HCAi
Department of Health Care Access and Information

OHCA Investment and Payment Workgroup

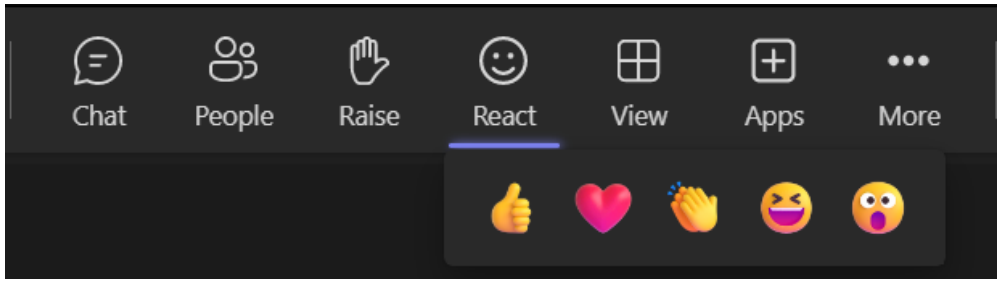
September 18, 2024

Agenda

9:00 a.m.	**1.**	**Welcome, Updates, and Introductions**
9:10 a.m.	**2.**	**Introduce Behavioral Health Spend Measurement Framework**
9:30 a.m.	**3.**	**Discuss Trade Offs for Key Decisions**
10:30 a.m.	**4.**	**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: September 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 #

Investment and Payment Workgroup Members

Providers & Provider Organizations

Bill Barcellona, Esq., MHA
Executive Vice President of Government Affairs, America's Physician Groups

Lisa Folberg, MPP
Chief Executive Officer, California Academy of Family Physicians (CAFP)

Paula Jamison, MAA
Senior Vice President for Population Health, AltaMed

Amy Nguyen Howell MD, MBA, FAAFP
Chief of the Office for Provider Advancement (OPA), Optum

Parnika Prashasti Saxena, MD
Chair, Government Affairs Committee, California State Association of Psychiatrists

Catrina Reyes, Esq.
Deputy General Counsel, California Primary Care Association (CPCA)

Janice Rocco
Chief of Staff, California Medical Association

Hospitals & Health Systems

Ash Amarnath, MD, MS-SHCD
Chief Health Officer, California Health Care Safety Net Institute

Kirsten Barlow, MSW
Vice President Policy, California Hospital Association (CHA)

Jodi Nerell, LCSW
Director of Local Mental Heath Engagement, Sutter Health

Health Plans

Stephanie Berry, MA
Government Relations Director, Elevance Health (Anthem)

Rhonda Chabran, LCSW
Vice President, Behavioral Health & Wellness, Kaiser Foundation Health Plan, Southern CA & HI

Keenan Freeman, MBA
Chief Financial Officer, Inland Empire Health Plan (IEHP)

Nicole Stelter, PhD, LMFT
Director of Behavioral Health, Commercial Lines of Business, Blue Shield of California

Yagnesh Vadgama, BCBA
Vice President of Clinical Care Services, Autism, Magellan

Consumer Reps & Advocates

Beth Capell, PhD
Contract Lobbyist, Health Access California

Jessica Cruz, MPA
Executive Director, National Alliance on Mental Illness (NAMI) CA

Nina Graham
Transplant Recipient and Cancer Survivor, Patients for Primary Care

Héctor Hernández-Delgado, Esq.
Senior Attorney, National Health Law Program

Cary Sanders, MPP
Senior Policy Director, California Pan-Ethnic Health Network (CPEHN)

Academics/ SMEs

Sarah Arnquist, MPH
Principal Consultant, SJA Health Solutions

Crystal Eubanks, MS-MHSc
Vice President Care Transformation, California Quality Collaborative (CQC)

Kevin Grumbach, MD
Professor of Family and Community Medicine, UC San Francisco

Reshma Gupta, MD, MSHPM
Chief of Population Health and Accountable Care, UC Davis

Vicky Mays, PhD
Professor, UCLA, Dept. of Psychology and Center for Health Policy Research

Catherine Teare, MPP
Associate Director, Advancing People-Centered Care, California Health Care Foundation (CHCF)

State & Private Purchasers

Lisa Albers, MD
Assistant Chief, Clinical Policy & Programs Division, CalPERS

Teresa Castillo
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

Primary Care & Behavioral Health Investments

Statutory Requirements

- **Measure and promote a sustained systemwide investment in** primary care and **behavioral health.**
- **Measure the** percentage of total health care expenditures **allocated to** primary care and **behavioral health and set spending benchmarks**.
- Include an analysis of primary care and behavioral health spending and growth, and relevant quality and equity performance measures, in the annual report.
- Consult with state departments, external organizations promoting investment in primary care and behavioral health, and other entities and individuals with expertise in primary care, behavioral health, and health equity.
- Benchmarks and public reporting shall consider differences among payers and fully integrated delivery systems, including plan or network design or line of business, the diversity of settings and facilities through which primary care can be delivered, including clinical and nonclinical settings, the use of both claims-based and non-claims-based payments, and the risk mix associated with the covered lives or patient population for which they are primarily responsible.

Health and Safety Code 127505(a-d) and 127501.4(h)

Primary Care & Behavioral Health Investments

Statutory Requirements

Promote improved outcomes for behavioral health, including, but not limited to, health care entities making investments in, or adopting models that do, any or all of the following:

a. Integrate primary care and behavioral health services, including screenings for behavioral health conditions in primary care settings or delivery of behavioral health support.
b. Implement innovative approaches that integrate primary care and behavioral health with broader social and public health services.
c. Leverage APMs that provide resources at the practice level to enable improved access and team-based approaches for care coordination, patient engagement, quality, and population health.
d. Deliver higher value behavioral health services with an aim toward reducing disparities.
e. Leverage telehealth and other solutions to expand access to behavioral health, care coordination, and care management.

Out-of-Plan Spending

- The Investment and Payment Workgroup, Board, and Advisory Committee have raised concerns that OHCA's Total Health Care Expenditures (THCE) data collection does not include out-of-plan spending.
- Possible reasons for out-of-plan spending include:
  - Provider preferences to remain out of network and charge patients directly
  - Barriers to accessing providers or convenience
  - Changes in benefit design
- To shed light on the scope of this issue and its policy implications, including for behavioral health measurement, OHCA proposes a supplemental analysis to estimate this spending.

From the May 2024 Advisory Committee (slide 102). https://hcai.ca.gov/wp-content/uploads/2024/06/May-2024-Advisory-Committee-Meeting-Presentation.pdf

Sources: Bishop, Tara et al. (2014 February). *Acceptance of Insurance by Psychiatrists and the Implications for Access to Mental Health Care*. JAMA Network.; National Alliance on Mental Illness. (2016 November). *Out-of-Network, Out-of-Pocket, Out-of-Options: The Unfulfilled Promise of Parity*.; Benjenk, I., Chen, J. (15, July 2020). *Trends in Self-payment for Outpatient Psychiatrist visits*. JAMA Psychiatry.

Estimating Out-of-Plan Spending Using the Medical Expenditure Panel Survey

- The Medical Expenditure Panel Survey Household Component (MEPS-HC) is a nationally representative sample of the civilian noninstitutionalized population.
- It includes information from consumers on health insurance coverage and healthcare utilization and costs, including out-of-pocket spending:
  - Spending in the MEPS-HC is defined for each medical event (office visit, inpatient stay, outpatient visit, etc.).
  - For each event, data shows spending by private insurance, public programs, and self-pay (out-of-pocket).
  - Each event includes type of provider, diagnosis codes, and procedure codes.

From the May 2024 Advisory Committee (slide 103). https://hcai.ca.gov/wp-content/uploads/2024/06/May-2024-Advisory-Committee-Meeting-Presentation.pdf

Estimating Out-of-Plan Spending Using the Medical Expenditure Panel Survey (Continued)

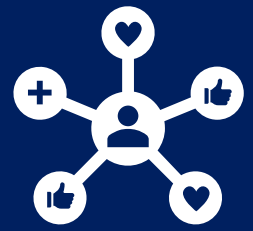
- Allows for the generation of California-specific estimates but may need to pool years to produce reliable results.
- MEPS-HC out-of-pocket spending variable includes but does not differentiate payment for out-of-plan events.
- OHCA is developing a methodology to estimate out-of-plan spending based on payment source and timing of medical events in MEPS-HC data.

From the May 2024 Advisory Committee (slide 103). https://hcai.ca.gov/public-meetings/june-health-care-affordability-advisory-committee-meeting-2/

High-level Comparison of OHCA vs. HPD Data Collection

	Collects claims and encounters	Collects aggregate data	Collects commercial data	Collects Medicare Advantage data	Measures aggregate annual BH spend at the state and payer levels	May enable drill down into claim level detail (e.g., specific providers or care settings)
Office of Health Care Affordability (OHCA)		✓	✓	✓	✓	
Healthcare Payments Database (HPD)	✓		✓	✓		✓

Updated Proposed Goals for Improved Behavioral Health Care

				
Accessible	**Comprehensive**	**Coordinated**	**Equitable**	**High Quality**
• Providers and services are available when and where needed • Culturally responsive and linguistically concordant • Affordable	• Services across the continuum • More treatment in community and ambulatory settings, reduced need in emergency departments and correctional facilities	• Services integrated across behavioral health settings and with primary care • Attentive and responsive to health-related social needs	• Reduced disparities in utilization and outcomes • Reduced misinformation, stigma, and discrimination	• Improved behavioral health and overall health outcomes • Low frustration, high satisfaction

Adapted from CalHHS, "Policy Brief: Understanding California's Recent Behavioral Health Reform Efforts." March 2023. https://www.chhs.ca.gov/wp-content/uploads/2023/03/CalHHS-Behavioral-Health-Roadmap-_-ADA-03.02.23.pdf

OHCA's Role in Improving Behavioral Health Outcomes

Systemwide Behavioral Health Goals

Behavioral health care that is:

- Accessible
- Comprehensive
- Coordinated
- Equitable
- High Quality

Motivate

Resulting In

California Stakeholder Actions

- Identify and support higher value care
- Build and sustain infrastructure and capacity
- Promote behavioral health integration with primary care and social and public health services
- Reduce disparities

Supports

OHCA's Behavioral Health Workstream

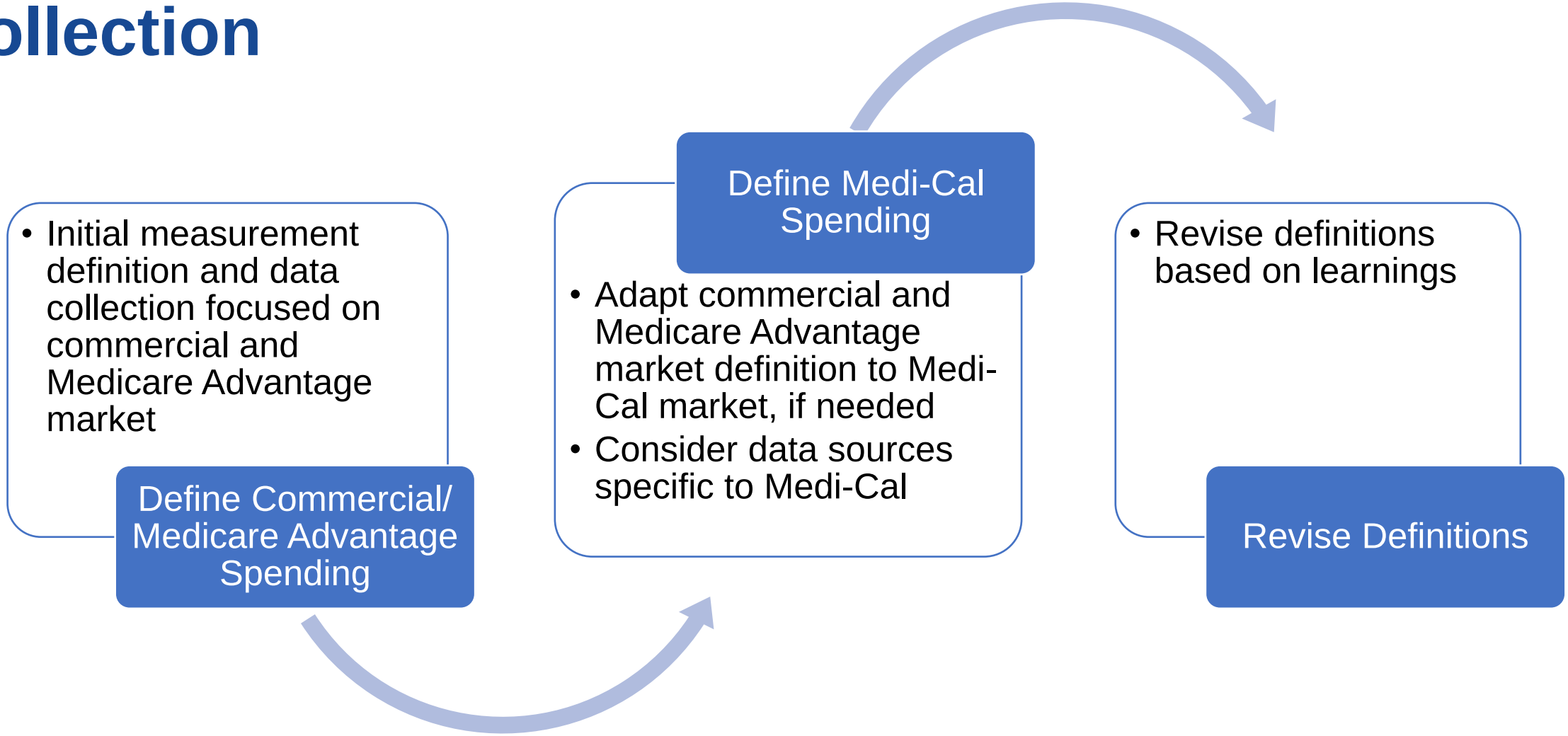
- Promote sustained systemwide investment in behavioral health
- **Measure and report** the percentage of total health care expenditures allocated to behavioral health care
- Set focused **spending benchmarks** to support improved behavioral health outcomes
- Conduct analysis

HCAi
Department of Health Care Access and Information

Introduce Behavioral Health Spend Measurement Framework

Debbie Lindes, Health Care Delivery System Group Manager

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



Data Collection and Measurement Scope

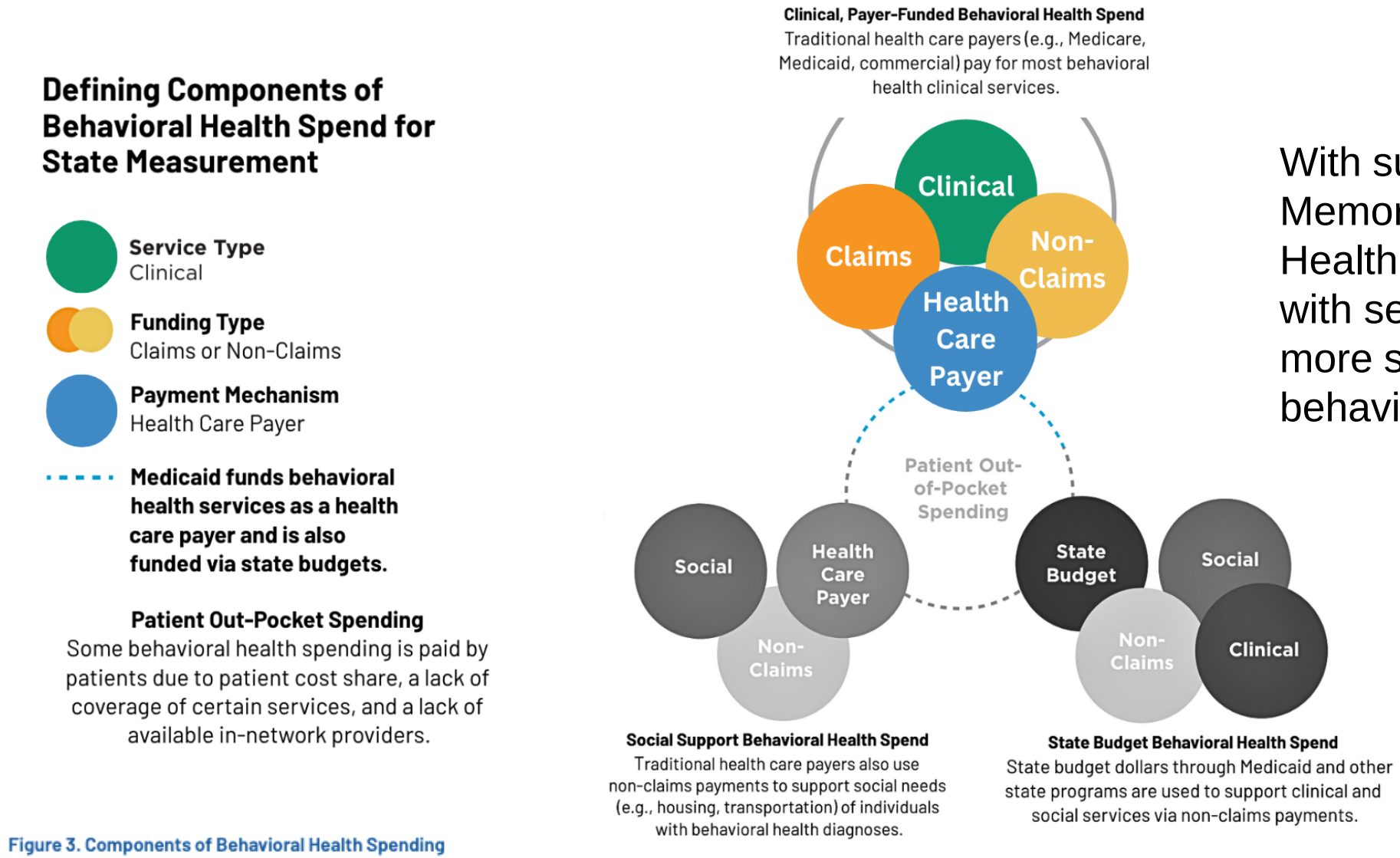


Figure 3. Components of Behavioral Health Spending

With support from the Milbank Memorial Fund, Freedman HealthCare recently worked with several states to develop a more standardized approach to behavioral health measurement.

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/

HCAI Department of Health Care Access and Information

Data Collection and Measurement Scope

Defining Components of Behavioral Health Spend for State Measurement

- **Service Type** Clinical
- **Funding Type** Claims or Non-Claims
- **Payment Mechanism** Health Care Payer
- **Medicaid funds behavioral health services as a health care payer and is also funded via state budgets.**

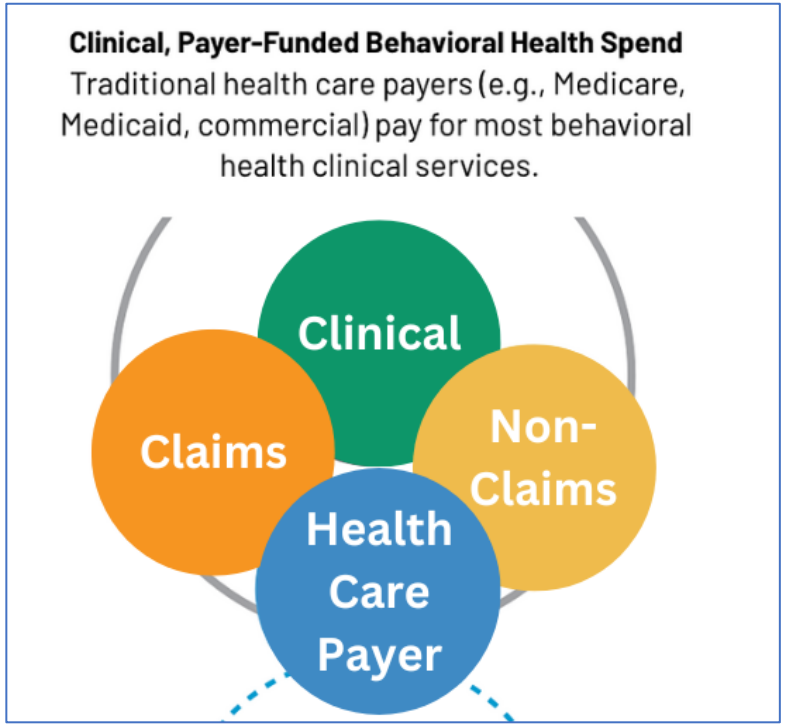


Figure 3. Components of Behavioral Health Spending

- Initial focus on clinical services and health care payers (e.g., commercial and Medicare Advantage)
- Possibility of using supplemental data sources to capture other spending in the future

Clinical services are services provided by medical and allied health professionals to prevent, treat, and manage illness, and to preserve mental well-being across the clinical care continuum, paid via claims and non-claims payments (e.g., outpatient therapy visit, day treatment programs).

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/

Key Decisions for Measuring Behavioral Health Spending and Benchmark Setting

- Determine priorities for measuring behavioral health spending
- Consider need for a phased approach
- Define approach to claims payments: diagnoses, services, care settings, providers
- Define approach to non-claims payments
- Define benchmark focus – conditions, care settings, population
- Define benchmark structure and timing

Discuss Trade Offs for Key Decisions

Debbie Lindes, Health Care Delivery System Group Manager

Other State Approaches to the Key Decisions

States develop behavioral health definitions to support data collection and measurement, reporting, all-payers claims databases analyses, and to inform state policy.

Behavioral Health Spend Definition	Restrict by Diagnosis	Categorize Services by Care Setting	Limit to Certain Providers
Milbank Memorial Fund	✓	✓	
Maine	✓	✓	✓
Massachusetts	✓	✓	
Rhode Island	✓		

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/

Use Cases for OHCA's Behavioral Health Measurement

- Measure behavioral health spending as a percentage of Total Health Care Expenditures (THCE)
- Understand spending on mental health care and substance use disorder services
- Understand spending on behavioral health services in primary care settings
- Understand the distribution of behavioral health spending across different types of services and care settings
- Establish a focused benchmark for behavioral health spending that supports statewide goals and priorities

Restrict by Diagnosis

Currently all state behavioral health definitions used for spending measurement restrict by diagnosis.

Considerations

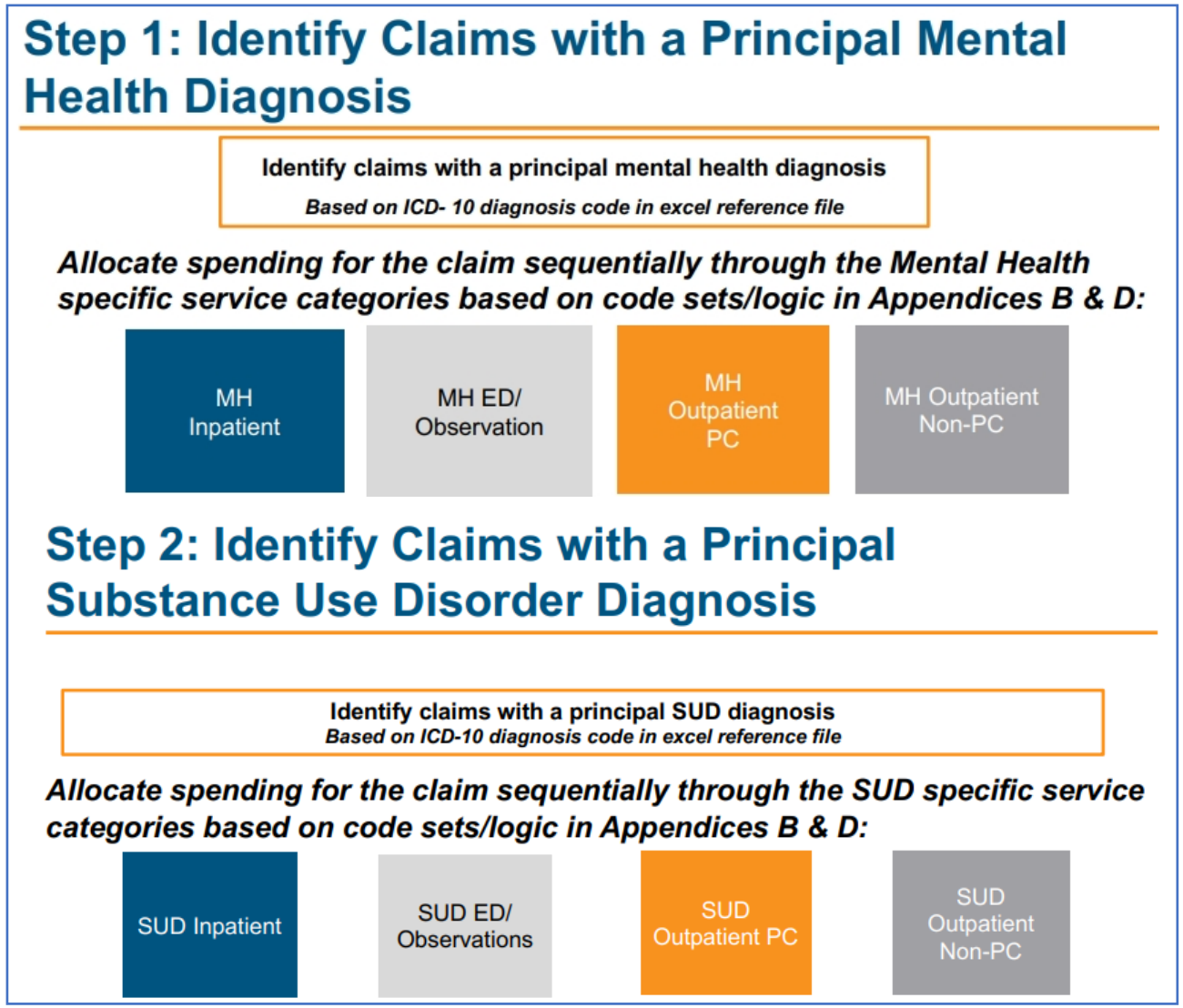
- Needed to measure SUD and MH separately
- Needed to capture spending by non-BH clinicians (e.g., PCPs, OB-GYNs) and in non-BH care settings (e.g., ED, acute care hospitals) due to broad service codes
- Needed for a benchmark focused on specific diagnosis/diagnoses
- Does not align with primary care measurement approach

Related Decisions

- Which diagnoses to include?
- Include only primary diagnosis or more?
- Filter by diagnosis in the same way across all providers/facilities?

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/

Example Approach: Massachusetts CHIA



Massachusetts uses diagnosis codes to identify claims with a principal mental health diagnosis and a principal substance use disorder diagnosis.

This allows the state to quantify aggregate mental health payments separate from substance use disorder payments.

Center for Health Information and Analysis, August 2023. Primary Care and Behavioral Health Technical Assistance Webinar. https://www.chiamass.gov/assets/docs/p/pbhc/CHIA-PCBH-Technical-Assistance-Webinar-August-28-2023.pdf

Categorize Services by Care Setting

Maine, Massachusetts and the Milbank Memorial Fund categorize behavioral health spending by care setting. This provides opportunities to monitor and report on spending by care settings of interest, such as services provided via telehealth or in a residential setting.

Considerations

- Needed to understand spending by care setting including primary care and how it changes over time
- Could support a benchmark focused on certain care settings
- Increases data submitter burden

Related Decisions

- Which care settings to include?
- What services to include/exclude?
- How to treat behavioral health in primary care?

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/

Example Approach: Milbank Service Categories

Table 1. Organizing Behavioral Health Clinical Spending Paid via Claims

Service Category	Subcategories
Inpatient	• Inpatient – Facility • Long-Term Care • Residential Care
Outpatient	• Emergency Department/Observation – Facility • Outpatient Facility Non-Primary Care • Mobile Services
Professional	• Inpatient – Professional • Emergency Department/Observation – Professional • Outpatient Professional Primary Care • Outpatient Professional Non-Primary Care
Other	• Other behavioral health services
Prescription Drugs	• Prescription Drug Treatments

The Milbank methodology defines each service category and subcategory using a combination of codes such as revenue, CPT, and place of service codes.

Separate sets of service categories and subcategories can be developed for mental health and substance use disorder care.

Milbank Memorial Fund, August 2024. *Technical Specifications for a Standardized State Methodology to Measure Behavioral Health Clinical Spending.* https://www.milbank.org/wp-content/uploads/2024/08/BH-Measurement-Technical-Specifications.pdf

Restrict by Provider Type

Maine leverages provider type to help identify behavioral health spending. Milbank uses primary care provider taxonomies to help identify behavioral health in primary care spend. The Milbank Advisory group noted that APCDs could be used to conduct analyses of behavioral health service delivery by provider type

Considerations

- Will exclude some behavioral health spend
- With categorization, could support understanding care by certain providers types in addition to by care setting (e.g., primary care)
- Could support a benchmark focused on certain providers
- Increases data submitter burden

Related Decisions

- Which types of providers are included?
- Is there a limited list of providers for all care settings or only some such as primary care?

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/

Example Approach: Maine Quality Forum

The Maine Quality Forum defines claims-based behavioral health as claims with one of the following:

1. A primary diagnosis indicating that the purpose of the treatment was to address a behavioral health issue ***or***
2. All services delivered by a provider taxonomy (rendering or billing) whose claims are "primarily" for the treatment of mental health or substance use conditions. "Primarily" is defined as when 70% or greater of the providers' claim payments had a primary behavioral health diagnosis.

They do not currently report results by provider type.

Examples of MQF provider taxonomies:

- Counselors
- Psychologists
- Social Workers
- Therapists
- Registered Nurses
- Nurse Practitioners
- Clinical Nurse Specialists
- Peer Specialist
- Emergency Medicine
- Family Medicine
- Preventive Medicine
- Psychiatry & Neurology
- Residential Treatment Facilities

Maine Quality Forum (MQF), March 2024. 2024 Annual Report: Behavioral Health Care Spending. https://mhdo.maine.gov/_mqfdocs/MQF%20Annual%20BH%20Spending%20Report_240311.pdf

Discussion

Should the OHCA behavioral health definition restrict by diagnosis, categorize services by care setting, and/or restrict to certain provider types?

Behavioral Health Spend Definition	Restrict by Diagnosis	Categorize Services by Care Setting	Restrict to Certain Provider Types
Milbank Memorial Fund	✓	✓	
Maine	✓	✓	✓
Massachusetts	✓	✓	
Rhode Island	✓		
California (OHCA)			

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/

October Workgroup Meeting Preview

Agenda

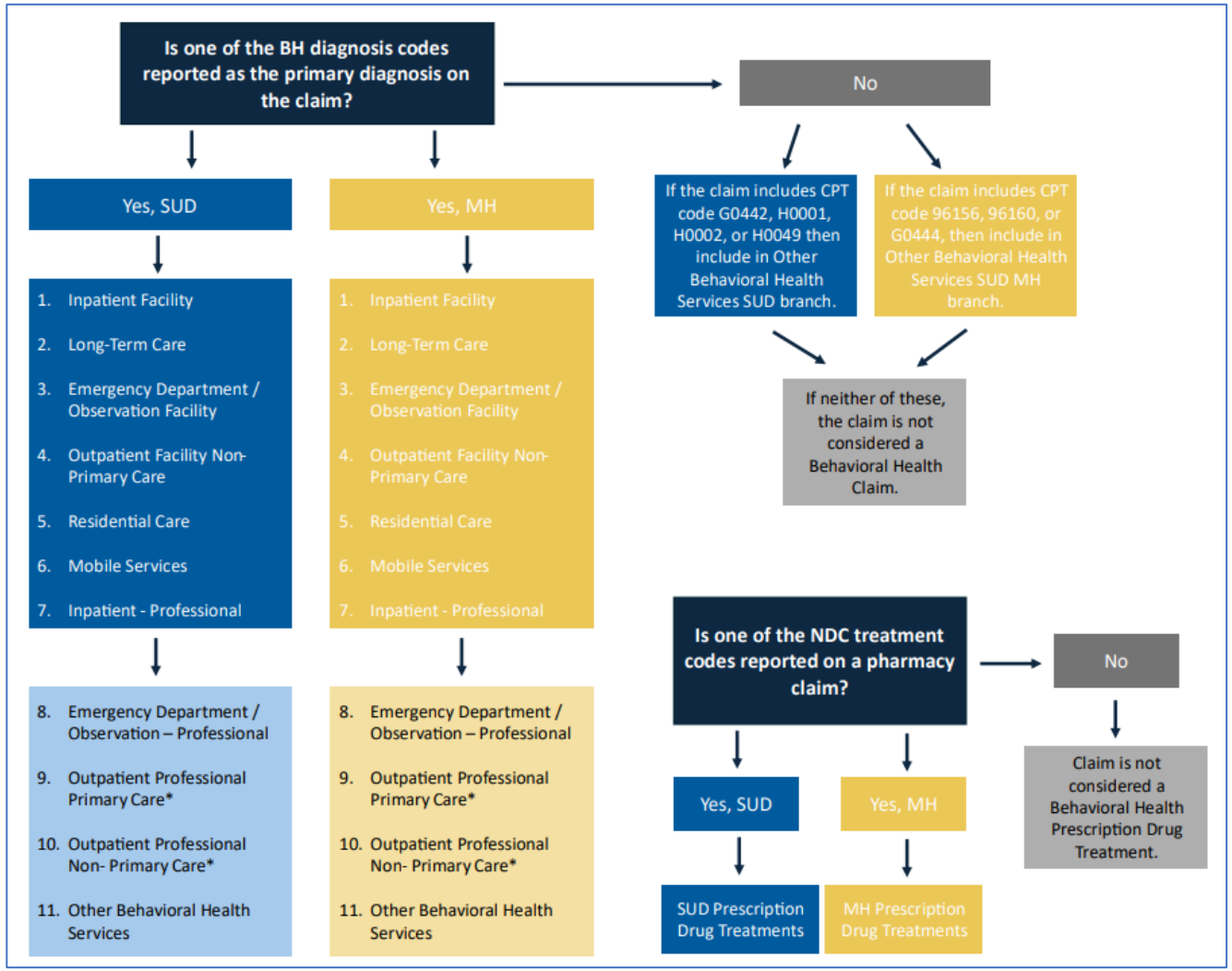
- Review and updates from the September meeting
- Discuss initial draft recommendations for measuring behavioral health care paid via claims
- Begin discussing trade offs to approaches for measuring behavioral health care paid via non-claims

NOTE: November Workgroup meeting will be rescheduled to Thursday 11/21/2024, 9-10:30am (*currently scheduled for 11/20/2024*).

HCAi
Department of Health Care Access and Information

Adjournment

Overview of Milbank Decision Tree



The FHC Milbank work includes an overview of the approach, a policy brief on state use cases and detailed technical specifications including this decision tree.