

Case Study in Health Plan Integration

In all of our healthcare work, **HCSpecialists** promotes integrated organizational structures. Integrated delivery systems connect health plan members to case management, customer service, clinical operations, and information technology, as well as the most appropriate expertise available to care for health conditions. **HCSpecialists** recently achieved such integration in collaboration with a large health plan, which serves over ten million members in multiple states, during the implementation of a two-year project to standardize operations and eliminate functional redundancies.

Our Client's Challenge:

Integrate the Management of Behavioral and Physical Health

Prior to our collaboration with the health plan, our client's behavioral health operations were outsourced to a vendor and managed separately from all other plan functions. The health plan offered coverage for all lines of business, including Fully Insured, ASO, HMO, PPO, POS, FEP, Medicaid, Medicare, Individual, and Indemnity products. In preparation for healthcare reform, the health plan wanted to evaluate the effectiveness of their current structure compared to a more fully integrated service delivery model.

In response to this need, the health plan engaged **HCSpecialists** to conduct a comprehensive evaluation of existing operations and propose new solutions. Through a cost/benefit analysis, **HCSpecialists** was able to demonstrate that the integration of behavioral health services would enhance total healthcare quality and improve life opportunities for the plan's membership.

In addition, our analysis determined that a new integrated structure would maximize the health plan's return on investment (ROI) and minimize the cost impact of Mental Health Parity. Since integration is a "core competency" in medical home models and advances members' self-directed care, this approach benefitted our client by offering competitive advantage in activities encouraged by the Affordable Care Act.

How We Worked to Meet Our Client's Needs

HCSpecialists collaborated with the health plan to redesign processes across multiple functional areas that would be impacted by the transformation to an integrated delivery system. Our work for the client included the following:

Executive and Administrative Support

- Consulted with the health plan's project leadership team to continuously analyze the organization's readiness for change and the development of strategic initiatives.
- Provided staffing projections, workflow improvements, and expertise to most effectively address the special circumstances of members with behavioral health disorders.
- Developed job descriptions for new staff positions across all functional areas and assisted with recruitment/hiring.
- Made recommendations regarding the volume and types of network providers and facilities required within the integrated model.



Compliance

- Completed an extensive compliance review to ensure that both current and newly-developed protocols adhered to benefit mandates in all states operated by the plan, as well as new federal parity regulations.
- Advised on implications of sharing data between the health plan's behavioral health and medical departments.
- Drafted appeals procedures that conformed to state and federal regulatory requirements.
- Prepared URAC and NCQA readiness reviews for newly integrated protocols.

Clinical Operations

- Created new policies, procedures, decision support tools, protocols for complex case management, and care paths to optimally support the integrated medical and behavioral health model.
- Recommended evidence-based medical necessity criteria specific to behavioral health disorders, as expressly encouraged by parity laws to generate better outcomes for members.
- Developed five new disease management protocols for the most prevalent behavioral health conditions, tailored to deliver the best ROI for the health plan by proactively integrating members' behavioral health treatment with their medical care.
- Projected outcomes associated with high-cost diagnoses, such as depression co-occurring with myocardial infarction or chronic pain.
- Conducted extensive analyses of the plan's predictive modeling capabilities and developed additional components integrating the co-occurrence of behavioral health conditions as indicators of risk.
- Recommended extensive changes to the oversight of behavioral health treatment services, including increased access to outpatient services to prevent more intensive and expensive levels of care.

Technology and Systems

- Served as the behavioral health subject matter experts in the development of a new, integrated clinical case management platform.
- Consulted on systems designs including claims logic, fax and portal solutions, and workload management.
- Validated the numerous data interfaces among the health plan and its vendors.
- Identified changes required for the integration of behavioral health functions, generation of management reports, reporting of accreditation criteria, and assessment of members' access to providers.

Training

- Developed customized integrated care training programs for all behavioral health department staff including the use of evidence-based treatment guidelines and medical necessity criteria, philosophy of utilization management, and effective case management techniques to ensure quality care for the member.
- Implemented a training/mentoring program that empowered new staff members to learn through a classroom/observation/mentoring approach within an actual operation.
- Supported and enhanced the development of an internal support structure to optimize future innovations.



Outcomes Achieved to Benefit Our Client

The collaboration between the health plan and **HCSpecialists** resulted in a successful transition to a new integrated delivery system. In addition to completing all project deliverables on time and within budget, our client achieved the following results:

- **Adapted behavioral health benefits and operations to accommodate changes in federal law (*mental health parity and healthcare reform*), while maintaining compliance with state requirements.** In advance of 2014, the health plan is already prepared to offer essential behavioral health benefits, as defined by separate states in which it operates. In addition, reduced administrative costs will enable the plan to competitively market these benefits to newly-insured individuals.
- **Streamlined operations to realize enormous annual cost savings.** Administrative savings will result from in-sourcing the management of behavioral health services. The health plan is also on course to achieve substantial “cost of care” savings through reduced admissions to inpatient behavioral health settings and decreased average lengths of stay.
- **Transformed the delivery system to promote better health outcomes for members.** Based on two decades of investigation of the impact of behavioral health interventions on overall healthcare utilization, a “medical cost offset” is anticipated to result from the plan’s new disease management protocols. Research has also demonstrated the efficacy of behavior modification programs for improving adherence with treatment guidelines for chronic physical conditions such as diabetes, asthma, hypertension, and various cardiac problems.
- **Positioned the health plan to meet additional challenges posed by healthcare reform.** The health plan’s prospective utilization management activities should qualify as “medical loss” for reporting requirements that start in 2012. Their disease management and discharge programs meet the new quality improvement standards.

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About the Authors

Kristina L. Greenwood, PhD, is Vice President - Research & Development at **HCSpecialists** and has over 20 years of experience in health care. Trained as a clinical psychologist, her areas of expertise include clinical outcomes research, healthcare operations, and the development of integrated care programs.

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