Mental Health Payment Reform

PRESENTATION TO SENATE COMMITTEE ON HEALTH AND WELFARE, FEBRUARY 15, 2019
SARAH SQUIRRELL, MS, COMMISSIONER
SELINA HICKMAN, DIRECTOR OF POLICY
1. Overview
- Goals
- Summary
- Process

2. Additional Information
- Payment Model
- Measuring Value
Long Term Goals

• To promote and improve the mental health of Vermonters by:
  • Simplifying payment structures and improving predictability of provider payments;
  • Shifting to Value-Based payment models that reward outcomes and incentivize best practices
  • Improving the flexibility and coordination of mental health programs and services around the State.

Current Issues

• State funded mental health programming can be complex:
  • 6 AHS Departments
  • 11 AHS Divisions

• Lack of coordination results in a system of care that can be fragmented, inefficient, and difficult to navigate.

• Complex, confusing and restrictive eligibility requirements.

• Payment structures vary and billing practices limit providers’ flexibility to deliver needed services.

How Can Payment Reform Help?

• Delivers more predictable payments;

• Improves accountability and transparency;

• Provides flexibility that supports comprehensive, coordinated care;

• Standardizes an approach for tracking population indicators, progress, and outcomes; and

• Supports AHS’s goal, moving away from Fee For Service to a more value-based approach to payment.
# Mental Health Payment Reform

Section 12 of Act 113 of 2016 requires the Secretary of the Agency of Human Services to embark upon a multi-year process of payment and delivery system reform for Medicaid providers that is aligned with the Vermont All-Payer Accountable Care Organization Model and other existing payment and delivery system reform initiatives.

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>January 1, 2019</th>
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</thead>
<tbody>
<tr>
<td>Payment Model</td>
<td>Monthly Case Rates: Child Case Rate &amp; Adult Case Rate + Value-based Payments</td>
</tr>
<tr>
<td>Total Funds</td>
<td><del>$98,000,000 (</del>$40,000,000 for the child case rates and ~$58,000,000 adult case rates)</td>
</tr>
</tbody>
</table>
| Services             | Mental Health Services provided by Designated Agencies and Pathways Vermont Waiver:  
  • Specialized mental health services for individuals with serious and persistent mental illness.  
  • Specialized mental health services for children under 22 with a serious emotional disturbance.  
**State Plan:** mental health clinic services, specialized rehabilitation services |
An Incremental Approach

Mental Health Payment Reform will begin with services paid for by the Department of Mental Health, the Department of Vermont Health Access, and the Department for Children and Families and will seek to include additional departments and services in future years.
Payment reform is not about adding new money to the system; it is about reducing barriers and increasing flexibility to meet the needs of individuals and families.

Current State
Multiple discreet payments supported by varying programmatic requirements, indicators & outcomes.

Future State
One bundled payment supported by aligned programmatic requirements, indicators & outcomes.
A “Scoring and Metrics Committee” has been formed to oversee ongoing evolution of the selected measure set.

Two separate work groups were formed to select diverse measures for child and adult programs and design a value based payment model that is linked to quality and performance on selected measures that:

- Focus on outcomes;
- Increase the quality and the value of the programs and services provided;
- Are feasible to collect and;
- Produce meaningful data for CQI efforts.
How Will Payment Reform Impact Providers?

**Current**
- Providers are required to fit clients into program eligibility requirements and don’t always have the flexibility to structure a plan based on the individual’s needs.
- Billing and clinical documentation requirements are structured to account for discreet time spent with a client.

**Future**
- Providers are paid a monthly case rate based on a single service included in the bundled case rate. This allows providers more flexibility to manage the needs of individuals.
- Billing and clinical documentation support more meaningful indicators such as progress on a client’s goals, plan of care or some other outcome.
Monthly Case Rates

The DAs total annual case rate allocation divided by 12 months.
= Monthly Case Rate

The average count of individuals provided at least one qualifying service by the agency in a month.
## Value-Base Payments - CY 2019

### In Progress

1. Percentage of clients offered a face-to-face contact within five calendar days of initial request.
2. Percentage of clients seen for treatment within 14 calendar days of assessment.
3. Percentage of clients with a CANS update recorded within the last 6 months.
4. Percentage of clients with an assessment that have been screened for substance use.
5. Percentage of clients with an assessment that have been screened for psychological trauma history.
6. Percentage of clients with an assessment that have been screened for depression.

### Reporting

1. Number of children/youth (0-17) served.
2. Number of Medicaid-enrolled children/youth (0-17) served.
3. Number of eligible children/youth (0-17) served per 1,000 age-specific population.
4. Number of young adults (18-21) served.
5. Number of Medicaid-enrolled young adults (18-21) served.
6. Number of eligible children/youth (18-21) served per 1,000 age-specific population.
7. Number of adults (18+) served.
8. Number of Medicaid-enrolled adults (18+) served.
9. Number of adults (18+) served per 1,000 age-specific population.
10. Percentage of clients indicate services were “right” for them.
11. Percentage of clients indicate they received the services they “needed.”
12. Percentage of clients indicate they were treated with respect.
13. Percentage of clients indicate services made a difference.

### Performance

- None
In Progress
1. Percentage of clients improved upon annual review of Plan of Care
2. A comparative analysis of annual change in [tool TBD]

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2021
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Questions?