



# State Profile Highlights

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

No. 6  
August 30, 2000

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## *State Mental Health Agency Involvement in Managed Care*

### Highlights:

- 23 of 41 states are involved in providing managed behavioral health care services
- 8 states have 1115 Medicaid waivers
- 13 states have 1915(b) Medicaid waivers

**Managed Mental Health Care:** Slightly more than half the states responding to the survey reported that they were providing managed behavioral health care services (23 of 41 states). Eighteen states are providing both mental health and substance abuse services under a managed care framework, and 5 states are providing only mental health services under a managed care framework. Of these 23 states, 8 states are implementing 1115 Medicaid Waivers and 13 states are implementing 1915(b) Medicaid Waivers, including one state implementing both waivers. Some states with a 1915(b) Waiver are managing both mental health and substance abuse services although only the mental health services are included in the Waiver.

	States with 1115 Waivers	States with 1915(b) Waivers	States without Waivers
Both Mental Health and Substance Abuse Services	AZ, DE, MN, OK, OR, RI, TN, VT	CA, CO, CT, IA, IN, MA, NM, OK, PA, TX,	IL
Mental Health Services Only	none	FL, UT, WA	OH, VA

**Medicaid Waivers 1115:** Among the states implementing 1115 Waivers, all waivers are statewide and include both mental health and substance abuse services. One state additionally includes MR/DD in the waiver. Six of the eight states have active roles in designing, implementing and monitoring the managed care program. The number of states with lead responsibility or jointly held responsibility with the Medicaid was equal across the activities of designing the mental health benefit, contracting, monitoring, and evaluating. States did not generally hold the same level of responsibility for all activities. States were also equally split between “carve in” (provided by the primary health care provider networks or health maintenance organization) and “carve out” (provided by a specialty behavioral healthcare network or managed behavioral health organization). In three states (DE, OR, VT) the mental health benefit is both “carved in” and “carved out”, in two states (MN, OK) the benefit is carved-in, and in two states the benefit

is carved out (AZ, TN). In six states private managed behavioral healthcare organizations received the contract to administer the waiver (information was not provided for the other two states). In seven states, the community mental health agencies traditionally funded by the SMHA are providers under the managed care plan. In some cases, the community mental health agency must contract through the managed care organization that administers the program. In the eight states with an 1115 waiver managed care plan, outpatient therapy, emergency/crisis services, and assessment/diagnosis service are included in all states. Acute hospitalization and treatment planning are included in the plans for seven states. Psychosocial rehabilitation and medication monitoring services are included in the plans for six states. Prescription drugs for mental health are included in the plans for five states.

**Medicaid Waivers 1915 (b):** Among the states implementing 1915(b) Waivers, seven are statewide and five are not statewide. In six states, the plan includes both mental health and substance abuse services, in five states the plan includes only mental health services. Some states are managing both mental health and substance abuse services although only the mental health services are included in the 1915(b) Waiver. None of these states include MR/DD in this waiver. Similarly to the states with 1115 Waivers, most states have active roles in designing, implementing and monitoring the managed care program; two states report no responsibility for these functions. The number of states with lead responsibility (3-4) or jointly held responsibility with the Medicaid authority (4-5) varied slightly across the activities of designing the mental health benefit, contracting, monitoring, and evaluating. States did not generally hold the same level of responsibility for all activities. More states had carve-out plans (CA, CO, CT, IA, PA, UT, WA) than carve-in plans (NM), with three states using both options (FL, MA, TX). There was some variability in the type of organization administering the managed care waiver. In six states private managed behavioral healthcare organizations received the contract to administer the waiver, in three states community mental health agencies received the contract, in one state the county mental health board received the contract and in one states the SMHA will become the managed care agent. In ten states, the community mental health agencies traditionally funded by the SMHA are providers under the managed care plan. As with the states implementing 1115 Waivers, some community mental health agency must contract through the managed care organization that administers the 1915(b) program. In the thirteen states with an 1915(b) waiver managed care plan, outpatient therapy, medication monitoring, and assessment/diagnosis service are included in ten states. Acute hospitalization, treatment planning, day treatment/partial hospitalization, and emergency/crisis services are included in the plans for nine states. Crisis residential, and intensive in-home service are included in the plans for eight states. Residential treatment centers and psychosocial rehabilitation are included in the plans for seven states. Only three states include prescription drugs for mental health in the plan.

**State Hospital Relationship with Waivers:** There is considerable variety in the involvement of the state hospitals under the 1115 Waiver. In two states, the state mental hospital is independent of the managed care system. In two states, the state hospital is outside the benefit plan, although inside the network in one of these states. The three other states report a combination of in the benefit plan, outside the benefit plan, and outside the benefit plan but in the network. There is a similar pattern in the involvement of the state hospitals for states with 1915(b) Waivers. In four states, the state mental hospital is independent of the managed care system. In one state, the state hospital is inside the benefit plan. In three states, the state hospital is outside the benefit plan, although inside the network in one of these states. The two other states report a combination of in the benefit plan, outside the benefit plan, and outside the benefit plan but in the network.