An Overview of Mental Health in Colorado

Amanda Callahan, Policy & Advocacy Manager

Bringing Wellness Home
Overview of presentation

• CO public mental health system
• Mental Health & Substance Abuse Insurance Parity
• MH in the ACA

What are you hoping to learn???
Colorado’s Community Mental Health Centers

- The community mental health system in Colorado is non-profit based.
- CMHC’s use a combination of different funding sources to provide a safety net for people who are uninsured or under insured and need mental health treatment.
- Colorado has a history of under funding this system. Currently there are approximately 18,525 (2009, Pop in Need Study) people (both children and adults) who have serious emotional disturbance or mental illness who would come in for treatment if it was available.
- The impact of the lack of mental health treatment is affecting the criminal justice system, emergency room access, homelessness and the state’s suicide rate (6th nationally).
- Carve-out system.
Colorado’s Publicly-Funded Mental Health System

Division of Behavioral Health in the Department of Human Services (DBH)

Department of Health Care Policy and Financing (HCPF)

5 Behavioral Health Organizations
- Access Behavioral Care
- Behavioral Healthcare, Inc
- Colorado Health Partnerships
- Foothills Behavioral Health Partners
- NE Behavioral Health Partnership

17 Mental Health Centers (statewide coverage)
2 Specialty Clinics

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Distribution of $49 Million in General Funds, Approx. 12,000 Clients Served Each Year
Distribution of $49 Million in General Funds, Approx. 12,000 Clients Served Each Year

Aurora, 3.94%
Boulder, 3.66%
Centennial, 2.97%
Children's, 0.15%
Colorado West, 7.26%
Comm. Reach, 5.44%
MHC Denver, 29.87%
Jefferson, 8.44%
Larimer, 4.31%
Midwest, 1.77%
North Range, 5.43%
Pikes Peak, 8.31%
San Luis, 2.07%
Servicios, 0.29%
Southeast, 1.59%
Southwest, 3.48%
Spanish Peaks, 4.27%
West Central, 2.02%
Asian Pacific, 0.16%
Arapahoe, 4.59%

Colorado Community MH Center Fund Sources - 3rd Qtr. 2007

- Medicaid Capitation: 35.0%
- Self Pay: 30.0%
- Non-Capitated Medicaid: 2.9%
- Other Payors: 4.6%
- Federal Government: 0.1%
- Medicare: 10.7%
- Local Government: 3.0%
- Insurance/Other 3rd Party: 10.3%
- State of Colorado: 3.4%
- Non-Capitated Medicaid: 2.9%
- Local Government: 3.0%
Medicaid Eligibility

- Income Eligible Children
- Income Eligible Adults
- Income Eligible Elderly
- Disabled Adults and Children
- Foster Care Children (includes those in subsidized adoptions)
BHO Covered-Lives - July, 2009
435,000 Lives, >50% Children

FBHP, 11.26%
BHI, 22.90%
CHP, 35.25%
NBHP, 12.62%
ABC, 17.97%

$225.000 Million. 53.000 Served
Mental Health Medicaid Funds

- 6% Mental Health Medicaid Expenditures
- 94% All Other Medicaid Expenditures
BHOs and CMHCs

• Own or are part of the ownership/ governance of the BHOs
• BHOs could not serve the disabled adult population and some children without the MHCs in their areas – the program would not work
• Medicaid offers a rich benefit package for all eligibility categories – this may be changing…
• Supports infrastructure for the medically indigent population
Structure of the BHO/State Contract is Important

• Diagnosis based responsibility
• Medical necessity standard
• May be the best in the nation, BUT
  – Developmental and Organic Conditions are not covered
  – Frustrates Families
  – Continues Separation of Substance Abuse and Mental Health Services
  – Can Interfere with Service Integration
  – Leads to the Development of Alternative Delivery Systems

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Other Parts of the Public Mental Health System

• Criminal Justice System at all levels
• Department of Human Services Department in several areas- Child Welfare, Youth Corrections and others
• County Child Welfare Departments
• 34 different Line Items in the State Budget that funds mental health services
• Leads to:
  – Fragmentation of Services
  – Poor or no Coordination of Care
  – Lapses in Care
  – Gaming of the System
  – Redundancy
Treating Mental Illness Vs. Sending People to Jail - Costs Per Person Per Year in Colorado

- Community Mental Health: $3,018
- Colorado Prison Average: $27,588
- Colo. Prison MH Facility: $62,507
“Carve-Out” or “Carve-In”

- BHOs are funded using a “Carve-Out” model
- Identifies specific resources usable only for MH needs
- Some claim that it leads to service fragmentation and poor care coordination
- Big insurance plans frequently “carve-out” the MH benefits (rise of Magellan, ValueOptions)
- Physical/Mental Health Integration advocates argue for a carve-in model
- Colorado safety-net providers want carve-in
Integration of Care

• What does it mean?
  – Co-location
  – Same providers
  – Mixing of disciplines on same team
  – Bi-directional integration of care
• Rules/regulations don’t support it
• Creates money and turf battles and some successes
• Who or what conditions should be treated in integrated settings? Mental illness, behavior, other chronic conditions?
Summary of Public MH System

• The “System” is fragmented and under-funded – especially for the medically indigent population
• Medicaid funds sustain infrastructure that serves high need indigent populations but some want to eliminate separate Medicaid funding for mental health
• BHOs and MH Centers are critical components
• Integration with physical health is gaining a lot of momentum – good service delivery – bad funding arrangement
Mental Health Parity and Addictions Equity Act (MHPAEA)

Financial requirements (e.g., copayments, deductibles) and treatment limitations (e.g., visit limits) applicable to mental health and substance use disorder benefits must be no more restrictive than the predominant financial requirements or treatment limitations applied to substantially all medical/surgical benefits.
MHPAEA Gaps

While a milestone, there are still gaps…

- Small business (50 or fewer employees)
- Local/state exemptions from CMS
- Medicare
- Federal Employees Health Benefits Plans, TriCare
- Plan that increase more than 2% in year 1 and 1% in year 2 can file for exemption
- MHPAEA is not a mandate to begin coverage
- Specific diagnoses not named
What have States Done to Ensure Insurance Parity?

**Limited Parity Laws**

- **New Hampshire 1994/2002 (SMI)**
- **New Jersey 1999/2002 (SMI)**
- **New York 2006 (SMI)**
  - Includes children, 50 employee exemption
- **Ohio 2006 (SMI)**
  - 1% cost increase cap
- **Oklahoma 1999 (SMI)**
  - 50 employee exemption; 2% cost increase cap
- **South Carolina 2000/2005 (SMI)**
  - 50 employees exemption
- **South Dakota 1998 (SMI)**
- **Tennessee 1998**
  - 25 employees exemption; 1% cost increase cap; excludes copayments, coinsurance and deductibles
- **Texas 1991/1997 (SMI)**
  - 1991: Limited parity for state & local government employees
  - 1997: parity expanded to rest of state; 50 employees exemption
- **Utah 2000**
  - Limits out-of-pocket expenses; 50 employees exemption
- **Virginia 2004 (SMI)**
  - Includes substance abuse; 25 employees exemption
- **West Virginia 2004 (SMI)**
  - 2004 repealed alcohol coverage, 1 or 2% cost-increase cap

**Mental Health Mandates, Not Parity**

- **Alabama**
- **Alaska**
- **D.C.**
- **Florida**
- **Georgia**
- **Kansas**
- **Michigan**
- **Mississippi**
- **North Dakota**
- **Pennsylvania**
- **Wisconsin**

**No Parity or Mandate Laws**

- **Wyoming**
- **Idaho**

*Updated July 2008*
Mental Health and Substance Use
Colorado vs. Federal

Federal:
• No requirement as to what conditions must be covered
• MH/SA is covered, it must be at parity with medical coverage
• Prohibits group plans that offer coverage for any MH/SA from imposing treatment limitations and financial requirements on those benefits that are stricter than for medical/surgical benefits
• Out-of-network
• Self insured plans ARE INCLUDED in the law
• Effective for most plans January 1, 2010

Colorado (SB07-036):
• Applies to plans with 50 or more employees
• Exempts individual health plans and self insured employers
• Requires parity (equal coverage) for the specific diagnoses

Colorado Parity law where stronger than the Federal law is still in effect
Mental Health in the ACA

The Patient Protection and Affordability Act of 2010:

- MHPAEA written into PPACA as part of the “essential benefits package”
- Medicaid expansions
- State based exchanges