

## Maximizing Medicaid Options for Children with Serious Emotional Disturbance

Judith Katz-Leavy, M.Ed.  
Consultant, Child and Family Mental Health  
&  
Kathleen Biebel, Ph.D.  
UMMS Center for Mental Health Services  
Research

19<sup>th</sup> Annual Research Conference  
Tampa, FL  
February, 2006



## 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: 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 institutional 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[c] 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 by county
  - Incremental mandatory state managed care program under 1915b Waiver
  - EPSDT used to expand services including 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 - case managers/supervisors employed 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, 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 by county
  - County serves as Medicaid managed care entity
  - Child mh services carved out from physical health
  - Rehab Option used to access broad array of community-based services

### 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

### Leadership and Shared Vision



- **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 use of Medicaid**
  - California
  - Pennsylvania

### Partnerships with Families



- **New Jersey developed concrete plan for sustaining family support services/ participation beyond life of Federal grant**

### Understanding the Medicaid Program



- Importance of understanding constraints of Medicaid as 3<sup>rd</sup> party insurance program
- Challenges noted by sites
  - Inherent difference in theoretical groundings of Medicaid system and system of care/wraparound approach

### Challenges Noted by Sites



- Inherent difference in the statutory and regulatory groundings of the Medicaid system and the system of care/wraparound approach
- Complexity of Medicaid system
- Providers vary in 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

### Lessons Learned



- 6) Forming partnerships to create innovative funding streams

### Lessons Learned



- 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

### Lessons Learned



- 10) Utilizing Options and Waivers to maximize flexibility

### Concluding Thoughts



- Medicaid program has been used effectively by a number of states to pay for expanded, community-based services within systems of care for children with SED
- Consistent with priorities found in Report of the President's New Freedom Commission on Mental Health
- Study found very little reliance on SCHIP to assist this population