Joint Legislative Oversight Committee on Health and Human Services

Behavioral Health Performance Summary January 2018

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Discussion Guide

- Objective of Performance Summaries
- Demographic Summary
- Operational Effectiveness and Efficiency
  - *Utilization*
  - *Readmissions and ED Revisits*
  - *Authorization Denials*
- Financial Summary
- Discussion of Measures and Next Steps

Objectives of Performance Summaries

This presentation is from the perspective that with defined expectations and outcomes, data can provide a means to monitor and measure the success of a system in achieving those expectations and outcomes.

While the Department collects a tremendous amount of data and monitors an equally large number of measures; in the absence of specific outcomes or performance measures with targets and solvency standards that will be contained in the strategic plan for behavioral health services; this summary provides extracted macro-level information on LME/MCO performance for a balance of dimensions from the currently available data:

- *Financial*
- *Operational*
- *Person*
- *Outcomes*

The data source is the monthly report prepared by DMH/DD/SAS and the Monthly Financial Statements from data submitted by the LME/MCOs.

Objectives of Performance Summaries

A Balanced Scorecard

- The 4 dimensions of this performance scorecard provide a visual example of the balance needed in assessing a system's performance and success.
- The measures indicated in each dimension are based on currently available data; not necessarily the best measures of performance that could/should be monitored.

PERSON

Measures aspects of the system that relate to need for services, an individuals access and interaction with the system and whether the system meets their needs.

DATA Sources:
NCTOPS

OPERATIONAL

Measures the utilization, effectiveness and efficiency of the system.

DATA Sources:
DMH Monthly Monitoring Report

MEASURES Available Selected:
- MH/SUD/IDD Utilization
- MH/SUD Admissions&Readmissions
- Medicaid ER Utilization and Revisits
- Clinical/Admin Authorization Denials

FINANCIAL

Measures the financial performance, solvency and viability of the system.

DATA Sources:
Monthly Financial Statements prepared by the LME/MCOs

MEASURES Available Selected:
- Cash Balance
- Reinvestments
- Claim Denial Rates
- Financial Ratios

OUTCOMES

Measures the impact of services, results and the achievement of expectations and changes in people's lives or wellbeing.

DATA Sources:
Process measures that lead to outcomes to be defined

Objectives of Performance Summaries

DEFINITIONS OF OPERATIONAL MEASURES

- Utilization — *Percentage of the covered population that accesses a mental health, substance use or IDD service each month*
- Readmissions — *Percentage of inpatient mental health and substance use disorder admissions that are readmitted within 30 days*
- ER Revisits — *Percentage of initial hospital emergency department (ED) admissions that return to the ED within 30 days*
- Authorization Denials — *Percentage of requests for authorization to provide services denied for clinical reasons*

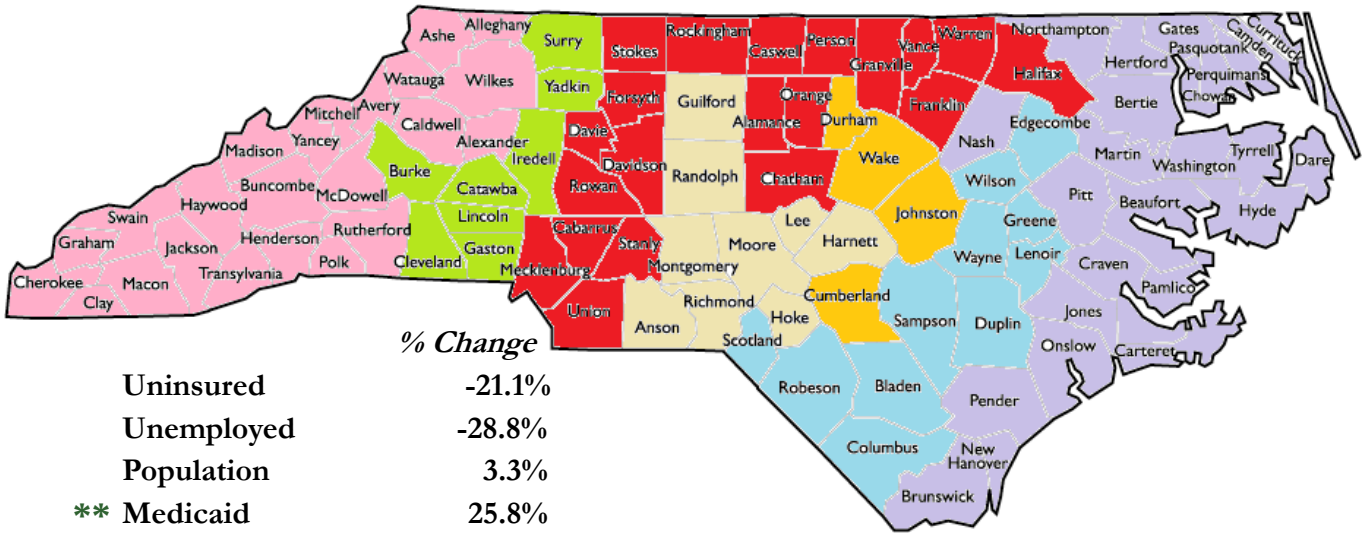
Challenges of Performance Summaries

- There may not be consistency in reporting between the LME/MCOs.
- There are variations in LME/MCOs accounting practices and utilization management practices.
- The Department has not established uniform standards for **all** reporting or consistently enforced guidelines that are established.
- The data is a mixture of LME/MCO self reported data and data extracted from encounter claims. Data is subject to some inconsistency or reporting lags.

This also places emphasis on being able to identify, understand and assess variations; plus, the importance of evaluating the correlations between the ratios and how they would or should impact outcomes, cost and performance.

Demographic Summary

% Change in Demographics From 2014 to October 2017



	% Change
Uninsured	-21.1%
Unemployed	-28.8%
Population	3.3%
** Medicaid	25.8%

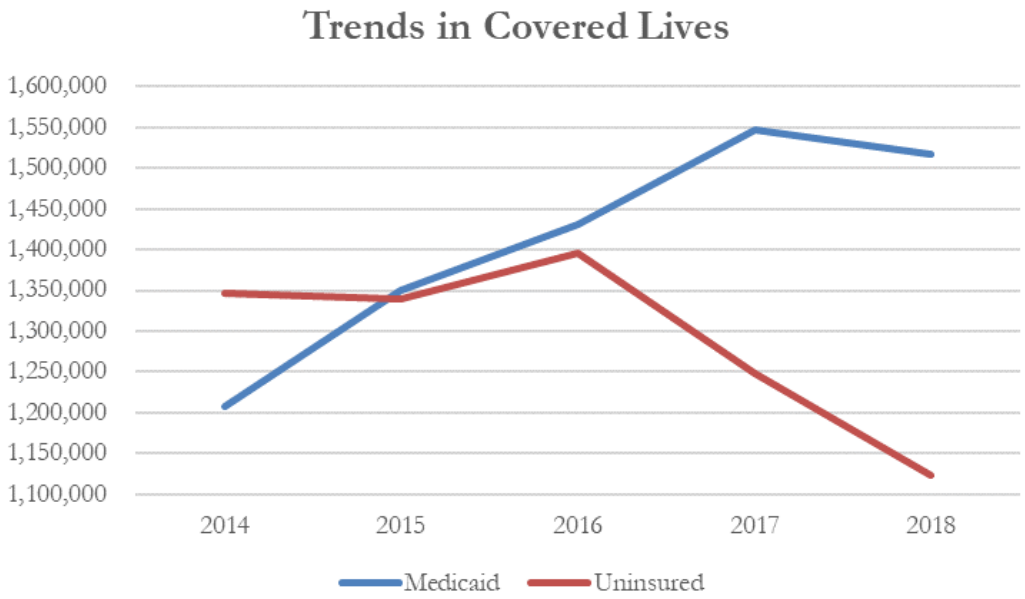
Alliance	% Change	Eastpointe	% Change	Sandhills	% Change	Vaya	% Change
Uninsured	-19.9%	Uninsured	-25.7%	Uninsured	-20.8%	Uninsured	-15.0%
Unemployed	-23.6%	Unemployed	-32.8%	Unemployed	-30.9%	Unemployed	-30.7%
Population	5.2%	Population	-1.1%	Population	2.4%	Population	2.9%
Medicaid	21.9%	Medicaid	-4.2%	Medicaid	15.5%	Medicaid	4.3%

Cardinal	% Change	Partners	% Change	Trillium	% Change
Uninsured	-21.5%	Uninsured	-18.7%	Uninsured	-25.3%
Unemployed	-28.9%	Unemployed	-33.6%	Unemployed	-26.2%
Population	4.3%	Population	2.5%	Population	2.4%
Medicaid	18.5%	Medicaid	22.0%	Medicaid	26.7%

***** NFP – Medicaid enrollees assigned to LME/MCOs***

Demographic Summary

- Medicaid covered lives have increased from an average 1,207,000 in 2014 to 1,518,000 in the current fiscal year.
- Uninsured covered lives have declined from 1,347,000 in 2014 to 1,122,000 in the current year.
- The decline in uninsured covered lives may produce an artificial rise in the utilization rate calculated.



Utilization Summary

Unlike the financial information which is based on the period ending 11/30/17, utilization measures reflect activity through 9/30/17.

Utilization data is based on the date of service vs financial data which is based on date of payment. Time must be allowed at the end of the period to ensure all or the majority of single stream claims have been processed and LME/MCO data is complete so trends are as accurate as possible.

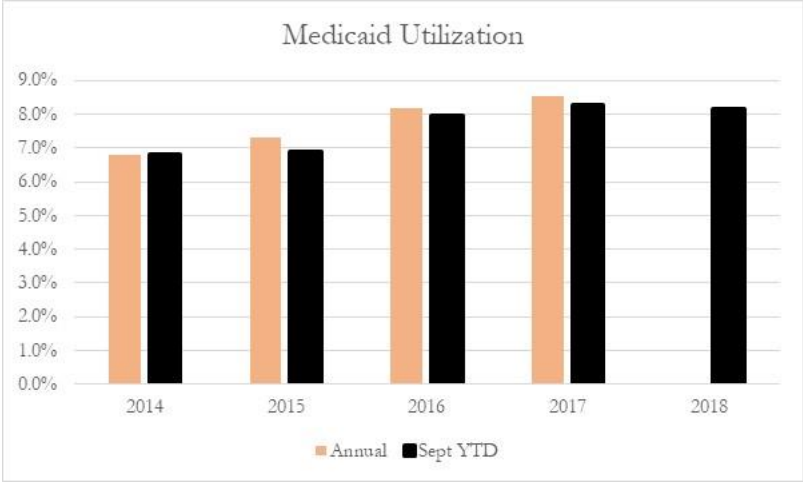
Utilization	*Percentage of the covered population that accesses a mental health, substance use or IDD service each month*

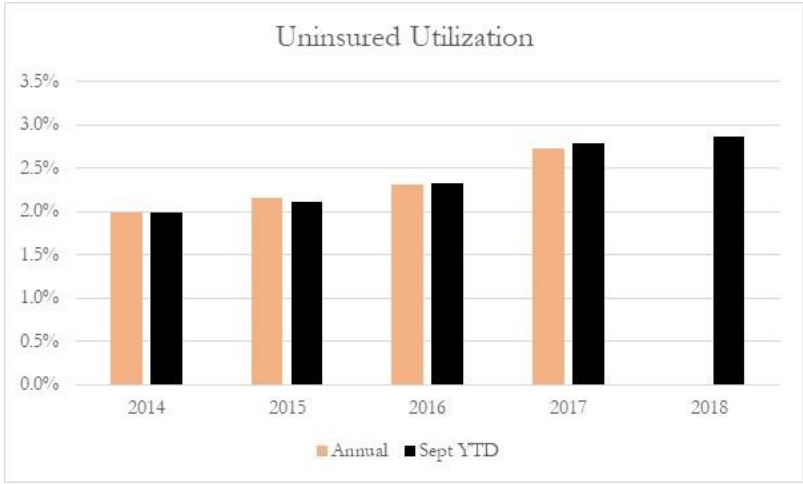
Covered Populations

Medicaid	*Enrollees over the age of 3 that are assigned to the LME/MCO and included in the capitation base calculation*
Uninsured	*Total uninsured population for the LME/MCO catchment area*

Utilization Summary

- From SFY 2014 – SFY 2017 utilization rates increased for both populations.
- Utilization rates for Medicaid recipients are 2 to 3 times higher than uninsured recipients. Variation in utilization is influenced by:
  - Medicaid's status as an entitlement
  - Medicaid covers/funded for a broader range of services than Single Stream
  - Use of Medicaid behavioral health services could coincide with the use of non-BH Medicaid services
- Utilization rates across the LME/MCOs ranged from 6.7% to 10.3% for Medicaid and 1.2% to 4.1% for Uninsured YTD in SFY 2017-18.



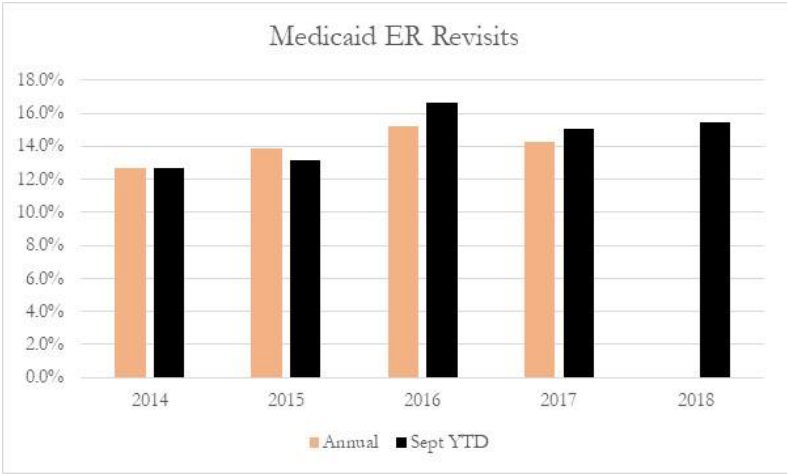


Utilization Summary

- In SFY 2017-18 the percentage of Medicaid population accessing Substance Use Disorder (SUD) services was 27.6% higher than in SFY 2014-15.
- Percentage of uninsured population accessing SUD services has grown by 5.6% since SFY 2014-2015.
- The per-person spending is higher for SUD than for Mental Health (MH). Given that the funding for the uninsured population is fixed, if this trend continues over the next few years the increased utilization of SUD services could impact availability of LME/MCO funds for uninsured MH or developmental disabilities or increasing waiting lists.

Inpatient and Emergency Summary

- There are many measures and factors that can reflect service effectiveness, two measures available are the % of those treated in a hospital emergency department (ED) or are admitted for services in an inpatient setting that return within 30 days of discharge.
- Emergency revisit rates only reflect the Medicaid population.
- The % of ED return visits within 30 days increased until SFY 2016-17 and has again increased slightly in the current year

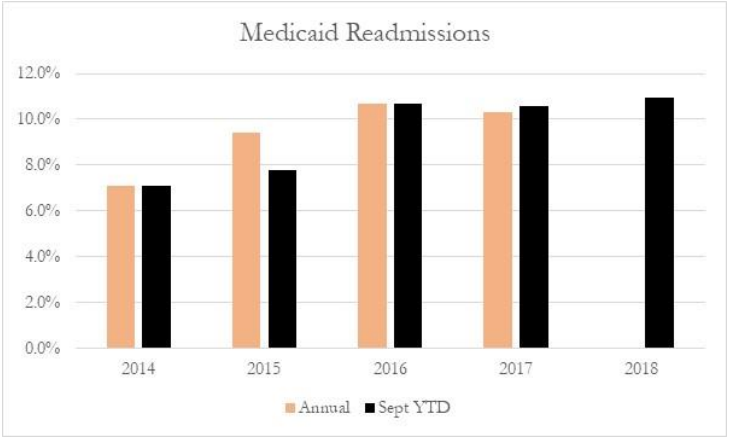


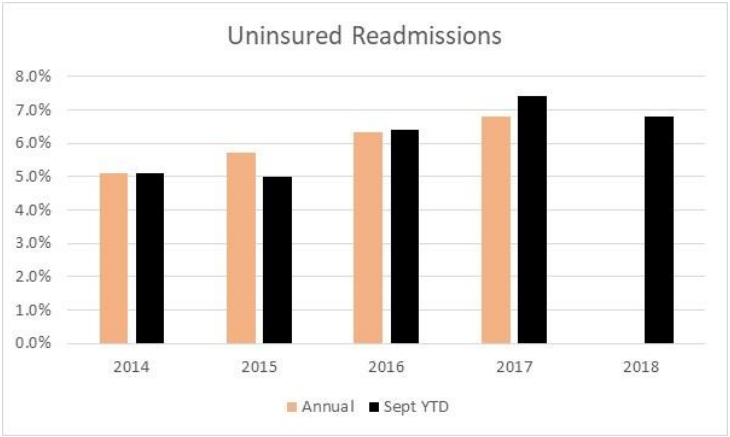
- The rate of ER returns ranged from 8% to 20% YTD in SFY 2017-18 across the LME/MCOs

Inpatient and Emergency Summary

- Medicaid I/P readmissions have remained fairly constant after SFY 2014-15, while the uninsured readmissions reflect a decline in the current year, after consistent increases in prior years.
- Comparability between Medicaid and the uninsured is not reasonable, because admissions to the State hospitals are not included in the LME/MCO statistics because they are not financially responsible for those admissions.
- It is difficult to compare across the LME/MCOs because 3-way bed data is included in the LME/MCO's statistics where the bed is located and not the person's assigned LME/MCO.

TRENDS REMAIN RELEVANT AND IMPORTANT TO MONITOR





Service Authorization Summary

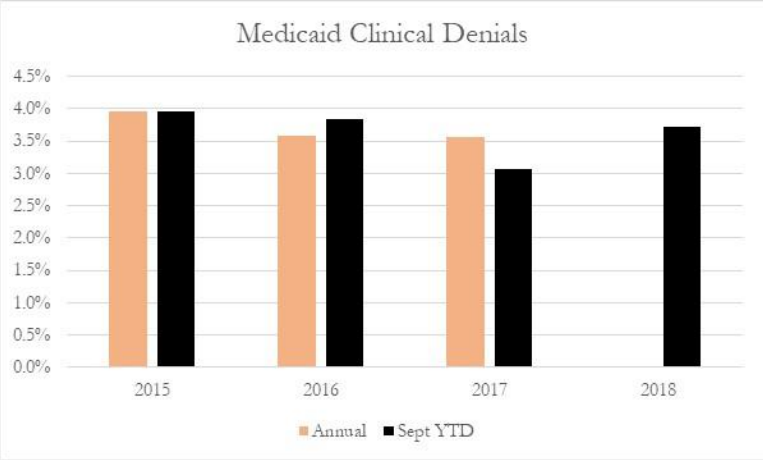
- LME/MCO's are at risk for managing Medicaid recipients since services are capitated for the individual. Since Medicaid is an entitlement the program costs should change based on the number and types of eligible individuals and their service needs - *The State is at risk for enrollment and the LME/MCO is at risk for utilization.*

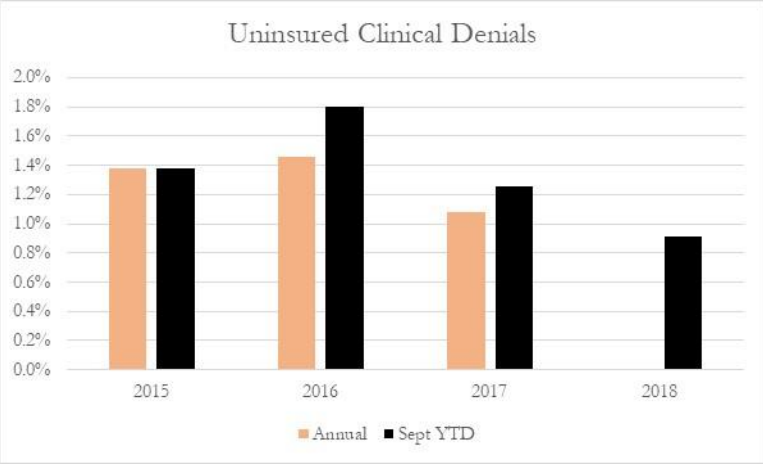
- The LME/MCOs are financially responsible to provide the core services for the uninsured population within available resources. The General Assembly reduced appropriations for single stream on a non-recurring basis in 2016, 2017 and 2018. In the current year there was both a recurring and non-recurring reduction, but in all years LME/MCOs were required to maintain services at 2015 levels.

- LME/MCOs have adopted their own standards and practices for authorizing services requested for each population, which can create natural variations when comparing LME/MCO to LME/MCO.

Service Authorization Summary

- Authorization denials can be a reflection of many things, including a variation in utilization management practices or effectiveness of the LME/MCOs.
- They can also reflect the level of appropriateness of the request for services by the provider or efficiency of the process or the documentation required, as well as many other factors.
- The range across the LME/MCOs for clinical denials was .8% to 6.9% for Medicaid and .2% to 5.1% for uninsured YTD in SFY 2017-18.





Financial Summary

- LME/MCOs have two categories of cash.

  Balances at 11/30/17:

  Medicaid Risk $258.9 million

  Other Cash $735.4 million

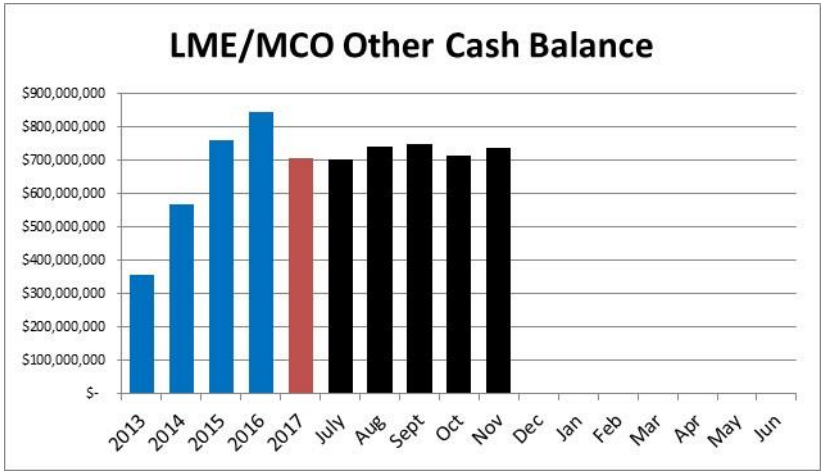
  Other cash drivers YTD in SFY 2017-18

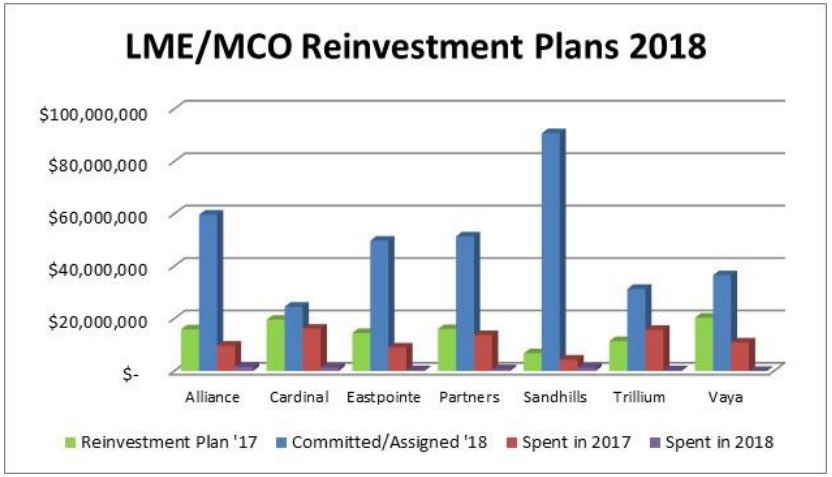
Beginning Cash Balance	$	706.9
Single Stream Reduction		(35.3)
Restoration of '17 Single Strm		30.0
Risk Reserve Transfer		-
Reinvestment		(5.5)
Net Change in A/R and A/P		27.3
P&L and Other Factors		12.0
Ending Cash Balance	$	735.4

- Reinvestments

	Capital	*One Time Expenses*
2018 YTD	$4.3 M	$ 1.2 M
2017	$54.7 M	$24.7 M
2016		$ 9.5 M

Variation in Reinvestment plan, Committed and Assigned Fund Balance & Actual Reinvestment





Framing the Conversation

- *What are the reasons for the variation in the current performance measures between the LME/MCO's or funding source? Are they reasonable? Are they expected?*
- *What are the outcomes or expectations that the State has for the system's performance? What are the best measures to use to monitor achievement of expected performance?*
- *Are there meaningful correlations or cause and effect of the various measures in predicting positive outcomes, cost and performance? How should we use that information?*
- *How is DHHS assessing outcomes and changes in health status?*
- *How is DHHS monitoring performance and how and to what standards are LME/MCO's being held accountable to?*
- *How do LME/MCOs assess outcomes and changes in health status?*

How should/do we apply the framing questions from the data and today's discussion to inform or improve the State's strategic plan for behavioral health services…….

How do we ensure we continue the conversation……

QUESTIONS
and
DISCUSSION

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