Ohio's Behavioral Health System Redesign

Over the past seven years, Ohio Governor John Kasich's Administration transformed all aspects of the state's behavioral health system – how it's financed, who's covered, what's covered, how the bills get paid, and how all of that is coordinated.

When Governor Kasich took office in 2011, Ohio's mental health and addiction services system was in crisis. State funding had been reduced significantly over the previous four years, and local funding was increasingly being used as Medicaid match.

Governor Kasich's team came in with clear instructions to rebuild community behavioral health system capacity and to integrate physical and behavioral health care services. The Governor's team focused on the following four specific strategies and had the benefit of two terms to implement all four reforms designed to support behavioral health and recover for Ohioans.

1. Elevation

First, the Governor's team elevated the financial responsibility to provide Medicaid matching funds from local mental health and addiction treatment systems to the state. They also reorganized the Governor's cabinet to consolidate mental health and addiction services in one department, and created a stand-alone Medicaid department. As a result, the state now provides more consistent access to Medicaid treatment services statewide, and local systems are free to focus local resources on local needs, like housing and employment.

2. Expansion

The next big step was in 2014 when Governor Kasich expanded Medicaid to cover more low-income Ohioans, including more than 630,000 individuals to date with behavioral health needs who previously relied on county-funded services or went untreated. The combination of elevating match for clinical services to the state and extending Medicaid coverage to more people added more than $1 billion to Ohio's behavioral health system capacity – an 80 percent increase over four years.

Despite this significant increase in *financial* capacity, there were still *operational* barriers that restricted access to qualified providers. For example, antiquated and insufficient billing codes, rates not tied to clinician type, different rates for mental health and substance use disorder services, and limited rehabilitation options – these factors perpetuated reliance on traditional behavioral health providers while making it difficult for primary care practices and hospitals to provide those services.

3. Modernization

The third phase of reform modernized benefits and billing codes. In January 2018, Ohio moved to national coding standards, replacing 17 Ohio-specific billing codes with 120 codes that provide greater transparency and more accountability. For example, now the state can tie rates to clinician qualifications instead of paying the same rate for all clinician types. The state team also turned on codes for new services, including Assertive Community Treatment (ACT) for Adults and Intensive Home Based Treatment (IHBT) for Youth. Already there has been a boost in capacity as providers that

were previously closed out of the system – including primary care practices and hospitals – recognize that Ohio's modernized system now supports their participation.

The reforms to date provide the transparency and accountability necessary to make sure the right services are being provided to the individuals who need them most, something that wasn't always happening under the old system. For example, a very small group of Medicaid enrollees (five percent) account for half of total Medicaid behavioral health spending but the system made no distinction between the highest-cost and lowest-cost clients, nor did it pay for the care coordination that should be standard for those with the greatest need. Step four addresses this concern.

4. Integration

On July 1, 2018, Ohio will move all behavioral health services into Medicaid managed care. Ohio Medicaid will continue to rely on its existing five statewide Medicaid managed care plans (CareSource, Buckeye/Centene, Molina, Paramount and United) but require them to implement a very specific care coordination model that the state designed in cooperation with behavioral health care providers, primary care providers, and patient advocates.

The first feature of the model is better access to ***comprehensive primary care***. Primary care practices that do more to keep patients well, including specific behavioral health measures, are paid an additional $1 to $22 per member per month based on patient risk. Practices that meet quality targets and hold down the total cost of care compared to peers or their own past performance receive an annual performance bonus worth half of any savings they achieve. This creates a powerful incentive to get patients connected to the services they need to avoid other unnecessary costs that inevitably result when behavioral health issues go untreated.

The second feature of the model is ***intensive care coordination*** for the individuals with the most severe needs. The state will attribute these individuals to a qualified behavioral health care provider that has the capacity to coordinate all aspects of the individual's physical and behavioral health care needs. The state will identify individuals with the most severe needs and match them to the qualified behavioral health providers that have the qualifications to meet those needs. The state will define the appropriate level of alignment, responsibility and accountability among qualified behavioral health providers, comprehensive primary care practices, and Medicaid managed care plans.

From the beginning, the state team acknowledged that transformation on this scale is not easy, particularly for providers that have done business in the same way for decades. However, the benefit for Ohioans – more services, more choice among providers, and better coordination for those who need it most – are worth the effort to improve the system. After seven years of continuous reform, the state is prepared to deliver on its ultimate goal to …

… fully integrate physical and behavioral health care services to support recovery for individuals with a substance use disorder or mental illness.