

NH Community  
Behavioral Health  
ASSOCIATION

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**Update on the Medicaid Managed Care Contract Issue Which Impacts Mental Behavioral Health Services in NH**

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Nine of the NH Community Behavioral Health Association's ten community mental health center (CMHC) members signed contract agreements in November 2014 with Beacon Health Strategies, the behavioral health management partner for Well Sense Health Plan, one of the two Managed Care Organizations (MCOs) contracted with the State to administer the Medicaid managed care program. Our press release at that time stated, "The agreement marks an historic shift in health care reimbursement, as it moves away from a fee for service payment model to a new payment structure focused more on patient specific needs."

Unfortunately, the Executive Council now has before it new contracts with the MCOs that are of great concern to us because they will make real cuts to mental health services, force the Medicaid payment system back to a weak fee for service payment model, and create significant administrative burdens for the CMHCs. We see the pending MCO contracts as a step backwards in trying to address the mental health crisis in NH.

The Council tabled the contracts at the July 22<sup>nd</sup> meeting, but they are likely to be taken up this week.

We are urging the Executive Council to vote No on the pending contracts so that a process can be developed with the State, the MCOs and the CMHCs to develop better proposals and not disrupt the delivery of services to the vulnerable adults and children who depend on the community mental health system. However, we also understand that if the contracts are not approved, there will be serious difficulties for the proper operation of the current Medicaid system. As a result, we believe the State and the Executive Council will be facing a serious dilemma at this week's Council meeting.

We are not opposed to the Medicaid managed care program (below is a list of reasons that managed care is working for the population we serve) but we need agreements that protect the system, provide quality service to our consumers, and insure that there is a long-term strategy to improve the community-based system.

## How Payment Reform Leads to Better Client Care

### 1. Improved coordination for high-risk patient care

Collaborative discussions with MCOs around specific clients in high-risk or high-cost categories take place regularly, adding a valuable new perspective to treatment planning, coordination and oversight. The degree of systemic service planning for these individuals is greatly improved.

### 2. Secures the fiscal foundation of clinical operations

Provider contracts with a PMPM payment approach are a fitting response to the recent Kane report<sup>[1]</sup> that underscored the financial fragility of the mental health system in NH. Providers already weakened by low fee for service rates now have a chance to rebound. This is brought about by giving providers more predictable monthly revenues that are not jeopardized by variables outside of their control (bad travel weather, staff turnover or absence, client attendance, etc). The new approach increases the effectiveness of long-term budgeting and planning.

### 3. Turnover

Most direct care staff members working in CMHCs have jobs that come with a level of stress that far surpasses levels found in other human service positions. Not only are there acute levels of need, the potential for harm and risk, and the multiple levels of problems that a population struggling with poverty experiences, but so too is the complexity of regulations and documentation requirements derived from a fee for service payment system. Low pay and high burnout contribute to staff turnover. This makes continuity of care from service providers, from the client point of view, very rare. The PMPM contracts offer the potential to mitigate both these problems which destabilize the CMHC work force.

### 4. Quality measures

Embedded in the contracts with the MCOs is the obligation for providers to achieve certain quality measures used nationally throughout the health care delivery system. These include specific expectations around access to care, re-hospitalization rates, adherence to certain treatment protocols for depression and ADHD, and other requirements. Fee for service payment systems do not carry these terms, nor do typical arrangements with Third Party Administrators.

### 5. Integration with primary care

A fee for service system incentivizes the escalation of medically necessary direct care interventions. While undeniably essential, direct face to face service is not the only way to assist clients with improved functioning and symptom reduction. Coordination of care among diverse providers in different systems of care requires non-face to face efforts that fee for service does not fund. At a time when the integration of primary care and mental health services is more needed than ever, the PMPM approach we have devised creates more fiscal space for this to happen, at least from the provider side of the discussion.

### 6. Training

Contractual relationships between the managed care organizations and the CMHCs have resulted in improved workforce development and training opportunities for providers. First, this is because the MCOs have offered relevant quality training events for direct care staff, free of charge; and second, because the PMPM funding mechanism creates the time for staff to engage in education and training necessary for professional growth. Like other fields, the community mental health system in NH struggles to find qualified workers, and many CMHC staff require specialized training.

### 7. Slowing down of rising costs

Health care economists agree that fee for service methodologies for payment do little to slow the rising costs of health care. When payments are given only when direct interventions are performed, more health services are

ordered, consumed and funded. Outcomes of care are not necessarily linked with provision of more and more services. Payment reform is a necessary but not sufficient element of health care reform.

#### 8. MCO contracts afford greater opportunity for improved client satisfaction

Direct feedback from NH consumers across the state reveals a trend of marginal satisfaction with care for several years. A systematic approach to address this has been absent. Particularly alarming is that the data shows only about half of adult survey respondents think that their symptoms are not bothering them as much.

The PMPM contracts negotiated by the NH Community Behavioral Health Association emphasize coordinated, collaborative, client-centered care. Freed from the economic pressure of the fee for service approach that rewards specific interventions, treatment teams are more motivated to take the time necessary to craft strategic individual service plans that assemble a broad array of resources targeted toward the unique circumstances of the client.

<sup>[1]</sup> <http://www.dhhs.nh.gov/dcbcs/bbh/documents/cmhc-performance-2010-2014.pdf>