Challenges and Opportunities to Improve Virginia's Medicaid-Funded Community-Based Behavioral Health System

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VACBP
Virginia Association of Community-Based Providers

Background on the VACBP

- An association of *private-sector* organizations that provide *community-based* behavioral health and substance use disorder treatment to Virginia's most vulnerable populations, founded in 2013.
- *Among largest associations* representing the interests of private-sector behavioral health providers In Virginia, with more than 50 agencies that have more than 160 facilities across the Commonwealth.
- Members range from providers with *fewer than 10 employees to more than 500*, from agencies with one location to more than 30, serving the behavioral health needs of individuals in *all regions of the Commonwealth*.

VACBP
Virginia Association of Community-Based Providers

Challenges in Virginia's Medicaid Behavioral Health System

- Continuum of community-based mental health services lacks sufficient early intervention, prevention and recovery services
- The pathway to enhance the continuum is long and requires investment
- Prior to the 12.5% increase implemented this summer, reimbursement rates haven't increased for more than 20 years
- Significant shortage of qualified behavioral health practitioners – *connects directly with low reimbursement rates*
- Behavioral health system is siloed and disjointed without clear direction on how and incentives to collaborate
- Managed care has resulted in more constrained access to needed services

Impact of the BH System's Challenges

- Lack of access to behavioral health support results in:
  - Further trauma/more severe mental illness among Virginia's most vulnerable residents
    - *Disproportionately impacts BIPOC individuals*
    - *COVID-19 has only exacerbated the needs*
  - Increased reliance on most costly and most intensive services
    - *"Revolving door" needs for crisis, hospitalization and residential services*
  - Inability/lesser ability to live independently creating reliance on other social services – human and financial costs
  - Increased ER visits for individuals in need of psychiatric care
  - Increased rates of incarceration/interaction with criminal justice system

Top Priorities to Improve the System

Diversion in Mental Health

- Invest in Virginia's community-based behavioral health services and rates to lift the entire system and support the needs of those it serves
- Develop and fund short-term solutions to bridge gaps and address specific service needs
- Fully leverage the expertise and capacity of both public-sector and private-sector providers
- Improve how providers and MCOs work together to ensure needed services can be delivered in a timely, efficient and effective manner to Virginia's most vulnerable residents

Invest in the Services: Rates

- Continue 12.5% rate increase in the next fiscal year
  - *With a few exceptions, reimbursement rates haven't increased in more than 20 years*
  - *Rates must more appropriately reflect the cost to deliver services*

Drivers of increased costs

- *Increases in the cost to do business (i.e., wages, benefits, rent)*
- *Offset for minimum wage increase*
- *Costs with Evidence-Based Practices (EBPs)*
- *Administrative costs associated with implementation of managed care*
- *Increasing staff qualification and supervision requirements*
- *Technology/equipment costs*
- *Costs associated with national accreditation attainment (i.e., CARF or COA)*
- *Ongoing training and professional development for staff*

Invest in the Services: Workforce

- Recognize that the key to addressing the behavioral health workforce challenge is to increase reimbursement rates
  - *Practitioners can't afford to live on the salaries being paid today*
- Virginia's system is strong because it relies on a robust network of public and private providers
  - *Ensure investment in workforce solutions include all providers (public- and private-sector)*

Invest in the Services: Project BRAVO

LONG-TERM VISION

To implement well-integrated behavioral health services that provide a full continuum of care to Medicaid members across the lifespan

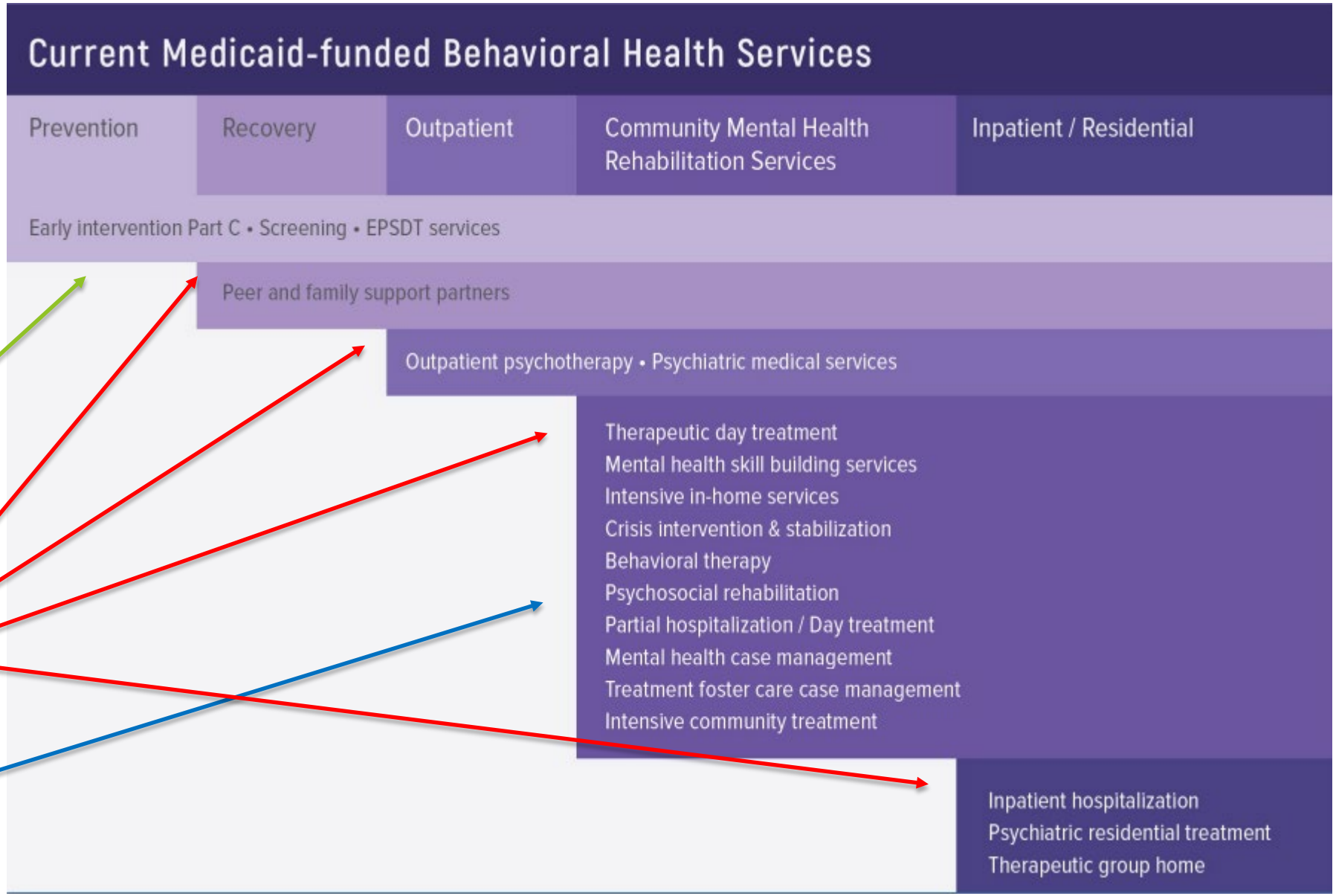
- Launched in 2018 led by DMAS and DBHDS with stakeholder engagement and support
  - *Process includes authorization/support from General Assembly, stakeholder workgroups, service design, standards of care and regulatory development, financial analysis, training and implementation*
- Multi-phase approach that began with six critical services that serve as alternatives or step-down options from inpatient

Current Medicaid Services

Few options for early intervention, prevention and recovery services

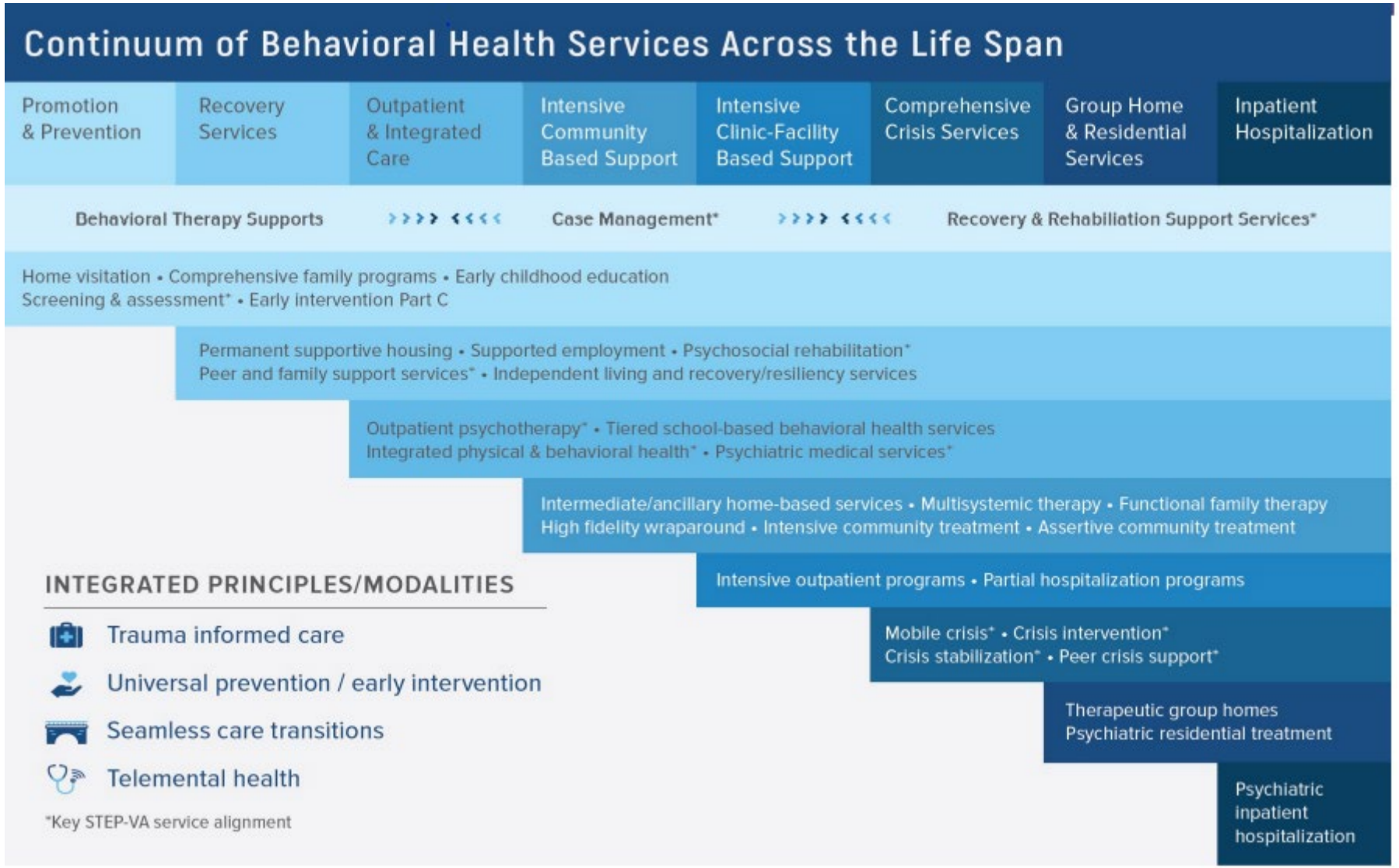
Gaps between services

Heavy focus on intensive treatment



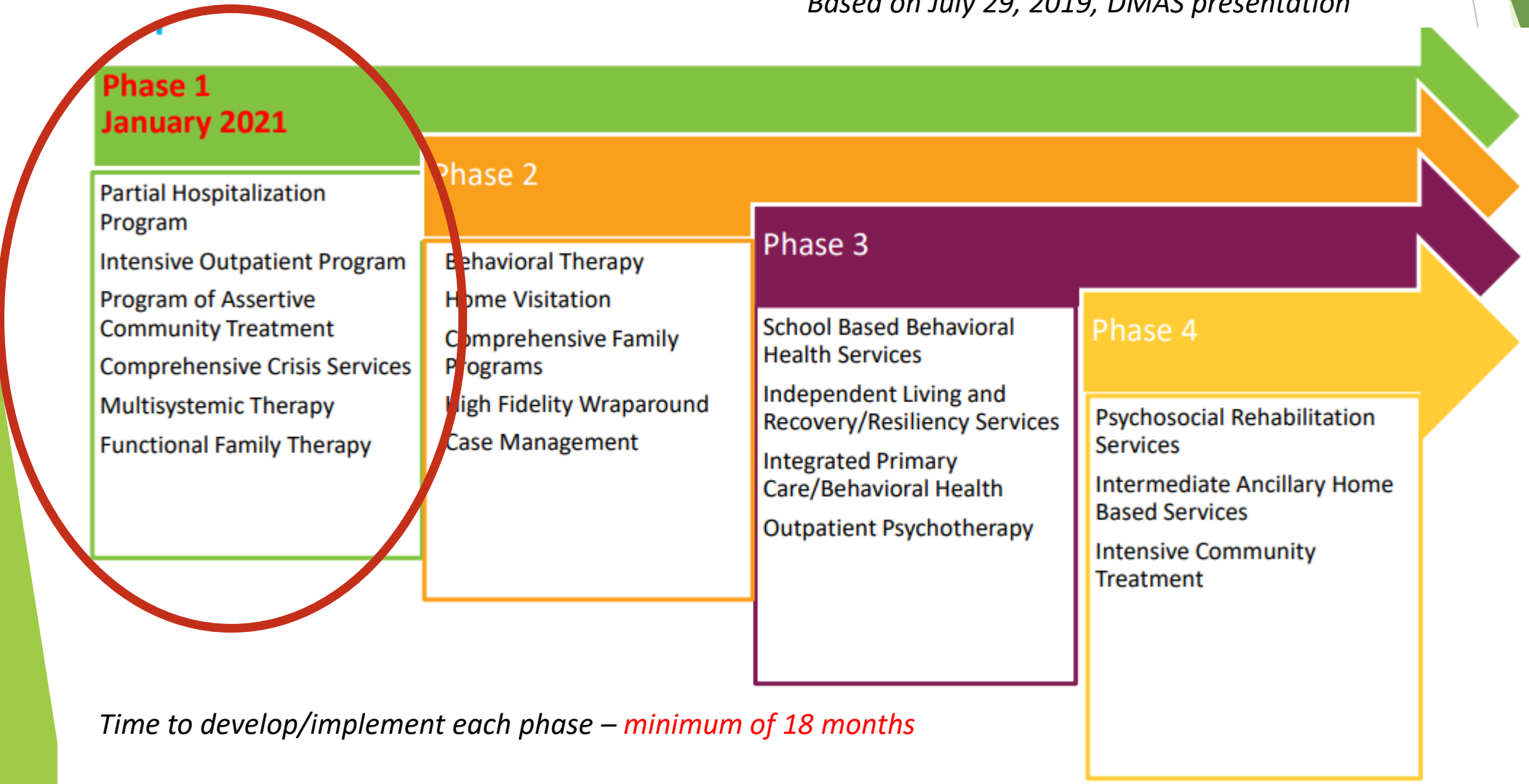
Project BRAVO

Enhancement of the Medicaid Behavioral Health Continuum of Services



Original Project BRAVO timeline

Based on July 29, 2019, DMAS presentation



Time to develop/implement each phase – minimum of 18 months

Solutions to Bridge the Gaps: MHSS

- By waiving the prior hospitalization requirement, individuals will be discouraged from seeking a hospitalization in order to be eligible for the service
- Individuals in need of independent living supports can receive them prior to needing a more intensive service as opposed to waiting until things get “bad enough”
- Costs associated with intensive residential, inpatient and crisis services can be avoided
- With constrained capacity at public and private hospitals, the goal should be to prevent hospitalization, not encourage it

Solutions to Bridge the Gaps: Community-based Residential Program

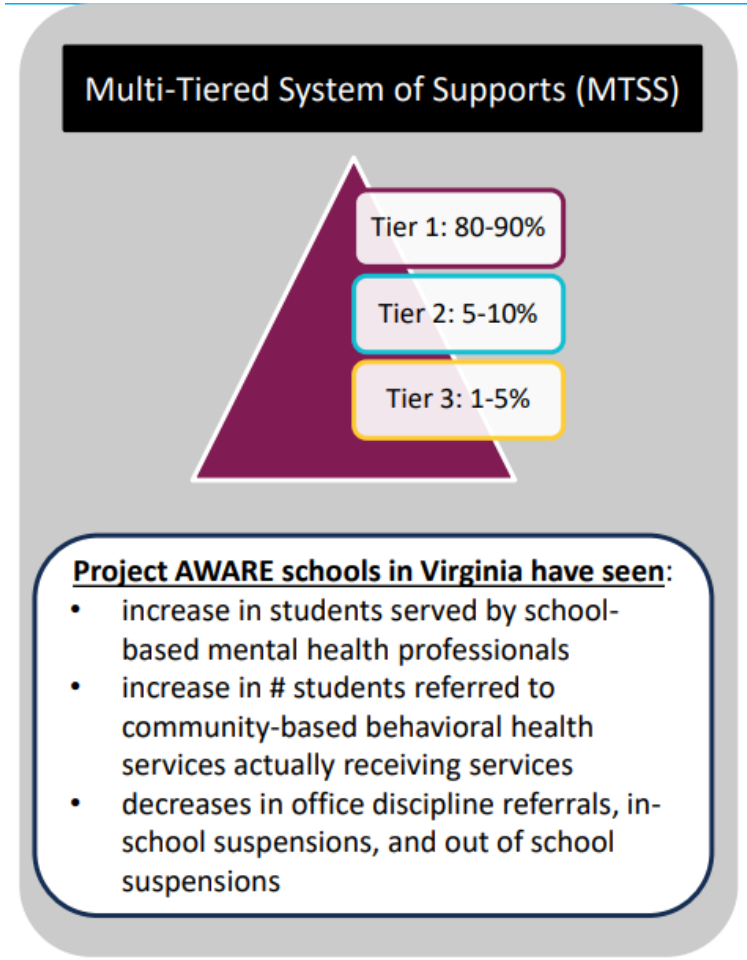
- Could serve as a diversion program to prevent hospitalization/ residential and/or function as a step-down service
  - *Create structure for patient outside of residential/in-patient setting*
  - *Evidence-based, trauma-informed*
  - *Provide in the community (home)*
  - *Team approach with mix of clinical and life skills supports to meet patient needs*
  - *More flexible, more intensive than Intensive In-Home (IIH)*
  - *Rates must align with service*
  - *This type of service currently offered through CSA in certain areas (Richmond, Chesterfield, Henrico, Roanoke, Staunton, Martinsville)*
  - *Grant-based and/or partnership with DBHDS*

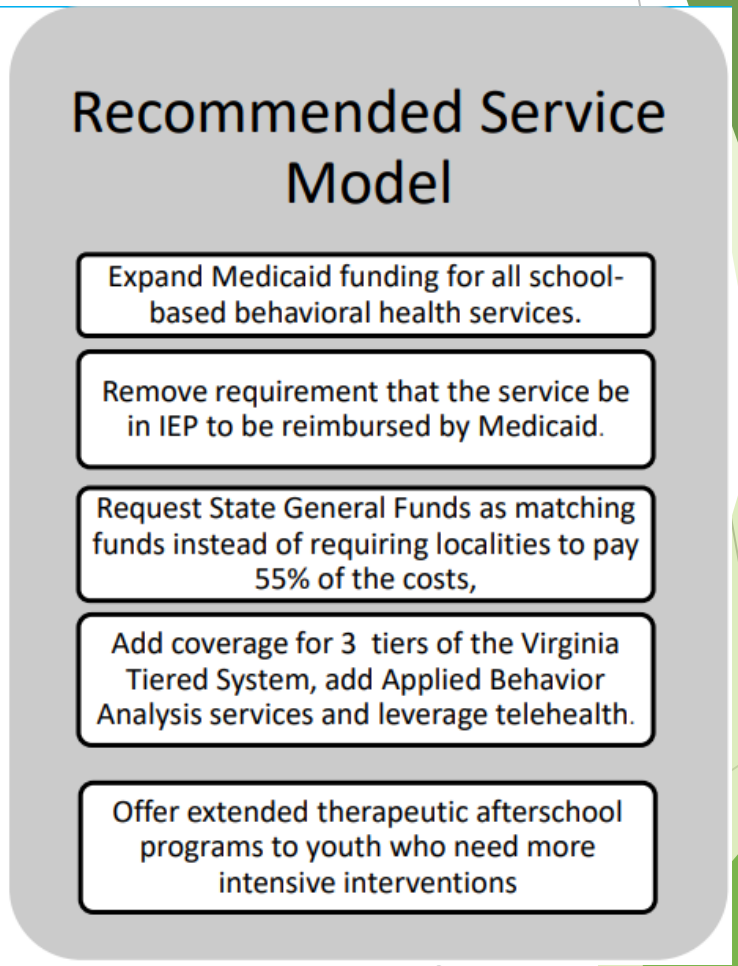
Solutions to Bridge the Gaps: School-based Services

Project BRAVO

Long-term Vision for School-Based Services

But… the enhancement process takes a minimum of 18 months





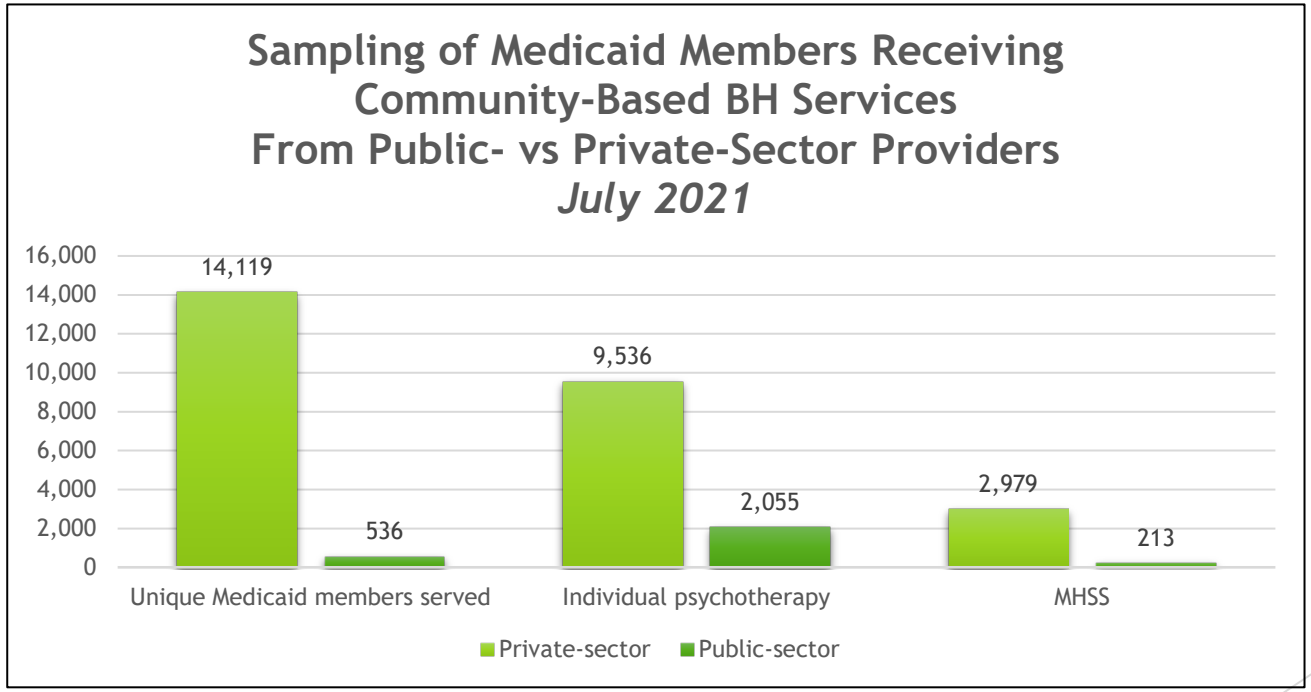
Based on January 2019 DMAS presentation

Solutions to Bridge the Gaps: School-based Services

- Develop and fund a temporary grant program to provide a bridge between now and when school-based services can be enhanced
  - *Focus on early intervention/prevention services to eliminate chance for overlap with TDT*
  - *Ensure outcomes and accountability measures are incorporated*
  - *Use one-time/short-term funding to serve as a bridge to enhancement*
  - *Grant program in partnership with DBHDS*

Fully Leverage Public- and Private-Sector Providers in Virginia

Private providers provide approximately 80% of all community-based behavioral health services funded by Medicaid



Public- and Private-Sector Providers in Virginia

Similarities between public- and private-sector providers

- *Comply with all DBHDS licensing and human rights requirements*
- *Comply with all the same training and quality requirements*
- *Subject to same service authorization requirements with the Medicaid MCOs*
- *Must adhere to increasing administrative and documentation requirements*
- *Struggle with the lack of qualified behavioral health practitioners*

Quick poll of workforce needs for VACBP members

(Based on responses by just 16 total agencies)

Current vacancies (10-21) – 367

Number fewer staff than January 2020 – 242

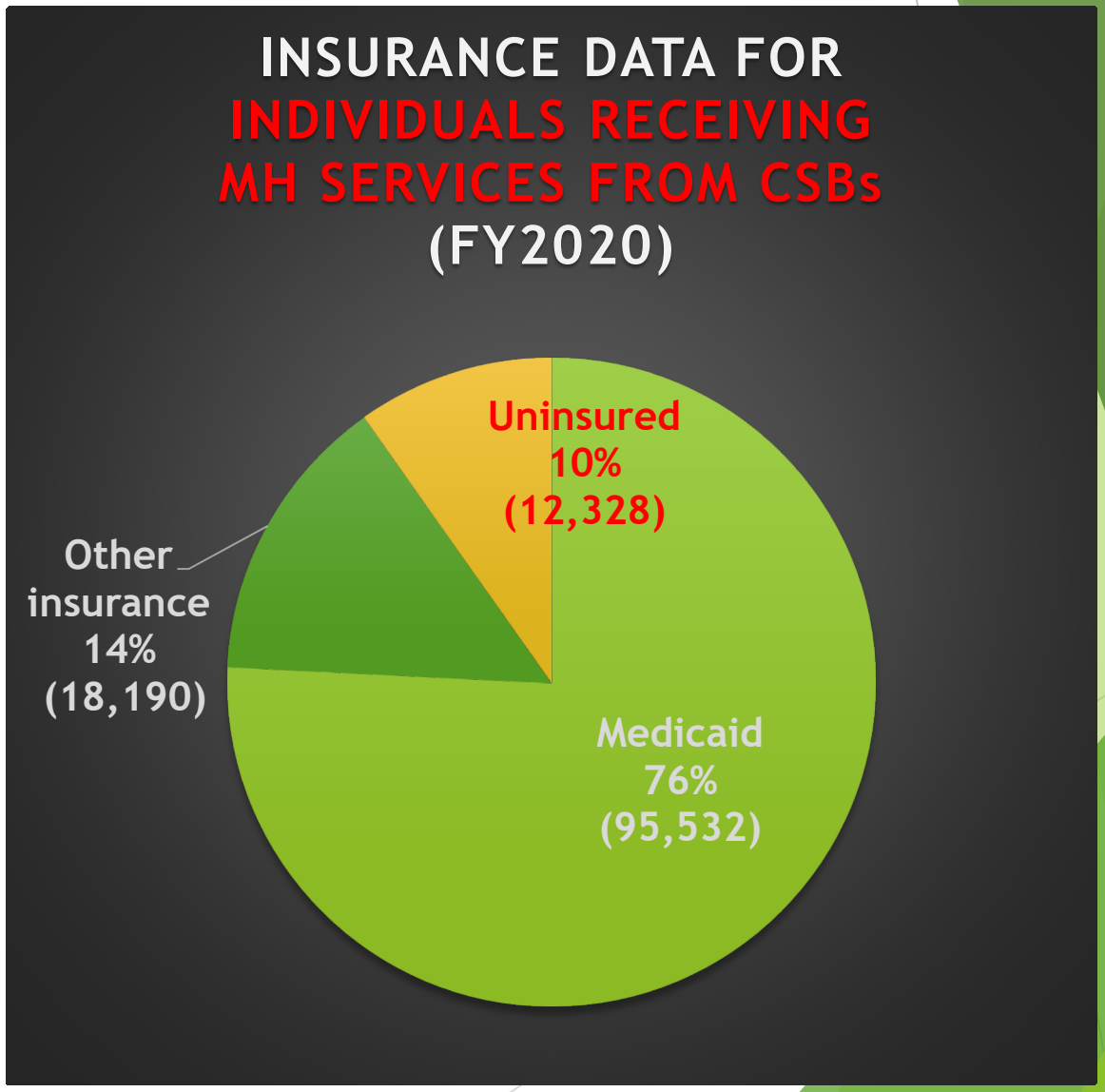
Number fewer staff than January 2021 – 109

Number of staff needed – 425

Public- and Private-Sector Providers in Virginia

Differences between public- and private-sector providers

- *Public-sector providers (CSBs) are mandated to provide certain services regardless of whether the individual has insurance*
- *CSBs must adhere to additional contractual requirements and reporting with the state*
- *CSBs have the exclusive ability to bill for certain services (i.e., Targeted Case Management)*



Source: DBHDS FY 2020 Annual Report

Public- and Private-Sector Providers in Virginia

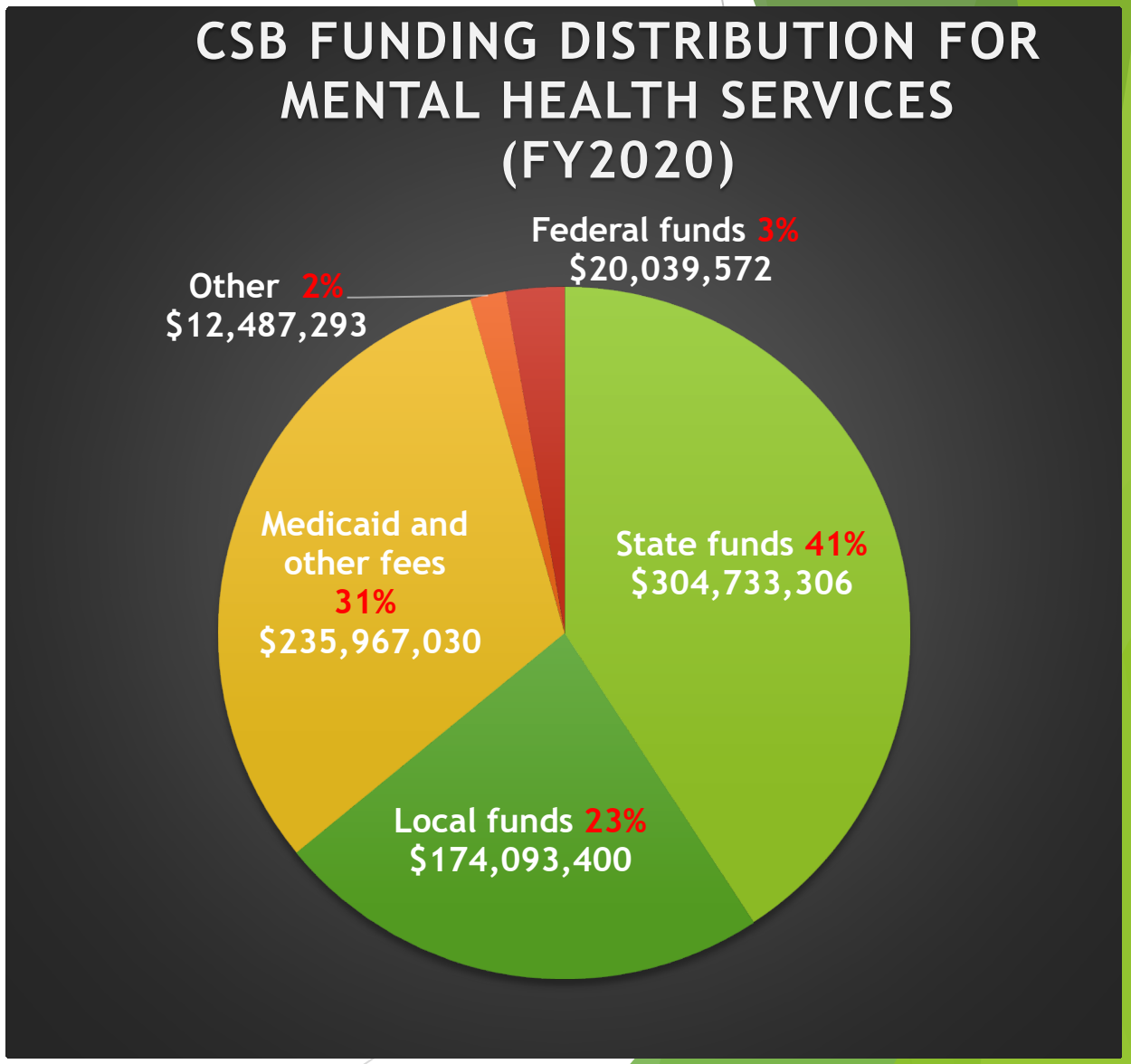
Differences between public- and private-sector providers

- *CSBs receive STEP-VA funding and are responsible for its implementation*
- *CSBs are restricted geographically by catchment areas*
- *CSBs are exempt from certain staff licensing requirements under the Board of Health Professions (per State code)*
- *CSBs have preferential MCO credentialing*
  - *It can take up to five months for private providers to have a staff person credentialed with each MCO*

Public- and Private-Sector Providers in Virginia

Differences between public- and private-sector providers

- Funding sources for CSBs (mental health)
  - *State funds – 41%*
  - *Medicaid/other fees – 31%*
  - *Local funds – 23%*
  - *Federal funds – 3%*
  - *Other – 2%*

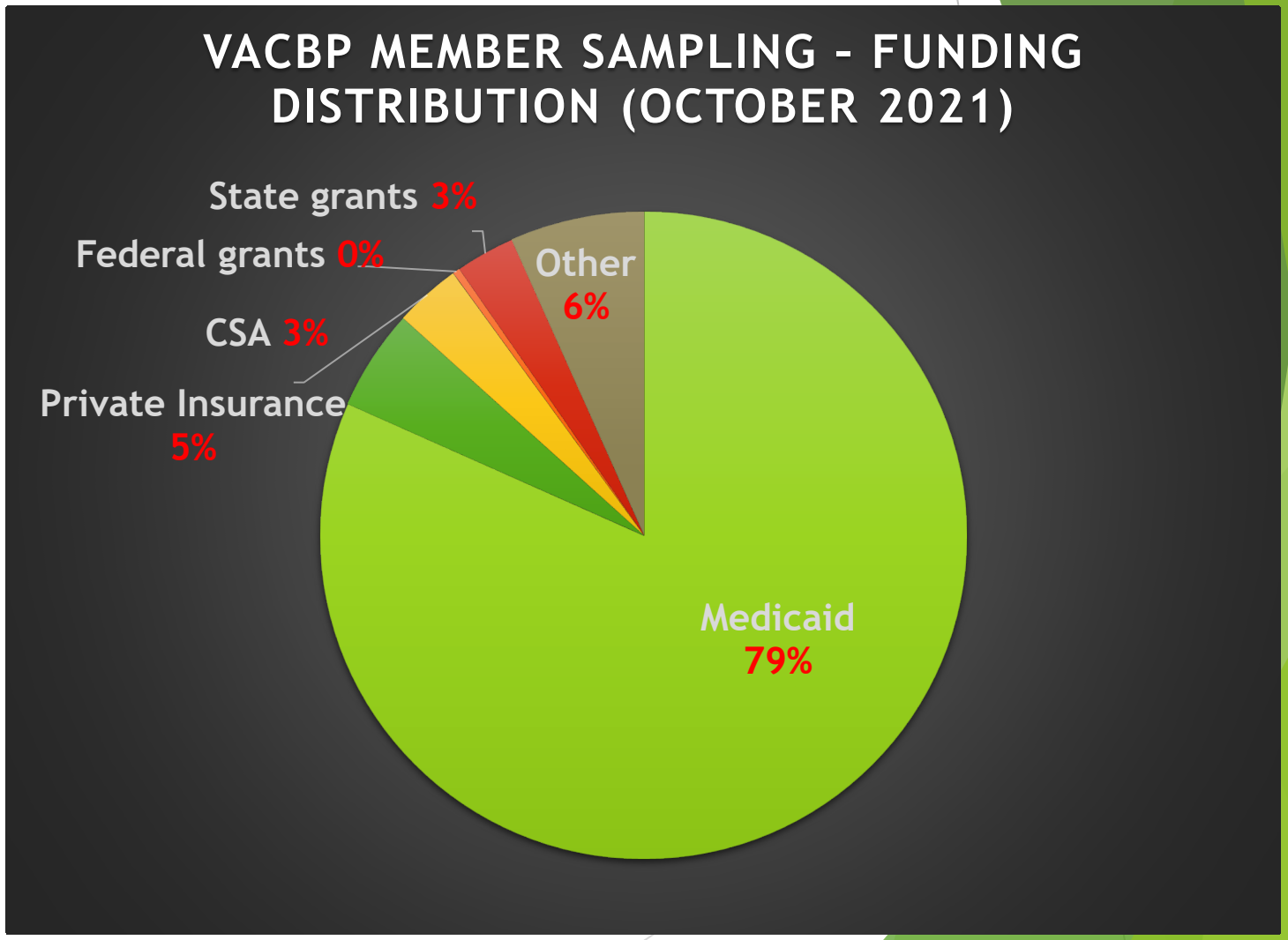


Source: DBHDS FY 2020 Annual Report

Public- and Private-Sector Providers in Virginia

Differences between public- and private-sector providers

- Funding sources for sampling of VACBP members
  - *Medicaid – 79%*
  - *Private insurance – 5%*
  - *State grants – 3%*
  - *CSA– 3%*
  - *Federal grants – >1%*
  - *Other funds – 6% (TriCare)*
  - *State GF – 0*



Public-Sector and Private-Sector Providers Play an Integral Role in Serving the Behavioral Health Needs of Vulnerable Virginians

Thoughts to consider

- Calculate and track the prevalence of mental illness and/or substance use disorder among those in the criminal justice system
- Ensure those who are eligible are enrolled in Medicaid
- Consider partnerships with community-based providers (public and private) to meet specific and unique clinical/mental health needs, provide care coordination and facilitate connections with resources in the communities
- Recognize the constraints of the system and need for resources
- Support priorities to improve the system
  - *Invest in the community-based services and rates*
  - *Support initiatives to bridge gaps in the system to meet needs*
  - *Fully leverage the entire system – public and private-sector providers*

Questions/Discussion

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