Behavioral Health and Physical Health Integration: Improving Value and Access –
A Payers/Systems Administrator Perspective

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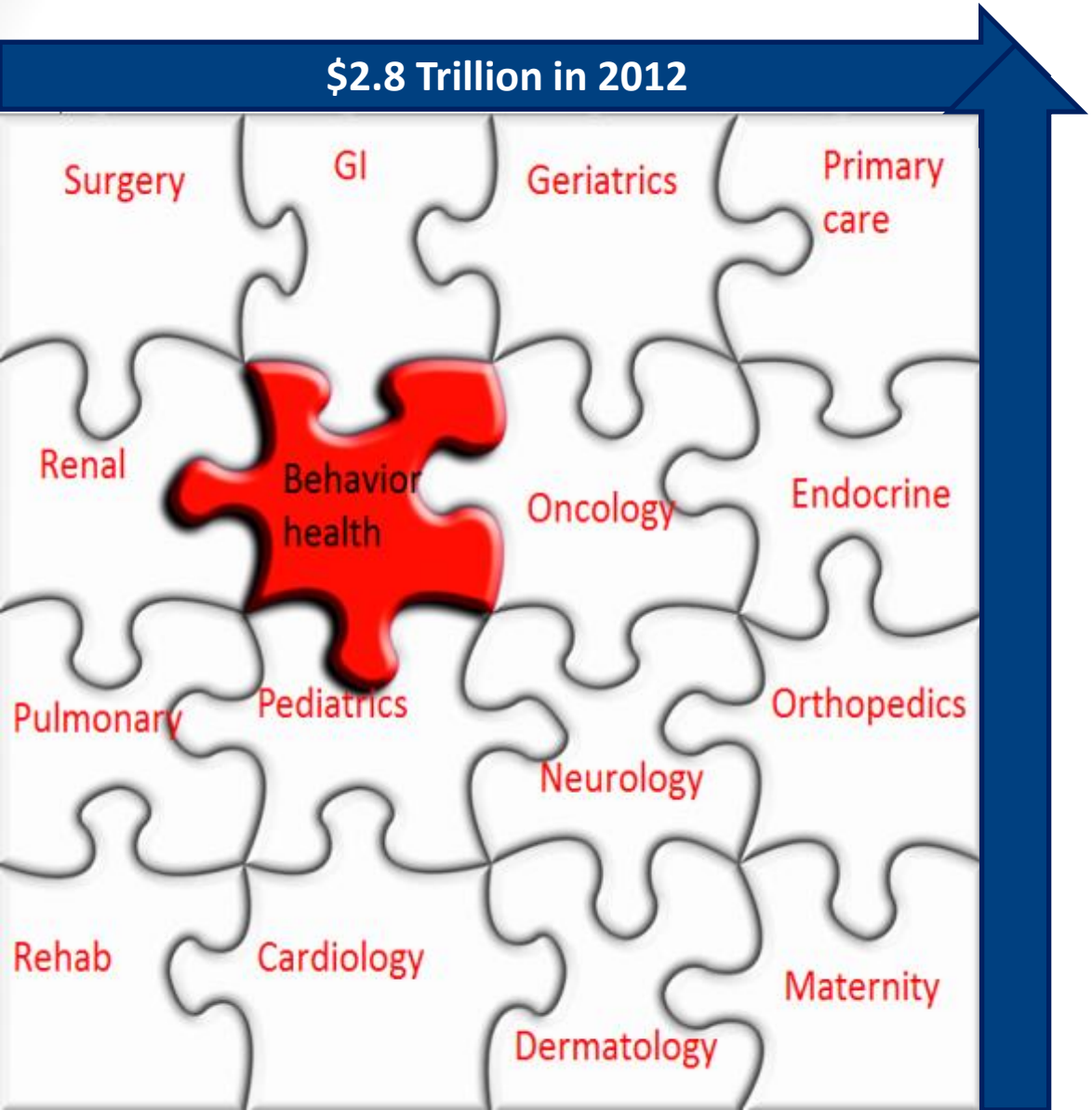
Overview

What are the factors that have an impact of the adoption of the behavioral health and physical health integrated models into main stream health systems?

- Current Industry Dynamics
- Applicability of Alternative Payment Systems
- Impact of performance base models
- System Infrastructure factors that influence or are barriers to adoption

Major Dilemma
Unsustainable Health Care Cost



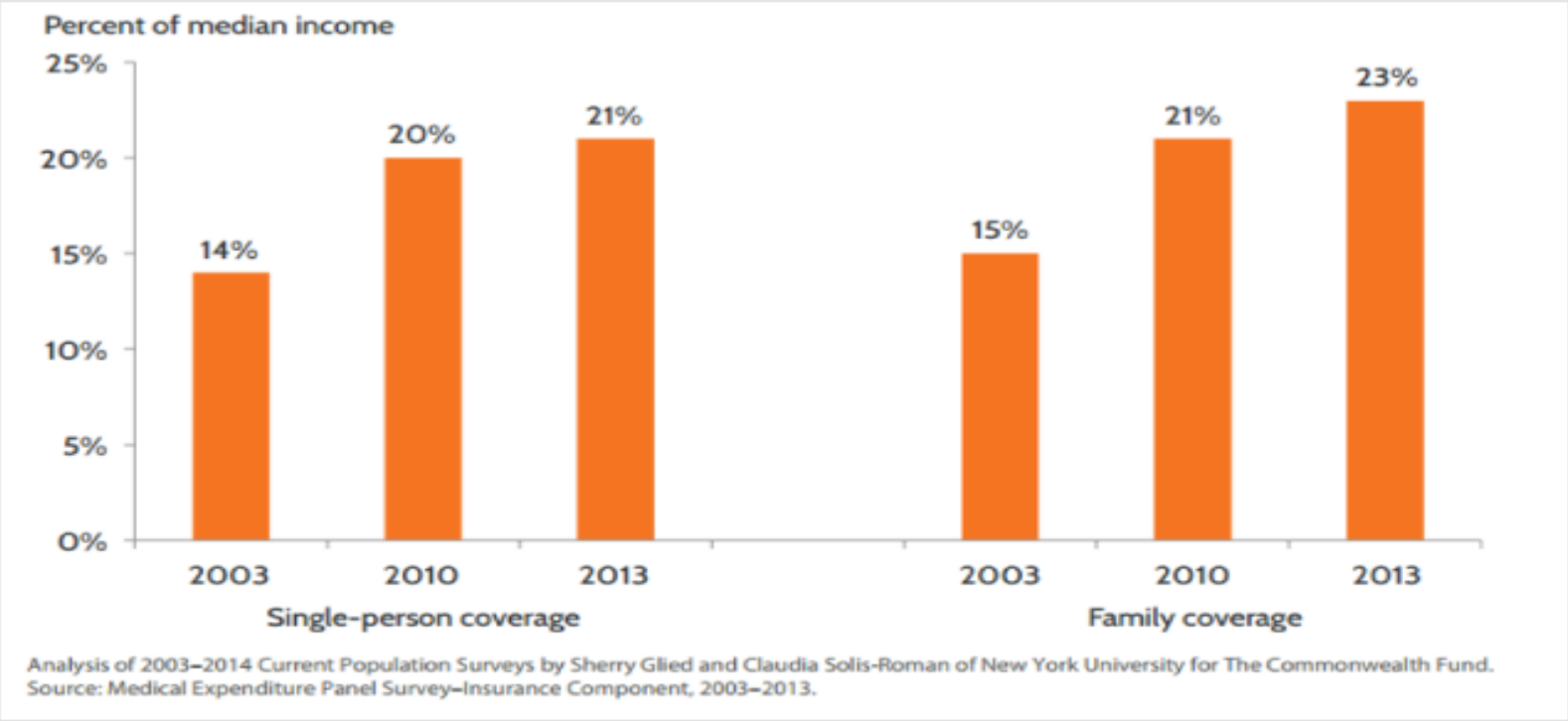
Health care cost increases are not tolerable. Premium increase are not tolerated by the public.

Drivers of cost linked to:

1. Practice Variation
2. Uninformed Preference
3. Supply/ Demand
4. New technology

Consumer's Cost Has Hit the Glass Ceiling

The increase in average consumer income, (11% between 2003 to 2013) lags behind the increasing trend for out of pocket cost for health care ,(60% between 2003 to 2013).

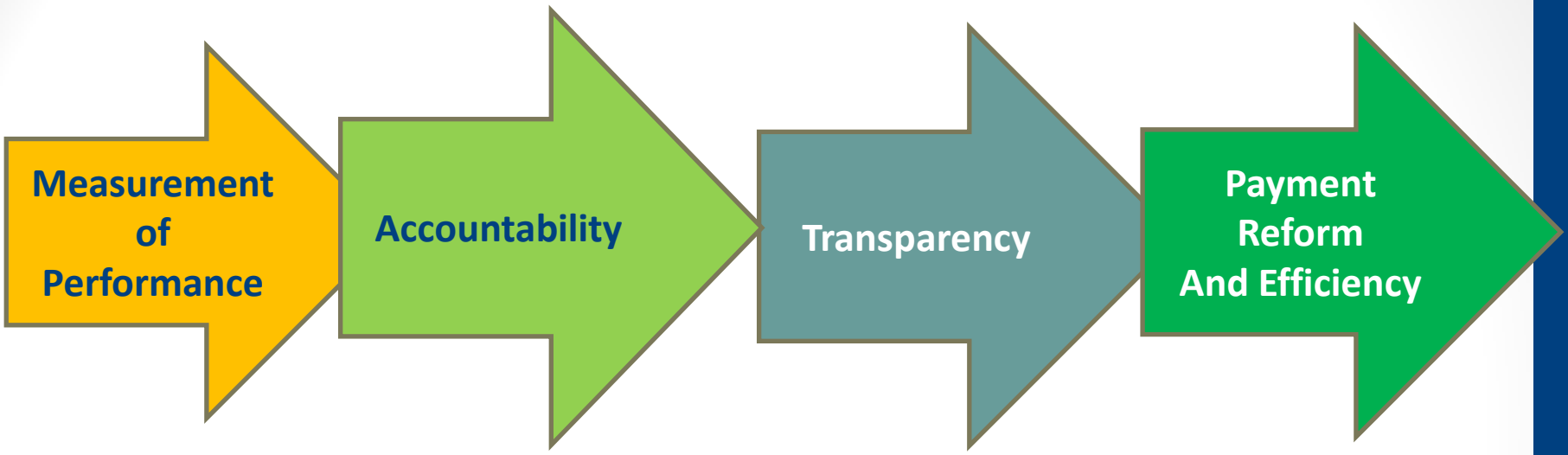


Average Health Insurance Premiums as Percent of Median Income, 2003, 2010 and 2013

THE COMMONWEALTH FUND

Drivers of Change

ACA and National Quality Strategy



- Payment based on service(s), profile and/or population health performance.

- Consumer decision making based on exposure to measured efficiency, quality and cost.

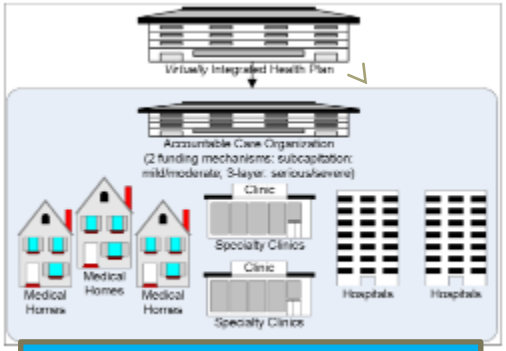
- Patient populations and/or geographically designated populations attributed to a provider, clinic and/or system.
- Cross accountability for populations

Focus on
- Structure/Process/Outcomes
- Demonstration of Value,
- Functionality,
- Quality of Life

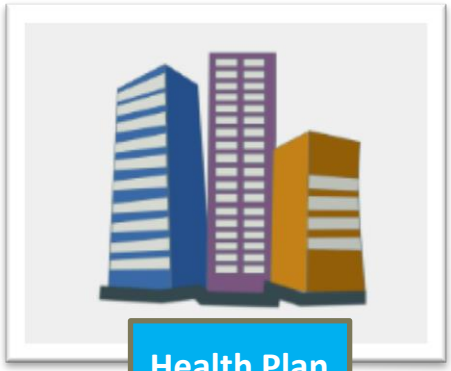
Expanded Payer Sources

Payer sources vary beyond typical health plans and governmental sources to ACOs and integrated delivery systems with payer components.

Government



ACO/Integrated System



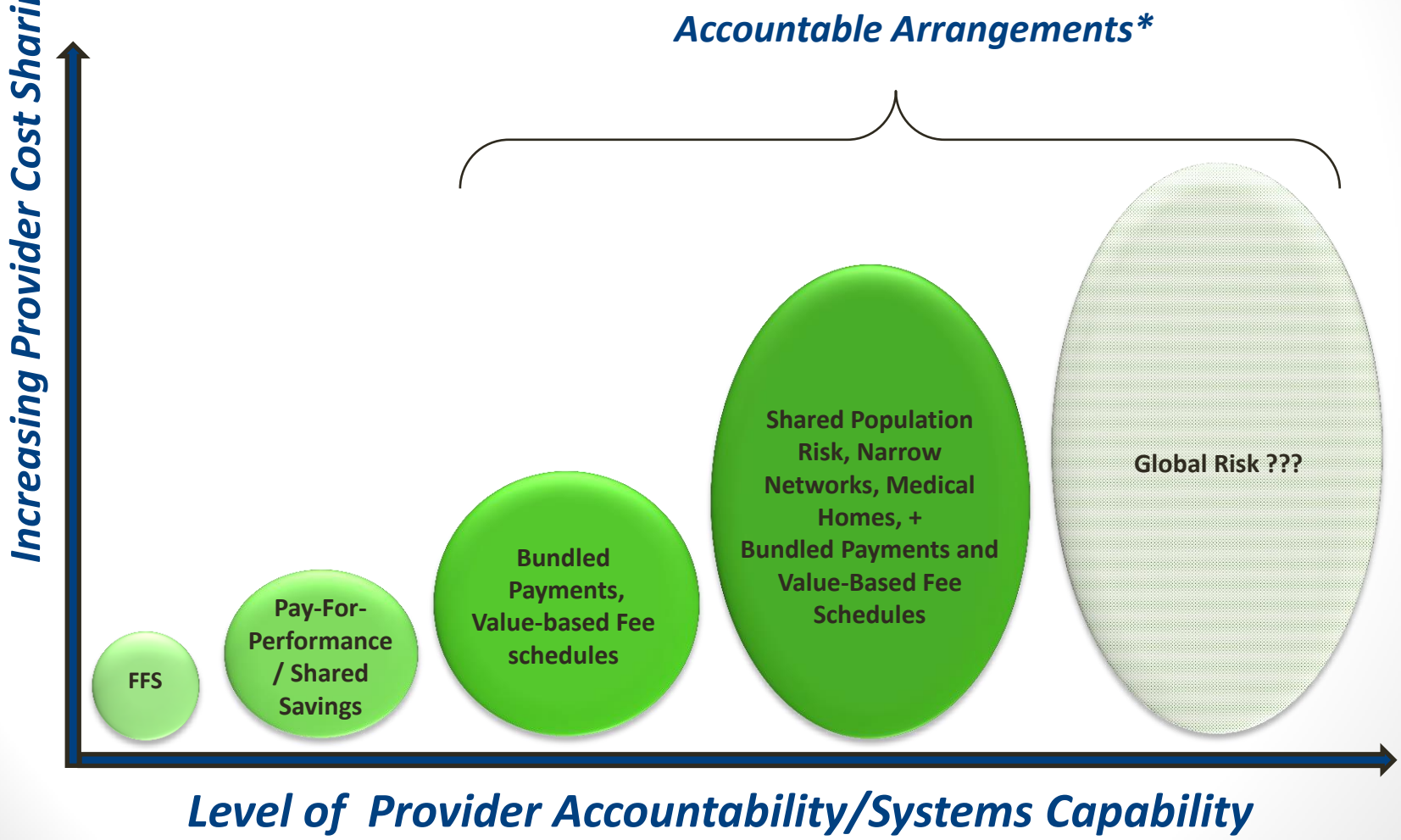
Health Plan

Payers Payment Strategies

Move Away From Guaranteed Contractual Increases

- Performance-based payment systems
- First phase of alternative payments strategies:
  - Differentiate rates based on performance
    - Incentives for managing quality and cost within populations
    - Performance-based increases for meeting key metrics such as reducing ED usage and hospitalizations and/or treatment efficiency.
  - Shared savings
- Second Phase
  - Bundled payments for episodes of treatment
  - Global capitation

Payment Transformation Drives Accountability and Cost Consideration



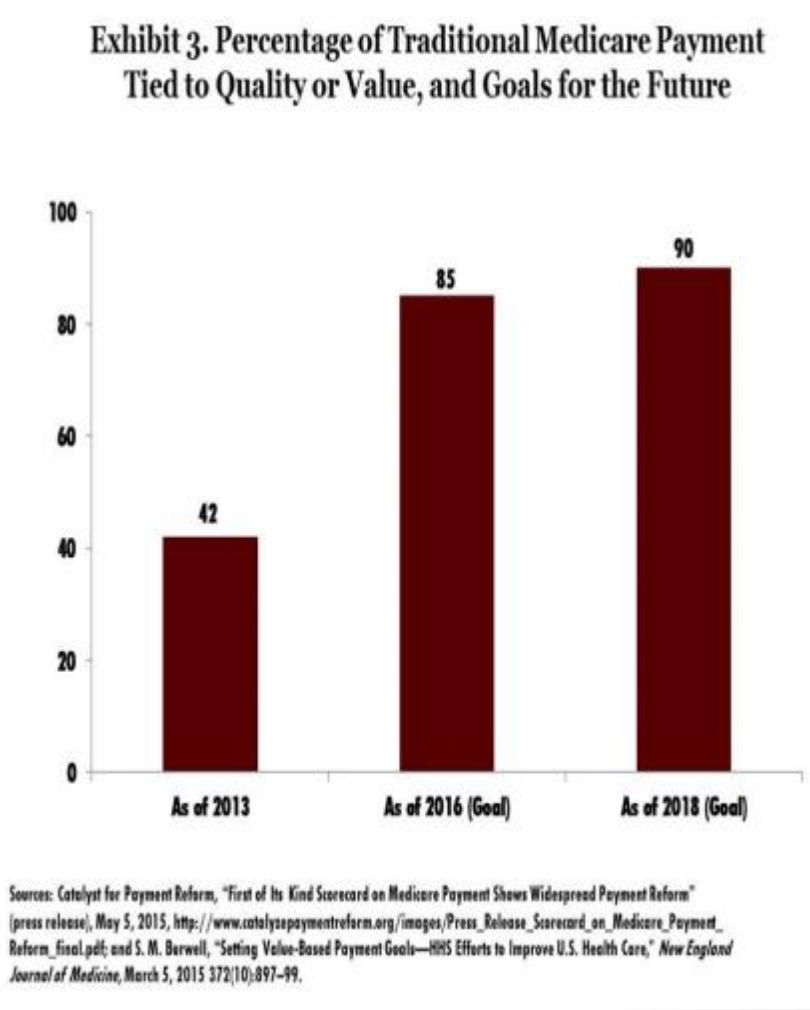
* Accountable Care requires up and down-side financial risk

Moving the Payment Dial to Quality

- CMS has set an definitive goal of progressively transferring the method of provider payments to pay for quality not volume.

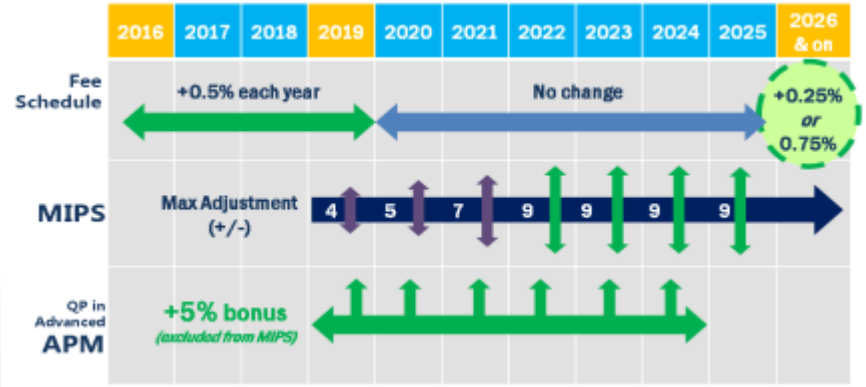
- The goal is to achieve 90% of Medicare payment to pay for quality methodology By 2018.

- Private insurers are aligning their payment objective in a similar fashion and on a similar schedule.



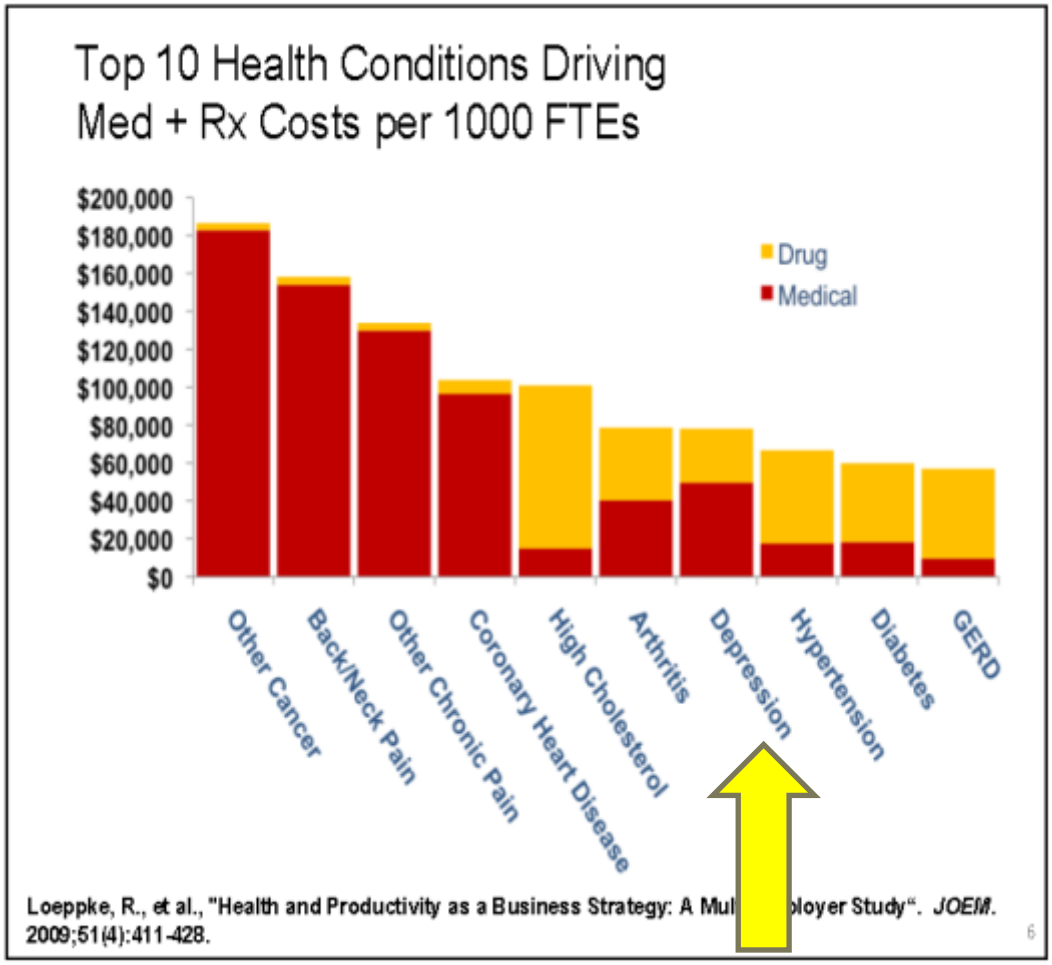
Moving the Payment Dial to Quality

- Medicare Access and CHIP Reauthorization Act , (MACRA) includes several parameters as components of the scoring methodology.
  - Quality
  - Resource Use
  - Clinical Practice Improvement
  - Progression in Information systems

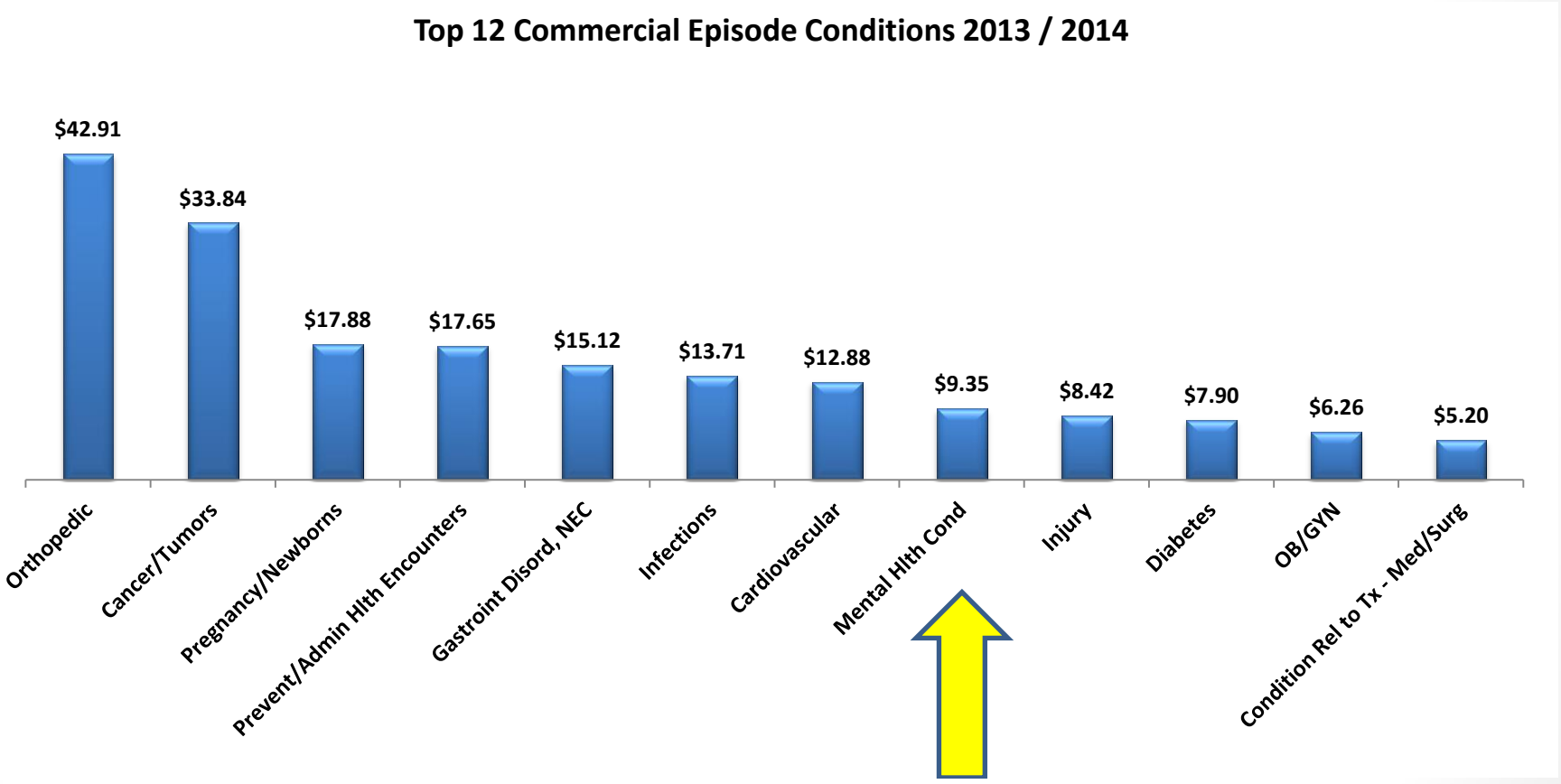


Prioritization of Intervention Targets

- Accountable payers review the distribution of health care cost to determine the areas of spend.
- Areas of increasing trend or cost/use levels over established benchmarks draw the attention for more in depth analysis to identify areas of potential opportunity.
- Areas with the largest impact on total cost with impactable opportunities are generally Prioritized.



Medical & Pharmacy Cost By Condition



Accounts For 71% Of Total Expense

Top Ten Most Common Medicaid Readmissions

1. Septicemia (except in labor) — $319 million (17,600 total readmissions)
2. Schizophrenia and other psychotic disorders — $302 million (35,800 total readmissions)
3. Mood disorders — $286 million (41,600 total readmissions)
4. Congestive heart failure (non-hypertensive) — $273 million (18,800 total readmissions)
5. Diabetes mellitus with complications — $251 million (23,700 total readmissions)
6. Chronic obstructive pulmonary disease and bronchiectasis — $178 million (16,400 total readmissions)
7. Alcohol-related disorders — $141 million (20,500 total readmissions)
8. Other complications of pregnancy — $122 million (21,500 total readmissions)
9. Substance-related disorders — $103 million (15,200 total readmissions)
10. Early or threatened labor — $86 million (19,000 total readmissions)

* AHRQ Statistical Brief

High Cost Populations

- Cost of services for those with behavioral health conditions has a different cost curve trajectory than typical medical conditions.
  - Typical chronic medical diseases affecting the heart, lungs, and other organs are often diseases with onsets with aging.
  - But half of all mental illnesses begin by the age of 14, three-quarters by the age of 25. For individuals with mental illnesses, the costs often start adding up early.
  - 79 percent of high-cost mental health patients were under the age of 60 but only 39.7 percent of other high-cost patients were under age 60.
- 13 percent of those who screened positive for behavioral health condition also reported having another chronic or physical condition.
- Those who did report having a physical health condition were slightly older (on average 25-34 years old).
- Among the reported comorbid physical health problems were chronic pain, heart disease, pulmonary disease, and diabetes.

Reducing Health Care Costs Through Early Intervention On Mental Illnesses
Paul Gionfriddo, Theresa Nguyen, and Nathaniel Counts
January 25, 2016

Linking Measurement and Alternative Payment Models to Health Care Delivery System

Acute Care System

Measurements
- Post discharge FU
- Readmission rate

Demonstrable Value
- Clinical
- Financial

Payment Models
- Shared savings model
- DRGs
- Bundles payments

Stabilization System

Measurements
- ED visit by Dx
- Hosp/Readmission rate by Dx

Demonstrable Value
- Clinical
- Financial

Payment Models
- Shared saving model
- Case rates or capitation
- Bundle payments

Integrated System

Measurements

Cardiac Rehab Staff Models

Demonstrable Value
- Clinical
- Financial +

Payment Models
- Case rate models
- Bundled Payments

Prevention/ Early Intervention System

Measurements
- HEDIS
- Preventive Health Guidelines

Demonstrable Value
- Clinical
- Financial +

Payment Models
- Global Cap
- Grants

Shared Accountability

- Applies to all participants caring for a patient
- For example, Primary Care Provider is jointly responsible for assuring quality for both General Health and Substance Use Disorder and Mental Health care
- Behavioral Health providers (Mental Health & Substance Use Disorder) are equally responsible for assuring quality for Substance Use Disorder and Mental Health and some General Health factors, (e.g. annual physical exam, screening for diabetes and cholesterol for those on antipsychotics)

Provider Score Card - B

Adjusted Cost Score	1.49	Twelve Months Ending	Dec 2013

Patients	171	Episodes	216	Patient Demographics Average Age	41	Percent Male	59.65%

Comparative Indices	Adjusted Cost Score	Unadjusted Cost Score	Patient Complexity Index
Percentile	91		
Provider	1.49	1.50	1.00
Clinic (364)	1.08	1.08	1.00
Provider Compared to Western Region	2.23		

Percentile ● 0 - 60 ▲ 61 - 80 ◆ 81 - 100

Average Cost by Service Type	Ambulatory* ER	Office Visits	Lab	Imaging	Facility	Prof.	Ambulatory Total	Admit	Rx	Grand Total
Provider	$18	$796	$1	$372	$3,514	$1,881	$5,395	$321	$62	$5,778
Peer	$60	$520	$10	$281	$1,734	$1,341	$3,076	$759	$44	$3,878
Clinic Peer (25)	$67	$435	$15	$255	$1,608	$950	$2,559	$2,088	$63	$4,710
Western Region Average	$103	$583	$23		$207 --	--	$2,236	$256	$58	$2,586

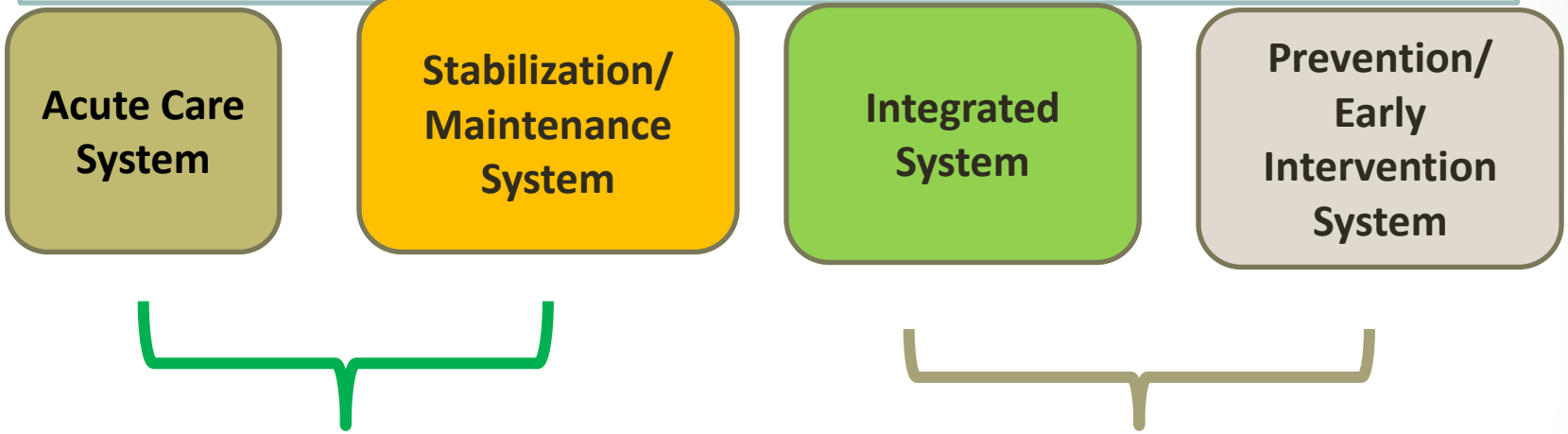
*Values within these metrics may overlap.

Top 10 Most Frequent Episode Categories	Episode Group	Episodes Count	Cost Per Episode	Expected Cost Per Episode
389	Other Arthropathies, Bone and Joint Disorders	56	$1,158	$1,004
361	Fracture, Dislocation, or Sprain: Humerus (Head) or Shoulder	48	$14,585	$7,838
341	Bursitis	30	$5,927	$2,111
433	Factors Influencing Health Status	26	$108	$301
374	Osteoarthritis, Except Spine	14	$7,430	$13,360
369	Injury, Knee, Semilunar Cartilages	13	$7,692	$4,496
368	Injury, Knee, Ligamentous	7	$9,086	$5,297
432	Encounter Related to Other Treatment	7	$115	$302
362	Fracture, Dislocation, or Sprain: Wrist or Hand or Fingers	3	$2,376	$2,542
356	Fracture or Dislocation: Patella	2	$5,820	$4,476
All Other Episodes		10	$1,531	$3,288
Total		216	$5,778	$3,879

Linking Measurement and Alternative Payment Models
Behavioral Health Care Delivery System

Acute Care System	Stabilization System	Integrated System	Prevention/ Early Intervention System
+Measurable Results +Demonstrate value Payment Models • Shared savings model	+Measurable Results +Demonstrate value Payment Models • Shared savings model • Case rates or capitation	+Measurable results ±Demonstrate value Payment Models • F4F • Case rates • Staffing base cost	Measurable results Demonstrate value - additive cost Payment models

Payment Methodology for a Behavioral HealthCare Delivery System



Behavioral Health Care cost is typically 3 – 5% of the medical benefit for patient with a diagnosis of behavioral health

- Cost estimates based on prevalence of behavioral health issues in medical patients vary from 10 – 17% of total medical benefit.
- 9 -12 % of RX by volume are psychotropic drugs

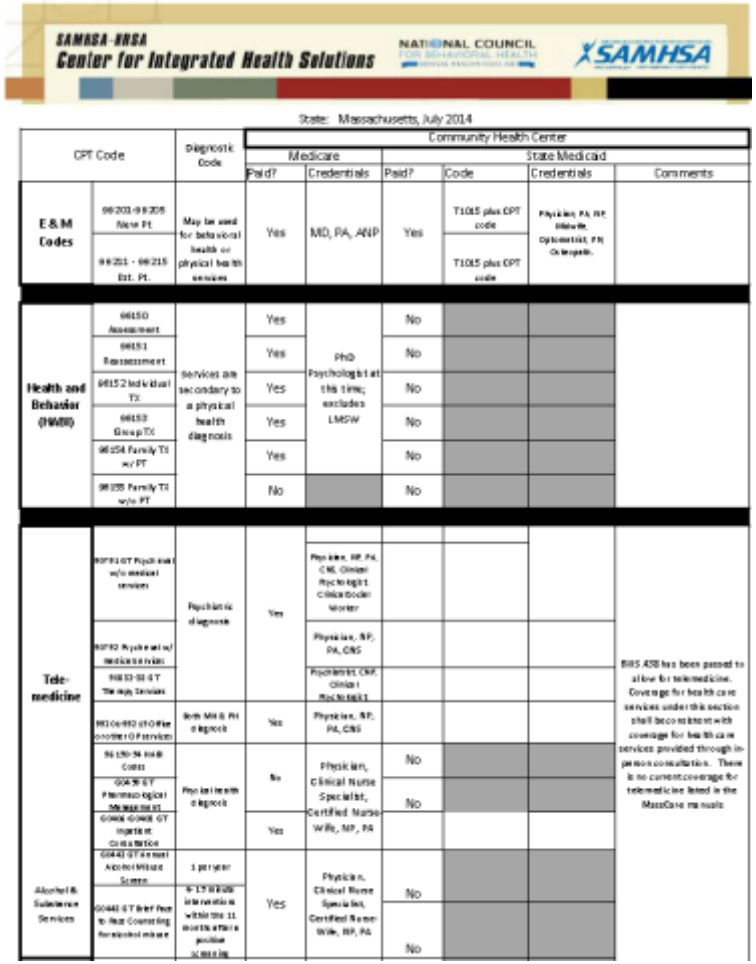
Behavioral Health Carve Outs are in this space

Many payment models have been implemented using carve-in and carve out entities – difficulty is pricing

Payment Models

- Staffing cost based model – pay staffing cost for integrated services
- Case rates – Impact Model – around $580
- Risk arrangements for subpopulations
  - Diabetics
  - Post MI

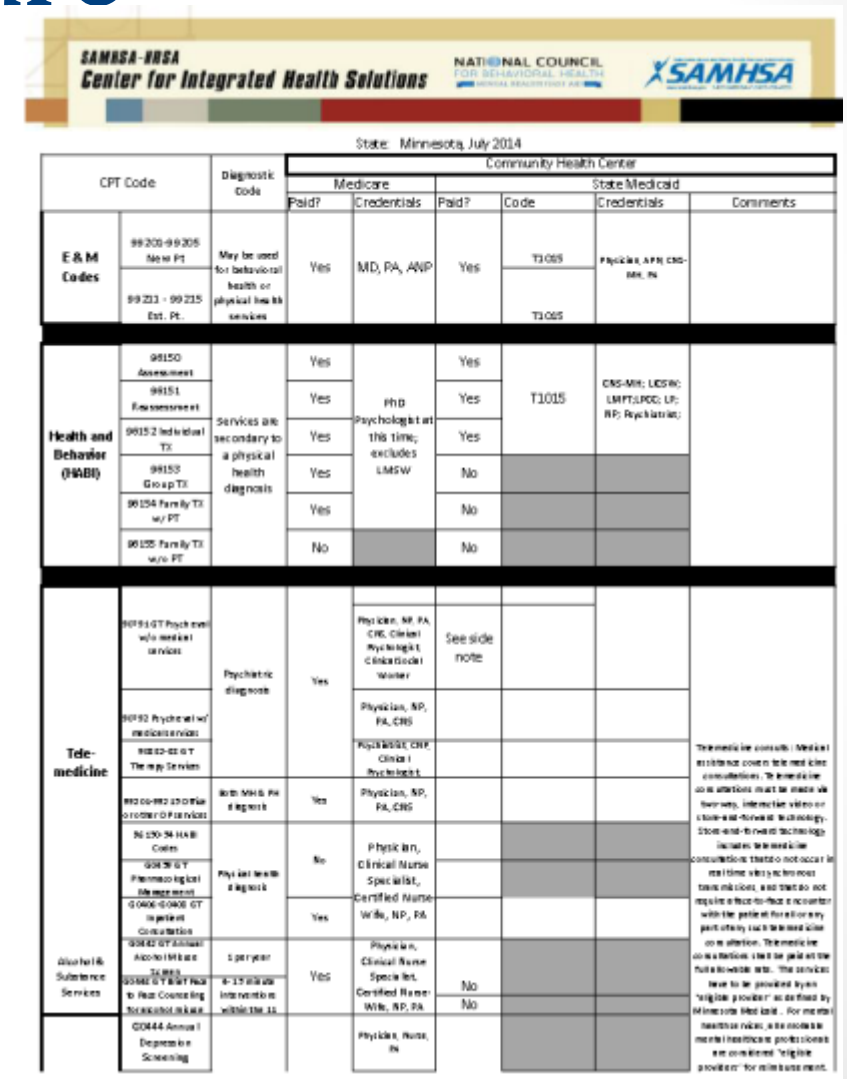
Limited Adoption of Integrated Care



SAMHSA-HRSA Center for Integrated Health Solutions | National Council for Behavioral Health | SAMHSA

State: Massachusetts, July 2014

CPT Code		Diagnostic Code	Community Health Center					
			Medicare		State Medicaid			
			Paid?	Credentials	Paid?	Code	Credentials	Comments
E&M Codes	99201-99205 New Pt	May be used for behavioral health or physical health services	Yes	MD, PA, ANP	Yes	T1015 plus CPT code	Physician, PA, NP, Midwife, Optometrist, PN, Osteopath.	
	99211 - 99215 Est. Pt.					T1015 plus CPT code		
Health and Behavior (HABI)	96150 Assessment	Services are secondary to a physical health diagnosis	Yes	PhD Psychologist at this time; excludes LMSW	No			
	96151 Reassessment		Yes		No			
	96152 Individual Tx		Yes		No			
	96153 Group Tx		Yes		No			
	96154 Family Tx w/ PT		Yes		No			
	96155 Family Tx w/o PT		No		No			
Tele-medicine	90791 GT Psych eval w/o medical services	Psychiatric diagnosis	Yes	Physician, NP, PA, CNS, Clinical Psychologist, Clinical Social Worker				BIRS 438 has been passed to allow for telemedicine. Coverage for health care services under this section shall be consistent with coverage for health care services provided through in-person consultation. There is no current coverage for telemedicine listed in the MassCare manuals
	90792 Psych eval w/ medical services			Physician, NP, PA, CNS				
	90832-90838 GT Therapy Services			Psychologist, CNP, Clinical Psychologist				
	99201-99215 GT Office or other O/P services	Both MH & PH diagnosis	Yes	Physician, NP, PA, CNS				
	96150-96154 HABI Codes	Physical health diagnosis	No	Physician, Clinical Nurse Specialist, Certified Nurse-Wife, NP, PA	No			
	G0459 GT Pharmacological Management				No			
	G0406-G0408 GT Inpatient Consultation		Yes					
Alcohol & Substance Services	G0442 GT Annual Alcohol Misuse Screen	1 per year	Yes	Physician, Clinical Nurse Specialist, Certified Nurse-Wife, NP, PA	No			
	G0443 GT Brief Face to Face Counseling for alcohol misuse	6-15 minute intervention within the 12 months after a positive screening			No			



SAMHSA-HRSA Center for Integrated Health Solutions | National Council for Behavioral Health | SAMHSA

State: Minnesota, July 2014

CPT Code		Diagnostic Code	Community Health Center					
			Medicare		State Medicaid			
			Paid?	Credentials	Paid?	Code	Credentials	Comments
E&M Codes	99201-99205 New Pt	May be used for behavioral health or physical health services	Yes	MD, PA, ANP	Yes	T1015	Physician, APN, CNS-MH, PA	
	99211 - 99215 Est. Pt.					T1015		
Health and Behavior (HABI)	96150 Assessment	Services are secondary to a physical health diagnosis	Yes	PhD Psychologist at this time; excludes LMSW	Yes	T1015	CNS-MH; LICSW; LMFT;LPCC; LP; NP; Psychiatrist;	
	96151 Reassessment		Yes		Yes			
	96152 Individual Tx		Yes		Yes			
	96153 Group Tx		Yes		No			
	96154 Family Tx w/ PT		Yes		No			
	96155 Family Tx w/o PT		No		No			
Tele-medicine	90791 GT Psych eval w/o medical services	Psychiatric diagnosis	Yes	Physician, NP, PA, CNS, Clinical Psychologist, Clinical Social Worker	See side note			Telemedicine consults: Medical assistance covers tele-med cine consultations. Telemedicine consultations must be made via two-way, interactive video or store-and-forward technology. Store-and-forward technology includes telemedicine consultations that do not occur in real time via synchronous transmissions, and that do not require a face-to-face encounter with the patient for all or any part of any such telemedicine consultation. Telemedicine consultations shall be paid at the fullowable rate. The services have to be provided by an "eligible provider" as defined by Minnesota Medicaid. For mental health services, a telemedicine mental health care professional are considered "eligible providers" for reimbursement.
	90792 Psych eval w/ medical services			Physician, NP, PA, CNS				
	90832-90838 GT Therapy Services			Psychologist, CNP, Clinical Psychologist				
	99201-99215 GT Office or other O/P services	Both MH & PH diagnosis	Yes	Physician, NP, PA, CNS				
	96150-96154 HABI Codes	Physical health diagnosis	No	Physician, Clinical Nurse Specialist, Certified Nurse-Wife, NP, PA				
	G0459 GT Pharmacological Management							
	G0406-G0408 GT Inpatient Consultation		Yes					
Alcohol & Substance Services	G0442 GT Annual Alcohol Misuse Screen	1 per year	Yes	Physician, Clinical Nurse Specialist, Certified Nurse-Wife, NP, PA	No			
	G0443 GT Brief Face to Face Counseling for alcohol misuse	6-15 minute intervention within the 12			No			
	G0444 Annual Depression Screening			Physician, Nurse, PA				

Market Offering of Integrated Behavioral Health Vendors

Carve out companies in this space look different than the traditional Behavioral Health Managed Care companies