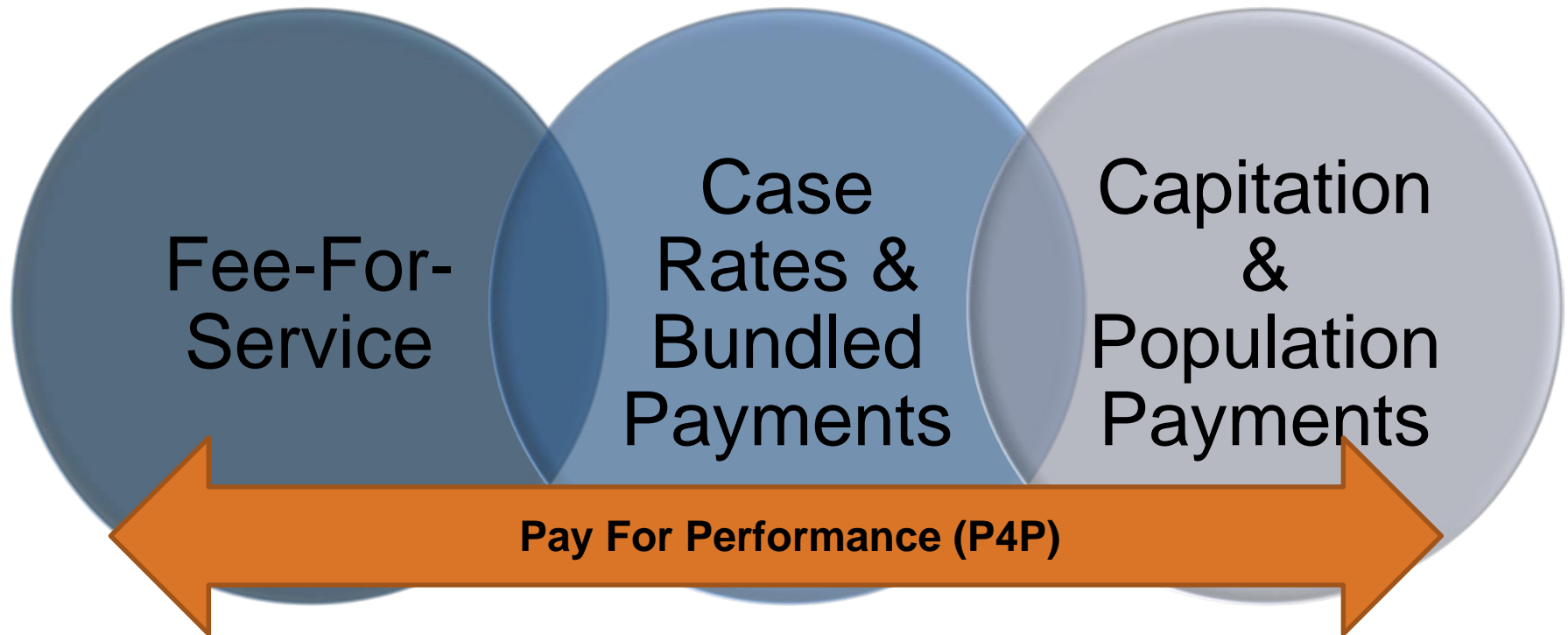
Approved²

Alabama
Idaho
Iowa
Kansas
Maine
Maryland
Michigan
Missouri
New Jersey
New York
North Carolina
Oklahoma
Rhode Island
South Dakota
Vermont
Washington
West Virginia
Wisconsin

Pending²

Arkansas
California
Connecticut
Illinois
Massachusetts
Minnesota
New Mexico
Virginia

The Transition From Pay-For-Volume To Pay-For-Value¹



1. Chateau, Dan; Fedash Beck, Jackie; Smith, Michael E. (June 2015). Behavioral Health Best Practice Population Health Management: Achieving The Triple Aim By Moving Decision Support To Provider Organizations. pg. 5. Presented at The 2015 *OPEN MINDS* Strategy & Innovation Institute, New Orleans, Louisiana. Retrieved from <https://www.openminds.com/email/strategy/061615SIIcmt.pdf>.

Managed Care Plans Continue Move To “Value-Based Contracting” With Providers

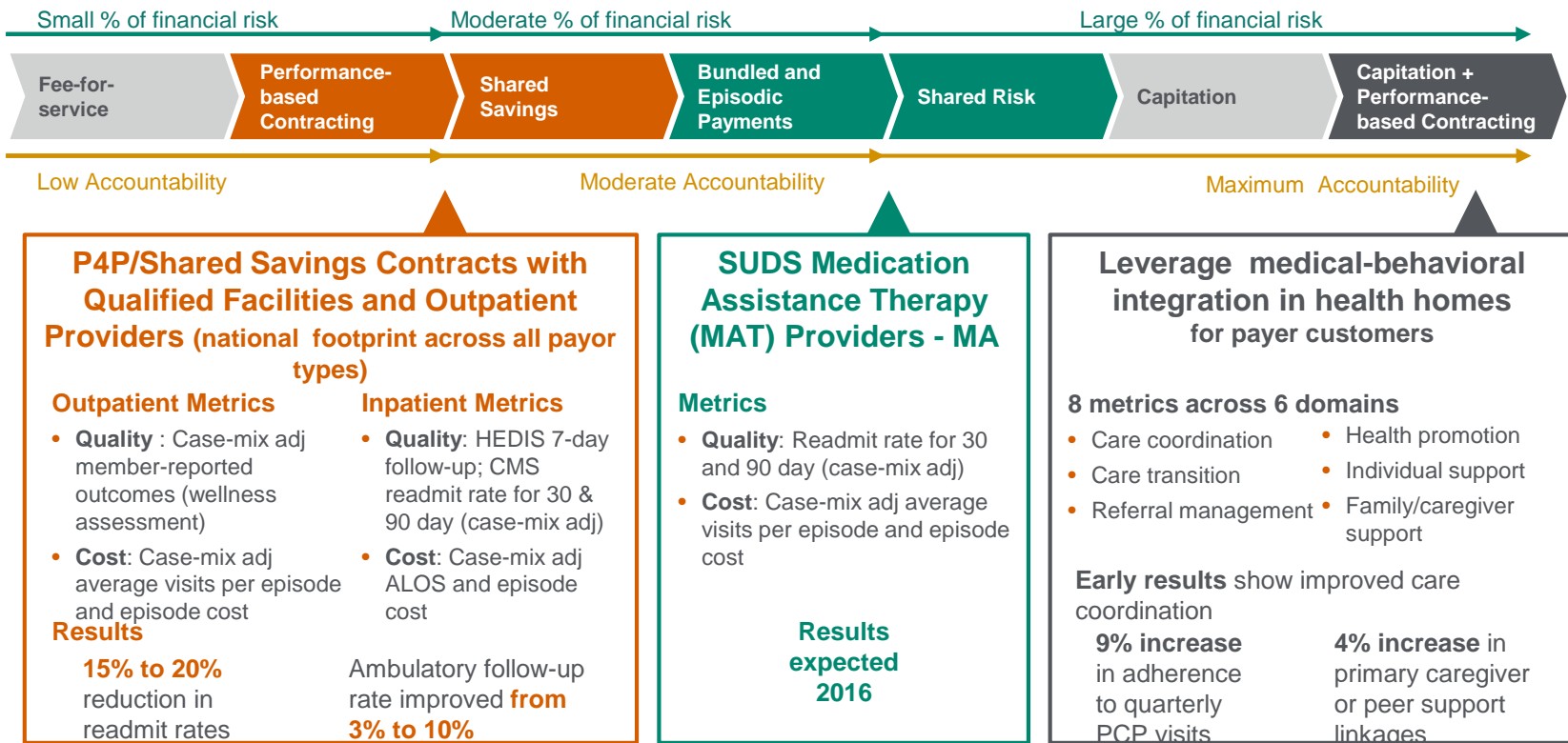
- About 40% of commercial health plan reimbursements to provider organizations in 2014 were linked to value-oriented initiatives; this compares to 11% in 2013¹
- As of June 2014, 1 million+ individuals enrolled in Medicaid health homes²
- As of 2013, more than 21 million individuals enrolled in PCMHs*; this compares to 5 million in 2009³
- As of Q4 2013, there were 606 ACOs** (260 physician groups, 238 hospital systems, 55 insurers, and 53 “other” organizations)⁵
- By April 2015 there were 645 ACOs: 366 have Medicare contracts; 210 have commercial contracts, and 74 have both commercial and government contracts⁴

*Patient-Centered Medical Homes

**Accountable Care Organization

1. Catalyst for Payment Reform. (2014). 2014 National Scorecard on Payment Reform. Retrieved from Catalyst for Payment Reform: <https://www.openminds.com/market-intelligence/news/40-2014-health-spending-commercial-insurance-plans-tied-quality-incentives.htm/> [top of page]
2. Medicaid.gov. (2015, May). Medicaid Health Homes: An Overview. Retrieved from Medicaid.gov: <http://www.medicaid.gov/state-resource-center/medicaid-state-technical-assistance/health-homes-technical-assistance/downloads/medicaid-health-homes-overview.pdf> [table page 1]
3. Edwards, S. T. (2014, October). Patient-Centered Medical Home Initiatives Expanded In 2009–13: Providers, Patients, And Payment Incentives Increased. Retrieved from NCQA: http://www.ncqa.org/Portals/0/Programs/Recognition/PCMH/Haffairs_pcmh_initiative_growth_10-14.pdf [page 1]
4. Oss, M. E. (2015, April 29). In “Accountable Care”, Who Is Accountable For What Consumer? Retrieved from OPEN MINDS: <https://www.openminds.com/market-intelligence/executive-briefings/accountable-care-accountable-consumer.htm/> [table front page]
5. Muhlestein, D. (2014, January 29). Accountable Care Growth In 2014: A Look Ahead. Retrieved from Health Affairs Blog: <http://healthaffairs.org/blog/2014/01/29/accountable-care-growth-in-2014-a-look-ahead/>

An Example Of Emerging Pay-for-Value From 2015 Optum Presentation¹



1. Bonfield, W. (2015). How to Create Successful Partnerships With Managed Care Organizations: What Payers Are Looking For In Integrated Service Delivery & Coordinated Care Management. The 2015 OPEN MINDS Strategy & Innovation Institute (p. Slide 30). New Orleans: OPEN MINDS. [Permission to reprint received September 30, 2015 from Bonfield.]

Emerging Roles For Behavioral Health Provider Organizations In Population Health Management

Emerging Program Models	Example
Mental health services for individuals with acute health care conditions	Coronary artery bypass surgery patients; ³ people with pain ⁴
Integrated primary care/behavioral health services	Cherokee Health System; ⁹ Intermountain Health Care ¹⁰
Specialized crisis diversion and hospital readmission prevention programs	Recovery Innovations; ⁷ Baltimore Crisis Response, Inc. ⁸
Specialty medical homes and health homes for coordination of care for high-risk individuals with behavioral health conditions	Spectrum Human Services; ⁵ Black Hawk-Grundy Mental Health Center ⁶
“Vertical” specialty health plans for individuals with serious mental illnesses	Magellan Complete Care; ¹ Mercy Maricopa Health Plan ²

1. Magellan. (2015). Magellan Complete Care. Retrieved from <http://www.magellanhealth.com/our-solutions/magellan-complete-care-.aspx>
2. Mercy Maricopa. (2015). Mercy Maricopa Integrated Care. Retrieved from Mercy Maricopa: <http://www.mercymaricopa.org/>
3. Rollman, B. (2011, August). The Bypassing the Blues trial: collaborative care for post-CABG depression and implications for future research. Retrieved from U.S. National Library of Medicine: <http://www.ncbi.nlm.nih.gov/pubmed/21972329>
4. Johns Hopkins Medicine. (2015). Pain Treatment Program. Retrieved from Johns Hopkins Medicine: http://www.hopkinsmedicine.org/psychiatry/specialty_areas/pain/
5. Nisbet, B. C. (2015). The Inside Perspective On Health Homes: Learning From The Experience Of Provider Organizations Who Are Making It Work. The 2015 OPEN MINDS Strategy & Innovation Institute. New Orleans, LA: OPEN MINDS.
6. Arjes, K. (2015). Challenges & Successes Implementing our Integrated Health Home. The 2015 OPEN MINDS Strategy & Innovation Institute. New Orleans, LA: OPEN MINDS.
7. Recovery Innovations. (2015). Retrieved from <http://www.recoveryinnovations.org/>
8. Baltimore Crisis Response, Inc. (2015). Retrieved from Baltimore Crisis Response, Inc.: <http://www.bcresponse.org/>
9. Cherokee Health Systems. (2015). Retrieved from Cherokee Training: <http://www.cherokeetraining.com/>
10. Intermountain Health. (2015, September 3). Integrated Delivery Networks to Watch. Retrieved from Intermountainhealth.org: <https://intermountainhealthcare.org/news/2015/09/integrated-delivery-networks-to-watch/>

The shift to value-based continues to offer opportunities for behavioral health provider organizations and mental health professionals.



QUESTIONS