

Extending Lessons from a Medicaid Pilot to Improve Care for Medicare and Dual Eligible Beneficiaries

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States across the country are focusing on how to better address the health care needs and curb spending for their high-need, high-cost populations, often referred to as “super-utilizers.” In particular, people with serious mental illness (SMI) have a high rate of physical comorbidities, as well as high associated health care costs.^{1,2} Identifying improvements in care delivery that better address these individuals’ complex needs is a major priority across public and private sector payers, including states, the federal government, and health plans.

In Allegheny County, Pennsylvania, an innovative pilot program designed to better serve Medicaid beneficiaries with SMI is being re-engineered to address the needs of Medicare beneficiaries. UPMC *Community Care*, a Medicare Advantage plan jointly established by UPMC *for You*, a nonprofit managed care plan, and Community Care Behavioral Health, a managed behavioral health organization, will focus on Medicare beneficiaries (including beneficiaries dually eligible for Medicare and Medicaid) who have been diagnosed with a serious mental illness.

The new program is based on a model of care tested in Allegheny County through the Center for Health Care Strategies’ *Rethinking Care Program*, which sought to integrate physical and behavioral health services for Medicaid beneficiaries with SMI. The pilot program, conducted in 2009 and 2010, demonstrated a number of improved health outcomes among enrollees, including reduced emergency room visits and fewer mental health hospitalizations and readmissions.³

IN BRIEF

This spotlight highlights a new chronic conditions special needs plan for Medicare and dual eligible beneficiaries with serious mental illness in Allegheny County, Pennsylvania, called UPMC *Community Care*. The program integrates physical and behavioral health services for enrollees, and is a partnership between UPMC *for You*, a nonprofit managed care plan, and Community Care Behavioral Health, a managed behavioral health organization. It evolved out of lessons from a Medicaid pilot program in the county, which sought to improve the quality and cost-effectiveness of health care for high-need, high-cost beneficiaries as part of CHCS’ *Rethinking Care Program*.

About UPMC *Community Care*

Delivery Model

Medicare beneficiaries in Allegheny County who have a diagnosis of schizophrenia, bipolar disorder, major depressive disorder, paranoid disorder, or schizoaffective disorder may enroll in UPMC *Community Care*, which is designated as a chronic conditions special needs plan (C-SNP). C-SNPs restrict enrollment to individuals with specific severe and/or disabling conditions to better target services and care management for those conditions.

Medicare beneficiaries enrolled in this C-SNP will choose a medical home based in one of two large community mental health centers (CMHCs) participating in the initial rollout. The medical home will be responsible for providing each beneficiary with clinical services, case management, and peer services. Each enrollee will be assigned a practice-based care manager who will serve as a liaison between the

beneficiary, UPMC *Community Care*, the primary care physician, and the behavioral health-based medical home.

Care managers will work with the beneficiary and providers to conduct health assessments and develop an individualized care plan that outlines how to achieve patient goals and address barriers to recovery. In addition, the care manager will collaborate with a health navigator, who is also based in the CMHC, to provide education on wellness and lifestyle practices.

According to James Schuster, chief medical officer at Community Care Behavioral Health, “Individuals with serious mental illness need help not only with behavioral health challenges, but also with wellness and physical health. UPMC Community Care will provide ‘whole person’ care.”⁴

Confident that this targeted approach to service delivery and care management will result in better health outcomes for Medicare beneficiaries enrolled in the plan, UPMC *Community Care* intends to use a gain-sharing model in which any savings realized through improved health outcomes will be distributed among the participating providers and health plans.

Medicare beneficiaries with SMI will be able to enroll in UPMC *Community Care* as of April 1, 2013. According to John Lovelace, UPMC president of government programs and individual advantage, the initial enrollment goal for the C-SNP is approximately 200 beneficiaries, with the majority of enrollees expected to be dual eligible beneficiaries. The potential long-term enrollment, however, is much larger, with nearly 10,000 Medicare beneficiaries with SMI served across Allegheny County. UPMC hopes to increase the number of participating practices later in 2013 to support this anticipated enrollment.

Integrated Financing for Dual Eligibles

For dually eligible enrollees, UPMC *Community Care* will blend funding from Medicare Advantage and Part D (physical health services and prescription drugs) payments, as well as Medicaid payments for behavioral health services to Community Care Behavioral Health. This financing arrangement, using a combination of Medicare and Medicaid dollars, establishes a shared funding pool and up-front investment from both partners. UPMC *Community Care* will also provide supplemental case management, care coordination, and peer support services for enrollees – behavioral health services that are not traditionally covered under Medicare.

A Focus on Dual Eligibles

Though any Medicare beneficiary with a qualifying mental illness may enroll, UPMC *Community Care* was designed specifically with the needs of the dual eligible population in mind. Behavioral health issues are prevalent among Medicare-Medicaid enrollees, with approximately 44 percent having at least one mental and/or cognitive condition.⁵ Further, more than half of all Medicare inpatient psychiatric facility patients are dually eligible.⁶

Most dual eligible beneficiaries receive acute, primary, behavioral health care and long-term services and supports (LTSS) in separate, unaligned delivery systems. Medicare covers most acute care services (which may include psychiatric care), while Medicaid covers LTSS and non-physician behavioral health services. As a result of this lack of coordination, care is often fragmented or episodic, resulting in poor health outcomes for a population with complex needs. By developing a strong linkage between physical and behavioral health care, UPMC *Community Care* represents a great step forward in integration of benefits for dual eligible

beneficiaries with SMI. The hope is that the plan will eventually coordinate care with LTSS providers in Allegheny County, in an effort to fully integrate services for all Medicare beneficiaries with SMI.

Future Implications

As states, health plans, and providers across the country work to design and implement integrated models of care for dual eligible beneficiaries, UPMC *Community Care* provides a compelling evidence-based approach that promises to improve the experience and outcomes of care for the subset of this population with SMI.

This program also demonstrates that knowledge gained through innovations in the Medicaid sphere may present opportunities to improve care for those with coverage through Medicare – or perhaps even private insurance. Lessons that emerge from UPMC *Community*

Care may in turn have far-reaching implications for other programs.

From the perspective of UPMC *Community Care* leadership, key considerations for organizations interested in replicating this program include:

- Beginning with an evidence-based model with demonstrated health and savings outcomes;
- Ensuring committed clinical and/or executive leadership; and
- Designing a solid gain-sharing agreement to ensure aligned incentives for all invested parties.

“We are confident that this model will spread,” said John Lovelace, “It really speaks to the ‘Triple Aim’ philosophy in its efforts to promote better care for individuals, better population health, and reduced health care costs.”

About the Center for Health Care Strategies

The Center for Health Care Strategies (CHCS) is a nonprofit health policy resource center dedicated to improving health care access and quality for low-income Americans. In collaboration with state and federal agencies, health plans, providers, and consumer groups, CHCS pursues innovative and cost-effective strategies to better serve Medicaid beneficiaries.

This spotlight is a product of CHCS’ *Rethinking Care Program*, which is developing and testing new strategies to improve health care quality and control spending for Medicaid’s highest-need, highest-cost populations. The *Rethinking Care Program* is made possible by Kaiser Permanente Community Benefit, with additional funding from the New York State Health Foundation. For more information about the *Rethinking Care Program*, as well as tools for improving care management for Medicaid beneficiaries with complex needs, visit www.chcs.org.

¹ M. De Hert, C.U. Correll, J. Bobes, M. Cetkovich-Bakmas, D. Cohen, I. Asai, et al. “Physical illness in patients with severe mental disorders: Prevalence, impact, of medications and disparities in health care.” *World Psychiatry*, 10 (2011): 52-77.

² C. Boyd, B. Leff, C. Weiss, J. Wolff, A. Hamblin and L. Martin. *Clarifying Multimorbidity Patterns to Improve Targeting and Delivery of Clinical Services for Medicaid Populations*. Center for Health Care Strategies. December 2010. Available at www.chcs.org.

³ J. Kim, T. Higgins, D. Esposito, A. Gerolamo, M. Flick. *SMI Innovations Project in Pennsylvania: Final Evaluation Report*. October 2012. Mathematica Policy Research.

⁴ Quote from press release, “UPMC *Community Care* to Serve Individuals with Chronic Serious Mental Illnesses.” Community Care Behavioral Health Organization, January 3, 2013.

⁵ J. Kasper, M. O’Malley Watts, and B. Lyons. *Chronic Disease and Co-Morbidity Among Dual Eligibles: Implications for Patterns of Medicaid and Medicare Service Use and Spending*. Kaiser Commission on Medicaid and the Uninsured. July 2010. Available at <http://www.kff.org/medicaid/upload/8081.pdf>.

⁶ MedPAC. *A Data Book: Health Care Spending and the Medicare Program*. June 2012. Available at: <http://www.medpac.gov/documents/Jun12DataBookEntireReport.pdf>.