MACPAC

Medicaid and CHIP Payment and Access Commission

Behavioral Health Services in the Medicaid Program: Background and Policy Issues

Amy Bernstein

October 30, 2014

Organization of Presentation

- Statistics on prevalence and treatment
- Medicaid's coverage of behavioral health
  - benefits
  - delivery system
- Policy areas for your consideration

Importance of Behavioral Health Issues

- The Medicaid program spends more on behavioral health treatment than any other payer.
- In 2009 almost 12 percent of overall Medicaid spending is for behavioral health treatment.
- Almost one-third (32 percent) of Medicaid enrollees age 18 and over have behavioral health problems, and 10 percent of enrollees have serious mental illness (SMI).
- Enrollees with behavioral health problems are more expensive and harder to treat than those without behavioral health problems.
- Expenditures for the behavioral health population have been increasing.

The Behavioral Health Population: National Survey on Drug Use and Health

- Data are from the National Survey on Drug Use and Health (NSDUH), the major federal source of information on behavioral health prevalence and treatment
- Data are from data years 2010-2012 (combined)
- The survey has 70,000 randomly selected individuals age 12 and older residing in households and noninstitutional group quarters
- This analysis divides the population into three groups:
  - all adults age 18-64 years;
  - adults age 18-64 years with reported mental illness or substance abuse; and
  - adults age 18-64 years with serious mental illness
- This analysis excludes persons under age 12 and persons age 65 and older

Prevalence of Behavioral Health Disorders

- Almost one-third (31 percent) of Medicaid enrollees age 18-64 had any type of mental illness, compared to 17 percent of privately insured and 21 percent of uninsured persons in that age group

- Ten percent of Medicaid enrollees age 18-64 had serious mental illness, compared to 3 percent of privately insured and 5 percent of uninsured nonelderly adults.

- About 8 percent of both Medicaid and uninsured nonelderly adults had drug or alcohol abuse in the past year, compared to 4 percent of privately insured nonelderly adults.

- About the same percentage of youth age 12-17 years with Medicaid, private insurance and who were uninsured had a major depressive episode in the past year (8-9 percent).

Treatment for Behavioral Health Disorders

- Almost one-quarter (24 percent) of Medicaid adults received some mental health treatment during the past year compared to 14 percent of privately insured and 10 percent of uninsured nonelderly adults.

- About half of adults age 18-64 with reported Medicaid coverage who had mental health or substance abuse issues received no mental health treatment.

- Three-quarters of adults with SMI and Medicaid reported receiving some mental health treatment in the past 12 months, compared to two-thirds of privately insured adults with SMI and about half of uninsured adults with SMI.

- Ten percent of all nonelderly adult Medicaid enrollees, 23 percent of enrollees with a behavioral health disorder, and 41 percent of enrollees with serious mental illness reported not receiving needed mental health treatment in the past year.

Health Status and Comorbid Conditions of the Behavioral Health Population

- Medicaid enrollees with behavioral health conditions also have a substantial amount of comorbid acute or chronic medical conditions.

- People with mental illness have been dying approximately 25 years earlier than the general population in part due to preventable conditions, including cardiovascular disease, smoking related conditions, obesity, and health neglect.

- The high prevalence of comorbid behavioral health and medical conditions is associated with high utilization of non-behavioral health services, making them among the most expensive Medicaid enrollees to treat.

Medicaid Coverage for Mental Health Treatment

- Mandatory Medicaid services include medically necessary physician, inpatient (except for stays in institutions for mental disease for some age groups) and outpatient services.

- Optional services include:
  - prescribed medicines (which all states currently offer)
  - targeted case management
  - rehabilitation services
  - therapies
  - medication management
  - clinic services
  - licensed clinical social work services
  - peer supports, substance abuse treatment
  - stays in institutions for mental disease for persons age 65 and over and children under age 21

- Services can also be provided under waiver and demonstration authorities.

Medicaid Coverage for Substance Abuse Treatment

- Compared to services for mental disorders, Medicaid covers far fewer substance abuse services.
- Many states have limitations on the amount and types of substance abuse services covered, or do not cover outpatient detoxification services at all.
- Services may be only covered for certain persons (such as those with a primary diagnosis of mental health or who are pregnant).
- There may be stringent limits on the number of visits covered or treatment can only be provided in state-approved facilities.

The Medicaid Behavioral Health Infrastructure: Many Organizations Provide Services

- Many other organizations provide behavioral health treatment, including the Health Resources and Services Administration, the Substance Abuse and Mental Health Services Administration, the Department of Education, the criminal justice system, and numerous state and local agencies.

- Programs may have different eligibility and other regulations; sometimes these are conflicting, making navigation difficult for an already vulnerable population.

The Medicaid Behavioral Health Infrastructure: Carve-in and Carve-Out

- In FY 2013, in 16 of the 38 state Medicaid programs that contracted with MCOs, behavioral health services were always carved out of the MCO contract and in five states, behavioral health was always carved in.

- In the remaining states, some benefits were included and other benefits were excluded from MCO contractual responsibilities (e.g., SMI care may be turned over to a state mental health agency).

- Carve-in/out policies change frequently within state Medicaid infrastructures.

Behavioral Health Policy Issues:
How does the current benefit design for behavioral health services affect access to needed services?

- Are there barriers to access to needed behavioral health services? If so, what are these barriers?
- Who provides behavioral health services to Medicaid enrollees? Is provider supply sufficient, and if not, what is being done to try to increase it?
- What policies (such as coverage of specific services, delivery system design) should be undertaken to ensure that affected enrollees receive needed care?
- What steps have states already undertaken to address access to needed care?

Behavioral Health Policy Issues:
Are current payment and delivery system policies reaching the right results?

- What is the best way to control cost growth while still ensuring appropriate use of effective medications for the Medicaid population overall and for specific groups of enrollees (e.g., foster children or disabled enrollees)?

- How can overuse of opioids be controlled?

- Are psychotropic drugs overly prescribed?

- Are there promising initiatives to control behavioral health costs overall?

Behavioral Health Policy Issues:
Does integration of medical and behavioral health services improve outcomes or reduce costs?

- What are the advantages and disadvantages of carving services in and out of the medical care system?

- What are states doing to integrate behavioral health and medical services? How is this affecting cost and outcomes?

Behavioral Health Policy Issues:
How does the IMD exclusion affect access to appropriate behavioral health services?

- How does the IMD exclusion affect the provision of long term services and supports?
- How does the IMD exclusion specifically affect substance abuse treatment?
- How does the IMD exclusion interact with the mental health parity legislation?
- How does the IMD exclusion interact with the EPSDT program?

Behavioral Health Policy Issues:
Does expansion to the new adult group raise special issues related to the delivery of behavioral health services?

- How many new enrollees have behavioral health disorders, and what are their needs?
- Will the new enrollees strain behavioral health resources?
- What are states doing to address any provider supply shortages?