



**Initial Report on
Managed Care
Organization Services
for
Individuals with
Serious Mental Illness**

**As Required by
Senate Bill 1, General
Appropriation Act, 2017,
85th Regular Session**

**Texas Health and Human
Services Commission**

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TEXAS
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1. Executive Summary

The 85th Legislature authorized the Health and Human Services Commission (HHSC) to develop and procure a managed care program in at least one service delivery area (SDA) to serve members with serious mental illness (SMI), if cost effective. HHSC is still evaluating the feasibility and cost effectiveness of procuring a managed care product to serve members with SMI. HHSC has also evaluated whether to include the SMI benefit as a component of the STAR+PLUS procurement. This interim report serves as analysis of why this not an appropriate action at this time; however, HHSC will continue to research efforts in other states, evaluating the cost effectiveness of those models, as well as managed care program options for future contract renewals and re-procurements.

Rider 175 Summary

The 2018-19 General Appropriations Act, Senate Bill (S.B.) 1, 85th Legislature, Regular Session, 2017 (Article II, HHSC, Rider 175), requires HHSC to provide the following deliverables.

- Develop performance metrics for better managed care organization (MCO) accountability for members with SMI. The metrics must include performance measures for integrated care, jail and emergency department diversion, post-release linkage to care, homelessness reduction, supportive housing, and medication adherence.
- Improve outcomes, care integration, and enhanced cost control against an established baseline for members with SMI.
- Report to the Legislative Budget Board (LBB) and Governor by November 1, 2018, detailing HHSC's performance metrics on providing services to members with SMI.
- If cost effective, HHSC may develop and procure a managed care program in at least one service delivery area to serve members with SMI. If HHSC determines it will not procure a managed care program for SMI populations, prior to any relevant procurement HHSC must submit a report to the LBB explaining why it did not, and the report must include a five-year General Revenue and all funds cost analysis.

This initial report addresses the feasibility of including a specialty plan for SMI as part of the STAR+PLUS re-procurement. HHSC is not pursuing a managed care program for individuals with SMI as part of this STAR+PLUS procurement for the following reasons.

Timing of available data. Only a handful of other states have implemented an analogous specialty health plan, as described in Rider 175. Of those states, Florida and Arizona operate a system most similar to the managed care network in Texas; however, at this time, neither state has conclusive outcome measure data mirroring the evidence-based outcomes contemplated in Rider 175. Both states are still evaluating the efficacy of this model to provide improved health outcomes and lower costs for the SMI population.

Additional research needed. To ensure the development of a SMI specialty plan model that is most appropriate to serve SMI members enrolled in Texas Medicaid, HHSC needs additional time to research the product design and cost effectiveness associated with this type of specialty plan, as well as operational questions, including:

- the feasibility of incorporating a pilot into the existing STAR+PLUS program, or another Medicaid managed care program, after the initial contract term, or whether a separate procurement of a distinct program would be needed;
- the process for identifying and enrolling members with SMI, ensuring continuity of care as a client transitions from one program to another;
- potential roles of existing vendors, determining how to leverage the existing managed care infrastructure (e.g. MCOs, enrollment broker, claims administrator);
- the value of additional services not currently offered in current Medicaid managed care programs and whether those services would be available to all members or only members in the SMI pilot; and
- operational components such as the need for system changes, federal waiver, waiver amendment, or state plan amendment approval.

Development time needed. Research of the timelines provided by the Arizona and Florida Medicaid programs for implementation of a specialty product, yielded an average of two to three years from inception and procurement development, readiness review, to the operational start date of the product. At this time, based on the information needed to fully develop a successful plan for implementation of such a product, HHSC believes a similar timeline will be necessary for Texas. Required implementation steps include reconfiguring eligibility and enrollment systems to enroll members in the program by diagnosis rather than eligibility category as is done today; developing contractual requirements to ensure appropriate coordination specific to these individuals; developing waiver amendments to obtain federal approval; and ensuring contracted plan(s) have completed the readiness review process.

2. Background and Initial Findings

Current Medicaid Covered Mental Health and Substance Use Disorder Treatment Services

Medicaid mental health and substance use disorder (SUD) treatment services include, but are not limited to the following:

- individual, family and group psychotherapy;
- psychological, neuropsychological, and neurobehavioral testing;
- electroconvulsive therapy;
- inpatient mental health¹;
- mental health rehabilitation (targeted populations);
- mental health targeted case management (targeted populations);
- screening, brief intervention, and referral to treatment for SUD;
- SUD assessment;
- SUD residential treatment;
- SUD detoxification (residential and ambulatory);
- medication assisted therapy (e.g., methadone treatment for opioid abuse);
- SUD group and individual counseling; and
- hospital-based detoxification.

The Texas Medicaid Provider Procedures Manual includes full benefit descriptions and service limitations.

HHSC also manages a Home and Community Based Services - Adult Mental Health (HCBS-AMH) program. Enrollees must be 18 years of age or older, and have a diagnosis of SMI. Enrollees must further meet clinical and financial eligibility, and services must improve the client's condition or prevent regression. Individuals receiving HCBS-AMH do not receive services through another waiver program.

The HCBS-AMH program is designed to provide supports to allow the individual with SMI to reside in the community. Services available under the HCBS-AMH program include but are not limited to: companion care, supervised living services, assisted living, supported home living, employment services, minor home modifications, home-delivered meals, transition assistance services, adaptive aids, transportation,

¹ Inpatient psychiatric hospital care is limited to individuals under age 21 or ages 65 and older, due to federal restrictions related to Institutions for Mental Disease. MCOs may offer psychiatric hospital coverage in lieu of general hospital care.

peer support, respite care, recovery management and flexible funds. These services are delivered and paid for using a fee-for-service model. MCOs are not responsible for offering the HCBS-AMH services, although MCO service coordinators are required to assist members in coordinating managed care acute care services and HCBS-AMH services.

Additionally, S.B. 200, 84th Legislature, Regular Session, 2015, required HHSC to use performance audits and other oversight tools to improve monitoring of the provision and coordination of behavioral health services and establish performance measures that may be used to determine the effectiveness of the integration of behavioral health services. HHSC is required to focus monitoring efforts on MCOs that provide behavioral health services through a contract with a third party.

In implementing S.B. 200, HHSC has embarked upon several projects, including a review of quality measures reported to HHSC by MCOs for members with co-occurring physical and behavioral health conditions. HHSC found very few quality measures that focus on health-related processes (e.g., diabetes screening) and no measures focusing on health-related outcomes. With the forthcoming addition of performance measures pursuant to Rider 175, HHSC anticipates increasing the number of measures used to monitor outcomes for those with SMI, including behavioral and physical health integration. Measures specific to emergency department and jail diversion, homelessness reduction, supportive housing and post-release linkage to care will provide information on the integration of health care services and community services and supports.²

In addition, HHSC's External Quality Review Organization is analyzing data on potentially preventable events for members with co-occurring physical and behavioral health conditions, identifying the reason for the potentially preventable events, the most common co-occurring disorders among these members, and other demographic information. This data analysis will assist HHSC and contracted MCOs better target interventions for members with co-occurring behavioral and physical health conditions.

² HHSC is in the early stages of analyzing performance measures related to Rider 175. Once finalized, they will be incorporated into the Uniform Managed Care Manual, which contains all required MCO deliverables.

HHSC is also releasing a survey to MCOs in November 2017 to gain a baseline understanding the current integration activities of MCOs. Survey results are expected in January 2018.

HHSC continues to implement the S.B. 200 requirements across programs to ensure integration of physical and behavioral health services for people with co-occurring conditions. This integration is focused on providing the full array of services and supports an individual requires, as opposed to focusing on individual body systems, diagnoses, or conditions. Integration is important for individuals who have co-occurring behavioral and physical health conditions, as these conditions may interact in a way that negatively affects the individual's overall health status. Currently, MCOs must cover most Medicaid behavioral health services. Some behavioral health services, such as HCBS-AMH services, are available to targeted populations and are paid for on a fee-for-service basis. Integration can also be inclusive of the integration of healthcare and community services and supports, as health status may be affected by social determinants such as housing and food security.

Current STAR+PLUS Requirements for SMI Populations

The STAR+PLUS program is a Medicaid managed care model serving approximately 66,600 members with SMI. However, STAR+PLUS is designed to serve all adults with disabilities and provides acute and long-term services and supports for individuals who are 65 and older or adults who have a disability. STAR+PLUS MCOs are required to identify members with mental illness and co-occurring substance use disorders. Members with complex medical conditions are assigned a service coordinator responsible for coordinating acute care and long-term services and supports.

In addition, persons with SMI receive a "Level 1" service coordination benefit, meaning they are defined as a member with the highest level of need. These members must receive a minimum of two in-person and four telephonic service coordination contacts annually, and based on their needs, their service coordinator is a registered nurse, licensed professional counselor, or licensed social worker. These members may also receive targeted case management and mental health rehabilitation services, in addition to all covered Medicaid state plan services for mental health and substance use disorder services. Certain members may also qualify for additional services through the STAR+PLUS Home and Community Based

Services program if they meet the eligibility requirements. These services include supported employment services, assisted living, respite and nursing, and are intended as an alternative to living in a nursing facility.

Other States

The following sections highlight models and initiatives developed by other states to specifically serve populations with SMI. HHSC continues to research these models and dialogue with states regarding their implementation processes to learn best practices and applicability for Texas Medicaid.

Florida

Florida's Magellan Complete Care (MCC) Serious Mental Illness Specialty Plan started in 2014 after an approximately two-year procurement and readiness phase. The product serves children and adults ages six and older who are diagnosed with or in treatment for SMI, and is only available in certain regions of the state. MCC includes care coordination, requires specialty providers in the provider network, and has a custom risk classification to estimate the acuity of the SMI population. New members are identified on a monthly basis using claims and encounter data showing diagnosis codes or medications commonly associated with individuals who have SMI, including those diagnosed with schizophrenia, schizoaffective disorder, delusional disorder, bipolar disorder, major depression, or obsessive-compulsive disorder. Individuals new to Medicaid who meet eligibility criteria are automatically enrolled with an option to opt-out. Florida also decided once individuals are deemed eligible for the SMI specialty plan, they may enroll indefinitely, regardless of changes to service needs.

Florida's MCC Serious Mental Illness Specialty Plan must cover the same health care services as the standard managed medical assistance plans.³ However, Magellan

³ https://ahca.myflorida.com/medicaid/statewide_mc/pdf/.../Specialty_Plans_110316.pdf

must also have a care coordination program designed to work with those with SMI, and a network designed to meet recipient needs.⁴ The Florida program:

- serves 67,118 enrollees as of March 1, 2017;⁵
- includes additional benefits such as: expanded dental coverage for adults, enhanced home health visits for non-pregnant adults, intensive outpatient SUD treatment, nutritional counseling, and post discharge meals; and⁶
- offers additional MCO “in lieu of” services, including peer services and mobile crisis assessment and intervention.⁷

Texas currently serves equivalent populations through multiple Medicaid managed care programs, including STAR, STAR Kids, STAR Health, and STAR+PLUS⁸.

Arizona

Since 2015, Arizona has maintained three integrated physical and behavioral health plans known as Regional Behavioral Health Authorities (RBHAs). RBHAs provide integrated care specifically for SMI members of all ages. Arizona developed the integrated RBHA model over the course of approximately two and a half years. Key to the development of this product was a six-month public input period prior to request for proposal (RFP) development (October 2013-March 2014). The final RFP was issued in July 2014, with awards granted in December 2014 and contract start date of October 2015.

The state’s guidelines require a qualifying diagnosis of mental illness, including schizophrenia, psychotic disorders, schizotypal disorder, delusional disorder, bi-

⁴ https://ahca.myflorida.com/medicaid/statewide_mc/pdf/mma/Specialty_Plans_110316.pdf

⁵ Magellan Complete Care, March, 2017, handout from Florida’s Agency for Health Care Administration

⁶ Magellan Complete Care, March, 2017, handout from Florida’s Agency for Health Care Administration

⁷ 2017 Medicaid Member Handbook and Welcome Kit, Magellan Complete Care

⁸ The STAR Program serves pregnant women, newborns, and children and parents with limited income. The STAR Kids program provides acute and long-term services and supports to children and young adults with disabilities ages 20 and younger. The STAR Health program serves children and youth in foster care, statewide. STAR, STAR Kids, STAR Health and STAR+PLUS all provide primary, acute, and behavioral health services, and may have Members who meet the qualifications for SMI.

polar disorder, major depression, mood disorder, anxiety disorder, obsessive-compulsive disorder, personality disorders, and post-traumatic stress disorder. In addition, the person must experience a serious functional dysfunction as a result of that diagnosis (e.g., the person has trouble with day-to-day activities or interactions). A person may qualify if they do not currently have a serious functional dysfunction, but are expected to deteriorate to that level without treatment. An SMI determination process (conducted by a statewide vendor, Crisis Response Network, Inc.) must be conducted to assess eligibility for SMI services.⁹

Arizona implemented this model after piloting the integrated RBHA approach in one county (Maricopa) from 2013 to 2015. Arizona is currently working with an outside vendor to evaluate the success of the RBHA integrated model for SMI members using claims, encounter and quality data. Arizona's acute care contracted health plans provide behavioral health services for enrolled members and effective October 1, 2015, general mental health and substance abuse services for dual eligible members ages 18 years and older.

Because the RBHAs serve all ages, the equivalent managed care populations in Texas would span across the STAR, STAR+PLUS, STAR Kids, and STAR Health Programs.

New York

New York has a "hybrid program" integrating all Medicaid behavioral health services paid in a fee-for-service manner into its mainstream Medicaid managed care plans. Medicaid-enrolled adults ages 21 and older with select SMI and SUD diagnoses and significant behavioral health needs are eligible to enroll in a Health and Recovery Plan (HARP). All New York MCOs currently providing Medicaid managed care were given the option of applying to serve as a HARP: fifteen MCOs currently offer a HARP. The HARP is a separate line of business within each designated health plan responsible for managing physical health, mental health, and substance use services in an integrated manner. The HARPs also manage an enhanced benefit package of behavioral health home and community-based services for eligible enrollees, including psychosocial rehabilitation, habilitation services, peer services, non-medical transportation, pre-vocational services, supported employment, and more.

⁹ <http://www.crisisnetwork.org/smi/community/#what-is-smi-determination>

The state identifies individuals who qualify for a HARP based on diagnosis and utilization data. Individuals currently enrolled in a Medicaid MCO are passively enrolled in that MCO's HARP product after a 30-day opt out period.¹⁰ All individuals enrolled in the HARPs are offered health home care management services.¹¹

The HARPs were rolled out in a staggered manner: January 1, 2016, for those in New York City, and October 1, 2016, for the rest of the state. The implementation process for state residents not residing in New York City began in June 2015 with a request for a quote, concluding with final implementation on October 1, 2016.¹²

¹⁰ https://www.health.ny.gov/health_care/medicaid/redesign/behavioral_health/index.htm

¹¹

http://www.health.ny.gov/health_care/medicaid/program/medicaid_health_homes/harp_bh/index.htm

¹² https://www.health.ny.gov/health_care/medicaid/redesign/behavioral_health/index.htm

3. Future Considerations

During the next year, HHSC will continue to explore options for best serving individuals with SMI within Texas Medicaid, including releasing a request for information (RFI) regarding the concept and how health plans might operationalize a specialty plan in the existing market. In concert with an RFI, HHSC remains committed to studying rollouts in other states, as new data becomes available, implementing the performance measures required by the rider, improving health outcomes for the SMI population, and issuing a final determination as required by Rider 175 within the next year.

List of Acronyms

Acronym	Full Name
HARP	Health and Recovery Plan
HCBS-AMH	Home and Community Based Services - Adult Mental Health
HHSC	Health and Human Services Commission
LBB	Legislative Budget Board
MCC	Magellan Complete Care
MCO	Managed Care Organization
RBHA	Regional Behavioral Health Authority
RFI	Request for Information
RFP	Request for Proposal
S.B.	Senate Bill
SMI	Serious Mental Illness
SUD	Substance Use Disorder