Alaska Mental Health Trust Authority
Board of Trustees

August 10, 2016
Review of BH Managed Care Carve-outs

• Elliot D. Pollack & Co. Review

Concluded after conducting a review of the “extensive research” on BH carve-out arrangements that “the evidence is dramatic and uncontested: behavioral health carve-outs have resulted in significant containment of costs while increasing access to care and the quality of care.”
Review of BH Managed Care Carve-outs

• The Pollack research further concluded that they “did not uncover any studies that endorsed the ‘carve-in’ approach where traditional health plans would administer behavioral health services on a fee-for-service contract.”
HealthChoices Goals

• Increase access.
• Improve quality of services.
• Stabilize Medicaid funding.
Pennsylvania Behavioral Health
HealthChoices Program

• Managed program costs below anticipated fee-for-service trend; administrative costs are low.
  – *Four billion dollars in savings.*
• Continues to serve more people and has maintained a focus on those with the most need.
  – *Access exceeds national benchmarks for persons with serious mental illness.*
• Continues to provide a wider array of services in less restrictive settings.
  – *Increased drug and alcohol provider network by over 500 programs.*
• Reinvestment opportunities have sparked innovative practices and cost effective alternatives to current practices.
  – *Less restrictive alternative services increased by 400%.*
HealthChoices Savings

Contracted Rate Vs. Projected FFS

<table>
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<tr>
<th>Year</th>
<th>Medical Contracted Rate</th>
<th>Projected FFS</th>
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<tbody>
<tr>
<td>1996</td>
<td>$87.16</td>
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<tr>
<td>1998</td>
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Systems Redesign

FFS (1998)

- IP: 46%
- OP: 18%
- BHRS: 19%
- RTF: 5%
- D&A: 6%
- CSS: 4%
- Other: 2%

2008

- IP: 16%
- OP: 13%
- BHRS: 22%
- RTF: 14%
- D&A: 13%
- Other: 13%
Contract standards

• Performance measures
  – Access (timeliness, geography, MH, SU & PC)
  – Service utilization (in lieu of ER, IP, more community based)
  – Quality (readmission rates, timely follow up, level of independent living, school participation)
  – Physical health metrics (hbp, cholesterol, diabetes, med compliance)
  – BH metrics
Administrative Services Organization

• **Definition**—State contracts with a third party organization with special expertise in BH systems management to provide certain specified administrative services necessary to manage the system of care on the State’s behalf.

• **Functions**—Utilization Management, Quality Management, Network Management, Data Management, Claims Processing, Enrollment Services
Framework for ASO—1115 BH Waiver

• Mandated by SB 74
• Purpose—demonstrate and evaluate approaches such as expanding eligibility, provide services not typically covered by Medicaid, & use innovative service delivery systems
• ASO—would be considered an innovative service delivery system
• Components—description of demonstration, description of proposed delivery system, estimate of increase/decrease in enrollment/\$, waiver/expenditure authorities, research hypotheses & evaluation design, populations/benefits, financing, BUDGET NEUTRALITY
Timeline for 1115 Waiver—National Governor’s Association Toolkit

• Building Blocks Phase—Months 2-6
  – Assume for AK that means August-December, 2016
  – Pre-work: Readiness assessments/Environmental scans—DBH readiness assessment August; provider August-December, 2016
  – Stakeholder engagement: Teams begin August 2016
  – Concept Paper—October 2016
  – Reach CMS/State agreement on project direction
Timeline (continued)

• Prepare/Submit Proposal Phase: Months 6-12
  – Prepare Waiver—December, 2016-April, 2017
  – Submit Waiver—July 2017
  – Reach Agreement with CMS on key elements (usually financing)
  – Receive CMS approval letter and Special Terms and Conditions

• Implement and Evaluate