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Memorandum

To: Managed Care Plan Liaisons to NYS

From: Thomas Smith, MD, Medical Director, NYSOMH Division of Managed Care

Date: September 30, 2015

Re: MCO Behavioral Health Guidance memo
Utilization management for Article 28 hospital long-stay units:
Second Chance Program at New York Presbyterian – Westchester (White Plains)
Intermediate Care Unit at St. Joseph’s Medical Center (Yonkers)

NYS requests that HARPs and Mainstream Managed Care Organizations (MMCOs) adopt a modified approach to utilization management for the two hospital inpatient units referenced above. Both units have been in operation for many years and are authorized by OMH to provide intermediate care for individuals with serious mental illness and complex needs, many of whom have been hospitalized at State Psychiatric Centers and are re-entering the community. Both inpatient programs are located in Westchester County but treat a significant number of NYC residents. The NYP Second Chance program operates 30 beds and the St. Joseph’s Intermediate Care Unit operates 14 beds. Nearly all admissions are Medicaid (non-duals) who have not had their benefits managed by plans to date.

Following are descriptive statistics for the two hospital inpatient programs:

		2010	2011	2012	2013	2014
Discharges	NYP	50	66	64	62	67
	St. Joe's	22	17	25	32	23
Admitted from State PC	NYP	N/A	20 (30%)	10 (16%)	10 (16%)	10 (15%)
	St. Joe's	0	0	0	0	0
County of Origin= NYC	NYP	N/A	N/A	45 (70%)	43 (53%)	49 (73%)
	St. Joe's	4 (18%)	4 (24%)	9 (36%)	9 (28%)	3 (13%)
Mean Length of Stay (days)	NYP	N/A	174	170	151	177
	St. Joe's	217	281	194	162	218
Discharged to Community	NYP	46 (92%)	53 (80%)	49 (77%)	51 (82%)	59 (88%)
	St. Joe's	12 (55%)	13 (76%)	15 (60%)	25 (78%)	19 (83%)
Discharged to State PC	NYP	4 (8%)	13 (20%)	13 (20%)	9 (15%)	7 (10%)
	St. Joe's	8 (36%)	2 (12%)	6 (24%)	7 (22%)	4 (17%)

These inpatient units are in a position to play an important role in the overall continuum of care given the ongoing pressures to lower the census at State Psychiatric Centers and improve community tenure for individuals with serious mental illness and complex needs. However, because of the long lengths of stay, plans may be more likely to issue medical necessity denials for these cases due to failure to show timely response to treatment. Because of this, NYS requests that HARPs and MMCOs refrain from issuing medical necessity denials for the initial 120 days of inpatient care for any new admission to these units on or after October 1, 2015, until further notice. Plans should conduct concurrent reviews and advise and support discharge planning activities.

The costs for these long hospitalizations are included in the 2016 capitation rate and stop-loss provisions will also help limit plan financial liability for these extended inpatient stays. OMH will shortly convene a workgroup including representatives from plans and the two hospitals to develop recommendations for program modifications to ensure these units play an important role in the transforming mental health system of care.

Please let us know if you have further questions.

CC: Robert Myers, OMH
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