Magellan
Behavioral Health

The Iowa Plan for Behavioral Health:

A Managed Care Plan for Mental Health and Substance Abuse Services

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About the Plan

- the Iowa Plan is a single managed care plan for mental health and substance abuse services
- covers most of Iowa's Medicaid recipients except those over 65, those living in certain residential settings, and medically needy with a cash spenddown; DPH-funded substance abuse services; and State Payment Program mental health services
- covers all traditional mental health and substance about services and requires the development and utilization of a broad range of community-based services and supports
- oversight by the Department of Human Services for Medicaid funds and the State Payment Program
- oversight by the Department of Public Health for the DPH-funded substance abuse services
- the contractor, Magellan Behavioral Care of Iowa, is fully capitated and at full risk for the development and delivery of Medicaid mental health and substance about services for the enrollees
    - DHS pays a per member per month capitation payment which is like a monthly insurance premium paid to purchase coverage regardless of whether or not the enrollee uses services.
- the contract is not at risk for the DPH-funded substance abuse services or the State Payment Program
- Magellan contracts with providers across the state who actually provide the services

Iowa Plan Enrollment

DPH Clients:
Minimum Number of Served Annually — 27,115 Participants

State Payment Program:
Average Monthly members — 1,400 Members

Medicaid Statistics:

Monthly Enrollment	**2001**	**2002**
Average Monthly Enrollment	207,000	224,218
Percent Children (<18)	61%	61%
Percent Adults (18+)	39%	39%
Yearly Enrollment:		
Total	284,057	307,132
Children	172,579	188,329
Adults	115,279	122,877
Medicaid Yearly Penetration:		
All enrollees	42,764 (15%)	46,808 (15%)
Children	21,894 (13%)	27,390 (15%)
Adults	22,782 (20%)	23,674 (20%)

(Persons may be counted in both the children and adult category as they turned 18 years of age during the year)

Iowa Plan Medicaid Goals:

1. To increase the number of people who receive mental health and substance abuse services,
2. To expand the array of services available to Medicaid recipients, and
3. Cost Containment

Goal 1: Increase the number of people who receive mental health and substance abuse services through Medicaid

- Access to mental health care has **increased by 101%** over the prior fee-for-service system. [1]
- Access to substance abuse treatment has **increased by 187%** over the prior fee-for-service system.[2]

Goal 2: Expand the array of services available to Medicaid recipients and better coordinate services

- Expanded the number of specialized substance abuse treatment programs serving pregnant women and women with children from three programs to ten.
- Expanded Medicaid coverage beyond hospital based substance abuse treatment to include community-based residential, half-way house and outpatient treatment services. (Note: Iowa Plan Medicaid pays over $4 million annually* for community-based substance abuse treatment services which under the prior Medicaid fee-for-service system would have been paid through DPH state and block grant funds.)
- Expanded Medicaid coverage to pay for adults voluntarily placed at an MHI. (Note: These services were paid through state appropriations prior to the managed care plans).
- Focus services on "recovery" type models of treatment
- Initiated development of:
  - Assertive Community Treatment
  - Intensive Psychiatric Rehabilitation
  - Services for Dual Diagnosis
  - Follow-up after emergency room visits and within 7 days of discharge from an inpatient setting
  - Integrated Services/Supports – "wrap-around" and individualized services
- Expanded Community Support Services, mobile counseling, home-based psychiatric nurse services
- Coordinate services through:
  - Multi-disciplinary utilization management staff organized in Care Teams to assure continuity and coordination of services.
  - In SFY 2002, the Iowa Plan facilitated 693 joint treatment planning conferences.
  - Implemented use of a high-risk tool and oversight of those who are considered high risk through focused care management.
  - Discharge planning and follow-up (part of the provider on-site reviews of cases)
  - Coordination of mental health and substance abuse services and primary care

Goal 3: Cost Containment for Medicaid Services

- Independent actuarial studies document cost savings to Medicaid at $2.0 million annually[3]
- Approximate savings to the state of $900,000 for adults voluntarily placed at the MHIs
- The Iowa Plan is responsible for the full cost of Targeted Case Management, Day Treatment and Partial Hospitalization and also pays for Community Support Services. Under the prior fee-for-service system, counties paid 1/2 of the non-federal share for Targeted Case Management,

Day Treatment and Partial Hospitalization and the full cost of Community Support Services. The resulting savings to counties averages over $3 million annually.[4]

- Capitation payments average $30 per member per month and are based on Medicaid fee-for-service expenditures in 1995, trended forward by an actuary. The payments are reduced to assure cost savings to the state.

Financial Structure of Iowa Plan Contract for Medicaid

- During the 1998 procurement for the Iowa Plan contractor, DHS designed the financial side of the Iowa Plan to limit administrative fees/profit and designated how the capitation could be spent by the contractor.
  - The RFP established a maximum of 15% on administrative costs. Magellan Behavioral Care of Iowa, bid a 14% administrative rate.
  - 2.5 % of the capitation is allocated to community reinvestment grants for providers or other community entities to support community-based services and provider best practices.
  - 83.5% is allocated to reimburse providers for mental health and substance abuse services. At the end of each contract period, all allocated money not spent on the reimbursement of services is deposited into the community reinvestment account.
  - No portion of the 86% for services or community reinvestment may be retained by the Iowa Plan contractor.

Medicaid Satisfaction Surveys

Client Satisfaction Survey (Average of the past 4 surveys) –

- Children/Adolescents – 87.5% satisfied overall with Iowa Plan
  - Lowest scored item was the availability of evening and weekend appointments
- Adults – 85.5% satisfied overall with Iowa Plan
  - Lowest scored items were the availability of evening and weekend appointments and if the client wanted family members included in their treatment, how satisfied the client was that the provider tried to include them

Provider Satisfaction Survey (Average of the past 3 surveys)

- 83% of the provider were satisfied overall with the Iowa Plan
  - Lowest score item is the reimbursement rate

Community Reinvestment

Iowa Plan Community Reinvestment funding is intended to support the development or enhancement of innovative services in the state that contribute to mental health and substance abuse recovery. Each month, 2.5% of the capitation payment is put into the Community Reinvestment fund.

In 2000, MBC of Iowa, in conjunction with DHS, DPH and the Iowa Plan Advisory Board, identified broad priorities for Community Reinvestment projects. Those priorities have expanded since that time based on input from Iowa Plan stakeholders. The priorities include:

- "Best Practices" education and service implementation
- children's mental health
- consumer/family education

- dual diagnosis/co-occurring disorders
- inpatient follow-up to assure discharge plans are implemented
- prevention and outreach projects
- recovery-oriented services
- service gap analysis, including community-assessed service needs

Projects:

- Best Practices/recovery-oriented services
  - ASAM PPC-2R – distribution of manuals and training videos to Iowa Plan substance abuse providers and training by author, Dr. David Mee-Lee
  - Assertive Community Treatment
  - Dr. Greene training on working with aggressive children
  - Intensive Psychiatric Rehabilitation
  - Nancee Blum trainings on STEPPS™/Dialectical Behavioral Therapy
  - training on Motivational Interviewing for substance abuse providers
  - development of mental health resources through Child Health Specialty Clinics
  - training DHS supervisors on the Child/Adolescent Functioning Assessment Scale
- Consumer/family education
  - Consumer-to-Consumer Satisfaction Interviews Project with Office of Consumer Affairs/Consumer Resource Outreach Project
  - distribution of rulers with information on Iowa Substance Abuse Information Center
  - National Alliance for the Mentally Ill - Family-to-Family
  - National Alliance for the Mentally Ill - Visions for Tomorrow
  - Wellness Recovery Action Plan booklets distributed at Consumer Conference
- Prevention projects
  - mental health/substance abuse screening and cross-referral
- Service gap analysis, including community-assessed service needs
  - Polk County juvenile offenders substance abuse assessments
  - Consumer Recovery Centers/Clubhouse – Hope Haven and Poweshiek County CMHC
  - Dual Diagnosis cross-training and case coordination – Broadlawns Medical Center and Mid-Eastern Council on Chemical Dependency
  - Consultation for Clinical Depression in Primary Care – University of Iowa
  - Telehealth and consultation through the Child Health Specialty Clinics and the University of Iowa

Children and Adolescents

Diagnostic Categories:

- The five most prevalent diagnostic categories for children and adolescents are:
  - Attention Deficit Disorder (314 series in the DSM-IV) at 26% of the diagnoses
  - Separation/Anxiety, Post Traumatic Stress and Adjustment Disorder (309 series in the DSM-IV) at 25% of the diagnoses
  - Oppositional, Reactive Attachment Disorder (313 series) at 10% of the diagnoses
  - Major Depressive Disorder (296 series) at 8% of the diagnoses
  - Conduct Disorder (312 series) at 6% of the diagnoses

Interface with Child Welfare:

- Of the 27,390 children who received at least one mental health service during 2001, 35% (9,758) also received services through the child welfare system.

Penetration Rate comparison to other states/counties:
Compared to the Children's Mental Health Benchmarking Project funded through the Annie Casey Foundation (2000), Iowa ranks higher in penetration rates. The Benchmarking Project (4 states & three counties) reported Medicaid Penetration rates ranged from 5.6% to 11.7%, averaging 9%.

In 2002, the penetration rate for children/adolescent was 15%, 188,329 children/adolescents were eligible for Medicaid and 27,390 received at least one mental health or substance abuse service during the year.

Case Management for Adults

Over the past 18-months, DHS, the Counties and MBC of Iowa has worked together to develop authorization and need for service guidelines for case management. Recently, Administrative Rules were promulgated regarding case management.

The idea to develop guidelines for case management resulted from a quality review that was completed by the Iowa Foundation of Medical Care (IFMC) in June 2001. The IFMC summary and recommendations state:

- case managers make significant efforts by on behalf of the clients;
- there is less emphasis on developing and maintaining diagnostic and clinical information on the basis on which treatment and service strategies are developed;
- there is evidence of duplication of case management activities;
- discharge planning is generally non-specific and may contribute to the continuation of case management beyond the client's need for the service;
- enhanced communication with and input from therapeutic providers would strengthen interdisciplinary treatment planning.

In a data review conducted by Magellan, it was found that:

The monthly average number of clients receiving case management services increased by 52% over the past four years.

- 1,959 clients each month in 1999,
- 2,182 clients each month in 2000,
- 2,399 clients each month in 2001,
- 2,976 clients each month in 2002.

Between 1999 and 2002, the amount paid for case management services increased by 63%.

- $5.2M in 1999,
- $5.3M in 2000,
- $6.1M in 2001,
- $8.5M in 2002.

Joint Treatment Planning:

Joint Treatment Planning is a service to develop an individual treatment plan for children and adults who are involved in more than one system. Through JTP's MBC of Iowa staff cases with the client and their family, DHS staff, Juvenile Court Services staff, County staff, the active

providers, and others involved in the treatment plan. This is to ensure continuity in the planning and outcomes with the client.

In SFY 2002, the Iowa Plan facilitated 693 joint treatment planning conferences. Over 70% of joint treatment planning is on behalf of children. In addition, MBC of Iowa staff has daily contacts with providers, DHS, JCS, county staff, clients and their families.

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[1] William M. Mercer Independent Assessment of the Iowa Plan for Behavioral Health, August 2002
[2] William M. Mercer Independent Assessment of the Iowa Plan for Behavioral Health, August 2002
[3] Milliman U.S.A. and William M. Mercer
[4] Based on cost calculations for 1999 and 2000

PERFORMANCE INDICATORS
CARRYING MEDICAID FINANCIAL INCENTIVES
for the
IOWA PLAN FOR BEHAVIORAL HEALTH
for
CONTRACT PERIOD #3 – July 1, 2001 - June 30, 2002
Final Report

The Contractor shall provide to the Departments a monthly written report on all performance indicators including those to which incentive payments have been attached. Unless specified otherwise, all performance indicators relate only to Medicaid mental health services.

The Department of Human Services shall be solely responsible for determining whether or not the Contractor has met the required level of performance. DHS will validate all information provided by the Contractor prior to issuing incentive payments.

Incentive Performance Indicator	Standard	YTD
1. Consumer Involvement The Contractor shall arrange or participate in 450 JTP conferences with the consumer participating in 97% of all joint treatment planning conferences.	450 JTPC 97% or more	693 JTPC's 100% Consumer involvement
2. Community Tenure The average time between hospitalizations shall not fall below 60 days. (MH only)	≥ 60 days	Range per month: 78 days
3. Involuntary Hospitalization The percent of involuntary admissions to 24-hour inpatient settings for mental health treatment shall not exceed 20% of all children's admissions and 15% of all adult admissions (MH only)	≤ 20% child admissions ≤ 15% adult admissions	Children: 11% Adults: 7%
4. Access Based on claims data during the contract year, the Contractor shall provide services to at least 13.5% of Iowa Plan enrollees.	13.5% or more	15%
5. Service Array At least 4.5% of mental health service expenditures will be used in the provision of integrated services and supports including natural supports, consumer-run programs, services delivered in the home of the enrollee	4.5% or more	6.4%
6. Quality of Care The number of emergency room presentations shall not exceed 8.5 visits per 1000 enrollee months (annualized)	≤ 8.5 visits per 1,000 enrollee months	10.4 visits per 1,000
7. Quality of Care 90% of persons discharged from inpatient care will receive other treatment services within 7 days of discharge date (MH only)	90% or more within 7 days	91%

Incentive Performance Indicator	Standard	YTD
8. Quality of Care 90% of all discharge plans written for enrollees being released from inpatient hospitalizations shall be implemented (MH only)	90% or more	92%
9. Quality of Care The percentage of clients discharged from ASAM Levels III.5 and III.3 and receiving a follow-up substance abuse service within 7 days of discharge will increase by 10% over Contract Period 1.	47.9%	48.5%

MEDICAID PERFORMANCE INDICATORS
WITH FINANCIAL PENALTIES
for the
IOWA PLAN FOR BEHAVIORAL HEALTH
for
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DHS will assess liquidated damages if the Contractor fails to comply with the minimum performance levels specified below for any two quarters in a contract period.

Damages shall be assessed solely at the discretion of the Department of Human Services. The Departments reserve the right at any time to audit records upon which the performance indicator reports are based.

Penalty Performance Indicator	Standard	Performance
1. Consumer Involvement New enrollee information, including a list of network providers, will be mailed to each new enrollee in the Iowa Plan within 10 working days after the first time their name was provided to the Contractor	95% within 10 working days 100% within 15 working days	100% each month within 10 working days
2. Quality of Care A discharge plan shall be documented on the day of discharge for 86% of enrollees being discharged from mental health settings: inpatient settings, partial hospitalization and day treatment programs	86% or more	1st Qtr. = 87% 2nd Qtr. = 94% 3rd Qtr. = 93% 4th Qtr. = 100%
3. Quality of Care The percentage of enrollees under the age of 18 discharged from a mental health inpatient setting to a homeless or emergency shelter shall not exceed 3% of all mental health inpatient discharges of children under the age of 18	≤ 3%	1st Qtr. = 0.8% 2nd Qtr. = 0.6% 3rd Qtr. = 1.4% 4th Qtr. = 0.8%
4. Quality of Care 85% of enrollees who received services in an emergency room, and for whom inpatient care was requested but not authorized, shall have a follow-up contact within 72 hours of the date the Contractor is notified of the emergency room service	85% or more within 72 hours	1st Qtr. = 91% 2nd Qtr. = 92% 3rd Qtr. = 94% 4th Qtr. = 96%
5. Quality of Care The Contractor shall arrange or participate in at least 20 joint treatment planning conferences per month.	20 or more each month	43-78 per month

Penalty Performance Indicator	Standard	Performance
6. Quality of Care A discharge plan shall be documented on the day of discharge for 80% of enrollees being discharged from a substance abuse ASAM level III.7, III.5, and III.3 setting. (This indicator was introduced in Contract Period 2. During the first quarter, the contractor worked with providers on the expectation.)	80% or more	1st Qtr. – 100% 2nd Qtr. = 100% 3rd Qtr. = 91% 4th Qtr. = 95%
7. Administrative Accountability 95% of care reviews will be resolved within 14 days.	95%	1st Qtr. = 100% 2nd Qtr. = 100% 3rd Qtr. = 99% 4th Qtr. = 98%
8. Claims Payment Claims shall be paid or denied within the following time periods: • 85% within 12 calendar days • 90% within 30 calendar days • 100% within 90 calendar days	85% - 12 calendar days 90% - 30 calendar days 100% - 90 calendar days	1st Qtr. 89% - 12 days 98% - 30 days 100% - 90 days 2nd Qtr. 86% - 12 days 99% - 30 days 100% - 90 days 3rd Qtr. 95% - 12 days 98% - 30 days 100% - 90 days 4th Qtr. 96% - 12 days 99% - 30 days 100% - 90 days
9. Network Management Credentialing of all providers applying for network provider status and the contractor receiving all required documents shall be completed as follows: • 60% within 30 days • 100% within 90 days	60% within 30 days 100% within 90 days	1st Qtr. 81% - 30 days 100% - 90 days 2nd Qtr. 84% - 30 days 100% - 90 days 3rd Qtr. 98% - 30 days 100% - 90 days 4th Qtr. 78% - 30 days 100% - 90 days
10. Network Management Revisions to the Provider Manual shall be distributed to all network providers at least 30 days prior to the effective date of the revisions.	30 days or more prior to effective date	One release to TCM providers mailed on 1/4/02, effective 2/4/02.