Children, Families, Health and Human Services Interim Legislative Committee: Cost Saving Community-Based Service Options

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Montana Mental Health Facts

- Montana actual mental health 2009 Medicaid expenditures (Montana DPHHS 2011 report to the Legislature)
  - ✓ Children's mental health – $61,185,585 (7%)
  - ✓ Adult mental health – $40,019,113 (5%)
- 5% have a diagnosable serious disabling mental illness (SDMI) (National Survey on Drug Use and Health, SAMHSA, October 6, 2011)
- 20% have a diagnosable mental illness (National Survey on Drug Use and Health, SAMHSA, October 6, 2011)
- Montana's mental health system penetration rate is 49% (Montana 2012 Mental Health and Substance Abuse Block Grant Application to SAMHSA)
- Sickest 10% account for 64% of expenses (Zuvekas & Cohen, 2007 – National Trending of Healthcare Expenditures)

Key Trends in Behavioral Health

- Spending on mental health treatment is increasing
- Spending in pharmaceutical interventions as a total of mental health spending is increasing
- Spending on mental health treatment in traditional settings is declining as a percentage of overall service delivery
- “Disruptive innovations” will have a significant impact on the delivery of mental health treatment over the next five years

Community Behavioral Healthcare Organizations: Challenges

- As it sits, behavioral healthcare operates as a system within, beside, beneath, and, at times, totally separate from the broader healthcare arena.
- Statistics suggest that persons with SMI may be the population with the greatest health disparity in the United States. (2006 the National Association of State Mental Health Program Directors (NASMHPD) Medical Directors Council released the landmark Morbidity and Mortality Report)
- Behavioral health organizations are operating at 2003 payment levels

Community Behavioral Healthcare Organizations: Challenges

- Integration of behavioral health and primary care services has not occurred
  - √ People with MH and SUD are more likely to have other costly health conditions
- Adoption of the Consumer Recovery Movement is pressing
- Demand for changes in the behavioral work force is resisted
- Embracing performance-based contracting has been slow and misconstrued

"No, It's *MY* Money!"

Cost Saving Strategies: Implement Now

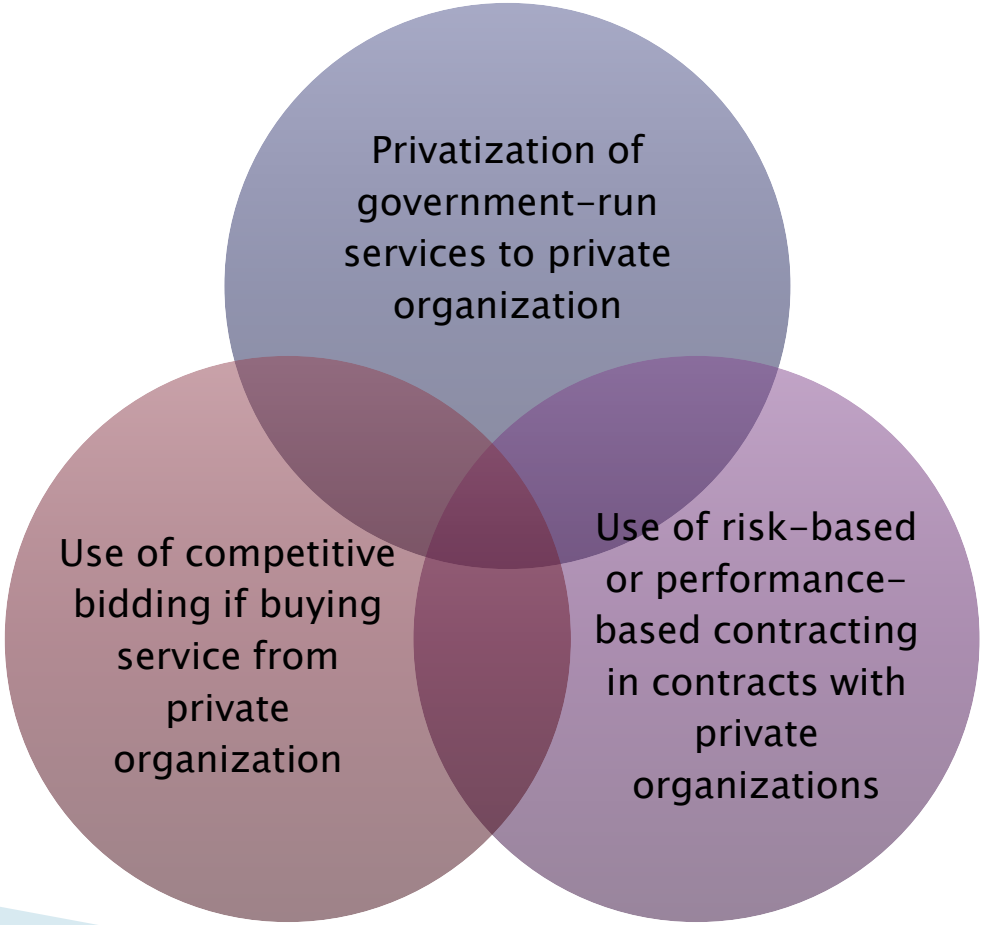
1. Change rules that create delivery system costs:
   - √ Approve professional licensure reciprocity from other states for the first year
   - √ Target "sickest" 10% with integrated behavioral health and primary care services (healthcare navigator model) (MHSP Medicaid Waiver)
   - √ Engage providers in risk-shared contracting
2. Stipulate and challenge behavioral health organizations (BHOs) to participate in the National Council "Access Redesign" initiative
   - √ National Council data supports an approximate organizational savings of $200,000 per agency
   - √ Impacts aimed at:
     - Streamlining documentation
     - Walk-in models
     - No-show initiatives
     - Productivity initiatives

Cost Saving Strategies: Implement Now

3. Increase housing opportunities in communities through:
   - √ Adult foster care homes
   - √ Mental health/recovery apartment initiatives
4. Develop Peer Support service delivery model
   - √ Incorporate full support of peer services
   - √ Invest in state sanctioned peer support certification
5. Increase the number of consumer-run mental health Drop-In Centers (DICs)
   - √ Currently seven state recovery grant funded DICs – Average cost of $85,000 per DIC annually
   - √ Serves all who walk in the door and acts as a stabilizer to keep consumers from higher levels of care

Long-Term Cost Saving Strategies

1. New Contracting Models



Long-Term Cost Saving Strategies (cont.)

2. Likely Characteristics of Successful Behavioral Health Delivery System Stakeholder In Five Years
   - √ Integrated with other service systems
   - √ Able to accept risk-based and/or performance-based payment
   - √ Consumer-centric services or Consumer-run organizations
   - √ Demonstrate a desired value proposition to consumers and payers in the local market
   - √ Deliver as much home-based and community-based service as technologically feasible and preferred by the client
3. Engage the behavioral health delivery system stakeholders in a long-range planning effort
4. Diminish beds at the Montana State Hospital and develop community-based options
   - √ In-patient hospital beds in community hospitals
   - √ Secure crisis stabilization facilities like those in Butte and Bozeman

Questions