

Figure 1

Challenges with Mental Health Services

in Florida's Medicaid Reform Pilot Program

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Figure 2

Goals and Disclaimers

- During this session, I plan to provide an overview of a project that examined access to mental health services in Florida's Medicaid reform pilot program.
- Based on interviews with consumers and providers in Broward and Duval counties.
- Also included a review of key provisions of the program's model contract for pilot program MCOs.
- My work is focused on federal disability policy issues...while I work on issues that impact people with mental illness, I am not a mental health expert. ...while I have done related to Medicaid managed care contracting, I am not a lawyer, and I have not conducted a thorough analysis of the entire managed care contract.



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Figure 3

Georgetown Health Policy Institute Medicaid Reform Pilot Programs Monitoring Project

- Two-year independent evaluation of the pilots, focused on Broward and Duval counties.
- Funded by the Jessie Ball DuPont Fund, with additional support from the Community Foundation in Jacksonville and the United Way of Northeast Florida.
- Project period, April 2006 – November 2008.
- Principal investigators are Joan Alker and Jack Hoadley...I have had a small role in the overall project.



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Figure 4

Who is Being Affected by the Medicaid pilots? (June 2008)

- Total enrollment is 203,777
 - Broward enrollment is 116,438
 - Duval enrollment is 73,647
 - Baker enrollment is 2,347
 - Clay enrollment is 8,012
 - Nassau enrollment is 3,333
- Eighty-four percent are children and parents.
- Sixteen percent are people with disabilities receiving SSI but not Medicare.



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Figure 5

Key Questions in Our Review of the Pilots

- Do the pilot program's contracts with managed care organizations adequately assure accountability?
- Are public dollars appropriately directed to the provision of services?
- How has reform affected mental health providers?



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Figure 6

Before We Begin...Always Remember

- There is a good news story to tell about mental health treatment.
- While many people perceive that treatment does not really work, it is actually more effective than many physical health interventions.
- Even people with very serious forms of mental illness can be successfully treated.
- Therefore, we must demand that our public programs—including Medicaid—operate according to the highest standards.
- Policy makers are more likely to support programs if they believe that smart investments pay off.



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Figure 7

Do the Pilot's Contracts Assure Accountability?

- We compared Florida's pilot program model contract with model purchasing specifications for mental health services developed by contracting experts at George Washington University for SAMHSA.
- Purchasing specs are intended to serve as a guide for states to develop clear, enforceable contracts.
- Our review was not comprehensive, but looked at five critical issues.



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Figure 8

Contract Requirements: What We found

- **Crisis Services:** The state requires MCOs to provide these services, but doesn't require MCOs to offer the five types of crisis services specified in the model purchasing specifications.
- **Adequate Provider Networks:** The state's contract has minimal network adequacy requirements. For example, MCOs are only required to have one adult psychiatrist and one child psychiatrist in their networks, even though one of the largest MCOs in the pilot has more than 35,000 enrollees.
- **Mental Health Treatment Guidelines:** The state's contract has no requirement that MCOs comply with national or international mental health treatment guidelines.



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Figure 9

More Contract Findings

- **Enrollee Safeguards:** The state's contract has numerous beneficiary protections, but key heightened protections for people with mental illnesses are missing—such as special protections to ensure that alcohol or substance abuse treatment data are not improperly disclosed.
- **Prescription Drugs:** The state's contract has some good requirements, but is missing key requirements, such as ensuring continued access to medications in emergencies or on discharge from an inpatient facility.
- **Take Away on Contracts:** The pilot program is unique nationally in allowing MCOs to vary benefits. This benefit variation combined with the relative discretion given MCOs to meet contract requirements makes it harder for the state to hold MCOs responsible for delivering the highest quality mental health services.


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Figure 10

Are Public Dollars Appropriately Directed to the Provision of Services?

- Well before the Medicaid pilots, there was a concern that high overhead and MCO profits could take public dollars away from mental health services.
- Under Florida law, there is a requirement called the **80:20 rule** requiring Medicaid MCOs to spend at least 80 percent of their mental health payments on direct services. If MCOs spend less, they must refund the excess to the state.
- There is a history of the state recouping money from MCOs. The law has been controversial, and there have been attempts in the legislature to repeal the 80:20 rule. Last May, Governor Crist vetoed a repeal of the 80:20 rule, saying that the rule was important for accountability and transparency within Medicaid.



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Figure 11

Largest MCO in Pilots Under Investigation

- Adding to the controversy, WellCare, which is one of the largest MCOs in Florida and the largest MCO in the pilot programs has been under investigation by Florida's Medicaid Fraud and Control Unit, the Securities and Exchange Commission, and other federal and state authorities.
- While not too many details are publicly available, it has been reported that at least part of the investigation relates to WellCare's compliance with the 80:20 rule and concerns with operations of WellCare's behavioral health subsidiary, Harmony Behavioral Health.



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Figure 12

80:20 Rule and the Pilots

- In the pilot programs, the state initially required MCOs to comply with the 80:20 rule, but dropped this requirement in the middle of last year.
- Officials at AHCA — the Agency for Health Care Administration — told us that the statute authorizing the pilot programs did not direct them to apply the 80:20 rule, so they dropped it.
- This raises two issues:
 - MCOs in the pilot programs are now held to a lower standard of accountability for public funds than Medicaid MCOs operating in other parts of the state.
 - Key stakeholders who have been monitoring the pilot programs were initially unaware of this change — what other significant policy changes are being put into effect without public knowledge?



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Figure 13

How Has Reform Affected Mental Health Providers?

- Providers stated that the pilot programs have not improved the delivery of services. They report that the pilots have greatly increased their administrative burdens.
 - They must work with large number of MCOs — 15 in Broward county — each with different rules and policies.
 - They voiced concerns about not getting paid promptly.
 - One said, “The process for getting services authorized is horrendous. We have staff people who have to spend 45 minutes on the phone working on a single authorization, and if they turn us down and the doctor needs to call, she/he needs to go through the same material.”
- Providers echoed findings from a physician survey reported in our Briefing Paper from May 2007.



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Figure 14

What Improvements Can Be Made?

We have four recommendations for Florida policy makers:

- **Ensure adequate funding:** Consider whether the state spends enough on mental health services. Florida ranks in the middle of all states on the basis of per capita income—roughly half of the states are richer and half of the states are poorer, but ranks near the bottom—48th out of 50 states plus the District of Columbia—in per person spending on mental health services.
- **Restore the 80:20 rule:** Especially at a time of scarce resources, we think the state needs to use all of the tools available to it to maximize accountability for public dollars—and this change would just make pilot program MCOs comply with the same requirements for Medicaid MCOs in the rest of the state.



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Figure 15

More Improvements

- **Specialized programs:** Florida should consider developing specialized programs for people with mental illnesses. Outside of the pilots, the state has experimented with various prepaid behavioral health programs. We have not evaluated these initiatives, but they may provide a path forward. One option would have pilot program MCOs continue to provide behavioral health services to most enrollees, but to serve beneficiaries with serious mental illnesses in specialized plans.
- **Enhance the role of the Department of Children and Families:** The Department of Children and Families (DCF) is the state agency with lead responsibility for mental health policy. State policymakers may wish to explore opportunities for strengthening coordination between AHCA and DCF.



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Figure 16

Conclusion

- One provider told us that the state seems to be managing the pilots to the lowest common denominator...they send money to MCOs, they offer loose contracts, and they see what happens.
- Our review suggests that the state may need to take a more active role in managing its pilot program to ensure that Medicaid beneficiaries receive the types and level of mental health services they need.
- At a time when the state's budget is under pressure, it is more important than ever to ensure accountability for the public dollars it is spending.



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