



State Profile Highlights

New Information from the National Association of State Mental Health Program Directors Research Institute, Inc (NRI)

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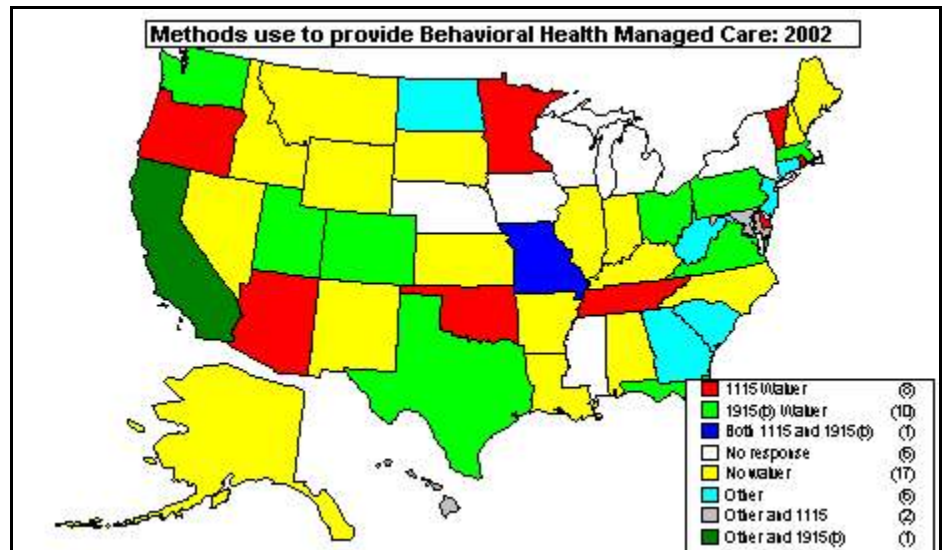
State Mental Health Agency (SMHA) Relationship to Medicaid for Funding and Organizing Mental Health Services: 2002-2003

MAJOR FINDINGS

- ◆ Half the States (27) are using managed care practices to provide behavioral health services.
- ◆ In many States (40), Medicaid programs are being cut in the current or are expected to be cut in the next fiscal year.
- ◆ Most States (42) have adopted the Medicaid Rehabilitation Option to provide community mental health services.
- ◆ Many States (35) extend Medicaid coverage to cover medically needy clients.
- ◆ In most States (42), there is either an interagency agreement between the SMHA and Medicaid Agency or they are in the same umbrella department.

Medicaid is becoming the major source of new fiscal resources for SMHA-controlled mental health services. From FY'97 to FY'01, SMHA controlled revenues for mental health services that were derived from Medicaid grew much faster than funds from other sources. Medicaid revenues (state match and federal funds) increased from \$4.97 billion in FY'97 to \$8.3 billion in FY'01, an increase of 69%. During this same time period, State general and other funds increased from \$10.4 billion to \$12 billion, and increase of 19.4%. Total SMHA-controlled revenues increased from \$17.3 billion to \$23.5 billion, an increase of 36% during this time period. However, when adjusted for population growth and inflation, total SMHA-controlled revenues increased only 2% over the last four years and declined by 3.2% per year over the last decade.

Medicaid Managed Care Waivers: Half the States (27) are using managed care practices to provide behavioral health services (AZ, CA, CO, CT, DC, DE, FL, HI, LA, MA, MD, MN, MO, NE, OH, OK, OR, PA, RI, SC, TN, TX, UT, VA, VT, WA, and WV). The 1115 Waiver is used in 11 States (AZ, DE, HI, MD, MN, MO, OK, OR, RI, TN, and VT). The 1915(b) Waiver is used in 12 States (CA, CO, DC, FL, MA, MO, OH, PA, TX, UT, VA, and WA). Other managed care practices are used in 9 States (CA, CT, GA, HI, MD, ND, NJ, SC, and WV). In the States using managed care practices, behavioral health services were provided to approximately 1.4 million persons (in 21 states) and 14.7 million persons covered under these plans (23 states).



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SMHA Responsibility for Setting Medicaid Rates: State Mental Health Agencies control Medicaid rates for mental health services in SMHA funded or operated programs in 21 States (AK, AZ, CA, CO, DC, Delaware - children's services only, FL, IL, MA, MD, ME, MT, NH, NV, NY, OH, OR, RI, SD, WA, and WY) and control rates in non-SMHA funded programs in 8 States (AK, Delaware - children's services only, FL, LA, MD, NY, OR, WA). The SMHA is the single state agency responsible for setting Medicaid rates for mental health services in 11 States (AK, AZ, CO, DE - children's services only, MD, MN, MT, NH, WA, WV, and WY).

Medicaid Program Cuts: Due to State budget shortages, most State (40) Medicaid programs are being cut in the current or are expected to be cut in the next fiscal year. However, the impact of these cuts on mental health services is unknown. Five stated Medicaid cuts are reducing the number of consumers eligible for services, and three states reported increased client co-payments are being required. Three states report additional medication restrictions in Medicaid as a result of budget cuts.

Medicaid Options Used to Fund Mental Health Services: Most States (42) (AK, AL, AR, AZ, CA, CO, DC, DE, FL, GA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MN, MO, MT, NE, NC, NH, NJ, NV, NY, OH, OK, OR, PA, RI, SC, SD, TX, UT, VA, VT, WA, WV, and WY) have adopted the Medicaid Rehabilitation Option to provide community mental health services. In 25 States, the clinic option is used (AK, CO, CT, DE - adult services only, HI, ID, IL, IN, KY, LA, MA, MD, ME, MN, MT, NC, NH, NJ, NY, OH, SC, VA, VT, WV, WY) and in 16 States, COBRA case management to cover mental health services is used (AK, CA, CO, CT, FL, IN, KY, MA, MD, ME, MN, MT, NJ, NY, PA, and TX).

Medicaid Eligibility: Many States (35) extend Medicaid coverage to cover medically needy clients (AR, AZ, CA, CT, DC, DE - children's services only, FL, GA, IL, IN, KS, KY, LA, MA, MD, ME, MO, MT, NE, NH, NJ, NV, NY, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, and WA). In all but three of these States (ME, OK, and WA), mental illness is a factor in determining medical need.

Interagency Agreements between SMHAs and Medicaid Agencies: In most States (42), there is either an interagency agreement between the SMHA and Medicaid Agency or they are in the same umbrella department. There are interagency agreements between SMHAs and Medicaid Agencies in 29 States (AK, AL, AZ, CA, CO, CT, DC, DE, GA, HI, IL, KY, MA, MD, ME, MO, NE, NC, NJ, NV, NY, OH, OK, TN, TX, UT, VA, VT, and WA). In 13 additional States (AR, IA, ID, IN, KS, LA, MN, MT, ND, OR, PA, WV, and WY), the SMHA is in the same umbrella department as Medicaid, though no interagency agreements were indicated.

SMHA Access and Use of Medicaid Data: In many States (36), Medicaid paid claims databases have been used for the analysis of mental health services (AK, AZ, CA, CO, CT, DC, DE, FL, GA, IL, IN, KY, MA, MD, ME, MN, MT, NE, NC, NH, NJ, NV, NY, OH, OK, OR, PA, RI, SD, TN, TX, VA, VT, WA, WV, and WY). In 27 States, Medicaid paid claims data has been used to link SMHA client level data for administrative purposes (AZ, CA, CO, CT, DE, FL, GA, IL, MA, MD, ME, MT, NC, NH, NJ, NV, OH, OK, OR, PA, RI, SD, TX, VA, VT, WA, and WV) and in 29 States, the data has been used for linking SMHA client level data for policy analysis (AZ, CA, CT, DE, FL, GA, IL, IN, MD, ME, MN, MT, NE, NC, NH, NJ, NV, NY, OH, OK, OR, PA, RI, SD, TX, VA, VT, WA, and WV).

In 27 States, the SMHA has integrated or linked its client datasets with Medicaid client level data (AZ, CA, CO, DE, FL, IL, ME, MN, MO, MT, NC, ND, NH, NJ, NV, NY, OH, OK, OR, PA, RI, SD, UT, VA, VT, WA, and WY).

The SMHA Profile Highlights are based on information from 46 SMHAs. The SMHA Profiles data are available via the Internet at www.nri-inc.org. For further information, please contact Robert Shaw (ext.124) or Ted Lutterman (ext. 121) on (703) 739-9333 or via e-mail at robert.shaw@nasmhpd.org or ted.lutterman@nasmhpd.org