

**Expanding
Behavioral Health
Benefits to
Medically
Indigent and
Uninsured
Individuals**

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Key Topics:

- About our Case Study: County Profile
- Study Objectives
- Critical Policy Issues
 - define the size of uninsured populations
 - estimate the prevalence and user rates
 - design the benefit coverage and pricing for the “Indigent Care Plan”
 - estimate the program expenditures and administrative expenses
- Benefit Scaling Strategies and Options
- Implementation: Readiness and Feasibility Assessment

About our Case Study: County Profile

- County-based behavioral health service delivery system
- An urban county (about 1.5 million population) with diversified ethnic and cultural groups
- County is fiscally responsible for the Medi-Cal (Inpatient and professional/specialty outpatient behavioral health services) and Healthy Families programs
- Care for indigent residents who are not eligible for Medi-Cal or Healthy Families has been generally episodic, costly, and often provided at a crisis point
- The current system handles 800 inquiry calls per week and serves about 16,000 clients annually
- The network includes 700 individual providers, 18 group providers, and 60 organizational providers for mental health. There are 36 alcohol and drug providers and 5 methadone providers

Study Objectives

- Extend outpatient behavioral health coverage to county indigent or uninsured residents who are not eligible for Medi-Cal or Healthy Families programs
- Scaling the benefits based on availability of funds (anticipated tobacco sales taxes and lawsuit monies)
- Address the policy and administrative feasibility of implementing an expanded benefit package

Estimated Size and
Demographic Characteristics
of Uninsured Population,
FY 2001

Data Sources

- 1990 Census Data-ABAG Regional Data Center
- U.S. Census Bureau County Population Estimates
- U.S. Census USA Counties 1998, XXX County
- 1998 Chartbook on Children's Insurance Status
- U.S. Census Health Insurance Coverage 1998
- 1990 Census Data from the ABAG Regional Data Center AGE-REPORT 1
- U.S. Bureau of the Census 1990 Census of Population and Housing
- The Kaiser Commission on Medicaid and the Uninsured (based on the Current Population Survey, March 1995 and 1996)
- The State of Health Insurance in California, 1999
- 1990 Census Data from the ABAG Regional Data Center Poverty Status Report 10
- U.S. Census Bureau Health Insurance Coverage: 1997
- Center for Disease Control
- Demographics USA 1999 – County Edition

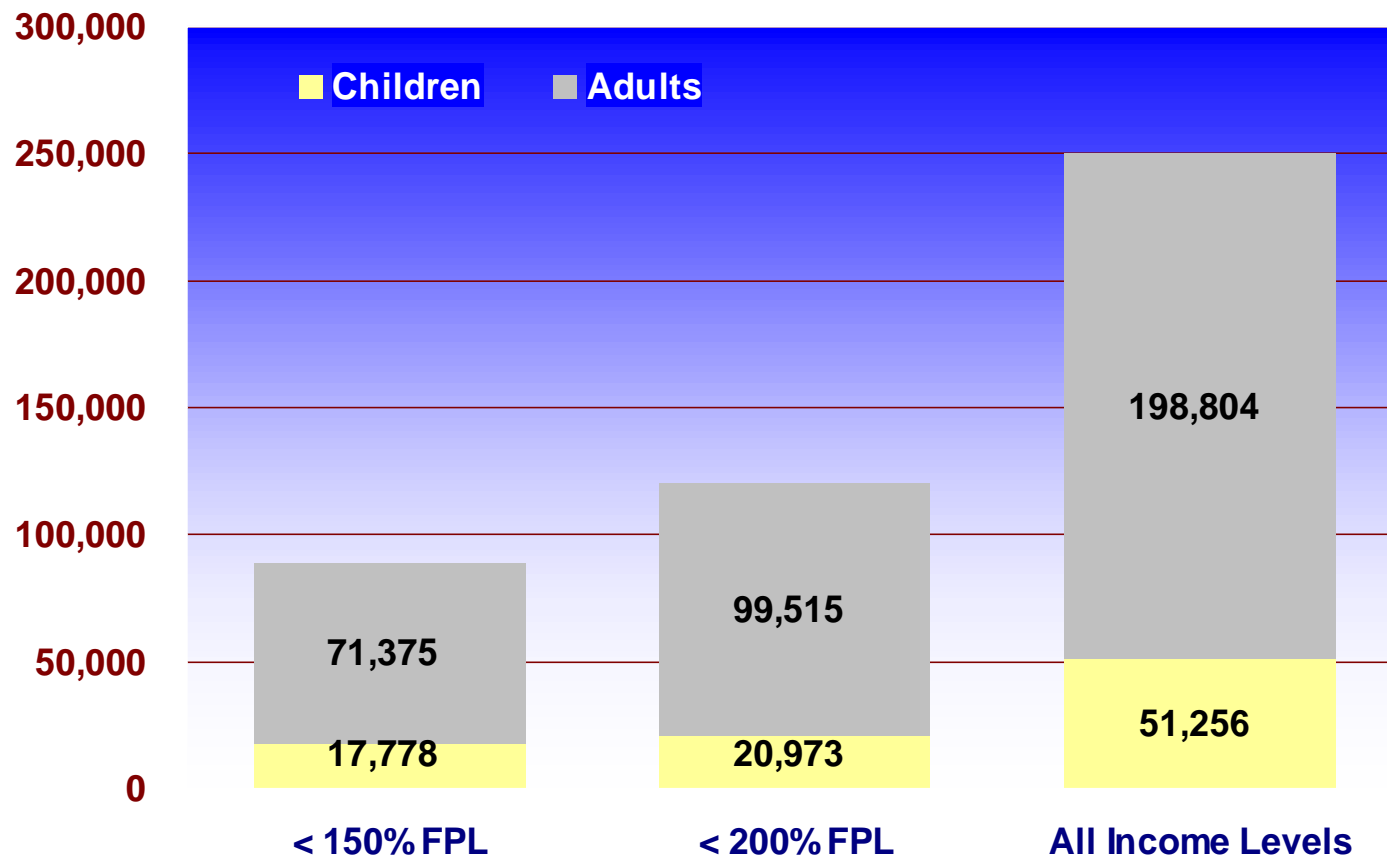
Methodology

The following published estimates were integrated to arrive at the 1998 XXX County uninsured age/gender/ethnicity/income level sub-population estimates. The 1998 estimates were then trended to FY 2001:

- 1998 National % uninsured by age group for all income levels
- 1998 County % uninsured average for all age groups, all income levels
- 1998 National % uninsured by age group below poverty level
- 1998 National % uninsured by race for all income levels
- 1998 County % uninsured for all races, all income levels
- 1998 National % uninsured by race below poverty level
- 1998 National % uninsured by gender for all income levels
- 1998 County % uninsured for both genders, all income levels
- 1998 National % uninsured by gender below poverty level

Key Findings:

Estimated FY2001 County Uninsured Population



Estimated Prevalence,
Presentation and User Rates
for the Expanded Uninsured
Population

Data Sources for Children

- Methods for the Epidemiology of Child and Adolescent Mental Disorders (MECA) Study
- Great Smoky Mountain Study of Youth
- 1988 National Health Interview Survey (Child Health Supplement)
- Mental Health and Substance Abuse Services under the Child Health Insurance Program
- 1996 National Household Survey on Drug Abuse (NHSDA)
- SAMHSA 1998 Substance Abuse and Mental Health Statistics Sourcebook
- NTIES Final Report, February 1997

Data Sources for Adults

- National Comorbidity Survey and Epidemiological Catchment Area (ECA) Study
- 1996 National Household Survey on Drug Abuse (NHSDA)
- SAMHSA 1998 Substance Abuse and Mental Health Statistics Sourcebook
- NTIES Final Report, February 1997

Demographic Groups

Age Group

- 0-5
- 6-8
- 9-12
- 13-17
- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65+

Sex

- Male
- Female

Ethnicity

- White
- African American
- Native American
- Hispanic
- Asian/Pacific

Methodology

- Horizontal Synthetic Estimation: National prevalence, presentation and user rates adjusted by age/gender/ethnicity (180 age/gender/ethnicity cells \times 3 income levels) applied to County uninsured population estimates by age/gender/ethnicity (180 age/gender/ethnicity cells \times 3 income levels)
- Annual Prevalence rate \times Annual Presentation rate = Annual User Rate
- Annual User rate \times Uninsured Population Estimate = Estimated Annual Users

Key Findings

- Outpatient mental health service annual user rates for uninsured ≤ 200 FPL range from .20% (under age 6 Asian/Pacific Islanders) to 11.83% (age 18-24 white females)
- The annual user rates for methadone services ranges from .04% to 2.01%.



Behavioral Health Benefits Design and Pricing Model

Benefits Package

- Outpatient Mental Health Services
 - Evaluation & Assessment,
 - Individual/Group/Family Therapy
 - Medication Support
 - Case Conference and Coordination
 - Crisis Intervention
 - Collateral Support
- Methadone Program Services (Methadone, LAAM, Individual/Group Counseling)
- Outpatient Mental Health Pharmacy Services

Outpatient Mental Health Pricing

Source Data

- County Medi-Cal Outpatient Mental Health Paid Claim files with dates of service from 11/97 to 6/99 (20 months)

Analysis

- Claims Distribution Analysis
- Cost Group Analysis
- Annual Cost per User Analysis (Age and Sex)
- Utilization Trend Analysis
- Unit Cost Trend Analysis
- Actuarial Reviews

Key Findings: Outpatient Mental Health Services

- Approximately \$2.5 million in paid claims for 9,000 unique recipients for FY1999
- FY1999 Annual Cost Per User ranges from \$241 for Ages 65+ Females to \$704 for Ages 6-12 Females
- Annualized Unit Cost Trend = 2.5%
- Annualized Utilization Trend = 14% (children) and 9% (Adults)
- The blended, projected FY2001 Annual Cost Per User is about \$631 for children and \$375 for adults

Methadone Program Services Pricing

Source Data

- County Medi-Cal Fee-for-Service (FFS) Methadone Paid Claims files with dates of service from 7/97 to 6/99 (24 Months)

Analysis

- Annual Cost per User Analysis
- Utilization Trend Factor
- Unit Cost Trend Factor
- Actuarial Reviews

Key Findings: Methadone Services

- Approximately \$3.6 million in paid claims for 1,150 unique recipients for FY1999
- FY1999 Annual Cost Per User was about \$3,200 with range from \$1,700 for Ages 65+ Native American Females to \$4,400 for Ages 25-34 Native American Females
- Annualized Unit Cost Trend = 2.5%
- Annualized Utilization Trend = -5% (LAAM); -10% (Individual Therapy)
- Projected FY2001 Annual Cost Per User is about \$3,000

Outpatient Pharmacy Services Pricing

Source Data

- Medicaid Behavioral Health Managed Care Program experiences from selected states
- Mercer's Pharmacy Practice

Analysis

- Utilization Trend Factor
- Unit Cost Trend Factor
- Actuarial Reviews

Key Findings:

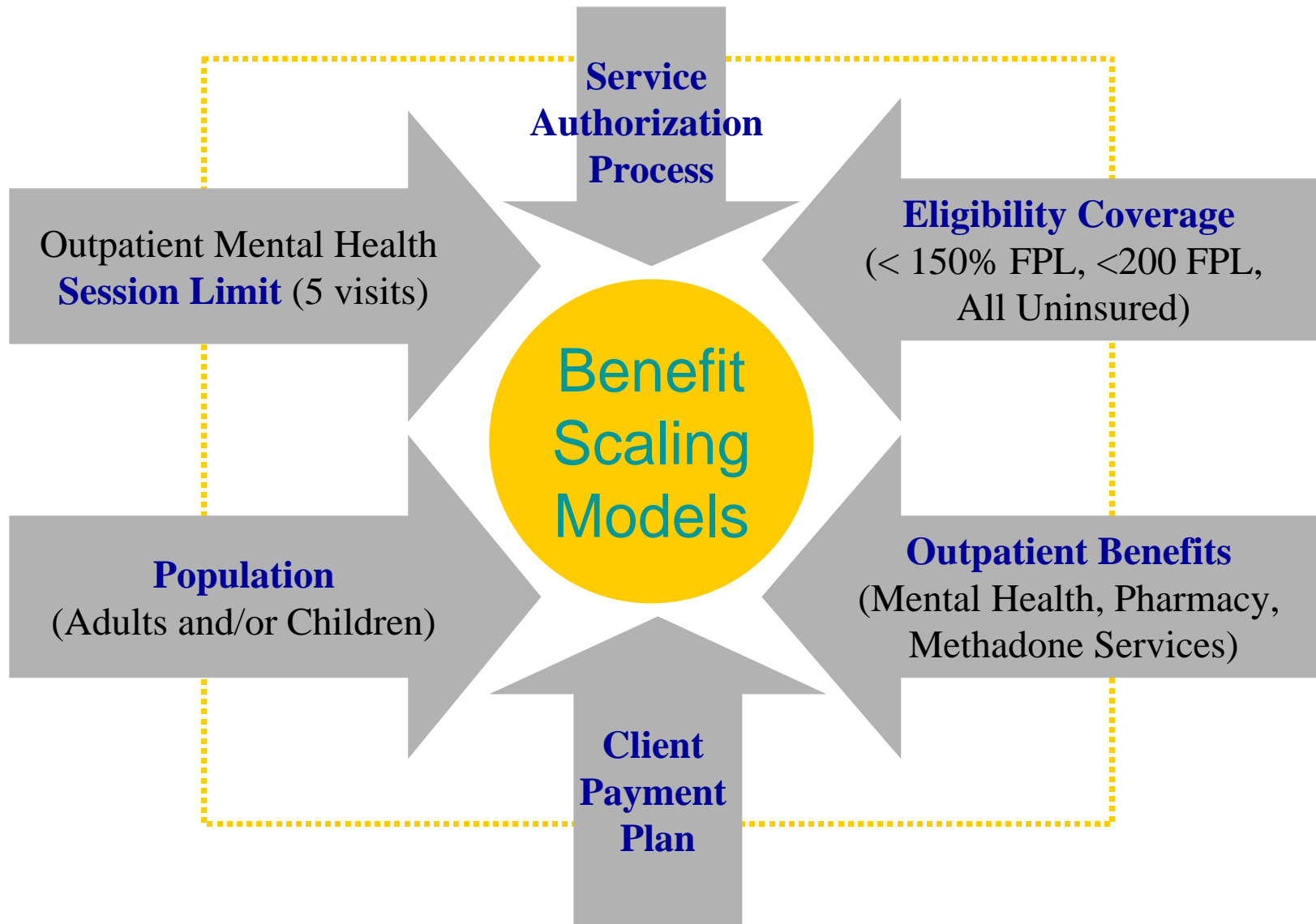
Outpatient Pharmacy Services

- Observed Unit Cost and Utilization Annual Trend of 15%
- The user rate for pharmacy services is estimated at about 15% among the general mental health users
- Estimated about \$130 Annual Cost Per Outpatient General Mental Health User for FY2001

Overall Pricing Methodology: Projected FY01 Indigent BH Care Plan Program Expenditures


- Estimated FY2001 Outpatient Mental Health Service Expenditures*
= {Estimated Annual OP Mental Health User Counts (by Age/Sex)}
× {Estimated FY01 Annual Cost Per User (by Age/Sex)}
- Estimated FY2001 Methadone Program Service Expenditures* =
{Estimated Annual OP Methadone User Counts (by
Age/Sex/Ethnicity)} × {Estimated FY01 Annual Cost Per User (by
Age/Sex/Ethnicity)}
- Outpatient Mental Health User Counts × \$130

** Not adjusted for cost sharing strategies*



Key Findings

	Projected FY2001 Users			Estimated FY2001 Program Expenditures		
	< 150% FPL	<200 FPL	All Income Groups	< 150% FPI	<200 FPL	All Income Groups
Outpatient Mental Health Services						
Children						
with 5 visit limit	469	580	963	\$ 123,603	\$ 152,978	\$ 187,087
without 5 visit limit	469	580	963	\$ 298,828	\$ 370,333	\$ 609,279
Adults						
with 5 visit limit	4,957	6,850	11,082	\$ 1,047,399	\$ 1,449,320	\$ 1,881,760
without 5 visit limit	4,957	6,850	11,082	\$ 1,897,555	\$ 2,613,774	\$ 4,234,684
Outpatient Mental Health Pharmacy Services						
Children	116	143	238	\$ 82,834	\$ 102,655	\$ 168,890
Adults	457	631	1,021	\$ 885,035	\$ 1,219,085	\$ 1,975,090
Methadone Program Services						
Adults				\$ 1,858,253	\$ 2,660,338	\$ 4,715,204



Readiness and Feasibility Assessment

Readiness and Feasibility Assessment

- Screening and Referral
- Financial Eligibility and Patient Registration
- Utilization Management
- Quality Management
- Information Systems
- Pharmacy
- Network Provider Capacity
- Additional Administrative Staff and Related Expenses

Decision Points

- Target benefit level by income, age, and access to other insurance
- Provide outpatient mental health benefits comparable to Medi-Cal up to funding cap
- Institute session limits so more people have access to some care
- Expand methadone slots

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