
Health Care Reform Tracking Project:

*Tracking State Managed Care Reforms
as They Affect Children and Adolescents
with Behavioral Health Disorders and their Families*

1997–98 State Survey

I. INTRODUCTION

Health Care Reform Tracking Project

The Health Care Reform Tracking Project is a five-year project (1995-1999) designed to track and analyze state health care reform initiatives as they affect children and adolescents with emotional and substance abuse disorders and their families. It is co-funded by two federal agencies—the Substance Abuse and Mental Health Services Administration in the Department of Health and Human Services and the National Institute on Disability and Rehabilitation Research in the Department of Education. Supplemental funding has been provided by the David and Lucile Packard Foundation for a special analysis of the effects of these reforms on children and adolescents in the child welfare system. The project is being conducted jointly by the Research and Training Center for Children’s Mental Health at the University of South Florida, the Human Service Collaborative of Washington, D.C., and the National Technical Assistance Center for Children’s Mental Health at the Georgetown University Child Development Center.

The Tracking Project is being undertaken at a time of rapid changes within public health and human service delivery systems, as states are implementing reforms that involve the application of managed care technologies to the delivery of mental health and substance abuse services (together referred to as “behavioral health” services) provided through public agencies. *It is these public sector managed care reforms that are the primary focus of the Health Care Reform Tracking Project, with investigation centered specifically on behavioral health services for children and adolescents and their families.*

There has been much speculation as to the potential effects of managed care on the delivery of behavioral health services for children and adolescents and their families. The Health Care Reform Tracking Project is a first step toward understanding the impact of managed care in the public sector on such services. Currently, it is the only national study of public sector managed care focusing on children and adolescents with emotional and substance abuse disorders and their families.

The Tracking Project focuses on children, adolescents, and families who rely on public sector agencies and programs for behavioral health services. These include: Medicaid-eligible, poor and uninsured youngsters and their families; children and adolescents

who have serious behavioral health disorders whose families exhaust their private coverage; and families who turn to the public sector to access a particular type of service that is not available through their private coverage. Often, these children, youth and families depend on multiple state and local systems, including the mental health, substance abuse, health, child welfare, education, and juvenile justice systems.

State managed care activities are occurring against a backdrop of reform efforts in the children's mental health field to develop community-based systems of care, particularly for children with serious disorders, and in the adolescent substance abuse treatment field to develop a broad continuum of treatment options. The Tracking Project is concerned with exploring the impact of state health care reform activity on these reform efforts as well. The specific aims of the Tracking Project are to:

- Identify and describe managed care reforms in the public sector that affect behavioral health service delivery to children and adolescents and their families
- Analyze the effects of these changes on children and adolescents and their families and on the systems of care that serve them
- Identify both problem areas and effective approaches and strategies that will help to inform the activities of states and communities as they develop and refine their managed care systems

The project is intended to inform state and national policy and to assist states and localities to address the needs of this population of children and their families in the health care reform process.

Methodology

The methodology of the Tracking Project involves two major components—surveys of all states and impact analyses through in-depth site visits to a select sample of states.

State Surveys

1995 State Survey

The first activity of the Health Care Reform Tracking Project, which was carried out in the spring of 1995, involved conducting a baseline survey of all states to identify and describe state managed care reforms underway at that time. The 1995 survey, which achieved a 100% response rate, described managed care reform activities underway in 44 states, with seven states reporting no activity at that time. The 1995 State Survey provides a baseline against which to track changes in state managed care activity over time, and 1995 survey results are cited for comparative purposes throughout this report. The 1995 State Survey report is available through the Research and Training Center for Children's Mental Health at the University of South Florida.

1997-98 State Survey

Given the rapid pace of change in state managed care activity, the all-state survey was repeated in late 1997 and early 1998 to update information about state managed care activities affecting this population of children and adolescents and their families. **This**

report presents the results of the 1997-1998 all-state survey. In addition to describing state reforms, this report, as noted, also provides a comparison to state activity at the time of the 1995 baseline survey.

Impact Analyses

In addition to describing state managed care activities through the all-state surveys, the Tracking Project also is analyzing the *impact* of these reforms on youngsters with emotional and substance abuse problems and on the systems of care that serve them. The impact analyses involve in-depth site visits to a select number of states during which interviews are held with multiple, key stakeholders in order to obtain their assessments and perceptions regarding a wide range of areas related to managed care reforms. The first impact analysis took place in 1996-1997 and involved site visits to ten states. The 1997 Impact Analysis report is available through the Research and Training Center for Children's Mental Health at the University of South Florida. Findings from the 1997 Impact Analysis are noted, where appropriate, throughout this report on the 1997-98 State Survey.

A second impact analysis will take place in 1999, with another round of in-depth site visits to a sample of 8 new states and follow-up telephone interviews with the 1997 sample of 10 states. A second impact analysis report will be issued upon completion of the site visits and analysis of findings.

Methodology of 1997-98 State Survey

The 1997-98 State Survey, on which this report is based, captures changes since 1995 in state managed care activity affecting behavioral health service delivery to children and adolescents and their families. During this period, there has been increasing implementation and refinement of managed care reforms in the public sector.

Like the 1995 baseline survey, the 1997-98 State Survey used a written survey instrument (included as Appendix A) that was developed with input from a variety of key stakeholders, including family members, federal officials, state and local officials, advocates, and researchers.

Modifications to the original survey instrument were made for the 1997-98 survey to reflect findings from earlier activities of the Tracking Project. Refinements included adding questions to enable comparisons between state activity in 1995 and 1997-98 and incorporating greater specificity in response options based upon previous findings. Additionally, the survey was revised to incorporate a greater focus on managed care reforms affecting adolescent substance abuse services and to expand the focus on children involved in the child welfare system.

The written survey was sent to state child mental health directors, state substance abuse agency directors, and state substance abuse prevention directors in all 50 states and the District of Columbia in the fall of 1997. Several rounds of follow-up telephone calls were made to those receiving the survey to ensure receipt and understanding of

the survey and to encourage response. Surveys were returned during late 1997 through the summer of 1998. Responses were received from all 50 states and the District of Columbia.

The 1997-98 State Survey captures information across a wide variety of domains. These include:

- General information about managed care reforms
- Populations affected by managed care reforms
- Services covered by managed care systems
- Managed care entities
- Management mechanisms
- Financing and risk
- Family involvement
- Providers
- Quality and outcome measurement
- Child welfare managed care

Each is discussed below, presenting findings from the 1997-98 survey, comparing these findings with 1995 survey results, and noting findings from the 1997 Impact Analysis where relevant and appropriate.

As part of the survey, states also were asked to identify technical assistance materials related to health care reform that might be useful to other states. Many states identified materials, which have been catalogued and are available from the National Technical Assistance Center for Children's Mental Health at Georgetown University (see Appendix B: List of Technical Assistance Materials Available From States Related To Managed Care).