NEW YORK STATE | Office of Mental Health

Behavioral Health Managed Care

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Behavioral Health Managed Care

The goal of moving the Behavioral Health (BH) system into Managed Care was to provide New Yorkers with fully integrated BH and physical health services offered within a comprehensive, accessible, and expanded recovery-oriented system. Specifically, the vision and goals for the transition to Managed Care included improved access to appropriate behavioral and physical healthcare services for individuals with mental illnesses and/or addiction disorders; better management of total medical costs for individuals diagnosed with co-occurring behavioral and physical health conditions; improved health outcomes and increased satisfaction among individuals engaged in care; transformation of the BH system from one dominated by inpatient care to one based in ambulatory and community care; and enhanced service delivery system that supports employment, success in school, housing stability and social integration.

New York State (NYS) transitioned the majority of Office of Mental Health (OMH) adult behavioral health (BH) services and Managed Care excluded adult populations (adults with Supplemental Security Income (SSI)) into Medicaid Managed Care between 2015-2016. Between 2019 and 2021, NYS transitioned previously exempt or excluded children's populations (children enrolled in 1915(c) Waivers and children in Voluntary Foster Care Agencies (VFCAs)) and many children's BH services into Medicaid Managed Care. These Managed Care initiatives were a result of the Medicaid Redesign Team (MRT) recommendations aimed at restructuring the Medicaid program to achieve measurable improvement in health outcomes, sustainable cost control, and a more efficient administrative structure.

A full implementation timeline can be accessed on the NYS Department of Health (DOH) Behavioral Health Transition to Managed Care website.

Transition to Mainstream Medicaid Managed Care and Health and Recovery Plans for Adults
All Medicaid BH and physical health benefits under Managed Care are delivered through the following models:

Mainstream Medicaid Managed Care Plans (Mainstream MMCPs)
For all adults and children served in Mainstream Plans throughout the State, including in HIV Special Needs Plans (HIV SNP), the Medicaid Managed Care Plan (MMCP) integrates all Medicaid State Plan covered services for mental illness, addiction disorders, and physical health conditions.

Health and Recovery Plans (HARPs)
HARPs manage care for adults aged 21 and older with significant BH needs. These specialized plans are intended to facilitate the integration of physical health, mental health, and addiction services for individuals requiring specialized services, expertise, tools, and protocols. In addition to the State Plan Medicaid services offered by mainstream Managed Care Organizations (MCOs), qualified Health and Recovery Plans (HARPs) offer enhanced care management and access to an expanded benefit package comprised of Adult Behavioral Health Home and Community Based Services (BH HCBS) and Community Oriented Recovery and Empowerment (CORE) Services. These services are designed to provide individuals with a specialized scope of rehabilitation services not currently covered under the State Plan.

Additional information on HARPs and services can be found at the following webpage: Health and Recovery Plans (HARPs).

Medicaid Advantage Plus (MAP) Plans
New York State brought additional BH services into the MAP Plan benefit package on January 1, 2023. MAP Plans are a type of Dual Eligible-Special Needs Plan (D-SNP) combined with a Medicaid Managed Long-Term Care Plan, which administer Medicare and Medicaid benefits, including Medicaid long-term care services.

Mainstream MMCPs, HARPs, HIV SNPs, and MAP Plans manage access to the following NYS Office of Addiction Services and Supports (OASAS) and Office of Mental Health (OMH) Medicaid State Plan services:

- OASAS Medically Supervised Outpatient Withdrawal
- OASAS Outpatient Clinic
- OASAS Opioid Treatment Program
- OASAS Outpatient Rehabilitation Programs
- OASAS Medically Managed Detoxification
- OASAS Medically Supervised Inpatient Detoxification
- OASAS Inpatient Rehabilitation
- OMH Mental Health Outpatient Treatment and Rehabilitative Services (Outpatient Clinic)
- OMH Comprehensive Psychiatric Emergency Program
- OMH Continuing Day Treatment Program
- OMH Partial Hospitalization
- OMH Personalized Recovery Oriented Services program
- OMH Assertive Community Treatment program
- OMH Inpatient Psychiatric Services (except for adults living in Institutes for Mental Disease)
- Health Home Care Coordination and Management

Mainstream MMCPs, HARPs, and HIV SNPs also manage access to the following services only available to Managed Care enrollees under NYS's 1115 Demonstration Waiver:

- OASAS Residential addiction services
- OASAS Outpatient addiction services (clinic to rehab)
- OASAS/OMH Crisis intervention services
- Community Mental Health Services: Licensed Behavioral Health Practitioner Services

Adult Behavioral Health Home and Community Based Services (BH HCBS) and Community Oriented Recovery and Empowerment (CORE) Services

In addition to the services above, HARP-eligible individuals who are enrolled in HARPs, HIV SNPs, and MAP Plans have access to two additional service arrays:

1. Adult BH HCBS for members who are determined eligible; and
2. CORE Services

NYS sought to improve access to BH HCBS for people with serious mental illness and/or addiction by removing administrative requirements associated with services authorized pursuant to Section 1915(c) of the Social Security Act, which resulted in lower-than-expected services utilization. HARP enrollees require rapid engagement and immediate connection to a service to successfully engage and establish trusting relationships with providers. To increase access to these important and cost-effective services, NYS transitioned BH HCBS to the CORE Service array, in February 2022.

Adult BH HCBS

The Centers for Medicare and Medicaid Services (CMS) authorized various BH HCBS under Medicaid waiver authority. BH HCBS are rehabilitative services designed to assist adults (age 21 and over) with serious mental illness and/or addiction disorder to remain and recover in the community, and reduce preventable admissions to hospitals, nursing homes, or other institutions. MMCPs with HARPs/HIV-SNPs offer Adult BH HCBS as a covered benefit for enrollees meeting eligibility criteria.

Adult BH HCBS include:

- Habilitation support services
- Short-term crisis respite
- Intensive crisis respite
- Education support services
- Non-medical transportation (as a Managed Care carve-out)
- Pre-vocational services
- Transitional employment
- Intensive supported employment
- On-going supported employment

CORE Services

CORE Services were transitioned out of the Adult BH HCBS array in February 2022. Adult BH HCBS access requirements, including the independent eligibility assessment and federal home and community-based settings restrictions, do not apply to CORE Services. HARPs and HIV SNPs can inform members of CORE Services and refer to CORE providers, as CORE Services have a "No Wrong Door" referral pathway, and eligible individuals may learn about CORE Services through any number of sources.

CORE Services include:

- Psychosocial
- Rehabilitation
- Community Psychiatric
- Support and Treatment
- Family Support and Training
- Empowerment Services - Peer Support

New Managed Care Services for Children

Children and Family Treatment and Support Services (CFTSS)

An array of Medicaid State Plan services, CFTSS were developed to focus on prevention and wellness for children, youth, and families. CFTSS were phased in between 2019-2020. CFTSS are available for all children (birth to 21 years of age) through Medicaid who meet medical necessity criteria. Delivery of the new services may take place in natural settings where children live and go to school.

CFTSS include:

- Crisis Intervention
- Community Psychiatric Support and Treatment
- Other Licensed Practitioner
- Psychosocial Rehabilitation Services
- Family Peer Support and Services
- Youth Peer Support and Training

Children's Home and Community Based Services (Children's HCBS)
NYS aligned children's HCBS that were in six former 1915c children's waivers into one waiver and transitioned the service array to Managed Care. Children's HCBS are available to youth (birth to 21 years of age) who meet eligibility criteria; who are in the foster care system and have serious emotional disturbance, developmental disabilities, or are medically fragile; are diagnosed with serious emotional disturbance, and/or require significant medical or technological health supports.

Children's HCBS include:

- Care Coordination through Health Home Care Management or an Independent Entity called Children and Youth Evaluation Service (C-YES) for those children who are either ineligible for Health Home or who opt out
- Caregiver/ Family Advocacy Support and Services
- Community Habilitation
- Crisis Respite
- Day Habilitation
- Palliative Care – Counseling and Support Services
- Palliative Care – Expressive Therapy
- Palliative Care – Massage Therapy
- Palliative Care – Pain and Symptom Management
- Planned Respite
- Prevocational Services
- Supported Employment

Additional information on the Children's Medicaid System Transformation can be found at Behavioral Health Children's Managed Care.

Value-Based Payment in Medicaid Managed Care
The NYS Medicaid Managed Care system is transforming from one that pays for service volume to one that rewards value, as defined by the intersection of cost and quality. To ensure the long-term sustainability of the improvements made possible by the Delivery System Reform Incentive Payment (DSRIP) investments between 2015-2020, NYS was required to submit a multiyear roadmap for comprehensive Medicaid payment reform, including how NYS will amend its contracts with Managed Care plans.

To support the ongoing transition to Value-Based Payment (VBP), NYS tasked each DSRIP Performing Provider System (PPS) with the development of a local sustainability plan, which included how the PPS intends to support its assigned catchment area with the successful implementation of VBP, even after the expiration of the DSRIP program in 2020. In that sustainability plan, the PPS was required to indicate how they plan to help NYS advance value-based services design.

OMH and OASAS devoted resources to prepare its BH safety-net providers to engage in this statewide movement to VBP through the NYS Behavioral Health Value Based Payment Readiness Program. This program awarded funds for the creation of a Behavioral Health Care Collaborative (BHCC). A BHCC is a network of providers delivering the entire spectrum of behavioral health services available in a natural service area. BHCCs include but are not limited to licensed/certified/designated OMH/OASAS/Adult BH HCBS programs.

The Readiness Program was designed to achieve two overarching goals:

1. Prepare BH providers to engage in VBP arrangements by facilitating shared infrastructure and administrative capacity, collective quality management, and increased cost-effectiveness; and
2. Encourage VBP payers, including but not limited to MMCPs, hospitals, and primary care practices, to work with BH providers who demonstrate their value as part of an integrated care system.

BHCCs are intended to enhance quality care through clinical and financial integration and community-based recovery supports. Through community partnerships, they promote integrated care (physical and behavioral), attention to social determinants of health, and prevention. As part of the population health management ecosystem in each region, BHCCs must work with the PPSs and MMCPs to advance this physical and BH collaboration and integration. Funding has assisted BHCCs in building infrastructure necessary to collect, analyze, and respond to data to efficiently improve BH and physical health outcomes. BHCCs use the resulting

data collection, analytics, quality oversight and reporting, and clinical quality standards to improve care quality and enhance their value in VBP arrangements. The expectation is that BHCCs will leverage their shared expertise to be in a better position to enter VBP contracts.

Sixteen of eighteen BHCCs have established formal contracting entities, Independent Practice Associations (IPAs), to engage in VBP arrangements. Some of these IPAs have successfully entered VBP contracts, including level one and level two risk arrangements.

Beyond VBP contracting, examples of the work being done in NYS by the BHCC/BH IPAs include: Development of service catalogues– providers, hours, services, specialties, and referral contacts; provision of closed loop network referrals within BHCC/BH IPAs and with hospital systems; creation of shared performance measures and reporting across the provider network; hiring of shared staff including psychiatrists; serving as central point for rapid response during onset of COVID-19 in NYS to support effective distribution of personal protective equipment (PPE); and supported the shift to telehealth for provider networks.

In 2022, CMS approved a VBP state-directed preprint to support the BHCC/BH IPA work using enhanced federal Medicaid assistance percentage (eFMAP) funds through the American Rescue Plan Act. These funds will support continued development in creating sustainable structures, revenue streams, and VBP arrangements.

For additional information, please see the following DOH and OMH webpages regarding NYS's VBP initiatives:

Value Based Payment Reform (VBP)

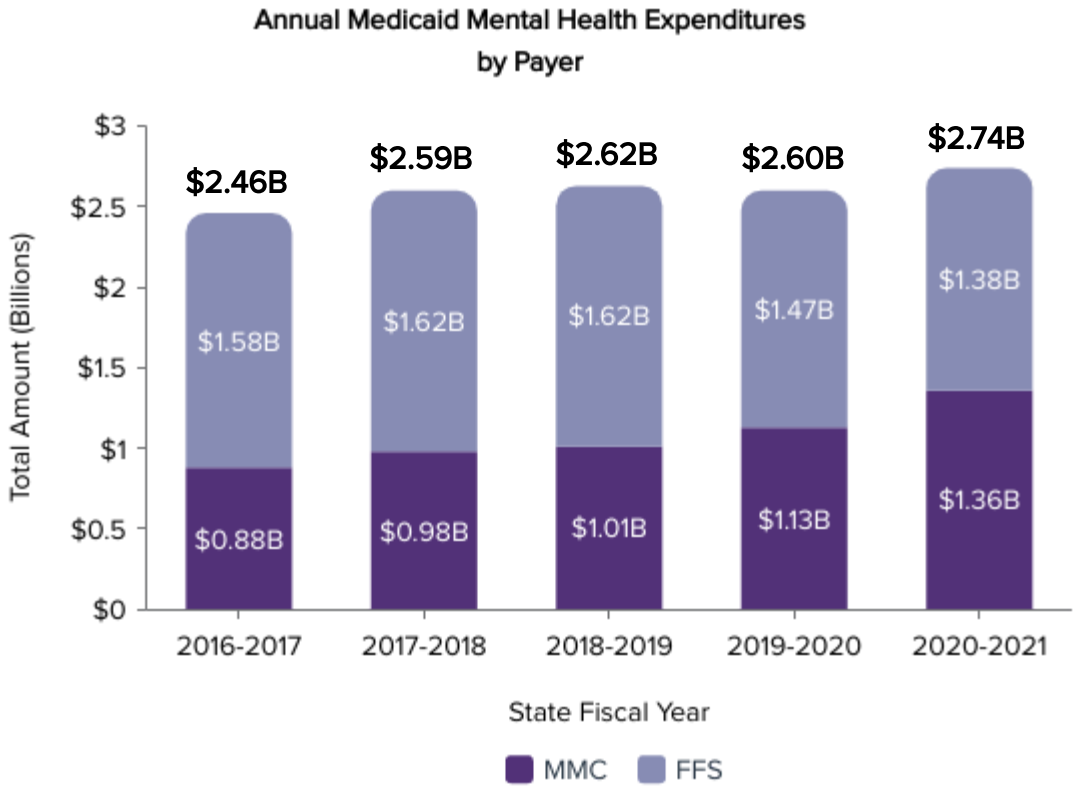
Behavioral Health Value Based Payment (BH VBP) Readiness Program

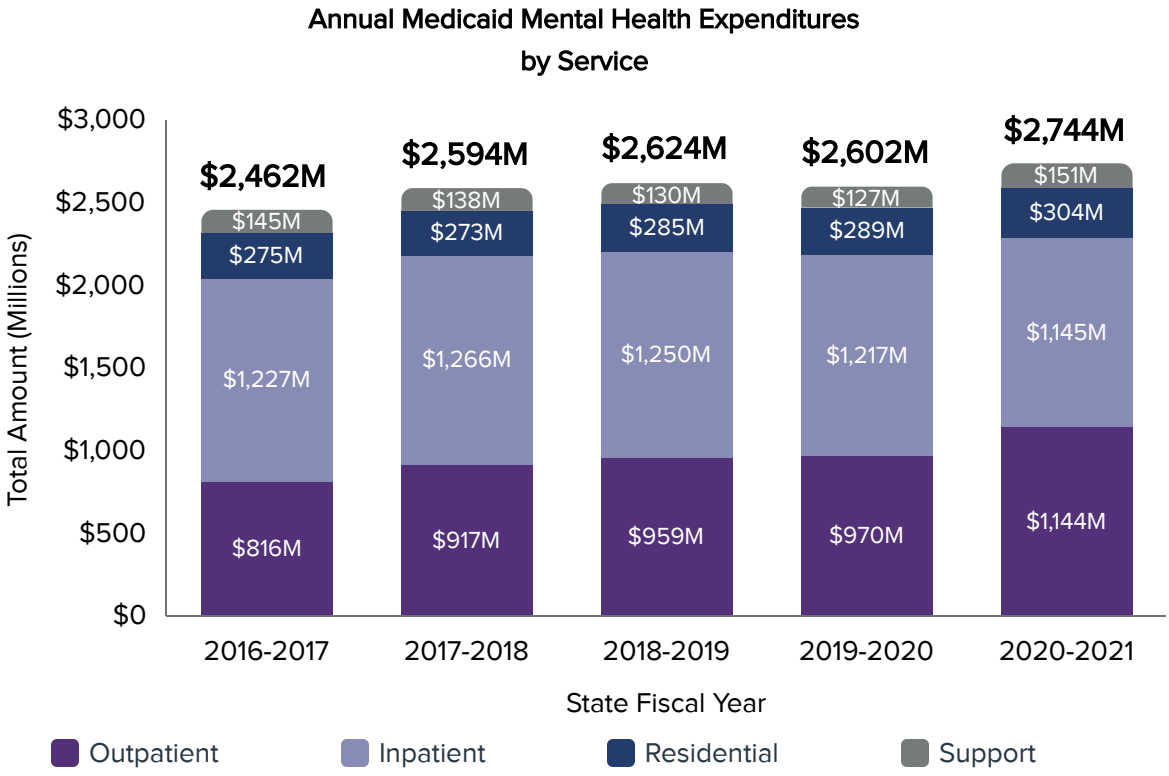
Scope of Managed Care Funded Services

As described above, OMH transitioned a majority of adult BH services and Managed Care excluded adult populations to Medicaid Managed Care beginning in 2015. The purpose of this section is to provide information and show trends in Medicaid Fee-for-Service spending versus Medicaid Managed Care spending and the impacts on inpatient, outpatient, residential and support service categories.

Medicaid Managed Care Expenditures versus Fee-for-Service

Statewide mental health expenditures for Fee for Service and Medicaid Managed Care have grown over the most recent five-year period of data available, from $2.46 billion to $2.74 billion.





Behavioral Health Parity

OMH is committed to addressing disparities between health plan coverage for mental health and addiction disorders (MH/AD) benefits and medical and surgical (M/S) benefits. OMH, in coordination with the DOH, the NYS Department of Financial Services (DFS) and the OASAS, is currently working on several initiatives to enforce MH/AD parity compliance for NYS regulated health insurers.

In 2018, OMH and DOH began conducting Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA; 29 U.S.C. §1185a) testing. MHPAEA testing, as codified in 42 CFR Parts 438, 440 and 457, respectively, included the analysis of financial requirements, quantitative treatment limitations, and nonquantitative treatment limitations (NQTLs). The State emphasized the review of 19 priority NQTLs (i.e., reimbursement, retrospective review, and prior authorization), recognizing that for MMCPs, the operational policies and protocols embedded therein are the principal areas where MMCPs have the most discretion to affect the scope of an enrollee's access to covered MH/AD benefits. The NQTL review focused on ensuring the standards and processes for MH/AD benefits and coverage, both as written and in operation, were comparable and restrictions were applied no more stringently than those applied to M/S benefits and coverage. A comprehensive NYS Compliance Report Update was released March 14, 2022, detailing the State's MHPAEA compliance testing and findings. Multiple citations were issued to all MMCPs for failing to demonstrate compliance with MHPAEA. The State is continuing to examine compliance through future surveys and ongoing monitoring.

Additionally, Chapter 57 of the Laws of 2019 added a new provision to the utilization review program standards in Insurance Law § 4902 and Public Health Law § 4902. The new provision requires that, when conducting utilization review for purposes of determining health care coverage for a MH condition, health maintenance organizations and insurers, and their contracted utilization review agents, must utilize evidence-based and peer-reviewed clinical review criteria that are appropriate to the age of the patient, and which have been deemed appropriate and approved for use. This provision became effective January 1, 2020, and OMH began a comprehensive examination of insurers' clinical review criteria and associated policies and procedures (collectively "criteria"), across several lines of business, including Medicaid, Commercial, Essential Plan (EP), and Child Health Plus (CHP).

OMH developed the Guiding Principles for the Review and Approval of Clinical Review Criteria for Mental Health Services (hereafter Guiding Principles) and the New York State Office of Mental Health Best Practices Manual for Utilization Review for Adult and Child Mental Health Services (hereinafter Best Practices Manual). The Guiding Principles outline the guidelines that govern OMH's review and approval process to ensure that coverage determinations for MH services are made in a manner consistent with accepted medical practices and federal and state BH parity laws. The Best Practices Manual provides the framework for the best practice approaches to utilization review in a manner that is aligned with the Guiding Principles, as well as federal and state laws related to utilization review and BH parity laws. Insurers are required to follow the Guiding Principles and are encouraged to adopt the Best Practices Manual. If an insurer chooses to forgo adopting the Best Practices Manual, they must demonstrate that their practices are fully compliant with federal and state mental health parity laws.

Currently, 22 insurers (49 lines of business) have approved criteria that adhere to the Guiding Principles and are aligned with the Best Practices Manual, while eight insurers (18 lines of business) continue to operate under conditional approval of their original submission of criteria, as their proposed criteria does not yet meet the State's standards for approval. OMH will continue to work closely with the remaining insurers to address deficiencies and revise standards to achieve acceptable criteria. OMH will also review new and updated criteria and policies and procedures on an ongoing basis to ensure compliance. For insurers that are unable to meet acceptable standards, OMH, in consultation with the DOH and DFS, will identify the appropriate next steps to take enforcement actions.

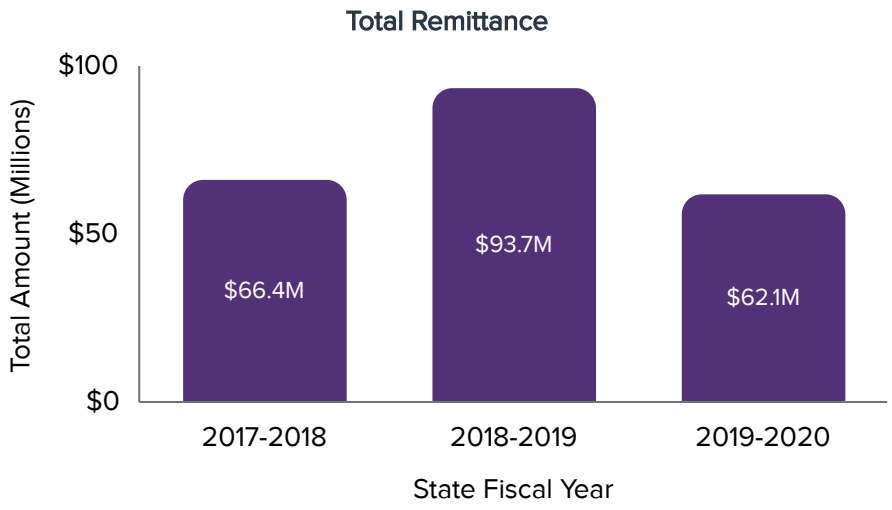
Enforcement of Managed Care Regulations

DOH performs ongoing oversight activities to ensure compliance with federal and state laws and regulations and the Medicaid Managed Care /Family Health Plus/HIV Special Needs Plan/Health and Recovery Plan Model Contract (Model Contract). OMH participates and leads oversight activities related to mental health. These oversight activities include comprehensive, target, and focus surveys, analyses of claims reports and MMCP data, and the review of provider complaints and concerns. Citations, specifically Statement of Deficiencies (SODs) and Statement of Findings (SOFs), are issued during surveys to address any identified violations. SODs are issued when an MMCP is in violation with Public Health Law (PHL) and the New York State Official Compilation of Codes, Rules, and Regulations (10NYCRR). SOFs are issued for violations of the Model Contract. While MMCPs are required to address the deficiencies through a Plan of Correction (POC), repeat SODs for the same violation of the PHL or 10NYCRR or egregious violations can lead to enforcement actions. Enforcement actions can include a range of punitive actions, such as financial penalties, and when warranted the revocation of an MMCP's Certificate of Authority.

Since 2019, OMH and DOH have issued 179 citations for BH parity violations (Focused Survey Citations). This includes 45 citations to MMCPs due to inappropriate administrative claims denials for BH services and 95 citations for failing to demonstrate compliance with MHPAEA. Enforcement actions were pursued against five MMCPs for persistent non-compliance related to the inappropriate administrative claims denials of specialty BH services. OMH and DOH secured over $2.6 million in penalties which were deposited into the Behavioral Health Parity Compliance Fund. The Behavioral Health Parity Compliance Fund provides funding for initiatives supporting parity implementation and enforcement on behalf of consumers, including the Behavioral Health Ombudsman Program.

Medical Loss Ratio and Behavioral Health Expenditure Target

Section 3.22 of the Medicaid Managed Care model contract between the State and the MMCPs describes a Medical Loss Ratio (MLR) of 86 percent for mainstream products, which requires the MMCPs to spend, for medical services, at least 86 percent of the total premium and refund any unspent premium below the 86 percent level to DOH. In addition, there is a Behavioral Health Expenditure Target (BHET) of 96 percent, which enables the State to recover the difference between 96 percent of the total annual BHET and actual BH expenditures in each fiscal year, if less than 96 percent of the BHET. The HARP product line has the same BHET of 96 percent and a higher MLR of 89 percent. The chart below shows the recoveries that have been executed by the State through July 2022. NYS is committed to monitoring the spending for every fiscal year and will recoup if there is any underspending by the MMCPs under the provisions of BHET and MLR.



Note: MLR remittance amounts for SFY 2019-20 are still under development.

Behavioral Health Managed Care Reinvestment Spending

The State Fiscal Year (SFY) 2022-23 Budget includes appropriations for reinvestment within OMH and OASAS that will facilitate the implementation of reinvestment in the community-based system. In SFY 2022-23, the Budget included appropriations totaling $111 million State share ($222 million gross) available for reinvestment (See figure below). The State share reinvestment appropriations are included in Aid to Localities bill with $74 million in the Office of Mental Health and $37 million in the Office of Addiction Services and Supports.

FY 2022-23 Executive Budget Managed Care Reinvestment					
Behavioral Health Expenditure Target / Medical Loss Ratio (Millions)					
		SFY 2017-18	**SFY 2018-19**	**SFY 2019-20**	**Total**
BHET	Mainstream	N/A	$25	$59	**$84**
	HARP	N/A	N/A	$1	**$1**
	HIV SNP	N/A	$5	$2	**$7**
MLR		$66	$64	TBD*	**$130**
Total		**$66**	**$93**	**$62**	**$222**
**Under development*					
State Appropriations Total					**$111**
OMH					**$74**
OASAS					**$37**

Note: The Behavioral Health Expenditure Target is not relevant for Mainstream and HIV SNP plans in SFY 2017-18, and not relevant for HARP plans in SFY in SFY2018-19 per NYS Medicaid Managed Care Model Contract.