Maximizing Medicaid Options for Children with Serious Emotional Disturbance

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Genesis of Project

- Since 1992, 121 CCMHSP grants and cooperative agreements
- Goal to sustain systems-of-care
- Medicaid largest payer of public mental health services
- Medicaid is a third party payer similar to private insurance
Goals

- Describe how grantee sites use Medicaid as part of a larger strategy to achieve sustainability

- Describe these practices in the context of states’ Medicaid Plans

- Disseminate findings to system of care communities
Medicaid

- Medicaid is a jointly managed federal and state program to provide health care to low income Americans
Federally mandated Medicaid services

- Inpatient hospital care
- Clinical services
- Outpatient hospital services
- Physician services and services of other licensed professionals
- Early Periodic Screening, Diagnosis and Treatment
Optional Medicaid Services and Eligibility Groups

- **Rehabilitation services**
  - Used by many states to offer a wide range of services in community settings as opposed to more medical settings

- **Clinic Option**
  - Reimburses for preventive, therapeutic, diagnostic services delivered in a medical, outpatient facility
Optional Medicaid Services and Eligibility Groups

- **Targeted case management services**
  - Assists a Medicaid eligible individual in gaining access to needed medical educational, social, and other services

- **1915 Home and Community-based Services Waiver**
  - Allows for alternatives to providing long-term care in institutional settings. May be used to meet the needs of specifically defined groups, illnesses or conditions
Optional Medicaid Services and Eligibility Groups

- **1115 Research and Demonstration Project Waiver**
  - Gives states authority to conduct experimental, pilot or demonstration projects that test new ideas of policy merit

- **1915(b) – Freedom of Choice Waiver**
  - Allows states to waive statewideness, comparability of services, and freedom of choice
Optional Medicaid Services and Eligibility Groups

- **Title XXI – State Children’s Health Insurance Program**
  - Enacted by Congress in 1997 to provide for low-income, uninsured children under the age of 19 who are not eligible for Medicaid

- Relationship btw SCHIP and Medicaid varies among states
Methods

- Surveyed 92 active/graduated sites from Oct 2003 roster
- Consulted with National Advisory Group
  - Identify site selection criteria
  - Select 6 sites for visits
  - Develop site visit protocol
- Conducted site visits
Survey Responses

- 60% (38 active, 17 graduated)
  - 41 states and territories
- A range of State Medicaid Eligibility, Options, and Waivers AND financing structures
- Approximately...
  - 50% reported using managed care
  - 33% self identified as innovative
  - 50% expressed interest in participating
Site Selection

- **Primary Criteria**
  - Range of Options/Waivers, Financing Structures, Demographics, Race/Ethnicity

- **Secondary Criteria**
  - Geographic, Status (active/graduated)
Selected Sites

- The Dawn Project (Indianapolis, IN)
- The Burlington Project (Trenton, NJ)
- Community Connections for Families (Allegheny County, PA)
- Bridges (Frankfurt, KY)
- Spirit of Caring (Contra Costa County, CA)
- Partnership with Families/Transitions (St. Charles County/Jefferson City, MO)
Financing Strategies by Site

- **Bridges (KY)**
  - Rehab Option
    - Expansive definition of where services can be provided
    - Strong utilization of Option to provide services in schools
  - Targeted Case Management Services
    - For service coordination
Financing Strategies by Site

- **The Burlington Partnership (NJ)**
  - Pool and braid funds to leverage Rehab Option and EPSDT
  - Use of rate setting methodology to reflect market rates
  - Use of administrative claiming to fund parts of the Family Service Organization and Administrative Service Organization
  - Household-of-one designation
  - Presumptive eligibility
Financing Strategies by Site

- **Community Connections for Families (PA)**
  - Mental health portion of Medicaid carved out by state and administered at county level
  - Incremental mandatory state managed care program under 1915b Waiver
  - Use Clinic Option and EPSDT to expand services to include Mobile Therapist, Behavioral Specialist Consultant, and Therapeutic Staff Support
  - Bundle of services known as “wraparound”
Financing Strategies by Site

- **The Dawn Project (IN)**
  - Under Rehab Option services must be provided by CMHCs
  - Utilization of Clinic Option to pay for therapy and day treatment
  - Utilization of case rate – each referral source pays fixed monthly rate upon enrollment
  - IT system facilitates billing of Medicaid
Financing Strategies by Site

- **Partnership with Families/Transitions (MO)**
  - Part of Medicaid administered under 1115 and 1915b Waivers known as Missouri Care Plus (MC+)
  - Utilization of both Fee For Service and Managed Care systems based on geography
  - Rehab Option, known as Community Psychiatric Rehabilitation, is carved out under MC+ (used to provide in-home services)
Financing Strategies by Site

- **Spirit of Caring (CA)**
  - Mental health portion of Medicaid (MediCal) carved out by state and administered at county level
  - County serves as Medicaid managed care entity
  - Child mh services carved out from physical health
  - Rehab Option used to access MediCal funds for wraparound services
  - Rehab Option offers broad array of community-based services and flexibility in location of service delivery
Findings

- **Essential prerequisites reported by sites**
  - Leadership and shared vision
  - Partnerships and collaboration
  - Understanding the Medicaid program
Leadership and Shared Vision

- **State-level leadership**
  - Emergence of committed leadership at state level
  - New Jersey
  - Kentucky

- **Local-level leadership**
  - Leadership committed to developing and implementing systems of care for children with SED initiated at local level and then used to stimulate change in state policies
  - Indiana
Partnerships and Collaboration

- Other interagency administrative relationships and partnerships identified as facilitating the maximization of Medicaid
  - California
  - Pennsylvania
Partnerships with Families

- New Jersey developed a concrete plan for sustaining family support services/participation beyond the life of the Federal grant
Understanding the Medicaid Program

- Importance of understanding constraints of Medicaid as a 3rd party insurance program
- Challenges noted by sites
  - Inherent difference in the theoretical groundings of the Medicaid system and the system of care/wraparound approach
Challenges Noted by Sites

- Inherent difference in the theoretical groundings of the Medicaid system and the system of care/wraparound approach
- Complexity of Medicaid system
- Providers vary in their capacity to access and utilize Medicaid as a reimbursement source
Lessons Learned

1) Achieving consensus on a common vision amongst key stakeholders at state and local levels

2) Using legislation as a strategy

3) Developing strong partnerships/relationships and collaboration with Medicaid at the state level
Lessons Learned

4) Creating an interagency entity with decision-making power

5) Partnering with families

6) Forming partnerships to create innovative funding streams

7) Developing infrastructure related to information technology
Lessons Learned

8) Emphasizing Medicaid eligibility

9) Understanding Medicaid’s rules to work effectively within them and propose changes when necessary

10) Utilizing Options and Waivers to maximize flexibility
Concluding Thoughts

- Study revealed that the federal Medicaid program has been used effectively by a number of states to pay for expanded, community-based services within the framework of systems of care for children with SED

- This is consistent with priorities found in the Report of the President’s New Freedom Commission on Mental Health
Concluding Thoughts

- Study found very little reliance on SCHIP to assist this population