



DISTRICT OF COLUMBIA
BEHAVIORAL HEALTH ASSOCIATION

Health Reform: Implications for Behavioral Health Providers in the District of Columbia

July 17, 2013

Federal Backdrop of Health Reform: Objectives of the Affordable Care Act (ACA)

▶ **More Coverage ...**

- ▶ Reduce uninsured thru employer mandate & subsidies in health insurance exchange
- ▶ Expand Medicaid

▶ **More Care ...**

- ▶ Parity in commercial and Medicaid MCO health plans
- ▶ Growing emphasis on upstream intervention & prevention

▶ **Less Cost ...**

- ▶ Value, not volume
- ▶ Better integrated networks through health homes, accountable care organizations, Medicaid penalties for hospital re-admissions.
- ▶ Audits, audits and more audits.

Getting Better at the Business of Healthcare: *A Behavioral Health Provider's Survival Toolkit*

	MHRS	MCO	Commercial	Integration
Same-day access	✓	✓	✓	✓
Performance outcome measures		✓	✓	✓
QI infrastructure	✓	✓		✓
Better compliance structures	✓	✓		✓
Revenue cycle management	✓	✓	✓	✓
Value-based purchasing		✓		✓
Enrollment & eligibility strategies	✓	✓	✓	✓
Concurrent documentation	✓	✓	✓	✓

Health Reform in the District of Columbia: *Every Life Is Touched*

Insurance Type	D.C. Residents (estimate)
Large employer or federal	280,000
Small business & individual	180,000
Medicaid	220,000
Uninsured	20,000



1. Essential health benefits



2. Health insurance exchange



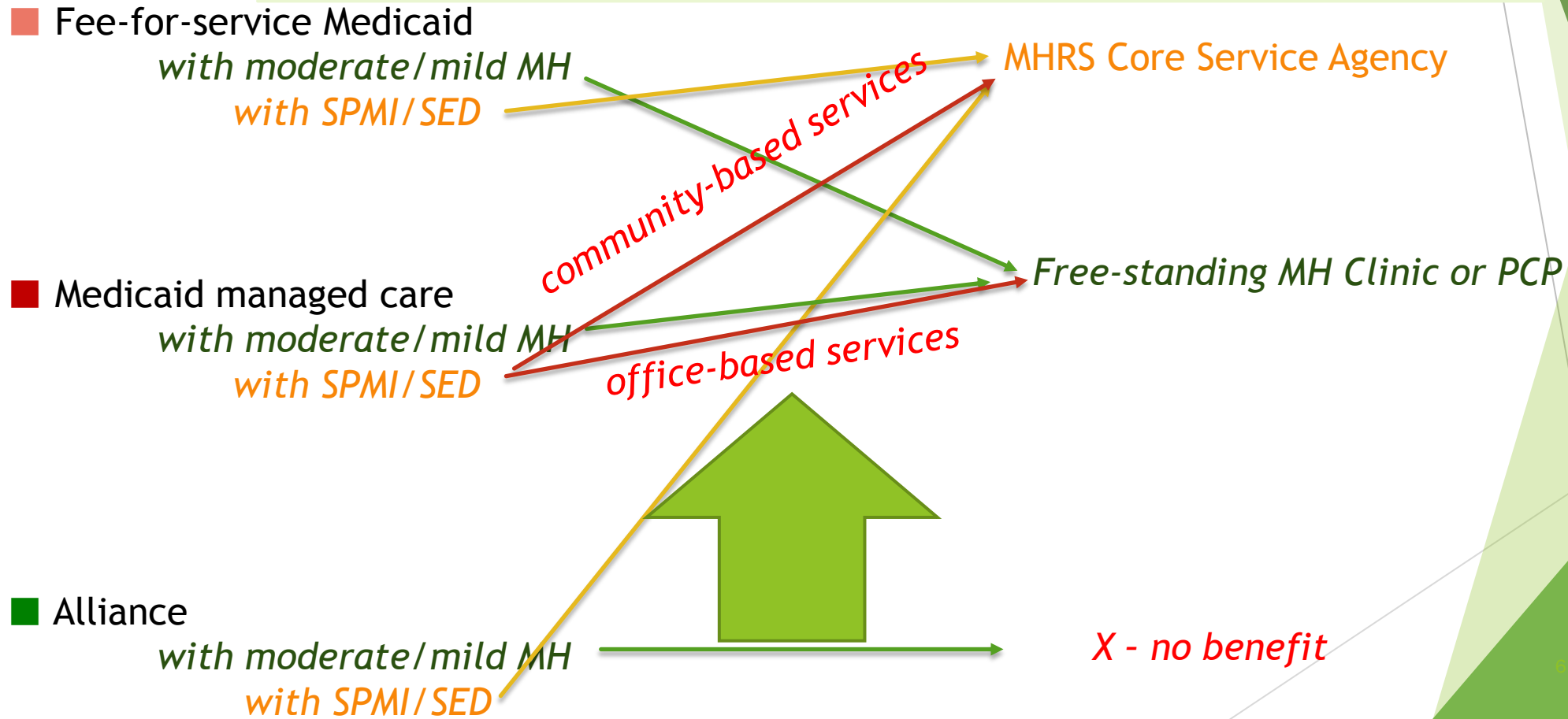
3. Medicaid expansion

Commercial Health Insurance Market: *Essential Health Benefits*

- ▶ Essential health benefits apply to new commercial health plans operating in DC.
 - ▶ Parity
 - ▶ Drug formulary
 - ▶ No benefit substitution
- ▶ Plans sold within the health insurance exchange will also be subject to network adequacy & evaluation on behavioral health access.

Business Barrier	Before	Now
Day limits	Yes	No
Treatment limits	Yes	No
Higher co-pays	Yes	No
More burdensome auths	Yes	No
More limited drug formulary	Yes	No

Medicaid Expansion in the District of Columbia: *Health Plans' Coverage of Mental Health*



Medicaid Expansion in the District of Columbia: *Mental Health Utilization* **SHRANK**

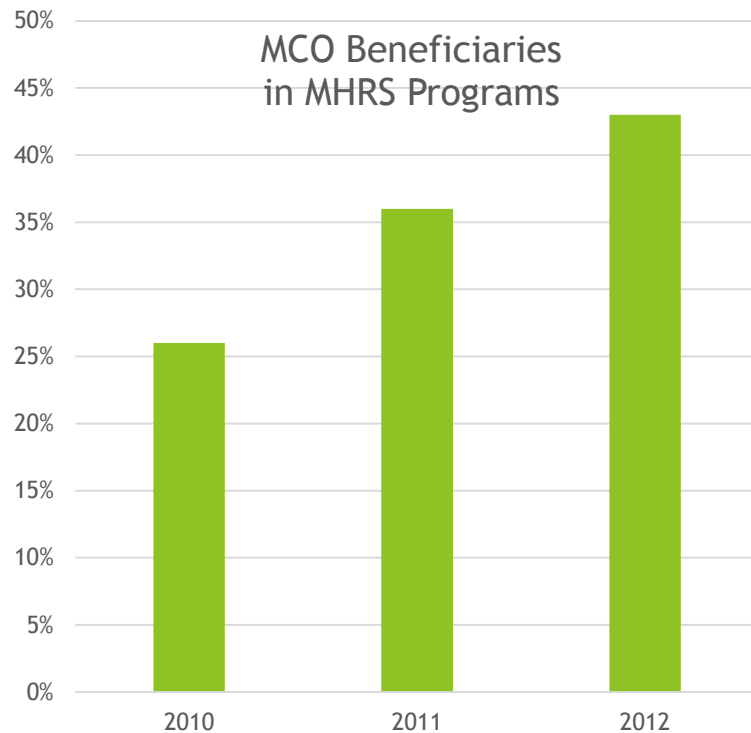
- ▶ MCO hospital costs shot up 18%
- ▶ DHCF is putting penalties in the new MCO contracts if hospitals don't reduce their avoidable re-admissions
- ▶ 87% of their avoidable re-admissions are the result of mental health disorders.

Mental Health Treatment	FFS	MCO
Beneficiaries (as of 10/11)	65,555	147,565
Prevalence Rate	30%	21%
Est. Need for Mental Health	19,667	30,989
Number Served (as of 10/11)	19,224	3,946
Unmet Need	443	27,043
Rate of Unmet Need	1%	87%

Medicaid Expansion in the District of Columbia: *Lessons Learned*

- ▶ Accountability matters.
- ▶ Failure is costly.
- ▶ Providers must respond to change more quickly.

Medicaid Expansion: *Creating Sustainable Business Models*



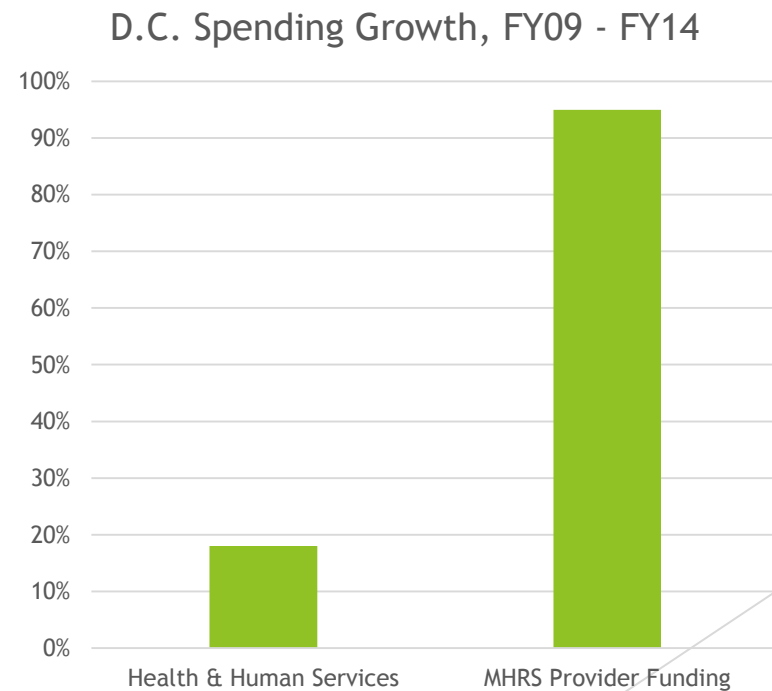
- ▶ Rate of MCO consumers in MHRM programs went from 26% in 2010 to 43% in 2012.
- ▶ You asked, and DCBHA delivered:
 - ✓ All MCOs now credential providers as a practice instead of individuals.
 - ✓ Anecdotal reports that credentialing is happening in a matter of days, instead of five or more months.
 - ✓ Many MCOs willing to engage providers in discussions for broader scope of services, looking at prevention and engagement.
 - ✓ Members who completed DCBHA training able to negotiate MCO rates 39% higher than FFS.

Health Reform's Threat to Behavioral Health: *Money Is Not the Only Answer*

You asked:

- ▶ Despite deepest recession since Great Depression, city has invested in its mental health provider network.
- ▶ But money will not save you if you do not respond to the new realities of health reform.

✓ DCBHA delivered:



Health Reform for Behavioral Health Providers



If our members are going to survive the cost-cutting and thrive in the new markets, they need to *adapt* and *hone new skills* to get better at the business of health care.



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Shannon Hall
Executive Director
dcbehavioralhealth@gmail.com