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# A COMPARISON OF MEDICAID MANAGED MENTAL HEALTH CARE IN AHCA AREAS 6 AND 4

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# 1.0 INTRODUCTION

## 1.1 Background

Beginning in the early 1990s, Florida has been implementing managed care programs to improve access, reduce costs and encourage the coordination of health care to its Medicaid recipients. Both *capitated* (Health Maintenance Organizations, HMOs) and *non-capitated* (Medicaid Provider Access System or MediPass) approaches to providing *general health* benefits are being used around the state. By early 1996, roughly two-thirds of all Medicaid beneficiaries in Florida were enrolled in one of these two types of managed care arrangements.

In addition, in Agency for Health Care Administration (AHCA) Area 6 (the Tampa Bay area), Florida is experimenting with two approaches to the provision of *mental health* benefits: a *carve out* in which the full Medicaid mental health benefit is managed by a specialty behavioral health organization (the Prepaid Mental Health Plan), and a *carve in* approach (HMO) in which the full Medicaid mental health benefit is included with general health benefits in a capitated arrangement.

Outside of Area 6, most mental health services are provided by self-referral into the public mental health system. There are no mental health *carve outs* associated with the MediPass program, and the HMOs have a limited mental health benefit; as a result most of the community mental health care financed by Medicaid is said to be *unmanaged.* Table 1.1 illustrates the contrast between the Tampa area and the rest of Florida.

To describe all of the managed care arrangements throughout Florida is beyond the scope of this evaluation. Instead, the evaluation focuses on one comparable area of the state — Area 4, which includes Jacksonville and its surrounding counties. Area 4 provides a suitable comparison based on our analysis of social and economic indicators, health and mental health utilization, and HMO market penetration. In this report we describe the managed care arrangements in Area 4 in some detail, highlighting contrasts with Area 6.

**Table 1.1 – Contrast between AHCA Area 6 and other AHCA Areas.**

| Areas | General Health | Mental health |
|---|---|---|
| **Area 6** (Tampa Bay area) | HMO (capitated)<br>MediPass (gatekeeping) | HMO (capitated)<br>PMHP (capitated) |
| **All Other Areas of Florida** | HMO (capitated)<br>MediPass (gatekeeping) | Self refer (fee for service)<br>Self refer (fee for service) |

## 1.2 Organization of This Report

This report is the second in a series of *Implementation Analysis* reports on the Medicaid managed mental health care arrangements in Florida. In the first report we describe our methodology, provide a chronology of events related to Medicaid managed care in Florida, report enrollment data from AHCA Area 6, and then describe in detail the organizational, financial and clinical management structures of the managed care interventions in AHCA Area 6 (the *demonstration site*). The report concludes with a synthesis of relevant public policy findings.

In this report we provide detailed descriptions of the Medicaid managed care structures in Area 4 and provide information on the relationship between the Medicaid managed care organizations and the Florida Department of Children an families (DCF) general revenue funded mental health service providers in Areas 6 and 4.

In **Section 2**, we describe the Medicaid Program in AHCA Area 4 — providing contextual data on the number of Medicaid recipients enrolled in managed care plans, the number of MCOs and their enrollment, trends in enrollment — and then compare Area 4 enrollment with enrollment in Area 6. **Section 3** provides a detailed analysis of each of the five health maintenance organizations operating in Area 4, focusing on the following key aspects of their operations: (1) corporate affiliation and MCO structure, (2) functions, including the role of subcontractors, (3) geography and enrollment of the plan, (4) network composition, (5) payment and risk arrangements, (6) clinical management structures, and (7) coordination with general health care. Similarities and differences are noted between the managed care arrangements in Areas 4 and 6. **Section 4** describes in some detail the DCF general revenue supported mental health service systems in Areas 6 and 4. There is no mental health *carve out* in Area 4 and the HMOs have a limited mental health benefit. A as a result, most of the community mental health care provided in Area 4 are not *managed.* **Section 5** provides a synthesis of the relevant differences between AHCA Areas 6 and 4 and **Section 6** presents concluding remarks.

# 2.0 THE MEDICAID PROGRAM IN AHCA AREA 4

Under Florida's approved 1915(b) waiver, Medicaid recipients in a number of Medicaid eligibility categories (e.g., Aid to Families with Dependent Children, AFDC, and Supplemental Security Income, SSI) may enroll or be assigned to managed care plans. As of July 1997, AHCA enrollment reports show that 76,107 or 60% of the 127,027 Medicaid recipients in Area 4 have enrolled in a managed care plan.

Figure 2.1 provides a pictorial representation of the percentage of Area 4 Medicaid recipients enrolled in managed care. Of those recipients whose care is managed, 34% (43,174 people) are enrolled with MediPass providers and a slightly lower percentage (26%) are enrolled in HMOs (32,933 people). Forty percent of Medicaid recipients in Area 4 (50,920 people) remain in the *general eligibility* category — not under either of the managed care arrangements. These recipients include those persons eligible for enrollment (but not yet enrolled) as well as those recipients who are not eligible for

enrollment (e.g., persons in nursing homes or Intermediate Care Facility for Persons with Mental Retardation, ICF-MR, etc.)

Figure 2.2 shows these enrollment figures by eligibility category. As Figure 2.2 indicates, HMOs have a higher percentage of AFDC recipients (78% to 70%) when compared to MediPass, whereas MediPass has a substantially higher percentage of SSI recipients than the HMOs. Although *eligibility category* is not a perfect proxy for disability status, these figures indicate that there are higher numbers of disabled recipients served by MediPass than by the HMOs. We found the same pattern in Area 6.

Turning to enrollment in HMOs, Figure 2.3 provides a picture of the Area 4 enrollment by HMO plan. (The HMOs are discussed in detail later in this report).The percentages in Figure 2.3 include SSI with and without Medicare. PCA Family Health Plan has, by far, the largest percentage of Area 4 enrollees (59% or 19,258 people) with Foundation at 21% (7,005 people), and Champion and United both at 9% (about 3,000 people). The Discovery Plan of the HealthPlan Southeast HMO is relatively new in this market and has 2% of the HMO Area 4 enrollees (543 people).

When analyzed by eligibility category, (Figure 2.4), among HMOs, PCA has the highest percentage of SSI enrollment (approximately 30% or 5,153 people) compared to the average of other HMOs (15 to 20%). PCA also has the largest HMO enrollment overall.

Table 2.1 shows enrollment figures out by county and by managed care condition. In six of the seven counties, the majority of the recipients were enrolled in MediPass. Duval County, the most highly urbanized county, is the only county in which HMOs had more enrollees than the MediPass program (31% to 28%). This mirrors Area 6 and the trend statewide in that MediPass is serving a higher percentage of Medicaid enrollees in rural counties.

In summary, Medicaid managed care plans in AHCA Area 4 share a small pool of covered lives (only 73,797 covered lives are served by five plans). MediPass is serving a higher percentage of people overall, has higher enrollment in the rural counties, and serves a higher percentage of disabled individuals (SSI).

### 2.1.1 Comparing AHCA Area 6 (the Demonstration Site) and Area 4 (the Comparison Site)

Medicaid managed care plans in both Areas share small pools of covered lives (125,000 in Area 6 and about 75,000 in Area 4). In Area 6, HMOs serve a higher percentage of the total number of covered lives (38 percent) while in Area 4 MediPass serves a higher percentage of covered lives (34 percent). In Area 4, however, the majority of Medicaid enrollees are in the *general eligibility* category (40 percent, compared to 33 percent in Area 6). (See Figure 2.5).

As Figure 2.6 illustrates, in both Areas 6 and 4, there are higher proportions of individuals with disabilities enrolled in MediPass than are enrolled in HMOs (about 28

percent compared to about 15 percent). Figure 2.7 provides a detailed comparison of Medicaid enrollment (e.g., HMO, MediPass) by eligibility category (i.e., AFDC, SSI) and illustrates that there are no significant differences between Areas 6 and 4.

# 3.0 THE STRUCTURE OF MANAGED MENTAL HEALTH CARE IN AHCA AREA 4

As was mentioned in the Introduction, outside of Area 6 there are no mental health *carve outs* associated with the MediPass program, and the Medicaid HMOs manage a limited mental health benefit (inpatient and physician services). Consequently, most of the community mental health care provided in Area 4 is not *managed.* Most community mental health care is obtained by self-referral into the public mental health system.

In this section of the report, we document and describe the structures employed by the managed care organizations operating in the AHCA Area 4 Medicaid managed care marketplace. Our objective is to identify the key administrative, financial, and clinical operations with a special emphasis on the following aspects of their operations: corporate affiliation and MCO structure; functions, including the role of their subcontractors; geography and enrollment; network composition; payment and risk arrangements; clinical management structures; and coordination with general health care.

Each managed care organization's structures will be discussed relative to the *management of the mental health benefit only* (with the exception of the final section on coordination with general health care).

## 3.1 Champion HealthCare, Inc.

### *3.1.1 Corporate Affiliation and MCO Structures*

Champion HealthCare is a for-profit HMO, headquartered in Jacksonville, Florida. It serves the central, northeast, and panhandle regions of Florida. The company was founded by health care executives from the Jacksonville area. Champion was incorporated in Florida in May 1994 and became a licensed HMO in Florida in August 1996. The first Medicaid members were enrolled in March 1997.

Unlike the other four Medicaid HMOs in Area 4, Champion does ***not*** use a behavioral health care organization (BHO) for mental health services. However, Champion has a contract with Renaissance Behavioral Health Systems for the management and provision of inpatient services.

### *3.1.2 Role of Champion HealthCare, Inc.*

Champion does the network management, utilization management, and claims administration for physician services. Renaissance performs these functions for inpatient mental health services.

### 3.1.3 Geography and Enrollment

The July 1997 AHCA Enrollment Report lists the following total AFDC and SSI enrollment for Champion and Attachment VIII of Champion's 1997-1998 AHCA contract lists the following Area 4 maximum Area 4 enrollment levels allowed at this time:

| | | |
|---|---|---|
| Baker County | -0- | [Contractual maximum is 0] |
| Clay County | 126 | [Contractual maximum is 1,000] |
| Duval County | 2,893 | [Contractual maximum is 6,000] |
| Nassau County | -0- | [Contractual maximum is 0] |
| St. Johns County | -0- | [Contractual maximum is 0] |
| Flagler County | -0- | [Contractual maximum is 0] |
| Volusia County | -0- | [Contractual maximum is 0] |

According to the Florida Department of Insurance Report, Table 3.1 represents the percentage of Medicaid enrollees per county in Area 4 as of June 30, 1997.

### 3.1.4 Network Composition

Champion contracts with Renaissance Behavioral Health Systems to provide inpatient psychiatric services, and a few associate providers (psychiatrists) to provide medication management services.

**Table 3.1 – Champion Healthcare Medicaid Enrollees in Area 4 - July 1997.**

| County | Commercial | Medicare | Medicaid | Total | %Medicaid of Total |
|---|---|---|---|---|---|
| Baker County | -0- | -0- | -0- | -0- | -0- |
| Clay County | 141 | -0- | 107 | 248 | 43 |
| Duval County | 2,234 | -0- | 2,027 | 4,261 | 48 |
| Nassau County | 831 | -0- | -0- | 831 | -0- |
| St. Johns County | -0- | -0- | -0- | -0- | -0- |
| Flagler County | -0- | -0- | -0- | -0- | -0- |
| Volusia County | -0- | -0- | -0- | -0- | -0- |
| **Area 4 Total** | **3,206** | **-0-** | **2,134** | **5340** | **40** |

### 3.1.5 Payment Arrangements

The contract between AHCA and Champion is a capitation contract. The contract between Champion and Renaissance is a capitation contract. The associate providers (psychiatrists) are paid for medication management on a fee-for-service basis.

### 3.1.6 Risk Sharing Arrangements

Fill risk is transferred from AHCA to Champion. Champion transfers full risk for inpatient care to Renaissance. Champion retains some risk because it pays associate providers on a FFS basis.

### 3.1.7 Clinical Management Structures

Under the capitation agreement with Renaissance, prior authorization and concurrent review for inpatient care are *not* required. Champion requires prior authorization for all medication management and other physician mental health services.

### 3.1.8 Coordination with General Health Care

The AHCA/HMO model contract says that the plan "shall be responsible for the management of medical care and continuity of care for all enrolled Medicaid recipients," including documentation of referral to specialists and monitoring of ongoing medical conditions. However, unlike the provision in the MediPass physician's contract, there is nothing in the HMO contract that stipulates that it is also an HMO primary care physician's responsibility to provide for continuity of care regarding mental health services.

Champion requires that mental health providers mail or fax all evaluations, recommendations and treatment summaries to the HMO primary care physician within two weeks of the date the service was delivered.

## 3.2 PCA Family Health Plan, Inc.

### 3.2.1 Corporate Affiliation and MCO Structures

PCA is a for-profit independent practice association (IPA). PCA was incorporated and began business in Florida in 1984, and was licensed as a Florida HMO in 1986. In September of 1997, Humana bought PCA and PCA is now a fully owned subsidiary of Humana. (Prior to the acquisition, Humana did not have a Medicaid product).

PCA contracts with Comprehensive Behavioral Care, Inc. (CompCare) as its specialty behavioral health care organization. CompCare is a managed care subsidiary of Comprehensive Care, Inc., a Nevada corporation. CompCare is a national managed behavioral health organization headquartered in Tampa.

### 3.2.2 Role of PCA and Subcontractors

PCA contracts with CompCare to coordinate the provision of behavioral health care services to PCA's Medicaid enrollees statewide. CompCare does the network

management, utilization management, and claims administration for the limited Medicaid mental health benefit for members in Area 4.

### 3.2.3 Geography and Enrollment

The July 1997 AHCA Enrollment Report lists the following total AFDC and SSI enrollment for PCA and Attachment VIII of PCA's 1997-1998 AHCA contract lists the following Area 4 maximum enrollment levels allowed at this time:

| | | |
|---|---|---|
| Baker County | 205 | [Contractual maximum is 2,000] |
| Clay County | 747 | [Contractual maximum is 4,700] |
| Duval County | 13,787 | [Contractual maximum is 44,600] |
| Nassau County | 327 | [Contractual maximum is 3,100] |
| St. Johns County | 694 | [Contractual maximum is 3,600] |
| Flagler County | -0- | [Contractual maximum is 0] |
| Volusia County | 3,498 | [Contractual maximum is 10,000] |

According to the Florida Department of Insurance Report, Table 3.2 presents the percentage of Medicaid enrollees per county in Area 4 as of June 30, 1997:

### 3.2.4 Network Composition

CompCare contracts with Renaissance Behavioral Health Systems for the provision of inpatient psychiatric services for Medicaid enrollees in DCF District 4 and with ACTs in DCF District 12 (Volusia County).

### 3.2.5 Payment Arrangements

The contract between AHCA and PCA is a capitation contract. The contract between PCA and CompCare is also a capitation contract. CompCare reimburses its providers on a fee-for-service basis.

**Table 3.2 – PCA Family Health Plan Medicaid Enrollees in Area 4 - July 1997.**

| County | Commercial | Medicare | Medicaid | Total | % Medicaid of Total |
|---|---|---|---|---|---|
| Baker County | 79 | -0- | 218 | 297 | 73% |

| | | | | | |
|---|---|---|---|---|---|
| Clay County | 431 | -0- | 729 | 1,160 | 63% |
| Duval County | 2,328 | -0- | 13,509 | 15,837 | 85% |
| Nassau County | 126 | -0- | 319 | 445 | 72% |
| St. Johns County | 197 | -0- | 510 | 707 | 72% |
| Flagler County | 71 | -0- | -0- | 71 | 0% |
| Volusia County | 624 | -0- | 3,268 | 3,892 | 84% |
| **AREA 4 TOTAL** | **3,856** | **-0-** | **18,553** | **22,409** | **83%** |

### 3.2.6 Risk Sharing Arrangements

Full risk is transferred from AHCA to PCA, which then transfers full risk to CompCare. Providers do not assume any risk.

### 3.2.7 Clinical Management Structures

CompCare requires prior authorization and concurrent review for all non-emergency inpatient mental health services.

### 3.2.8 Coordination with General Health Care

Provisions of the AHCA/HMO Model Contract apply (see "Coordination with General Health Care" under the Champion description above). CompCare requires mental health service providers to make every effort to obtain consent from the member and to provide information on diagnosis and prescribed psychotropic medications in a timely manner to the HMO primary care physician.

## 3.3 United HealthCare of Florida, Inc.

### 3.3.1 Corporate Affiliation and MCO Structures

United Healthcare of Florida, Inc. (UHC of FL), an HMO, and United Behavioral Health, Inc., (UBH), a BHO, are both owned by United HealthCare Corporation (UHC), which has its headquarters in Minneapolis, MN. The parent company has commercial plans licensed as HMOs in 28 states, Medicare plans in 22 states (including Florida), and Medicaid plans in 11 states (including Florida), Washington D.C. and Puerto Rico. UHC began business in 1974.

United Healthcare acquired Ramsay HMO in 1994 and MetraHealth in 1995. In July 1996 the plan name was changed to United HealthCare of Florida, Inc. UHC serves more than 875,000 Floridians.

UBH was formed in February 1997 by joining together the parent company's two managed behavioral health subsidiaries: United Behavioral Systems, founded by UHC in 1985; and U.S. Behavioral Health, founded in 1979 and acquired by UHC in 1995. UBH headquarters are in San Francisco and MN. UBH serves approximately 13 million people nationwide through its employer, health plan, and public sector divisions.

### 3.3.2 Role of United HealthCare and Subcontractors

United delegates management of behavioral health services to UBH, but retains responsibility for handling grievances. Although UBH then subcontracts with AuroraCare to manage mental health services in Area 6, in Area 4 UBH retains all of that responsibility. UBH does the network management, utilization management, and claims administration for inpatient and medication management services.

### 3.3.3 Geography and Enrollment

The July 1997 AHCA Enrollment Report lists the following total AFDC and SSI enrollment for United and Attachment VIII of United's 1997-1998 AHCA contract lists the following Area 4 maximum enrollment levels allowed at this time:

| | | |
|---|---|---|
| Baker County | -0- | [Contractual maximum is 0] |
| Clay County | -0- | [Contractual maximum is 0] |
| Duval County | -0- | [Contractual maximum is 0] |
| Nassau County | -0- | [Contractual maximum is 0] |
| St. Johns County | -0- | [Contractual maximum is 0] |
| Flagler County | -0- | [Contractual maximum is 0] |
| Volusia County | 3,108 | [Contractual maximum is 8,800] |

According to the Florida Department of Insurance Report, Table 3.3 presents the percentage of Medicaid enrollees per county in Area 4 as of June 30, 1997.

**Table 3.3 – United HealthCare Medicaid Enrollees in Area 4 - July 1997.**

| COUNTY | COMMERCIAL | MEDICARE | MEDICAID | TOTAL | % MEDICAID OF TOTAL |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Baker County | 70 | | -0- | 70 | 0% |
| Clay County | 346 | | -0- | 346 | 0% |
| Duval County | 1,691 | | -0- | 1,691 | 0% |
| Nassau County | 68 | -0- | -0- | 68 | 0% |
| St. Johns County | 1,786 | -0- | -0- | 1,786 | 0% |
| Flagler County | 152 | -0- | -0- | 152 | 0% |
| Volusia County | 9,527 | -0- | 3,115 | 12,642 | 25% |
| **AREA 4** | **13,640** | **-0-** | **3,115** | **16,755** | **19%** |

### 3.3.4 Network Composition

UBH contracts with one behavioral health agency, the Stewart Marchman Center, and two associate providers (psychiatrists) to provide the inpatient psychiatric and medication management services in Area 4.

### 3.3.5 Payment Arrangements

The contract between AHCA and UHC is a capitation contract. The contract between UHC and UBH is also a capitation contract. UBH pays its direct service providers on a fee-for-service basis.

### 3.3.6 Risk Sharing Arrangements

Full risk is transferred from AHCA to UHC, which then transfers full risk to UBH. None of the providers are at risk.

### 3.3.7 Clinical Management Structures

UBH requires pre-authorization of all non-emergency inpatient and medication management services and conducts concurrent review of all inpatient services. When its members are being discharged from inpatient care, a UBH care manager contacts the outpatient mental health provider to schedule an outpatient follow-up appointment (to enhance continuity of care.)

### 3.3.8 Coordination with General Health Care

Provisions of the AHCA/HMO Model Contract apply (see "Coordination with General Health Care" under the Champion description above).

No specific procedures to enhance coordination of health and mental health care were noted in the UHC documents.

## 3.4 Healthplan Southeast d/b/a Discovery Plan

### 3.4.1 Corporate Affiliation and MCO Structures

Discovery Plan is the Medicaid division of Healthplan Southeast, Inc., a commercial for-profit HMO incorporated in 1985. Its headquarters are in Tallahassee, Florida. The parent company, Coastal Physician Group, is located in Durham, North Carolina.

Discovery subcontracts with Mental Health Network, Inc. (MHNet) as its specialty behavioral health organization. MHNet is a national corporation that recently moved its headquarters from Louisiana to Texas. It has regional offices throughout the United States, one of which is located in Orlando, Florida. MHNet is a for-profit BHO that serves over 700,000 enrollees regionally, including Medicaid, commercial, and CHAMPUS enrollees.

### 3.4.2 Role of Discovery and Subcontractors

Discovery contracts with MHNet to coordinate the delivery of inpatient and medication management services. MHNet is responsible for the network management, utilization management, quality management and claims administration. Discovery is responsible for auditing MHN and monitoring complaints and grievances.

### 3.4.3 Geography and Enrollment

The July 1997 AHCA Enrollment Report lists the following total AFDC and SSI enrollment for Discovery and Attachment VIII of Discovery's 1997-1998 AHCA contract lists the following Area 4 maximum enrollment levels allowed at this time:

| | | |
|---|---|---|
| Baker County | 9 | [Contractual maximum is 1,000] |
| Clay County | -0- | [Contractual maximum is 0] |
| Duval County | 534 | [Contractual maximum is 7,500] |
| Nassau County | -0- | [Contractual maximum is 0] |
| St. Johns County | -0- | [Contractual maximum is 0] |
| Flagler County | -0- | [Contractual maximum is 0] |
| Volusia County | -0- | [Contractual maximum is 0] |

(Florida Department of Insurance figures are not available as Discovery did not serve enrollees in Area 4 until July 1997.)

### 3.4.4 Network Composition

MHNet currently contracts with 113 credentialed outpatient providers, including psychiatrists, psychologists, and social workers. For inpatient psychiatric care, MHNet contracts with Memorial Hospital. Enrollees in need of community mental health

services not covered under the benefit plan are referred to the Mental Health Resource Center or the Gateway Community Center.

### 3.4.5 Payment Arrangements

The contract between AHCA and Discovery is a capitation contract. The contract between Discovery and MHNet is a capitation contract. MHNet reimburses its behavioral health providers on a fee-for-service basis.

### 3.4.6 Risk Sharing Arrangements

Full risk is transferred from AHCA to Discovery. No risk is transferred to MHNet or to the providers.

### 3.4.7 Clinical Management Structures

Pre-authorization is required for all non-emergency inpatient and outpatient services. Concurrent review is conducted for non-emergency outpatient and emergency inpatient services. The utilization management is conducted by a MHNet case manager.

### 3.4.8 Coordination with General Health Care

Provisions of the AHCA/HMO Model Contract apply (see "Coordination with General Health Care" under the Champion description above).

MHNet is responsible for the coordination of mental health and health care between the specialty mental health providers and the HMO's primary case physicians. (A description of specific procedures was not available at this time.)

## 3.5 Foundation Health, A Florida Health Plan, Inc.

### 3.5.1 Corporate Affiliation and MCO Structures

Foundation Health, A Florida Health Plan, Inc is a subsidiary of Foundation Health Systems, a California based corporation. Foundation was incorporated in 1993 and certified as a Florida HMO in 1995. In 1996, Foundation merged with Care Florida HealthPlan and Community Medical Plan.

Foundation has subcontracted with Managed Health Network (MHN), a behavioral health affiliate of the same parent company, Foundation Health Systems. MHN manages the coordination of behavioral health services for Foundation's Medicaid population.

### 3.5.2 Role of Foundation and Subcontractors

MHN conducts utilization management, claims administration and manages the network. Foundation monitors the quality and appropriateness of MHN's decisions and coordinates care between the mental health and general health providers.

### 3.5.3 Geography and Enrollment

The July 1997 AHCA Enrollment Report lists the following total AFDC and SSI enrollment for Foundation and Attachment VIII of Foundation's 1997-1998 AHCA contract lists the following Area 4 maximum enrollment levels allowed at this time:

| | | | |
|---|---|---|---|
| Baker County | -0- | [Contractual maximum is | -0-] |
| Clay | 362 | [Contractual maximum is | 1,200] |
| Duval | 6,643 | [Contractual maximum is | 10,900] |
| Nassau | -0- | [Contractual maximum is | -0-] |
| St. John's | -0- | [Contractual maximum is | -0-] |
| Flagler | -0- | [Contractual maximum is | -0-] |
| Volusia | -0- | [Contractual maximum is | -0-] |

According to the Florida Department of Insurance Report Table 3.4 presents the percentage of Medicaid enrollees per county as of June 30, 1997.

### 3.5.4 Network Composition

MHN contracts with Osprey (a consortium of behavioral health care providers in Florida) to provide services to enrollees. There are seven providers in network:

Gateway (Duval County)
Clay County Behavioral Health Center (Clay County)
ACT Corporation (Volusia County)
Stewart Marchman Center (Volusia County)
Devereux (Volusia County)
Stewart Marchman Center (Flagler County)
Nassau County Mental Health Center (Nassau County)

There are no network providers in Baker or St. John's counties.

In addition to these providers, MHN contracts with area hospitals and associate providers for inpatient and outpatient physician services.

**Table 3.4 – Foundation Health Medicaid Enrollees in Area 4 – July 1997.**

| County | Commercial | Medicare | Medicaid | Total | % Medicaid of Total |
|---|---|---|---|---|---|
| Baker County | -0- | -0- | -0- | -0- | 0% |
| Clay County | 1,001 | -0- | 384 | 1,385 | 28% |
| Duval County | 7,165 | -0- | 6,727 | 13,892 | 48% |
| Nassau County | -0- | -0- | -0- | -0- | 0% |
| St. Johns County | -0- | -0- | -0- | -0- | 0% |
| Flagler County | -0- | -0- | -0- | -0- | 0% |
| Volusia County | 337 | -0- | -0- | 337 | 0% |
| **Area 4 Total** | **8,503** | **-0-** | **7,111** | **15,614** | **46%** |

### 3.5.5 Payment Arrangements

The contract between AHCA and Foundation is a capitation contract. The contract between Foundation and MHN is a capitation contract. MHN reimburses its behavioral health providers on a fee-for-service basis.

### 3.5.6 Risk Sharing Arrangements

Full risk is transferred from AHCA to Foundation and from Foundation to MHN. No risk is transferred to the providers.

### 3.5.7 Clinical Management Structures

Foundation requires pre-authorization for non-emergency inpatient and outpatient services. Concurrent review is conducted for non-emergency services.

### 3.5.8 Coordination with General Health Care

Provisions of the AHCA/HMO Model Contract apply (see "Coordination with General Health Care" under the Champion description above).

Foundation enrollees have the choice to seek mental health services through their primary care physician, through MHN, or directly from a specialty provider. Foundation's case management department works in concert with the HMO primary care physician, specialty providers and plan representatives to coordinate mental health care with MHN when needed.

### 3.5.9 Comparing HMOs in AHCA Area 4 with those in AHCA Area 6

The majority of HMOs in Area 4 (like the majority of HMOs in Area 6) have carved out the mental health benefit for management by a BHO, in spite of the fact that the Medicaid mental health benefit is limited in Area 4. (See Table 3.5). This may have happened because HMOs in Area 4 had been told that their AHCA contracts would be expanded to include the full mental health benefit (before the AHCA policy change) or it may be because HMOs were already using BHOs to manage behavioral health care for their commercial members. As in Area 6, the majority of the BHOs have CMHCs and other DCF supported agencies in their provider networks, but they are also contracting directly with private practice psychiatrists (for medication management) and one local hospital (for inpatient care).

According to one BHO, the limitations of the benefit plan are causing problems with coordination of care. Patients who are discharged from the hospital and are in need of community mental health services (other than physician services) must access those services on their own through other Medicaid providers that are not in the BHO's provider network. Mental health consumers who have difficulty accessing appropriate community care on their own may be returning to the hospital, increasing recidivism rates and increasing costs for the BHO. At least one of the BHOs is attempting to improve continuity of care by working with community mental health providers to help enhance care, including the care that is provided outside of their contract.

## 4.0 THE DCF GENERAL REVENUE SUPPORTED MENTAL HEALTH SYSTEMS (AREAS 6 AND 4)

The public mental health system in Florida relies on funding from two principal sources: the Department of Children and Families (DCF) and the Agency for Health Care Administration (AHCA). While experimentation with the Medicaid system has been the focus of this report, it is important to note that Medicaid funds are not the only state and federal funds supporting the public mental health system. The Department of Children and Families is responsible for managing over $500 million in state and federal funds for state institutional and community behavioral health services in Florida.

One of the principal reasons to introduce managed care into the Medicaid program in Florida is to contain costs. If the costs of mental health care are simply shifted to another public payer (for example, the general revenue funded public mental health system operated by DCF), one of the principal goals of managed care will not have been realized. At the same time, there may be services financed by general revenue that are not included in the Medicaid benefit package (e.g., state mental hospitals, crisis stabilization units, etc.) and the appropriate use of those services by Medicaid enrollees is not *cost shifting*. In order to address these questions, we will start with a description of the general revenue

funded mental health system and then describe how Floridians access mental health services in AHCA Areas 6 and 4.

## 4.1 The General Architecture of the Public Mental Health System in Florida

Florida's public mental health system operates under the Mental Health Program office within the Department of Children and Families. In addition to a central office in Tallahassee, each of the 15 service districts of the department has staff responsible for the planning and implementation of state-funded mental health and substance abuse services for geographic areas. They are also responsible for contracting with and monitoring providers and programs. Each district also has a citizen's Health and Human Services Board that advises the District Administrator and program staff on human services policies and resource allocations.

Except for state mental health facilities (i.e., state mental hospitals), Florida's mental health services have historically been provided primarily through private non-profit agencies under contract with the state (e.g., comprehensive community mental health centers, clinics, and hospitals.) Statewide, over 300 providers receive block grant and state general revenue funding through such contracts. Many of these providers are also Medicaid providers and receive Medicaid reimbursement for some of the mental health services they provide to Medicaid eligible individuals.

Currently, there are generally three types of contracts used by DCF to contract for mental health services: rate agreements, which specify the services to be delivered at an agreed upon cost for a referred individual or individuals; a purchase-of-service contract that purchases specific goods or services for a particular individual (frequently used for services for children); and a performance contract which indicates the number of units of various services to be delivered to established priority populations. The performance contracts specify client outcomes that are monitored using consumer functioning and satisfaction measures (e.g., Functional Assessment Rating Scale, FARS, Behavioral Healthcare Rating of Satisfaction, BHRS, etc.).

## 4.2 Accessing Mental Health Services in AHCA Areas 6 and 4

Individuals in need of mental health services may receive services funded through the Medicaid program (if they are Medicaid eligible), through general revenue-supported programs administered by the Mental Health Program of DCF, through other third party insurance, or by self pay. Access to mental health services for Medicaid eligible individuals differs across AHCA Areas 6 and 4, while access to general revenue supported mental health services is the same.

## 4.3 Medicaid Eligible Individuals in AHCA Area 6

Figure 4.1 illustrates access to mental health services for individuals in AHCA Area 6. Under Florida's 1915(b) waiver from HCFA, AHCA may require certain Medicaid recipients (e.g., AFDC, SSI) to enroll in managed care plans. These Medicaid recipients have a choice of two types of plans, Medicaid HMOs and MediPass. People who choose to enroll in a Medicaid HMO receive their general health and mental health care through the HMO. While the HMOs provide general health services to their enrollees through their own provider network, all but two Area 6 HMOs have chosen to contract with behavioral health organizations (BHOs) to provide mental health services through the BHO's network of providers. An individual must be referred and approved for all Medicaid mental health services (including inpatient care) through the HMO (or BHO if they have subcontracted with a BHO).

Special provisions have been made for Medicaid eligible children who are enrolled in HMOs and are placed in residential treatment facilities or residential group care. These children are disenrolled from their HMO and receive their health and mental health services on a fee-for-service basis as long as they are in residential placement. When they are discharged from residential treatment, they may re-enroll in an HMO or in the MediPass program.

People who do not choose to enroll in a Medicaid HMO may enroll in MediPass, where they are assigned a primary care provider who manages their basic health care (See Appendix: *Description of the MediPass Program* for a listing of health services managed by MediPass providers). Health care must be provided or authorized by the primary care provider. Mental health services (including inpatient care) are *not* managed by MediPass providers. In AHCA Area 6, mental health services are managed through the Prepaid Mental Health Plan.

Medicaid eligible children who are enrolled in MediPass and the Prepaid Mental Health Plan and are placed in residential treatment facilities or residential group care are disenrolled from the Prepaid Mental Health Plan but are *not* disenrolled from MediPass. They continue to receive their health services through the MediPass program but receive their mental health services on a fee-for-service basis as long as they are in the residential placement. When they are discharged from residential treatment, they are re-enrolled in PMHP.

Medicaid eligible individuals who are not required to enroll in either a Medicaid HMO or MediPass (or individuals who have not yet chosen or been assigned to an HMO or MediPass), receive their health and mental health services from Medicaid providers of their choice (the *general eligibility* category). If they need local inpatient mental health services, those services must be pre-authorized by First Mental Health, Inc. (AHCA contracts with First Mental Health, Inc. to provide utilization review for inpatient psychiatric care for all Medicaid eligibles in AHCA Area 6 who are not enrolled in HMOs or PMHP).

## 4.4 Medicaid Eligible Individuals in AHCA Area 4

Figure 4.2 illustrates the access to mental health services for persons in AHCA Area 4. People who are Medicaid eligible may choose to enroll in a Medicaid HMO or the MediPass program. If they choose the Medicaid HMO, their health services, as well as inpatient psychiatric care and psychiatric physician services, are provided through the HMO (or through a BHO if the HMO has chosen to subcontract with a BHO). If an individual is enrolled in a Medicaid HMO and needs inpatient care for a mental health problem, the HMO or BHO must pre-authorize that service. For community mental health services that are outside of this limited Medicaid mental health benefit, HMO enrollees may self refer to Medicaid providers of their choice.

People who enroll in the MediPass program in Area 4 are assigned to a primary care provider who manages their health care. Health care must be provided or authorized by the primary care provider. Individuals in MediPass may self-refer to Medicaid providers of their choice for all of their mental health services. However, if an individual in the MediPass program requires local inpatient care for a mental health problem, those services must be pre-authorized by First Mental Health.

Medicaid eligible individuals in Area 4 who are not enrolled in either a Medicaid HMO or the MediPass program can self-refer for their health and mental health services to Medicaid providers of their choice (*general eligibility*). However, if they should require inpatient psychiatric care, their service must be pre-authorized by First Mental Health.

## 4.5 Individuals Not Eligible for Medicaid in AHCA Areas 6 and 4

Individuals who are not eligible for Medicaid may receive their mental health services from the publicly supported mental health service systems supported by DCF. Currently, there are no eligibility requirements to receive general revenue-supported mental health services other than need, although target populations have been identified as having priority (e.g., adults on SSI, children with severe emotional disturbances, etc.). Individuals may self-refer for services and services will be provided based upon availability and urgency of need. Local inpatient mental health services do not need to be pre-authorized by First Mental Health.

## 4.6 The General Revenue (DCF) and Medicaid Mental Health Services

The left-hand column on Table 4.1 lists all general revenue supported services available to citizens of Florida who reside in AHCA Areas 6 and 4. In the right hand column are listed all of the Medicaid comprehensive mental health benefits (i.e., the PMHP and

HMO benefits in Area 6). As is clear from Table 4.1, there is considerable overlap in the services financed by these two public payers.

The DCF service array does include some services that are not specifically included in the Medicaid benefit package, (e.g., crisis stabilization units, CSUs, residential services, supported employment, etc.). DCF services are *not managed* — there is no prior authorization for inpatient, CSU, residential or state mental hospital services. Access to services is based on availability and urgency of need. (Figure 4.3 and Figure 4.4 report FY 1996-97 data on expenditures by DCF and provide an illustration of the DCF investment in mental health services in AHCA Areas 6 and 4.)

Returning to Table 4.1, Medicaid will pay for services listed in the right hand column — but *only* for Medicaid eligibles. On the other hand, DCF will pay for services for *any Floridian, including Medicaid enrollees,* who need DCF support services. That means that all Medicaid enrollees who need the DCF support services can access general revenue-supported mental health services such as crisis stabilization units, state hospitals, residential programs and employment programs. However, there is one important caveat - for Medicaid eligibles in managed care plans in Area 6, Medicaid is the *sole payer* for services that are in the Medicaid benefit plan. That is, it is the policy of DCF in Area 6 that *if* the service is included in the Medicaid benefit package, DCF will *not* pay for that service for a Medicaid enrollee — even when the Medicaid managed care organization refuses to authorize it. DCF will not *cross-subsidize* care for Medicaid enrollees nor will DCF supplement the funding from Medicaid managed care plans.

In Area 4, the answer to the question, "Who pays for what?" is less clear. The DCF service array is substantially the same as in Area 6. However, there is no PMHP in Area 4 and the HMOs manage a limited mental health benefit. All Floridians (*including* MediPass and HMO enrollees) who need community mental health services *self refer* to DCF behavioral health care providers for their mental health services. Many of these providers are also Medicaid providers. Unlike Area 6, there is no management of Medicaid mental health benefits in Area 4, except for *inpatient* care (which is managed by HMOs for their enrollees and by First Mental Health for all other Medicaid eligibles).

# 5.0 DIFFERENCES IN MEDICAID MANAGED MENTAL HEALTH CARE BETWEEN AHCA AREAS 6 AND 4

For our research purposes, Area 4 provides a good comparison for Area 6. There are no dramatic differences in Medicaid enrollment patterns across the two areas. General health care is managed in the same way in the two sites (a choice of either HMO or MediPass). As to mental health, because Area 4 HMOs manage only the limited mental health benefit, it will be difficult to interpret differences in service utilization patterns across the two Areas. It is interesting to note, however, that even with the limited benefit the HMOs in Area 4 *carved out* the benefit for management by specialty BHOs. In both sites, Medicaid enrollees have access to essentially the same package of DCF supported services. The biggest difference between the two sites is that there is no Prepaid Mental Health Plan in Area 4 — giving us an opportunity to contrast a managed Medicaid mental health *carve out* in Area 6 with a fee-for-service comparison.

The most important differences we have observed to date have to do with the management of mental health care for MediPass enrollees. Because there is no Prepaid Mental Health Plan in Area 4, MediPass enrollees self refer into the public mental health system for their mental health care. Unlike Area 6, where mental health care is managed under a capitated arrangement with Florida Health Partnership, in Area 4 the benefit is in large measure unmanaged. MediPass providers do not "gatekeep" mental health services, no MCOs or providers are at risk for the costs of service utilization, there is no utilization management (except for inpatient care), and providers have little incentive to contain costs on ambulatory services because they are paid on a fee-for-service basis. As we continue with the evaluation, we expect the greatest contrast in cost containment effects to be in the comparison between PMHP enrollees in Area 6 and MediPass enrollees (without PMHP) in Area 4.

# 6.0 CONCLUSION

To put these discussions in context, it is important to note that Florida spends less per capita than the majority of states on mental health services. Florida ranks in the bottom 10 states both in per capita state mental health expenditures and in Medicaid expenditures. In addition, Florida's expenditures have been weighted disproportionately toward inpatient and institutional care. Thus, Florida approaches Medicaid managed mental health care with a modestly funded public mental health system, which has historically been underdeveloped on the ambulatory side. Managed care can accomplish certain goals but no amount of reorganization of the way Medicaid pays for services will provide a "quick fix" for an otherwise under-funded mental health system.

As was mentioned in our first *Implementation Analysis* report, however, there is potential for enhancing mental health treatment through Medicaid managed care, even given the historic under-funding of mental health treatment in Florida. If managed care results in a more planned and rationale use of the State's limited resources, if it improves access to innovative community-based services (services that research has shown can substitute for more intensive and expensive institutional care), and if managed care improves the coordination of health and mental health care, the Florida public mental health system will have been vastly improved over the status quo

| Algorithm for Designating Mental Health Claim (for purposes of categorizing recipient groups) | |
|---|---|
| **Medicaid Claims Variable** | **Values Indicating Mental Health Claim** |
| Primary and Secondary Diagnostic codes ("prim" and "sec") | 290-316 |
| Procedure codes ("procode") | 90801-90899, 96100, 96105, 96115, 96117, W1023, W1027, W1044, W1046, W1058-W1061, W1063-W1087, W9654, W9695, W9881, W9890, W9891, W9892, W9899, G0071-G0094, J1320, J1630, J1631, J1800, J2060, J2330, J2680, J3230, J3270, J3310, J3360 |
| Appropriations codes ("appcode") | 10355600, 10031101, 10061600, 10355600, 10031101, 10061600 |
| Provider codes ("provtype") | 4, 5, 7, 32, 87, 91 |
| Pharmacy Codes | Any code indicating a drug categorized as psychotherapeutic by the 1997 Physicians Desk Reference |

| Algorithms to assign a claim to a particular service category<br>NOTE: All algorithms are generated from data dictionaries provided by the Florida AHCA.<br>"mhselect"= mental health claim as defined in above table. | |
|---|---|
| **Service Category** | **Algorithm** |
| Adult MH Inpatient Care | (appcode=10158200 and provtype=01) or ((procode >='99217' and procode<='99223') or (procode='99231') or (procode='99232') or (procode='99233') or (procode='99238') or(procode='99239')) and (((mhselect=1) or appcode=10355600) and age>=19) |
| Adult MH, possibly inpatient care | ((procode>='99251' and procode <='99255') or (procode>='99261' and procode <='99263') and mhselect=1) or (procode>='G0071' and procode<='G0094') and (mhselect=1 and age>=19) |
| Child Inpatient Care | ((((appcode=10158200 and provtype=01) or ((procode >='99217' and procode<='99223') or (procode='99231') or (procode='99232') or (procode='99233') or (procode='99238') or(procode='99239')) and (((mhselect=1) or appcode=10355600) and age<19) |
| Child MH, possibly inpatient care | ((procode>='99251' and procode <='99255') or (procode>='99261' and procode <='99263') and mhselect=1) or (procode>='G0071' and procode<='G0094') and (mhselect=1 and age<19) |
| Inpatient Substance Abuse Tx | (((((appcode=10158200 and provtype=1) or ((procode >='99217' and procode<='99223') or (procode='99231') or (procode='99232') or (procode='99233') or (procode='99238') or(procode='99239')) and mhselect=1) or appcode=10355600) and ((prim>='291' and prim<'293') or (prim>='303' and prim<'306') or (sec>='291' and sec<'293') or (sec>='303' and sec<'306'))) |
| Substance Abuse, possibly inpatient | ((procode>='99251' and procode <='99255') or (procode>='99261' and procode <='99263') and mhselect=1) or (procode>='G0071' and procode<='G0094') and mhselect=1 and ((prim>='291' and prim<'293') or (prim>='303' and prim<'306') or (sec>='291' and sec<'293') or (sec>='303' and sec<'306')) |
| Outpatient Hospital/Emer MH Tx | (appcode=10159600 or appcode=10159603 or provsp = 7 or procode='W1061' or (procode>='99281' and procode<='99285')) and mhselect=1 |
| CMH: Physician services | ((procode='99203' or procode='99214' or (procode>='99241' and procode<='99245') or (procode>='99271' and procode<='99275') or (procode>='99361' and procode<='99373' ) or procode='W9840' ) and mhselect=1) or procode='90862' or procode='W1070' |
| CMH: Treatment planning and review | procode='W1065' or procode='W1066' or procode='W1067' or procode= 'W1068' or procode='W1069' |
| CMH: Evaluation and Testing Services | procode='W1027' or procode='90801' or procode='90825' or procode='W1073' |

| | |
|---|---|
| CMH: Coun, ther & tx serv- psychiatrist | procode='90843' or procode='90844' or (procode>='G0071' and procode<='G0076') or procode='90853' or procode='90887' |
| CMH: Coun, ther & tX serv- beh health | procode='W1074' or procode='W1075' |
| CMH: Rehabilitative services | procode='W1044' or procode='W1046' |
| CMH: Childrens behav health serv | procode='W1071' or procode='W1072' |
| CMH: Day treatment services | procode='W1064' or procode='W1023' |
| Targeted Case Management | procode='W9891' or procode='W9892' or procode='W9899' |
| Physician MH Services- not listed above | (provtype=25 or provtype=26) and mhselect=1 [and not captured above] |
| Other Assessment | procode='W1059' or procode='95882' |
| Therapeutic Foster Care I & II | procode='W1058' or procode='W1060' |
| EPSDT Screening | procode='W9881' |
| MH Drug | drug_typ>=1 or procdiag=9 [psychotherapeutic drugs indicated in 1997 PDR] |
| MH Capitation Payment | procode='W1078' |
| Other MH | mhselect=1 [and not captured above] |
| Non-MH Drugs | drug>" [all drugs not captured above] |
| Non-MH Capitation Payment | procode='W9600' or procode='W9893' |
| Non-MH Services | All other services not captured above or in FHP codes below. |
| FHP Additional Services | Special FHP codes indicating: specialized case managment, supported housing, supported employment, sheltered employment, drop in center, case management support, adult overlay/community outpatient. |