Trends in Underwriting for Behavioral Health Care

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About Comprehensive Behavioral Care

• Headquartered in Tampa Florida with regional staff in Michigan – Texas – Puerto Rico.
• Established in 1969 and became a national leader in inpatient substance abuse care – CareUnits – NYSE.
• 1992 established managed behavioral health division (CompCare or CBC).
• 2009 established direct to consumer marketing division (CORE).
• CBC has approximately 900,000 lives covered in health plan government Medicaid – Medicare SCHIP and commercial health plan contracts.
The Good Old Days of Underwriting Behavioral Health

Vanilla Model
- Identify the MHSA benefit
- Obtain historical data by cohort
- Do the math
- Low amount of variables

Today – Multiple Possibilities for Data Acquisition and services provision related to MHSA.

Lord Shiva
Today’s Discussion will focus on trends we see in risk behavioral health care underwriting

MBHOs are being asked to manage populations/benefits excluded in the past in integrated models of care.

- Trend to Integrate MHSA care with physical health and provide medical home.
- Data acquisition comes from many non-behavioral health sources - PCPs now prescribe 70% of psychotropic medication.
- Mandates for coverage of new benefits – new providers and new eligibility.
- Parity legislation expands coverage.

We are in a transition period between silo and integrated systems.

Trends in Behavioral Health Underwriting

Who’s on First?
Trends toward Integration on MHSA

**Who’s on first?**

- Integration trend increasing reduce “silo” care.
- Reduction of disease management programs in favor of care management.
- Health Plan trend is to manage behavioral health without carve out using internal employees.
- Health Plans purchase MBHOs and “self fulfill”.
- Increasingly co-located behavioral professionals in group practices – FQHCs – traditional medical locations.
- Data analytics allows care to focus on “sickest of sick”- outliers.
- It is increasingly difficult to identifying distinct cohorts of utilization for MHSA.

Trends in Behavioral Health Underwriting

**Example: Dual eligible**

Dual eligible group as an example of new population managed care population for MBHO underwriting.

- 40% Medicaid Spending – 25% Medicare Spending
- Projected expenditure 2024 – $775 Billion
- 6% of Medicaid and 15% of Medicare dual eligible 2006 enrolled
- High percentage of MHSA diagnosis in Duals
- MBHO’s and health plans not prepared for this membership
- Technology does not exist yet
- Application of managed care does not guarantee savings for duals
- Trend – Mandatory enrollment – states to share 50/50 in saving that accrue to federal Medicaid and Medicare programs
Mandates Impact MHSA Underwriting

Health Insurance Mandates
• Providers – Benefits – Patient Populations

Impact of Mandates
• Combined impact 20% to 50% costs increase
• Individually – each mandate – 1% - 3%

Mandates are growing
• Government control increasing
• Advocacy groups more effective
• There are 1,961 mandates today

Mandates Expand Eligibility
• Students to age 30
• Grandchild dependent on grandparents

Mandates effect MHSA underwriting by adding groups – providers – services with no history

Examples of Common Mandates:
Benefits
• Alcoholism – 45 states
• Autism – 11 states – Example AZ - $50 K per child
• Mammogram – 50 states

Providers
• Nurse Practitioners – 29 states
• Chiropractors – 46 states

Covered Persons
• Domestic partners – 13 states
• Grandchildren – 4 states
Mandates – Autism One Example

Autism Benefit Mandates – WHY?

• 428% increase in diagnosis from 1997 to 2006

• 1 in 150 children – early identification

• Denial of care creates backlash – “experimental”

• Exclusions for learning disabilities – developmental delays – autism – mental retardation

• Organized resistance = change

Legislation:

• Autism Speaks – Largest advocacy group

• Promotes ABA treatment model – educational techniques

• $50,000 to $36,000 per year – mandated

• 11 states have enacted similar legislation endorsed by Autism Speaks


• 25 State have legislation in process
The Autism Mandate – Arizona example

• Known as Steven's Law, it starts July 1, 2009
• Requires behavioral therapy services (ABA) to be:
  – Evidence based and medically necessary
  – Provided or supervised by a licensed or certified provider
• Covers behavioral therapy up to
  – $50,000 per year up to the age of nine, and
  – $25,000 per year between the ages of nine and 16
• Other services based on medical necessity, e.g., OT, PT and covered in traditional physical health benefit.
• Exempts small employers

Mental Health Parity

Mental Health Parity – equal in cost and scope to medical benefits:
• Enacted October 2008 – Effective date January 1, 2010
• Does not effect under 50 groups or plans without mental health benefits
• Covers 113 million people, including 82 million in ERISA
• Mental health and substance abuse criteria available to beneficiaries
• 7.1 % of employers considering dropping mental health coverage – substance abuse 7.8%
• Cost exemption if 2% increase in year 1
• Many plans struggling to calculate impact
MBHO’s Managing New Populations

Considerations for applying managed care principles to specialty MBHO areas for underwriting.

- Benefit plan design add more services – home-based – field based.
- Medical home for severely mentally ill.
- Access to benefits and services “pushed” by managed care.
- Need for new technology and professions to expand capabilities.
- MBHO underwriting should be tied to reimbursement methodology of Medicare.
- Community based services to enhance capabilities.
- Use of analytics to view whole patient.
- Use of EMR and E Prescribing to link information

Conclusions

MBHO underwriting will become more complex and integrated with Medical.

We need to learn how to predict impact of MBHO services on medical for savings estimates.

- Pharmacy offset – psychotropic drug offset
- Medical claims offset – depression management
- Impact of care management of ABD and other high cost populations
- CNP and LTC behavioral health management
- Growth as Medicaid eligibility expands to 160% of poverty.
- The greatest challenge is how to impact costs for dual eligible as they are managed to managed care.
Questions?

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