Behavioral Health and Physical Health Integration: Improving Value and Access – A Payers/Systems Administrator Perspective

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Overview

What are the factors that have an impact of the adoption of the behavioral health and physical health integrated models into main stream health systems?

• Current Industry Dynamics
• Applicability of Alternative Payment Systems
• Impact of performance base models
• System Infrastructure factors that influence or are barriers to adoption
Health care cost increases are not tolerable. Premium increases are not tolerated by the public.

Drivers of cost linked to:

1. Practice Variation
2. Uninformed Preference
3. Supply/Demand
4. New technology
Consumer’s Cost Has Hit the Glass Ceiling

The increase in average consumer income, (11% between 2003 to 2013) lags behind the increasing trend for out of pocket cost for health care , (60% between 2003 to 2013).
Drivers of Change
ACA and National Quality Strategy

Measurement of Performance

Accountability

Transparency

Payment Reform And Efficiency

Focus on
• Structure/Process/Outcomes
• Demonstration of Value,
• Functionality,
• Quality of Life

• Patient populations and/or geographically designated populations attributed to a provider, clinic and/or system.
• Cross accountability for populations

• Consumer decision making based on exposure to measured efficiency, quality and cost.

• Payment based on service(s), profile and/or population health performance.
Expanded Payer Sources

Payer sources vary beyond typical health plans and governmental sources to ACOs and integrated delivery systems with payer components.
Payers Payment Strategies

Move Away From Guaranteed Contractual Increases

• Performance-based payment systems
• First phase of alternative payments strategies:
  • Differentiate rates based on performance
    • Incentives for managing quality and cost within populations
    • Performance-based increases for meeting key metrics such as reducing ED usage and hospitalizations and/or treatment efficiency.
  • Shared savings
• Second Phase
  • Bundled payments for episodes of treatment
  • Global capitation
Payment Transformation Drives Accountability and Cost Consideration

Accountable Arrangements*

Level of Provider Accountability/Systems Capability

* Accountable Care requires up and down-side financial risk
Moving the Payment Dial to Quality

- CMS has set an definitive goal of progressively transferring the method of provider payments to pay for quality not volume.

- The goal is to achieve 90% of Medicare payment to pay for quality methodology by 2018.

- Private insurers are aligning their payment objective in a similar fashion and on a similar schedule.
Moving the Payment Dial to Quality

- Medicare Access and CHIP Reauthorization Act (MACRA) includes several parameters as components of the scoring methodology.
- Quality
- Resource Use
- Clinical Practice Improvement
- Progression in Information systems
Prioritization of Intervention Targets

- Accountable payers review the distribution of health care cost to determine the areas of spend.
- Areas of increasing trend or cost/use levels over established benchmarks draw the attention for more in depth analysis to identify areas of potential opportunity.
- Areas with the largest impact on total cost with impactable opportunities are generally Prioritized.
Medical & Pharmacy Cost By Condition

Top 12 Commercial Episode Conditions 2013 / 2014

- Orthopedic: $42.91
- Cancer/Tumors: $33.84
- Pregnancy/Newborns: $17.88
- Gastroint Dist, NEC: $17.65
- Infections: $15.12
- Cardiovascular: $13.71
- Mental Health Cond: $12.88
- Injury: $9.35
- Diabetes: $8.42
- OB/GYN: $7.90
- Condition Rel to Tx - Med/Surg: $6.26
- Other: $5.20

Accounts For 71% Of Total Expense
Top Ten Most Common Medicaid Readmissions

1. Septicemia (except in labor) — $319 million (17,600 total readmissions)
2. Schizophrenia and other psychotic disorders — $302 million (35,800 total readmissions)
3. Mood disorders — $286 million (41,600 total readmissions)
4. Congestive heart failure (non-hypertensive) — $273 million (18,800 total readmissions)
5. Diabetes mellitus with complications — $251 million (23,700 total readmissions)
6. Chronic obstructive pulmonary disease and bronchiectasis — $178 million (16,400 total readmissions)
7. Alcohol-related disorders — $141 million (20,500 total readmissions)
8. Other complications of pregnancy — $122 million (21,500 total readmissions)
9. Substance-related disorders — $103 million (15,200 total readmissions)
10. Early or threatened labor — $86 million (19,000 total readmissions)

* AHRQ Statistical Brief
High Cost Populations

- Cost of services for those with behavioral health conditions has a different cost curve trajectory than typical medical conditions.
  - Typical chronic medical diseases affecting the heart, lungs, and other organs are often diseases with onsets with aging.
  - But half of all mental illnesses begin by the age of 14, three-quarters by the age of 25. For individuals with mental illnesses, the costs often start adding up early.
  - 79 percent of high-cost mental health patients were under the age of 60 but only 39.7 percent of other high-cost patients were under age 60.
- 13 percent of those who screened positive for behavioral health condition also reported having another chronic or physical condition.
- Those who did report having a physical health condition were slightly older (on average 25-34 years old).
- Among the reported comorbid physical health problems were chronic pain, heart disease, pulmonary disease, and diabetes.
Linking Measurement and Alternative Payment Models to Health Care Delivery System

**Acute Care System**
- **Measurements**
  - Post discharge FU
  - Readmission rate
- **Demonstrable Value**
  - Clinical
  - Financial
- **Payment Models**
  - Shared savings model
  - DRGs
  - Bundles payments

**Stabilization System**
- **Measurements**
  - ED visit by Dx
  - Hosp/Readmission rate by Dx
- **Demonstrable Value**
  - Clinical
  - Financial
- **Payment Models**
  - Shared saving model
  - Case rates or capitation
  - Bundle payments

**Integrated System**
- **Measurements**
  - Cardiac Rehab Staff Models
- **Demonstrable Value**
  - Clinical
  - Financial +
- **Payment Models**
  - Case rate models
  - Bundled Payments

**Prevention/Early Intervention System**
- **Measurements**
  - HEDIS
  - Preventive Health Guidelines
- **Demonstrable Value**
  - Clinical
  - Financial +
- **Payment Models**
  - Global Cap
  - Grants
Shared Accountability

- Applies to all participants caring for a patient
- For example, Primary Care Provider is jointly responsible for assuring quality for both General Health and Substance Use Disorder and Mental Health care
- Behavioral Health providers (Mental Health & Substance Use Disorder) are equally responsible for assuring quality for Substance Use Disorder and Mental Health and some General Health factors, (e.g. annual physical exam, screening for diabetes and cholesterol for those on antipsychotics)
Provider Score Card - B

Adjusted Cost Score: -1.49

Count of Providers by Score:
- Total Peer Group Providers = 171

Patient Demographics Average Age: 41
- Percent Male: 59.65%

Top 10 Most Frequent Episode Categories:
- 389 Other Arthropathies, Bone and Joint Disorders
- 361 Fracture, Dislocation, or Sprain: Humerus (Head) or Shoulder
- 341 Bursitis
- 433 Factors Influencing Health Status
- 374 Osteoarthritis, Except Spine
- 369 Injury, Knee, Semimembranous Cartilages
- 368 Injury, Knee, Ligamentous
- 432 Encounter Related to Other Treatment
- 362 Fracture, Dislocation, or Sprain: Wrist or Hand or Fingers
- 356 Fracture or Dislocation: Patella

Average Cost by Service Type:
- ER: $18
- Office Visits: $796
- Lab: $1
- Imaging Facility: $36,354
- Prof.: $1,881
- Ambulatory Total: $18,593
- Admit: $321
- Rx: $62
- Grand Total: $5,778

Other costs for various episodes are also listed.
Linking Measurement and Alternative Payment Models

Behavioral Health Care Delivery System

- **Acute Care System**
  - +Measurable Results
  - +Demonstrate value
  - Payment Models
    - Shared savings model

- **Stabilization System**
  - +Measurable Results
  - +Demonstrate value
  - Payment Models
    - Shared savings model
    - Case rates or capitation

- **Integrated System**
  - +Measurable results
  - +Demonstrate value
  - Payment Models
    - F4F
    - Case rates
    - Staffing base cost

- **Prevention/Early Intervention System**
  - Measurable results
  - Demonstrate value
  - - additive cost
  - Payment models
Payment Methodology for a Behavioral Healthcare Delivery System

- **Acute Care System**
- **Stabilization/Maintenance System**
- **Integrated System**
- **Prevention/Early Intervention System**

**Behavioral Health Care cost** is typically 3 – 5% of the medical benefit for patient with a diagnosis of behavioral health

**Behavioral Health Care Carve Outs** are in this space

- Cost estimates based on prevalence of behavioral health issues in medical patients vary from 10 – 17% of total medical benefit.
- 9 - 12% of RX by volume are psychotropic drugs

Many payment models have been implemented using carve-in and carve out entities – difficulty is pricing
Payment Models

• Staffing cost based model – pay staffing cost for integrated services

• Case rates – Impact Model – around $580

• Risk arrangements for subpopulations
  • Diabetics
  • Post MI
Limited Adoption of Integrated Care
Carve out companies in this space look different than the traditional Behavioral Health Managed Care companies.