Financing First Episode Psychosis Programs: Developing Medicaid and Commercial Insurance Support in Maine

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APA Institute on Psychiatric Services:
Pre-Conference –Advancing Early Psychosis Care
October 2, 2019, New York

History in Maine

- 2000-2011. Treatment of Clinical High Risk for Psychosis
  - 6 sites in US.
  - Robt Wood Johnson Foundation
- 2000-2011. Home-based Assertive Community Treatment for ages 4-18, all diagnoses
  - Decreased hospitalization, incarceration, overall costs
  - Commercial insurance sought participation.
- 2015-Present. CSC for First Episode Psychosis.
  - SAMHSA support

Commercial Insurance Negotiations

1. Presented national, international data on effectiveness, cost-effectiveness, hospitalization use. RAISE, other:
   Dixon, et.al. 2015, Kane et.al. 2016, Rosenheck et.al. 2016, Srihari et.al. 2015, Tsiachristas A et.al. 2016, Aceituno, et.al. 2019, and others.

2. Presented local data on disability, education and employment, and hospitalization, consistent with national data.

1. Emphasized Value Proposition: Cost of CSC vs cost of hospitalization, incarceration, and other care.

1. 9-12 month process. Seven separate contracts.
   Involved companies' Medical Economics staff and Medical Directors, not only rate-setting staff.

Commercial Insurance Negotiations

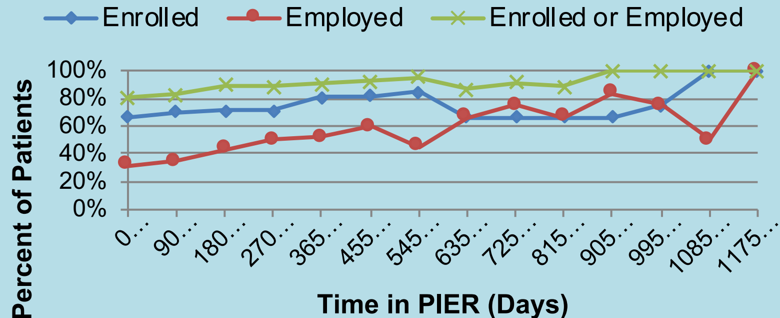
5. CSC for FEP included in the set of services presented for renegotiation of contracts for all Behavioral Health services under MaineHealth

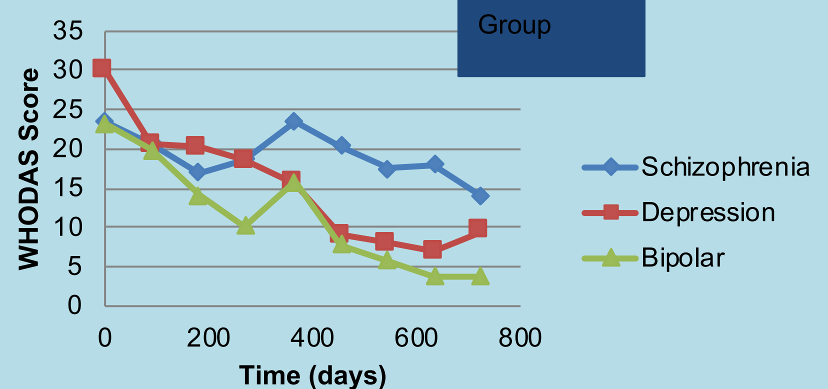
6. Cost-based, Bundled payment.
   - Total cost for CSC program divided by individuals served.

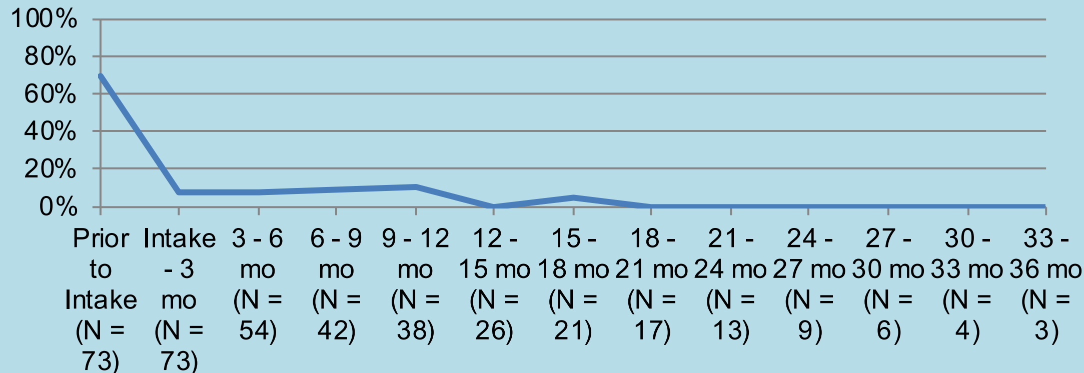
7. Analogy to ACT, IOP, and Partial Hosp.
   a. Cost similar to ACT
   b. Insurance companies have capacity for a Day-Rate to cover total program costs. Little capacity for PMPM payment.

8. Beginning 10/1/2019
   a. Currently limited to MaineHealth contracts
   b. Quarterly and Annual review.

Data from Maine CSC







Developing Medicaid (MaineCare) Support

- Emphasized to Maine DHHS the necessity for a MaineCare case rate to implement a state-wide program,.
  - Little response, by the state administration at that time.

- State Legislators engaged, 2017-2018.

- Bill introduced and passed, 2019.
  - Bipartisan support
  - DHHS directed to seek Plan Amendment to allow flexibility with Medicaid. Funding debate deferred to 2020 session..
  - Favorable engagement with new state administration

State-wide program planned

- Additional sites in smaller cities
- Rural implementation
  - Consultation, direct and via Telehealth
  - Training and ongoing consultation for MultiFamily Group, Cognitive Behavioral Therapy for Psychosis
  - Develop educational and vocational support, case management
- Coordination and training through hub-and-spoke model with telehealth, periodic conferences
  - Considering Project ECHO

Key Elements in Negotiation

1. CSC for FEP identified as a critical component of a comprehensive Behavioral Health Plan for Population Health.

1. Presented local as well as national data supporting effectiveness and cost-effectiveness.

1. Emphasis on the Value Proposition. In the interest of both the population and payers.

1. Local expertise and credibility.

Key Elements in Negotiation

5. Effectiveness not over-stated.
   - Secondary Prevention, not Primary Prevention or Cure.

5. Specific evidence-based inclusion criteria, associated with effectiveness
   - Rather than conventional "Medical Necessity".

5. All costs for an effective program included.
   - Community and referral source education
   - Outreach to engage patients, families
   - Team-based treatment

8. Anticipate challenges – Med necessity, continued care