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Department of Health Care Access and Information

OHCA Investment and Payment Workgroup

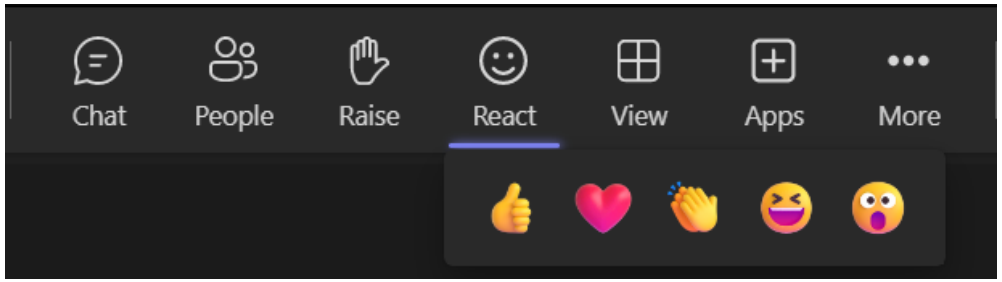
December 18, 2024

Agenda

9:00 a.m.	**1.**	**Welcome, Updates, and Introductions**
9:05 a.m.	**2.**	**Defining Behavioral Health Spending**
9:10 a.m.	**3.**	**November Workgroup Feedback**
9:15 a.m.	**4.**	**Measuring Behavioral Health Spending Using Claims**
10:25 a.m.	**5.**	**Next Steps**
10:30 a.m.	**6.**	**Adjournment**

Meeting Format

- Workgroup purpose and scope can be found in the Investment and Payment Workgroup Charter
- Remote participation via Teams Webinar only
- Meeting recurs the third Wednesday of every month
- We will be using reaction emojis, breakout rooms, and chat functions:



Date: December 18, 2024

Time: 9:00 am PST

Microsoft Teams Link
for Public Participation:
Join the meeting now

Meeting ID: 289 509 010 938
Passcode: r5gbsW

Or call in (audio only):
+1 916-535-0978

Conference ID:
456 443 670 #

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Chief, Program Policy Section, Medical Behavioral Health Division, Department of Health Care Services

Jeffrey Norris, MD
Value-Based Care Payment Branch Chief, California Department of Health Care Services (DHCS)

Monica Soni, MD
Chief Medical Officer, Covered California

Dan Southard
Chief Deputy Director, Department of Managed Health Care

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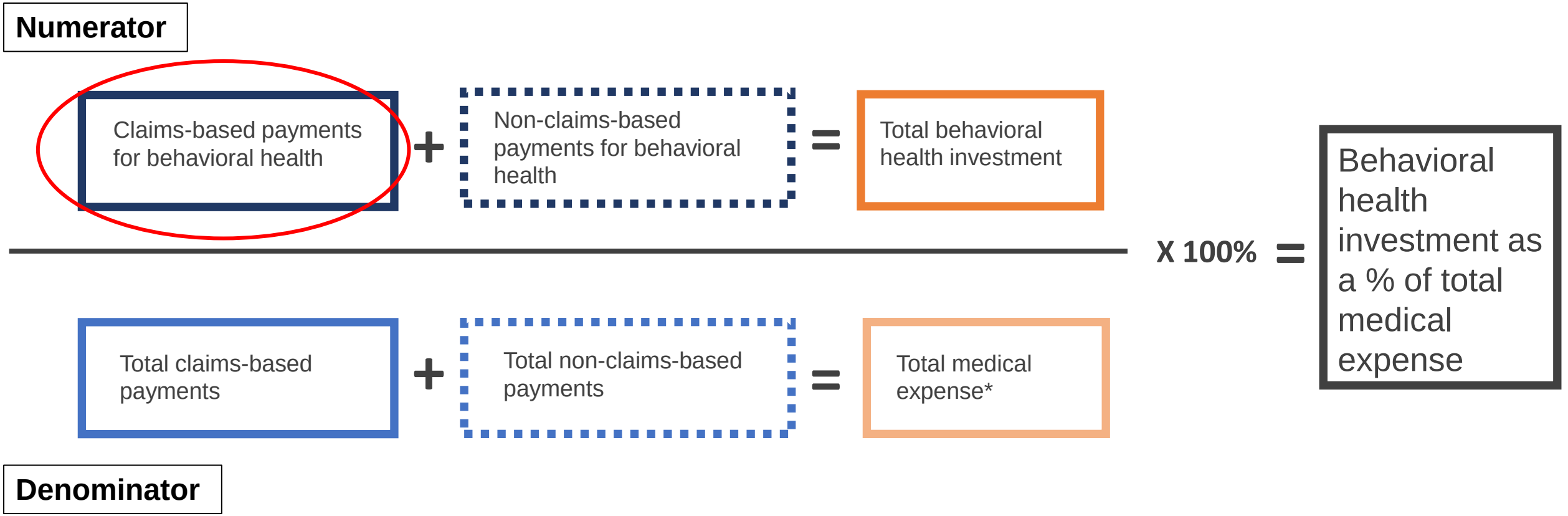
Defining Behavioral Health Spending

Debbie Lindes, Health Care Delivery System Group Manager

Measuring Behavioral Health Investment



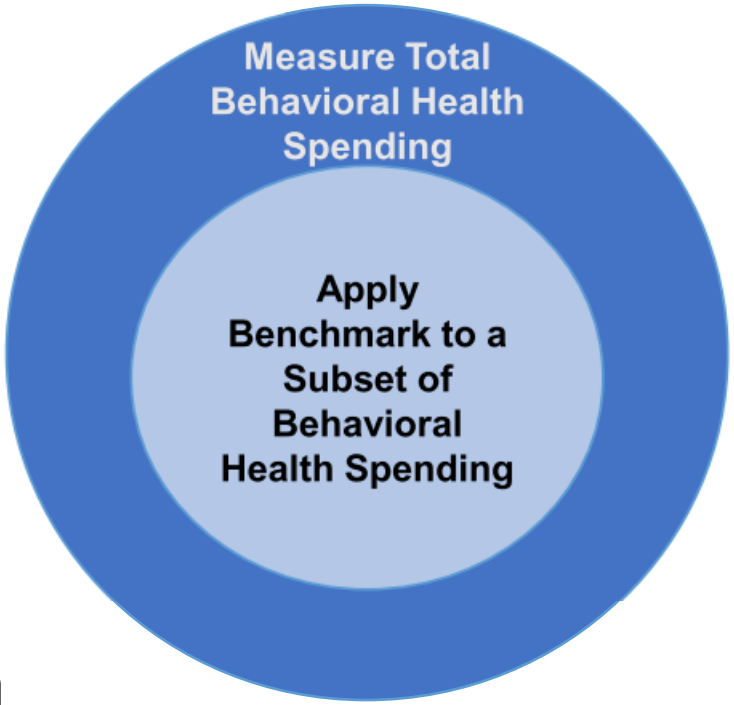
Note: The numerator will include patient out-of-pocket responsibility for behavioral health services obtained through the plan i.e., services for which a claim or encounter was generated. The denominator will include pharmacy spending and all patient out-of-pocket responsibility for services obtained through the plan.

Broad Measurement, Focused Benchmark

- **Measurement:** OHCA will be measuring **total** behavioral health spending as a percentage of total health care expenditures.

- **Benchmark**: OHCA proposes that the behavioral health investment benchmark applies to a **subset** of behavioral health care spend.

Spending Included



Today's discussion will focus on defining behavioral health using claims, for use in the ***measurement of total*** behavioral health spending.

November Workgroup Feedback

Debbie Lindes, Health Care Delivery System Group Manager

November Workgroup Feedback

Question from November Meeting	OHCA Revised Proposal
What should the increased behavioral health investment achieve?	Increased investment should help individuals in need of behavioral health care to receive more timely, high quality, and culturally-responsive care, in more appropriate settings, and with less out-of-pocket spending via improved access to ~~in-network,~~ outpatient and community-based services that are in-network.
How should OHCA structure the benchmark to achieve this aim?	Include in-network, outpatient and community-based behavioral health services covered via commercial and Medicare Advantage* plans, excluding pharmaceutical spend.**

*OHCA would initially focus on commercial and Medicare Advantage and expand to Medi-Cal when data collection and methodology allow.
**Still under consideration.

November Workgroup Feedback

Question from November Meeting	OHCA Revised Proposal
What supplemental analyses could support monitoring whether the aim is achieved?	Potential Analyses*: • Proportion of behavioral health services that occur in outpatient and community-based setting • Emergency department and crisis service use for behavioral health needs • Monitoring access to inpatient behavioral health services • Rates of behavioral health screening • Spending specifically for integrated behavioral health care • Quality measures related to behavioral health care and follow-up • Number and distribution of providers and facilities billing for behavioral health services • Licensed providers in payer networks as a percentage of total licensed providers in California • Average therapy sessions per member**

*OHCA will evaluate the feasibility of these potential analyses.
**Still under consideration.

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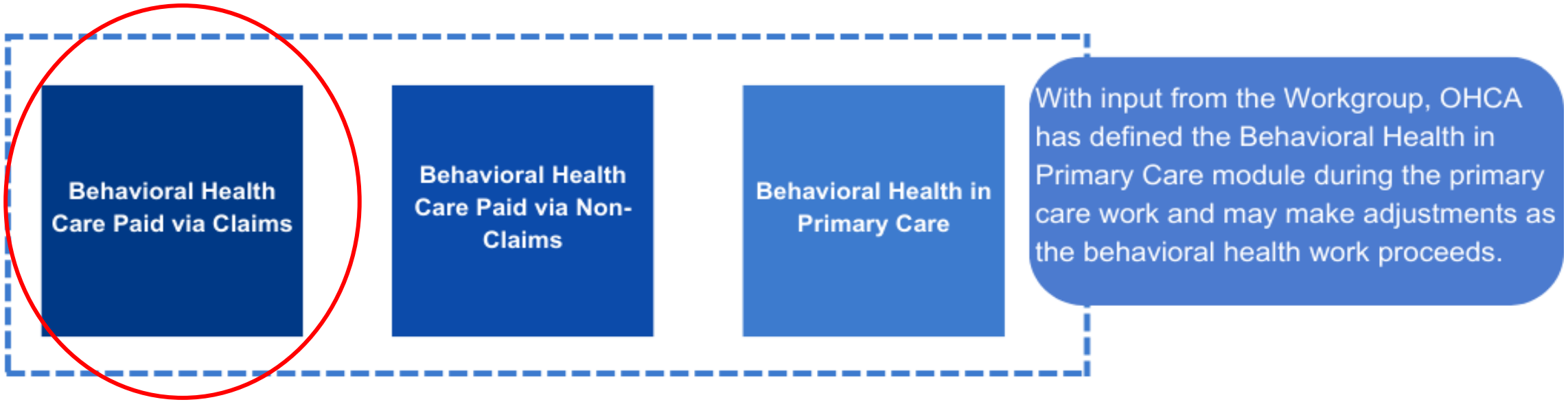
Measuring Behavioral Health Spend Using Claims

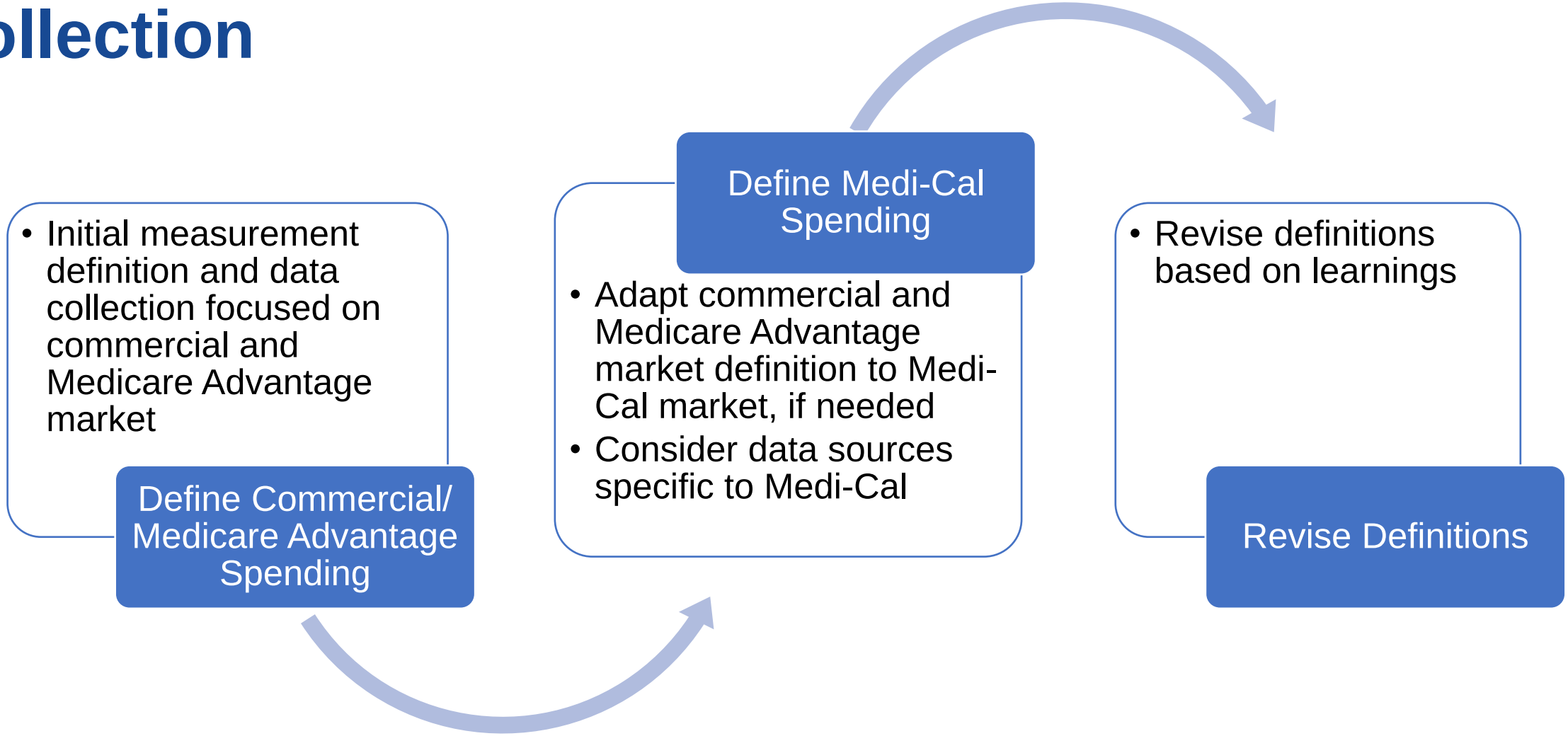
Debbie Lindes, Health Care Delivery System Group Manager
Mary Jo Condon, Principal Consultant, Freedman HealthCare

Three Recommended Modules for Behavioral Health Spending Measurement

OHCA proposes to use three modules to measure behavioral health spending, following the approach for measuring primary care spending. Behavioral health in primary care will be measured separately so it can be included in analyses of behavioral health or primary care spending.

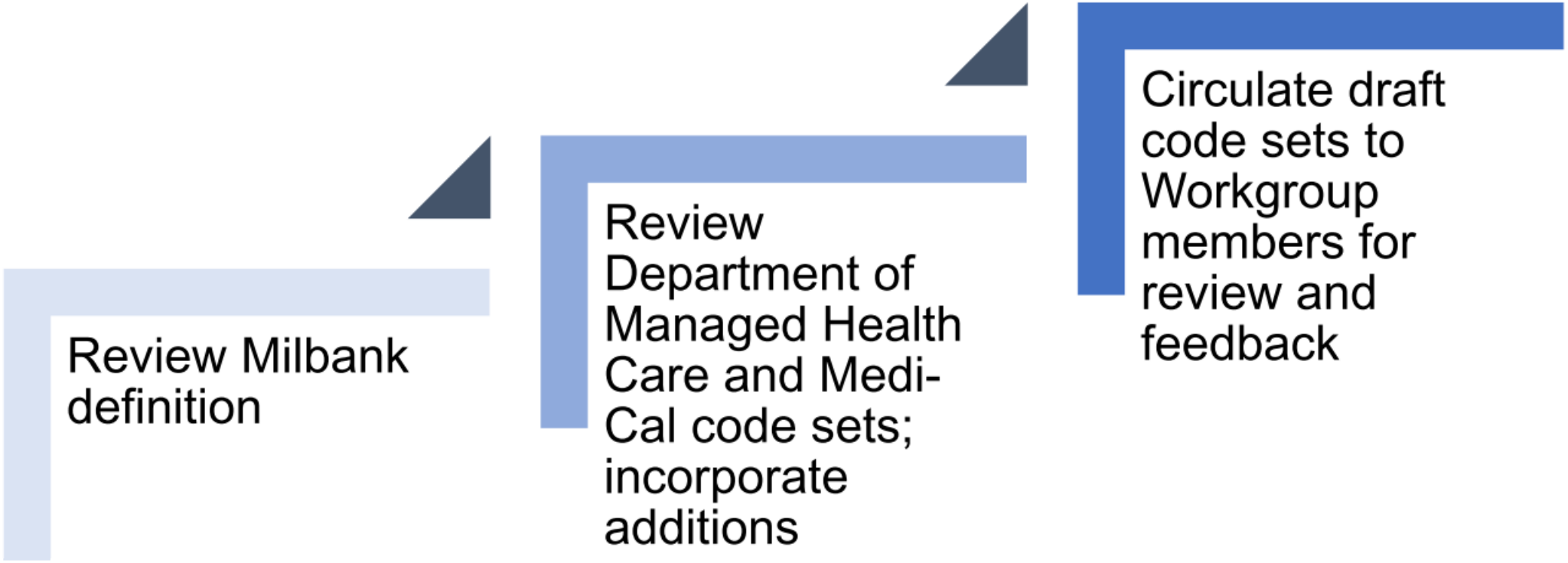


Proposed Phased Approach to Behavioral Health Spending Measurement Definition and Data Collection



Defining Behavioral Health Spending

Proposed Approach to Defining Code Sets



Today's focus is discussing these codes conceptually at a category level.

Background on Milbank Approach

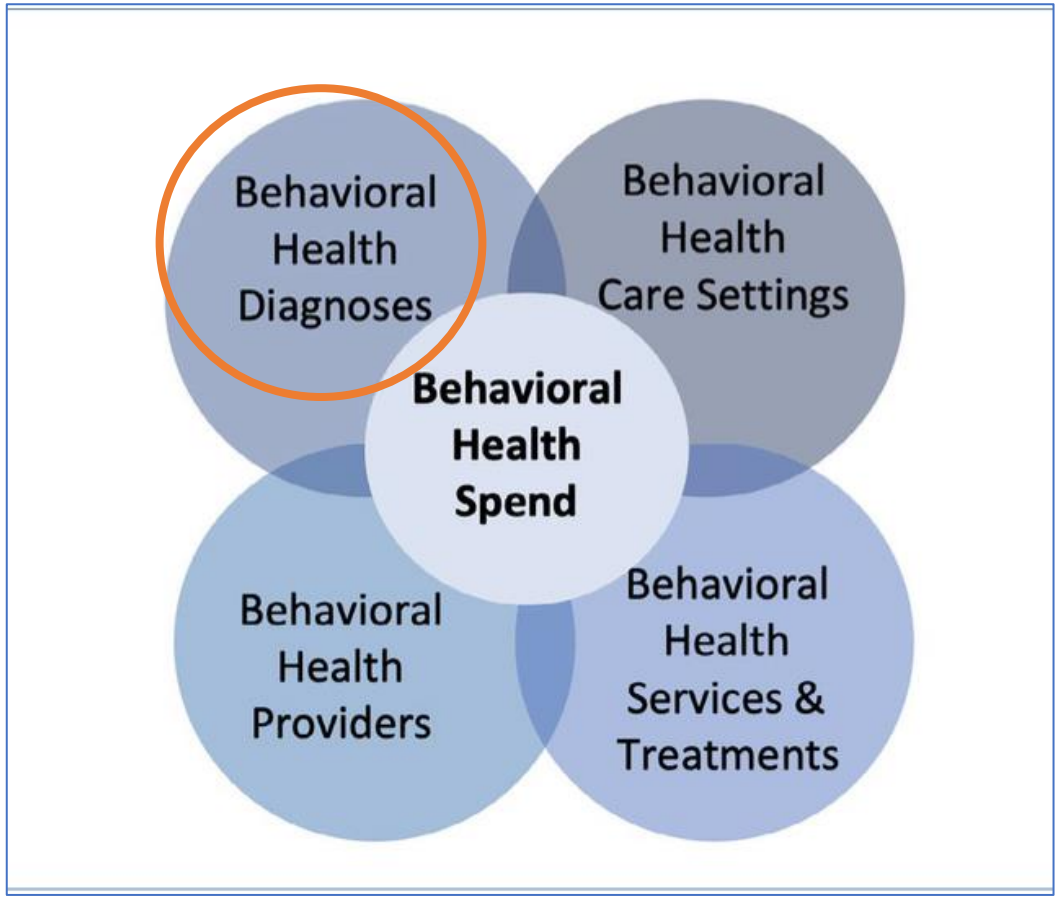
- The Milbank definition used HEDIS value sets and other state definitions as a starting point
  - HEDIS value sets are complete sets of codes (procedure, revenue, place of service, diagnosis, drug codes) used to calculate results on HEDIS quality measures.
  - There are specific value sets for mental health and substance use disorders.
  - HEDIS value sets are used nationally.
  - Other states have also leveraged these code sets as a starting point for behavioral health measurement and augmented them based on stakeholder feedback.

- The Milbank Advisory Group then modified the draft definition to develop the Milbank recommended code set.

Measurement Component: Diagnosis

Milbank Principles

- Include a specific set of diagnosis codes to identify patients with a primary diagnosis of a behavioral health condition
- Include all diagnosis codes for mental health and substance use disorders consistently used in state definitions (Maine, Massachusetts, Rhode Island)
- Assign diagnoses and associated spending to mental health and substance use disorder categories



The Milbank Memorial Fund, April 2024. Recommendations for a Standardized State Methodology to Measure Clinical Behavioral Health Spending. https://www.milbank.org/publications/recommendations-for-a-standardized-state-methodology-to-measure-clinical-behavioral-health-spending/

Measurement Component: Diagnosis

Categories of Diagnosis for Measurement:

- Autism
- Behavioral and Emotional Disorders with Onset Usually Occurring in Childhood and Adolescence
- Anxiety, Dissociative, Stress-Related, Somatoform and Other Nonpsychotic Mental Disorders
- Behavioral Syndromes Associated with Physiological Disturbances and Physical Factors
- Dementia
- Disorders of Adult Personality and Behavior
- Factors Influencing Health Status and Contact with Health Services
- Injury, Poisoning and Certain Other Consequences of External Causes
- Mental and Behavioral Disorders due to Psychoactive Substance Abuse
- Mental Disorders Due to Known Physiological Conditions
- Mood [Affective] Disorders
- Pervasive and Specific Developmental Disorders
- Schizophrenia, Schizotypal, Delusional and Other Non-Mood Psychotic Disorders
- Symptoms and Signs Involving Cognition, Perception, Emotional State and Behavior

Note: List is not exhaustive but provides examples of the diagnosis categories typically included in state behavioral health measurement definitions.

Behavioral Health Diagnosis Categories with Differing State Approaches

Category	Issues to Consider	Milbank Approach
Dementia	• Some treatment is behavioral; other is medical • Enables accounting for behavioral health services by providers that treat the condition • SAMHSA has discussed dementia as a medical condition	Include
Autism and other developmental disorders	• Treatment is largely behavioral • Promotes increased investment --> improved access • Medical costs can artificially inflate behavioral health spending if not accurately categorized	Include
Adverse effects of poisoning/self-harm	• Poisoning related to intentional self-harm is a serious behavioral health event • Immediate effects are directly related to the behavioral health event • Services to treat the effects may be predominantly medical	Include

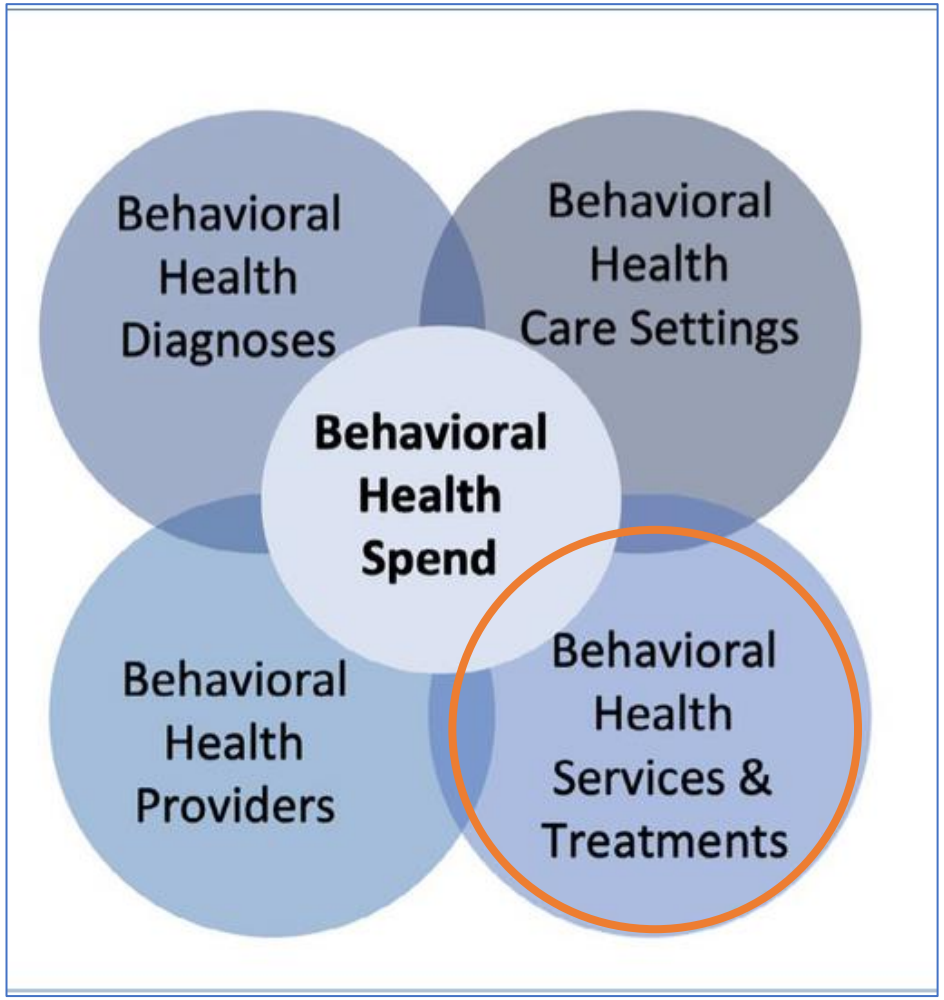
Discussion

- Regarding the diagnosis categories with differing state approaches, which should OHCA include or exclude?
  - Dementia
  - Autism and other developmental disorders
  - Adverse effects of poisoning/self-harm
- Are there other categories of diagnoses that should be included or excluded?
- Should the definition only “count” spending where a behavioral health condition is the primary diagnosis?

Measurement Component: Services & Treatments

Milbank Principles

- Include a specific set of procedure codes to define behavioral health services.
- Include services typically covered by Medicaid only.
- Separate spending in each service category into mental health and substance use disorder based on the primary diagnosis on each claim.
- Define behavioral health prescriptions using the lists of National Drug Codes (NDC) in place in Massachusetts and Rhode Island.



Example Categories of Services & Treatments Included in Measurement

- Adult community clinical services
- Applied behavioral analysis (ABA) services
- Clubhouses
- Collaborative care management (i.e., managing behavioral health conditions in primary care)
- Community Behavioral Health Centers (including mobile crisis intervention, community crisis stabilization)
- Early intervention services
- Electroconvulsive therapy (ECT) and transcranial magnetic stimulation (TMS)
- Emergency department visits
- Inpatient admissions
- Intensive outpatient treatment
- Stand-alone case management
- Outpatient substance use disorder services and mental health clinics and outreach, including:
  - Clinical stabilization services
  - Detoxification services
  - Opioid treatment centers (i.e., medication-assisted treatment [MAT])
  - Transitional support services
- Observation stays
- Partial hospitalization visits
- Peer services
- Program for assertive community treatment
- Psychiatric day programs
- Psychotherapy and family/group therapy
- Recovery learning communities
- Residential stays
- Respite

Note: List is not exhaustive but provides examples of the service and treatment categories typically included in state behavioral health measurement definitions.

Discussion

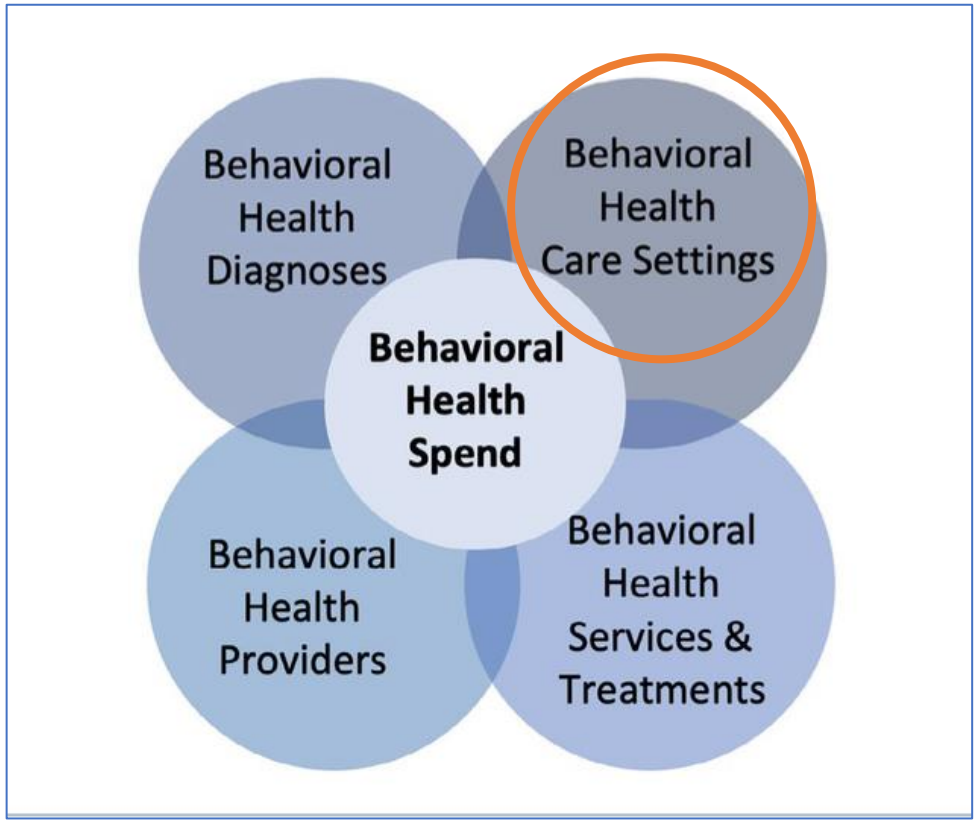
- Should OHCA include a specific set of services and treatments to define behavioral health spending?

- If yes, OHCA would anticipate taking a broad approach since a behavioral health diagnosis would be required.
  - Do you agree with this approach?
  - Are there any specific services or categories of service you would recommend OHCA excludes from behavioral health measurement?

Measurement Component: Care Setting

Milbank Principle

- Use a list of CMS Place of Service and National Uniform Billing Committee (NUBC) revenue codes to identify care settings
- Use care setting in combination with services to identify service categories and subcategories



Example Care Settings

Outpatient and Community-Based

- Office
- Telehealth
- School
- Home
- Federally Qualified Health Center
- Public Health & Rural Health Clinic
- Hospital Outpatient
- Worksite
- Assisted Living Facility
- Group Home
- Mobile Unit

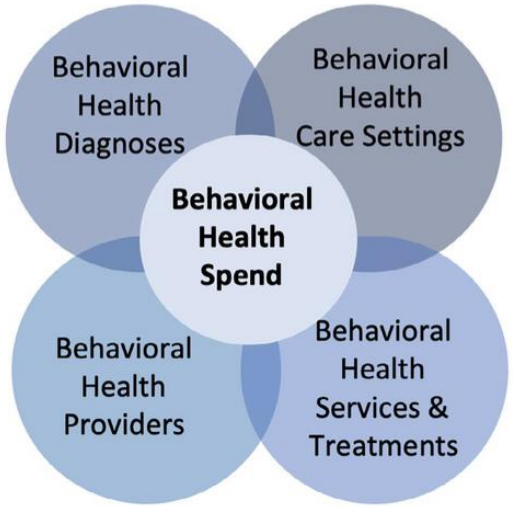
Facility-Based

- Inpatient hospital
  - Psychiatric unit
  - Pediatric unit
  - Detoxification unit
  - Psychiatric ICU
- Skilled nursing facility
- Inpatient rehab facility
- Emergency room - hospital

Note: List is not exhaustive but provides examples of the care setting categories typically included in state behavioral health measurement definitions.

Organizing Behavioral Health Spending Data for Analysis and Reporting

Step 1: Code sets define what is included as behavioral health spend.



Subcategories

Subcategories

Subcategories

Subcategories

Subcategories

Step 3: Subcategories can be grouped into Categories for more streamlined reporting.

Service Category

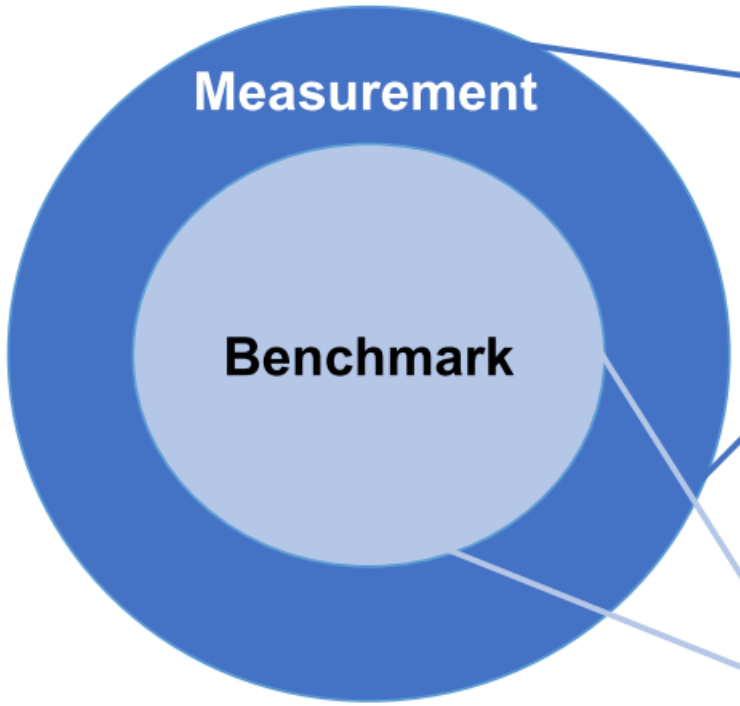
Step 2: Care Settings, Services, and Treatments are grouped together into subcategories to support analyses.

Reporting: Categories and Subcategories

Milbank envisioned states could combine subcategories to develop service categories and benchmarks based on state priorities.

Examples of Subcategories
• Emergency Department/Observation- Facility • Emergency Department/Observation- Professional • Inpatient- Facility • Inpatient- Professional • Long-term Care • Mobile Services • Outpatient- Facility • Outpatient- Professional Primary Care • Outpatient- Professional Non-Primary Care • Other Behavioral Health Services • Partial Hospitalization • Prescription Drug Treatments • Residential Care

Example Measurement vs. Benchmark



Potential Service Categories for Total Spend Measurement:

- Long-term Care
- Residential
- Inpatient (including partial hospitalization)
- Emergency Department/Observation
- Mobile Services
- Outpatient Facility and Professional, including
  - Primary Care
  - Telehealth
  - Community-based services

Potential Service Categories for Benchmark:

- Mobile Services
- Outpatient Facility and Professional (incl. Primary Care, Telehealth, Community-based Services)

Discussion

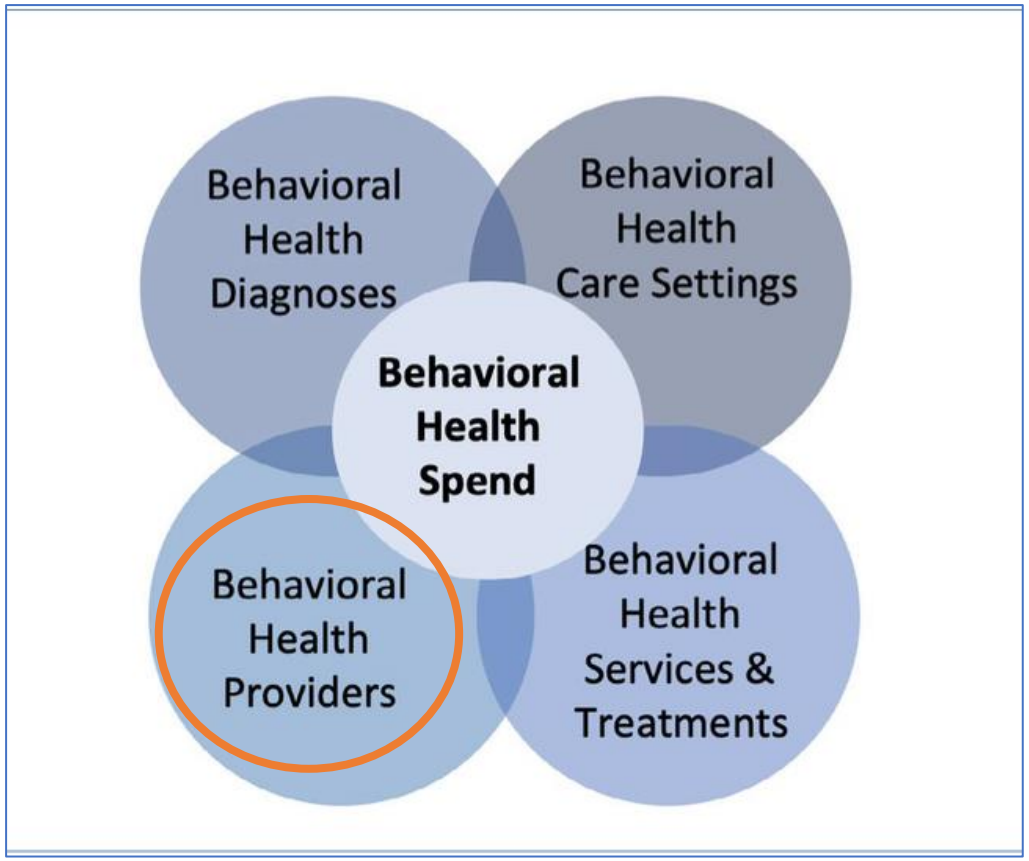
- Do you agree grouping behavioral health spending is a useful approach to better understand how dollars are spent?

- Are there particular subcategories of services or care settings where you would like to better understand spending?

Measurement Component: Provider

Milbank Principles

- Do not restrict by provider type, consistent with all state approaches
- Track behavioral health services delivered by primary care providers in the primary care setting



Discussion

- Should OHCA include behavioral health spending regardless of provider type?
  - Through its behavioral health in primary care module, OHCA will measure (to the extent possible) behavioral health services provided in a primary care setting.

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Next Steps

Margareta Brandt, Assistant Deputy Director

Tentative Timeline for Behavioral Health Work

Between meetings, OHCA will revise draft behavioral health definitions and investment benchmarks based on feedback.

	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25
Workgroup	X	X	X	X	X	X	X	X	X	X	X
Advisory Committee				X			X		X		
Board						X	X	X		X	✓

X Provide Feedback ✓ Board Approval

January Workgroup Meeting Preview

Tentative Agenda

- Continue discussion of behavioral health spending measurement using claims
- Discuss proposed approach to non-claims behavioral health spending measurement
- Discuss claims and non-claims behavioral health spending benchmark (if time allows)

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Adjournment