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**ACT in Colorado Medicaid's
Managed Care Mental Health
Program**

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Overview of Colorado Medicaid's Mental Health Program

- Statewide mandatory client enrollment in capitated managed care
- Operated under a federal 1915(b) waiver
- Five Behavioral Health Organizations (BHOs) manage a comprehensive program of state plan and “alternative” (b3) mental health services



ACT in Colorado

- ACT programs originated over 30 years ago
- Research consistently shows that ACT reduces hospitalization, increases housing stability, and improves quality of life for people with severe mental illness who experience the most challenges relating to symptoms and functional impairment
- However, nearly all previous studies of ACT programs had been conducted in non-managed environments with relatively high baseline inpatient utilization rates



ACT in Colorado

- In 1997, Colorado Access/Access Behavioral Care (ABC) was awarded the capitated mental health services Medicaid contract for Denver
- Although ACT was already identified as an evidence-based practice, ABC was concerned that an ACT team would not be financially viable in a managed care environment
 - No BHOs in the State had yet adopted ACT
- One study reported that ACT members needed an average baseline of 50 inpatient days per member for the BHO to break even (Latimer, 1999)



ACT in Colorado

- Colorado Access elected to fund a 40-slot ACT team through the Mental Health Center of Denver
- Goal: to determine whether ACT services are cost-effective within the context of a delivery system that is already managed
- Challenge: to create a program that would be consistent with the principles of managed care, and, at the same time, remain faithful to the ACT model (Dartmouth ACT scale)



ACT in Colorado

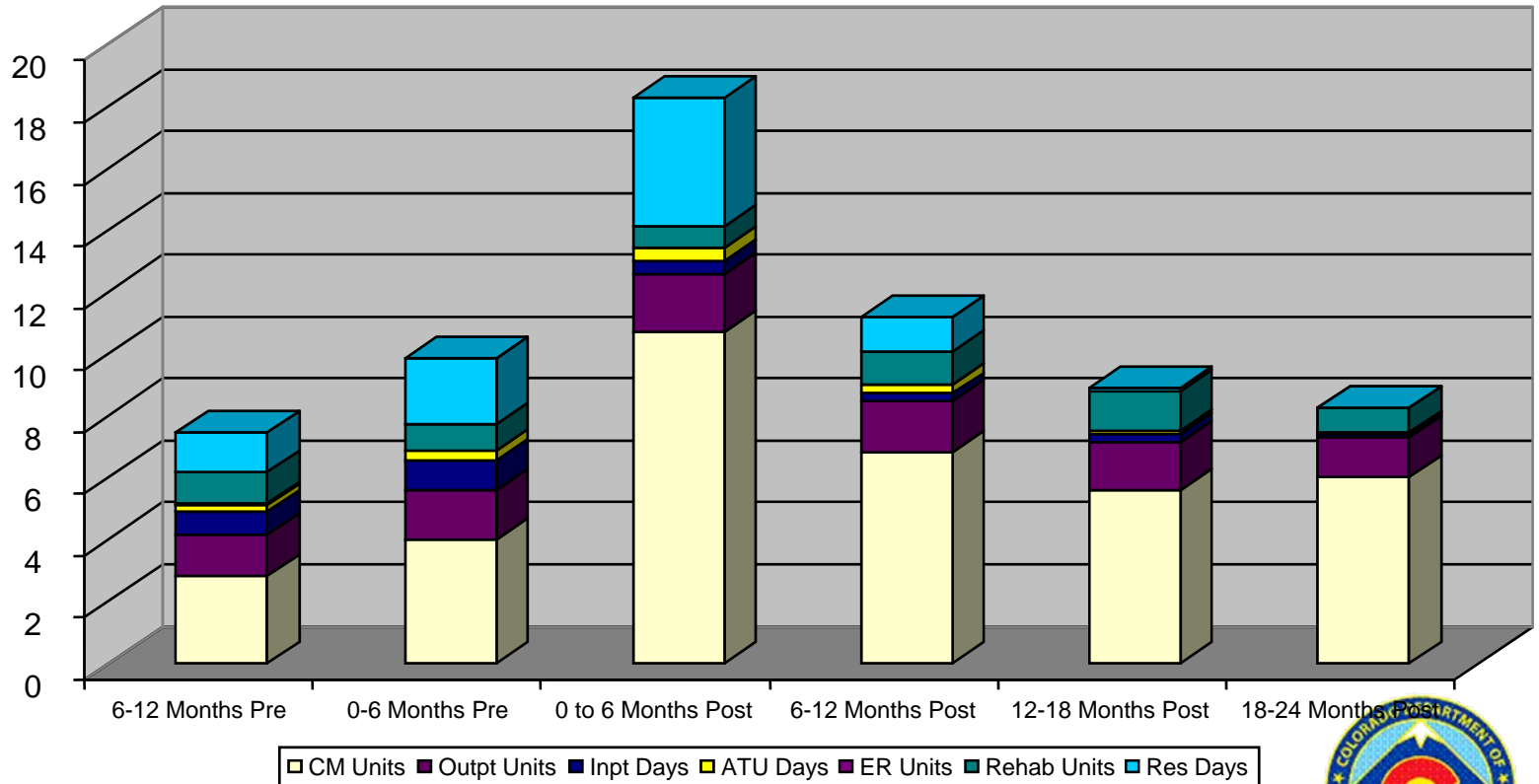
- By 1999, inpatient utilization had decreased by 60% from pre-managed levels
- Consumers' perceptions of their quality of life and satisfaction with services improved
- Functional gains as assessed by the ACT clinicians were statistically significant
- Substance abuse treatment needs and family involvement also showed improvements



Utilization Patterns

Pre- and Post-Intervention

Comparison of Service Mix of Inpatient, ATU, and Residential Days
Case Management, Outpatient, ER, and Rehab Units
(Units are Per Member Per Month)



Financial Sustainability

Total and Per Member Per Month (PMPM) Costs Pre- and Post-Intervention

	Total Costs	PMPM Costs
One Year Pre-	\$ 373,809.73	\$ 935.34
Year 1 Post-	\$ 492,616.60	\$ 1,109.57
Year 2 Post-	\$ 289,026.13	\$ 758.40
Years 1 and 2 Combined	\$ 781,642.73	\$ 947.37

(Combined costs for years 1 and 2 are divided by the total member months for these 2 years.)



Study Conclusions

- ACT implementation appears to have been able to financially “break even” over two years is particularly noteworthy given an inpatient utilization that averaged less than 10 days a year at baseline for the enrolled population.
- Key informants credited both the close collaboration between the health plan and provider, as well as the structure and supports provided by the ACT model, for much of the program’s success.



ACT in Colorado Now

- In the last contract, provision of ACT was optional, but 4 of the 5 BHOs chose to offer it.
- Effective 9/1/09, all five BHOs currently offer ACT as one of their 1915(b)(3) services, although geographic distribution and program capacity vary.
- Services are funded by the capitated PMPM (per member per month) payment system
- Staff to client ratios vary from 12:1 to 8:1.



ACT in Colorado Now

- As defined in Colorado 1915(b) waiver: Assertive Community Treatment (ACT) is a service-delivery model that provides comprehensive, locally-based treatment to adults with serious mental illnesses. Services are highly individualized and are available 24 hours a day, seven days a week, 365 days a year to clients who need significant assistance and support to overcome the barriers and obstacles that confront them as a result of their mental illnesses. ACT teams provide case management, initial and ongoing mental health assessments, psychiatric services, employment and housing assistance, family support and education, and substance abuse services to individuals with MI and co-occurring diagnoses of SA and MI. ACT multidisciplinary treatment teams may consist of the following providers: psychiatrist, Masters level licensed mental health professionals, Bachelor's level mental health professionals, and peer specialists.



ACT in Colorado Now

- To promote recovery and ensure that Members are receiving the right level of care to meet their needs, MHCD has implemented an internal utilization management process. Using a tool called the Recovery Needs Level (RNL), the multi-disciplinary team assesses the clinical functioning of all Members receiving ACT services every six months. The RNL has been used to transition over 600 Members to less intensive services over the past two years.
- One BHO hired outside contractors to evaluate program fidelity and the program scored in the high fidelity range with a score 4.04 out of 5.0 on the SAMHSA fidelity scale.



Current Utilization in Colorado

- Most BHOs report that adherence to model fidelity supports the success of the program, i.e. small caseloads, a multi-disciplinary team approach, and 24/7 access to comprehensive, community-based services that focus on recovery and resiliency.
- Regular assessment of client progress and needs allows some clients to be moved to less intensive levels of service, opening slots in the program for new clients.



Current Utilization in Colorado

- In summary, Colorado has supported successful implementation of ACT across the state by contractually requiring the service.
- Colorado also stresses the importance of addressing client's physical health needs concurrently with behavioral health. Care coordination with physical health plans/ providers is included in all service plans.
- As Colorado's economic environment improves, we expect to see BHOs voluntarily increase their capacity for ACT services in order to better serve their clients needs.



Questions?

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