Evaluation FastFacts

from the Evaluation Center@HSRI

Volume 3, Issue 5 May 2005

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Medicaid Performance Improvement Projects: A Means of System Transformation?

Dow A. Wieman, Ph.D., Senior Research Associate
Human Services Research Institute, Cambridge, MA

What is Mental Health System Transformation?

The final report of the President's New Freedom Commission on Mental Health, Achieving the Promise: Transforming Mental Health Care in America, calls for a level of performance improvement amounting to "system transformation."[1] Here we consider whether other systems of care may offer models of how to define, promote and measure the steps toward system transformation. One of these is the system of Medicaid managed care organizations overseen by the Centers for Medicaid and Medicare.

The Commission presents the transformation process in the form of six goals, the achievement of which will produce the necessary "fundamental restructuring." Each goal is supported by a set of very general recommendations. For example, Goal 3 "Disparities in mental health are eliminated," has for

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Or contact us at:

Tel: 617.876.0426

Fax: 617.497.1762

Email: contacttec@hsri.org

Address:

2269 Massachusetts Avenue
Cambridge, MA 02140

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a recommendation, "Improve access to care that is culturally competent." The report, therefore, is more a vision statement or a set of priorities than a concrete plan of action. Presumably by design, the Commission leaves the incremental steps necessary to "achieve the vision" to be determined by all who share it.

The report further maintains this level of generality by abstaining from any explicit definition of the "mental health system." By implication, the Commission seems to conceptualize the mental health system as consisting of the range of publicly and privately funded psychiatric and social services and supports provided by virtue of an adult's disability due serious mental illness or a child's due to serious emotional disturbance. All of these diverse stakeholders, including consumers, are to participate in the transformation process, including identifying the necessary steps to accomplish it.

Efforts to further define the concept of transformation, put it into practice and measure the results are already widespread at federal, state and local levels, notably those directed by the Substance Abuse and Mental Health Services Administration (SAMHSA), which has been identified as the lead federal agency in promoting the Commission's recommendations. Here we ask whether these initiatives can be enhanced, and the likelihood of their success increased, by observing efforts to achieve change in other comparable systems.

The Mental Health System(s)

Though SAMHSA emphasizes collaboration with service systems and providers of all types, it focuses most of its attention on what is commonly known as "public sector" mental health care, i.e. the system of treatment and support services primarily for persons with serious mental illness that are publicly financed and typically operated or managed by federal, state and local government, private non-profit organizations and, to an extent, academic institutions. In the Commission's implicit conceptualization, mental health care is a kind of meta-system made up of numerous subsystems of publicly and privately funded programs and providers, for which mental health care is only a peripheral part of a broader mandates, overlapping in a huge and complex Venn diagram. Among these subsystems are federal programs and agencies such as Medicare and Medicaid, Social Security, SAMHSA, and Departments of Veteran's Affairs and Labor; state and local government, private insurance and employers and many others.

One component of this system, Medicaid, is now the single largest payer for mental health services in the United States, financing more than half of the services provided by states and eclipsing private insurance, Medicare, and state and local payers (SAMHSA News, January/February 2005, vol. 13, no. 1). As such, it has many similarities and much overlap with the state and county public mental health system, but also some instructive differences relevant to transformation.

Medicaid Performance Improvement Projects

The Centers for Medicare and Medicaid (CMS) have recently undertaken an initiative to promote system-wide performance improvement in Medicaid Managed Care Organizations (MCOs) by means of mandated Performance Improvement Projects (PIPs). The PIP initiative follows the general approach of conventional quality improvement methods, and draws extensively on earlier CMS initiatives as well as work done by others in the field, notably the National Committee for Quality Assurance.

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Historically, QI has had an important, but somewhat circumscribed, role in mental health care for persons with serious mental illness. The localized, unmonitored and ad hoc nature typical of these activities often resulted in changes that were limited in their scope and duration. The PIP initiative, however, contains several features designed to overcome these limitations. The three most important are: 1) a system for determining areas for improvement, based on a combination of system-wide and local considerations; 2) detailed protocols specifying how a PIP is to be conducted and evaluated; and 3) provisions for outside review of PIPs' methodology and results. This combination is designed to produce uniform, significant, system-wide change for the benefit of enrollees. The following describes these three features in more detail.

1) Identification Of Areas For Performance Improvement: The protocol provides for a combination of two sources for study topics: the state Medicaid agency and the MCO itself, using certain criteria. The value of this approach is that it allows the state agency to address known system-wide problem areas (for example, access to services for elderly persons) in a comprehensive and uniform way. At the same time, it gives individual MCOs the latitude to address issues that may be of only local concern or unrecognized by the State agency (for example, disparities in treatment for certain ethnic groups).

2) The PIP Protocol: The protocol for conducting a PIP developed by CMS lays out a general framework for these activities and specific requirements to which they must conform. These include methods for selecting the topic, defining the study question, selecting indicators and study population, sampling methodology, data collection, implementation of the improvement strategy, analysis of data and interpretation of results, and planning for sustaining improvement. The specifications of the PIP protocol would result in projects that are fairly rigorous and methodologically sound. If followed uniformly, the protocol should lead to lasting improvement in the quality of care provided by every participating organization.

3) Oversight of PIPs: A third feature likely to enhance the effectiveness of PIPs is the provision for review and technical assistance by External Quality Review Organizations (EQROs), or comparable entities. EQROs contracting to oversee Medicaid MCO PIPs are required to follow a protocol for evaluating the design, methodology and results of the projects, and to report their findings to CMS. Perhaps more centrally, they are also expected to lend their expertise to the MCO, providing consultation and technical assistance in order to insure that the project meets CMS standards.

The Example of California County Mental Health Managed Care Organizations

As a result of earlier policy decisions affecting the structure of its mental health system, California, like most other states, came to rely on Medicaid to finance the largest part of its mental health services, with a county-based public sector system operating as a safety net to provide services for the residual group of persons with serious mental illness not enrolled in Medicaid for whatever reason. The state's Medicaid agency, Medi-Cal, chose to carve out Medicaid-funded mental health services to be managed by the county mental health agencies in the form of Prepaid County Mental Health Plans (MHPs). As such, these organizations fell within CMS's requirements for conducting PIPs, and as a result, California's relatively decentralized county mental health agencies were congregated in an initiative, promoted by the Federal government, to

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improve quality through uniform, state-wide system change.

Lessons for Public Sector Mental Health?

Whether the Medi-Cal PIP approach has anything to offer as an example for the nation's broader public mental health system involves two questions. First, can incremental system change of the type represented by PIPs ever amount to the more sweeping goals and recommendations of the New Freedom Commission report? Second, do the lessons of the more centralized, regulated, and focused Medicaid program have any relevance for the decentralized and fragmented mental health system? The answer to the first remains to be seen. The answer to the second is possibly, but only if the mental health system can emulate, in some way, the defining characteristics of the PIP approach: some entity with capacity to establish sufficiently strong system-wide incentives; a mechanism for prioritizing areas of system-wide change, balanced with local initiatives; and provision for technical assistance, training and consultation, combined with objective, expert oversight to ensure that projects are methodologically sound.

Several recent activities in the public sector demonstrate the possibilities for establishing the conditions for something like the PIP approach. The forthcoming Mental Health Statistics Improvement Program (MHSIP) Quality Report and the Uniform Reporting System of the SAMHSA Performance Partnership Program aim to establish a common measurement approach for public mental health systems. Likewise, SAMHSA's newly-announced Mental Health Transformation State Incentive Grant (MHT SIG) program, as the title suggests, creates financial incentives for local organizations to pursue the goals of the New Freedom Commission. The ten SAMHSA National Outcome Measures (Appendix D of the Transformation SIG) identify national priorities to be accomplished at the local level. The question will be whether these and other comparable initiatives can create incentives strong enough to compete with countervailing priorities at the local level.

[1]Available at
http://www.mentalhealthcommission.gov/

For further information contact Dow Wieman at the Evaluation Center@HSRI 617 876 0426 x2503 or dwieman@hsri.org.

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