
Overview

I. Promising Approaches 7: Care Management in Public Sector Managed Care Systems

As noted, each volume in the promising approaches series focuses on a specific aspect of publicly financed managed care systems. This paper focuses on promising approaches in care management for children with serious emotional problems enrolled in a managed care system and their families. The volume begins with a brief discussion of the issues and challenges related to care management within a managed care framework that have been identified through previous activities of the Tracking Project.

A number of promising approaches for care management are then described. Identified through the state surveys and impact analyses of the Tracking Project, these approaches are perceived by key state and local informants to support effective care management systems.

Issues and Challenges

Throughout the Tracking Project activities, stakeholders reported several barriers within managed care systems to serving children with serious emotional problems and their families, including the stringent application of medical necessity criteria, an emphasis on short-term treatment, and unintended financial incentives to underserve individuals with serious and complex needs. Key informants emphasized the need for managed care entities to incorporate special services and provisions for children and adolescents with serious emotional problems and their families. In the first *State Survey* (1995) produced by the Health Care Reform Tracking Project, only 44% of the systems reported including special arrangements for this high-risk population. The proportion increased slightly to 49% in the 1997–98 survey findings, perhaps reflecting the beginning of recognition of the needs of these youth and their families. The *2000 State Survey* showed a dramatic increase in the inclusion of special provisions, with a shift to 93% of the systems indicating that they did have special arrangements and services. The *2003 State Survey* found a 12% decrease, but the majority of managed care systems (81%) continued to include special provisions of some type.

The increases noted above in special provisions for high-risk children and youth and their families may be related to the growth in discrete state planning processes for special populations in managed care systems. Between 1997–98 and 2003, there was a reported 17% increase in the percentage of systems with discrete planning for this population. By 2003, three-fourths (74%) of states were engaged in a distinct planning process for children with serious emotional problems who were enrolled in managed care systems.

Coordination of Care Management in Managed Care Systems

Intensive case management was one of several special mechanisms reported by managed care systems as a strategy for serving children with serious emotional problems and their families. As shown on **Table 1**, by 2003 all the managed care systems who reported the use of special provisions included intensive case management as a strategy. The findings in **Table 1** reflect the pattern found throughout the Health Care Tracking Project of a greater likelihood of finding special provisions in managed care systems with carve out designs, defined as arrangements in which behavioral health services are financed and administered separately from physical health services, than in those with integrated designs, defined as arrangements in which the financing and administration of physical and behavioral health care are combined.

	1997-98 Total	2000 Total	2003			Percent of Change 1997/98-2003	Percent of Change 2000-2003
			Carve Out	Integrated	Total		
Expanded service array	90%	79%	84%	86%	85%	-5%	6%
Intensive case management	86%	86%	100%	100%	100%	14%	14%
Interagency treatment and service planning	57%	86%	100%	57%	88%	31%	2%
Wraparound services/process	71%	57%	95%	86%	92%	21%	35%
Family support services	67%	79%	84%	57%	77%	10%	-2%
Higher capitation or case rates	38%	29%	21%	57%	31%	-7%	2%
Flexible service dollars	Not Asked	Not Asked	58%	29%	50%	NA	NA
Other	0%	21%	5%	14%	8%	8%	-13%
NA=Not Applicable							

Along with intensive case management, as might be expected, a majority of the managed care entities reportedly offered interagency treatment planning and service planning (88%), a substantive increase from 1997-98 when only slightly more than half of the systems (57%) offered this service. In addition, 92% of the managed care entities include wraparound services, although only half indicated that flexible service dollars were available to purchase wraparound services and supports. Finally, less than one-third (31%) incorporate higher capitation or case rates for children with serious emotional problems.

Impact of Managed Care on Care Coordination for High-Risk Children

Despite the reported growth in special provisions for children with special needs, the Tracking Project's impact analyses studies yielded conflicting results regarding the effect of managed care on care coordination for these youth and their families. In some states, managed care reportedly expanded the provision of case management services, whereas in others case management was reported to have been constricted as a result of managed care. Reasons given were the need for authorization and greater emphasis on utilization management than on accessing and coordinating care.

Given these conflicting findings, the 2000 and 2003 state surveys specifically investigated the effects of managed care on case management and care coordination. As shown in **Table 2**, both surveys found that in most systems care coordination had increased in comparison with pre-managed care.

	2000 Total	2003			Percent of Change 2000-2003
		Carve Out	Integrated	Total	
Increased case management/care coordination	71%	82%	21%	58%	-13%
Decreased case management/care coordination	6%	0%	8%	3%	-3%
No effect	23%	18%	71%	39%	16%

It is interesting to note that the percentage of systems that reportedly had increased care coordination decreased from 71% of systems in 2000 to 58% of systems in 2003, and that the increase was much greater in carve outs (82%) than in integrated systems (21%) in 2003.