Washington State Health Care Authority

Report to the Legislature

Behavioral health outcomes

2023 Integrated Managed Care Data

Engrossed Substitute Senate Bill 5187; Section 215(35); Chapter 475; Laws of 2023

December 29, 2024

Behavioral health outcomes

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Table of contents

Executive summary 4

Background 6

Findings 8

- Client demographics and utilization by state plan modality 8
- Background on FFS importance and measurement challenges 8
- Revenues and expenditures for community behavioral health programs 10
- Access to services 10
- Service denials 12
- Claims denials and timely payment to providers 12
- Social and recovery metrics 12
- MCO performance measures 12

Conclusion 14

Executive summary

The Health Care Authority (HCA) submits this report in response to ESSB 5187 (2023); Section 215(35):

> The authority shall seek input from representatives of the managed care organizations (MCO), licensed community behavioral health agencies, and behavioral health administrative service organizations (BH-ASO) to develop specific metrics related to behavioral health outcomes under integrated managed care (IMC). These metrics must include, but are not limited to:
>
> (a) Revenues and expenditures for community behavioral health programs, including Medicaid and non-Medicaid funding;
> (b) access to services, service denials, and utilization by state plan modality;
> (c) claims denials and record of timely payment to providers;
> (d) client demographics; and
> (e) social and recovery measures and managed care organization performance measures.
>
> The authority must work with managed care organizations and behavioral health administrative service organizations to integrate these metrics into an annual reporting structure designed to evaluate the performance of the behavioral health system in the state over time. The authority must submit a report to the office of financial management and the appropriate committees of the legislature, before December 30th of each year during the fiscal biennium, that details the implemented metrics and relevant performance outcomes for the prior calendar year.

Several key things happened during 2023 that influence the data contained within this report:

1. HCA engaged in the public health emergency unwind and had to re-assess enrollment for all Apple Health (Medicaid) enrollees.
2. HCA implemented and maintained rate increases for behavioral health providers.
3. HCA continued to develop new systems to meet data collection requirements set by the Centers for Medicare and Medicaid Services (CMS).

- Washington state decreased Apple Health enrollment by 300,000 within calendar year 2023 due to the pandemic enrollment flexibilities ending.
- Over 430,000 Washingtonians received behavioral health services paid through the integrated managed care or integrated foster care Apple Health or Behavioral Health Administrative Services Organization (BH-ASO) contracts, which was a 5% increase from 2022.

- The public health emergency unwinding generally affected people who were not active in receiving treatment and did not result in fewer individuals accessing mental health and substance use disorder treatment services.
- Even with the decrease in enrollment, expenditures increased by 13% due to legislative rate increases.
- Access to services, service denials, and utilization indicates some stabilizing occurring in the system post-pandemic.
- Most MCOs meet provider network adequacy standards for behavioral health providers, with Klickitat County as an outlier, which is probably due to its rural area.
- All MCOs report high rates of timely payment to providers, except Amerigroup (now Wellpoint) which was in part an issue requiring corrective action and updating to its payment systems to begin major improvements, which the HCA oversight team has confirmed improvement is underway.

This report consolidates multiple reports and provides links for ease of reference. It contains data and analysis for the calendar year 2023, based on availability and completeness. HCA continues to try to improve the readability and functionality of this report, connecting other legislative reports and federal reporting requirements, reducing duplication, and highlighting material that may not be found elsewhere. The December 2023 report focused on measurement selection and data collection processes, and primarily featured fiscal reporting.

Background

To compile information for this report, HCA collaborated with Managed Care Organizations (MCO), Behavioral Health Administrative Services Organizations (BH-ASO), and licensed community behavioral health agencies to develop specific metrics and reporting structure that achieve the specifications within the legislation. Data was pulled from the following resources:

Topic area	Data source(s)
Revenues and expenditures for community behavioral health programs	Milliman data book and appendices HCA Quarterly Revenue and Expenditure report
Access to services	Behavioral Health Access Survey Behavioral Health Data System (BHDS) Network adequacy reports Operational Data Store (ODS) Consumer Assessment of Healthcare Providers and Systems Report (CAHPS)
Service Denials	Grievance, Appeals, and Independent Review Report (Medicaid only)
Utilization by state plan modality	Behavioral Health Data System (BHDS) Millman data book and appendices ProviderOne encounter data Executive Management Information System (EMIS) Medications for Opioid Use Disorder (MOUD) Treatment in Apple Health Clients Healthier Washington Dashboard
Claims denials and timely payment to providers	Claims denials analysis report
Client demographics	ProviderOne encounter data Apple Health client eligibility dashboard Continuous enrollment unwind data
Social and recovery metrics	Research and Data Analysis' (RDA) current set of metrics Employment Statuses of Washington Apple Health clients and non-client individuals with dependents who are Apple Health Clients

MCO performance measures	External Quality Review comparative and regional reports
Fee-for-Service client performance measures	RDA metrics produced on behalf of HCA

Findings

Client demographics and utilization by state plan modality

As described within the Apple Health client eligibility dashboard there were 2,302,964 total eligible clients in January 2023, yet only 2,063,137 eligible clients by the end of the calendar year. The decline in caseload stemmed from the end of the Public Health Emergency, effective March 31, 2023 (additional details are available in Continuous enrollment unwind data). After almost 3 years of continuous coverage, Apple Health clients renewed eligibility for continued enrollment. It is important to note the public health emergency unwind generally affected people who were not active in receiving treatment and did not result in fewer individuals accessing mental health and substance use disorder treatment services.

Of the total population of individuals enrolled in managed care within the 2023 calendar year, 419,388 received a behavioral health service from a community behavioral health provider (including outpatient, residential licensed behavioral health agencies, crisis providers, and inpatient psychiatric providers). In addition, 17,145 individuals received behavioral health services paid for through the BH-ASO contracts (further information based on region and demographics can be found in: 2023 Behavioral Health Outcomes Data and Client demographics utilization by state plan modality).

Additional information on community behavioral health can be found through the Executive Management Information System (EMIS) that highlights utilization[1] within community behavioral health settings, long term civil commitments admissions and discharges, psychiatric hospitalizations, children's long-term inpatient programs, involuntary treatment act hearings, and inpatient and outpatient substance use disorder (SUD) programs by month for the current fiscal year. Further, HCA maintains a dashboard demonstrating utilization of medication for opioid use disorder that highlights trends by geographical regions, race, county, demographics, and MCO.

Background on FFS importance and measurement challenges

The mandated scope of this report is behavioral health outcomes for those who are in managed care purchasing arrangements and excludes Apple Health fee-for service populations; however, the inclusion of Fee-for-Service (FFS) client population data is crucial for providing a complete picture of behavioral health services in Washington. Two significant populations primarily served through FFS are American Indian/Alaska Native (AI/AN) clients and individuals dually eligible for Medicare and Medicaid (Apple Health). However, direct comparisons between MCO and FFS performance measures present several

[1] Monthly counts of individuals served in various CBH treatment and recovery support services; and, in some cases, monthly counts of bed days by a certain BH program. EMIS CBH indicators are largely outlined to program items identified for reporting to legislative staff, in great part via ESSB 5693 (215)(99), aka Proviso 99. EMIS metrics are pre-defined by HCA and/or other stakeholders (e.g., legislative staff).

methodological challenges. FFS populations often have different demographic profiles, health care needs, and service utilization patterns compared to MCO enrollees. For example, FFS beneficiaries may have more complex health needs or require specialized services not typically managed by MCOs. These population differences can significantly impact health outcomes and service utilization metrics.

Additionally, the underlying data collection and reporting mechanisms differ substantially between FFS and managed care systems. MCOs are contractually required to report specific performance metrics and maintain robust data collection systems. In contrast, FFS data is collected through different mechanisms and may not capture the same level of detail or use the same definitions. For dual eligible clients, the analysis is particularly challenging as the lack of comprehensive Medicare data (where Medicare is the primary payer) makes it difficult to present a complete picture of health care utilization.

These differences in population characteristics, service delivery models, and data infrastructure require careful consideration when attempting to draw comparisons. Where FFS measures are currently produced using comparable methodologies, they are noted in the respective subsection of this report. Future efforts will focus on developing more standardized approaches to measuring FFS performance while acknowledging the inherent differences between these delivery systems. Alternatively, HCA could utilize the federally required managed care External Quality Review Organization (EQRO), a premier activity for vetted quality metrics, to assess FFS quality measures as is done for managed care. Although this is a federal requirement of managed care, only financing prevents Washington state to also offer it for FFS.

Notwithstanding the challenges stated above, HCA includes the following critical metrics that include the FFS population:

- Apple Health Client Eligibility Dashboard: The Apple Health Client Dashboard includes both managed care and FFS populations, allowing users to examine demographic patterns across delivery systems. This is particularly important for understanding unique FFS populations such as American Indian/Alaska Native clients and individuals dually eligible for Medicare and Medicaid, who often have different healthcare needs and utilization patterns than managed care enrollees.
- The MOUD Treatment Dashboard: The MOUD Treatment Dashboard stratifies data by managed care and FFS status, enabling comparison of opioid use disorder prevalence and treatment rates across delivery systems. While direct comparisons should consider the different population characteristics and data collection methods between FFS and managed care, this information helps provide a more complete picture of opioid treatment services across Washington.
- The Healthier Washington Dashboard: The Healthier Washington Dashboard includes data from both managed care and FFS populations, though not currently stratified by delivery system. Given the unique characteristics of FFS populations, including higher rates of complex health needs, this comprehensive view is essential for understanding overall program performance while acknowledging data collection differences between systems.
- Employment Statuses of Washington Apple Health clients and non-client individuals with dependents who are Apple Health Clients (calendar year 2023): Employment status reporting encompasses both managed care and FFS Medicaid populations, providing insights across all delivery systems. This inclusive approach is particularly valuable for understanding outcomes for

FFS beneficiaries, including dual-eligible individuals and other populations with distinct employment patterns and support need.

As FFS, is not currently being incorporated to the EQRO report, additional metrics, including FFS data can be found in 2023 Behavioral Health Outcomes Data. These data report behavioral health quality measures to the HEDIS and Research and Data Analysis (RDA) specifications.

Revenues and expenditures for community behavioral health programs

During 2023, there were continued, and new rate increases for behavioral health services.

- The 2021-23 operating budget included a 2% increase for all community behavioral health services provided through behavioral health agencies. The rate increase was implemented for all behavioral health inpatient, residential, and outpatient providers.
- The 2022 Supplemental budget included a continuation of the 2% rate increase for all services covered under the behavioral health benefit, originally implemented as above. The rate increase affected behavioral health agency provider types for services covered under the behavioral health benefit package. The 2% rate increase was incorporated into managed care and ASO funding for CY2022 and CY2023 and ongoing.
- Additionally, the 2022 Supplemental Budget added a 7% increase for community behavioral health providers, effective January 1, 2023, and applied to all community behavioral health services (including WISe) provided through behavioral health inpatient, residential and outpatient providers, except for Opioid Treatment Program (OTP) services.

While the number of enrolled people in Apple Health decreased during 2023, the total revenue and expenses for behavioral health increased by approximately 13% for the managed care population[2].

Revenues and Expenditures for Community Behavioral Health Programs provides more detailed information on MCO Medicaid and contracted BH-ASO expenditures and revenues for the past three calendar years.

Access to services

Access to services, as measured by wait times, has continued to decrease within the state of Washington ensuring people have more timely access to care (as described within 2023 Behavioral Health Outcomes

[2] When the Medicaid population decreased due to the public health unwind, the percent of revenue and expenses per population went up from 11% to 13% based on actual funds and resulting expenses into the system.

Data). While the state continues to struggle with a provider shortage, the legislature has funded training programs, created new provider types, and implemented the above rate increases.

HCA continues to monitor MCO adherence to contractual standards for network adequacy and appointment times, using the tools currently available. As portrayed within Behavioral Health Provider Network Data, most areas of the state are meeting network adequacy standards. The North Central region has an exception to their network adequacy standards due to a documented provider shortage, as does Lincoln County. The main outlier within the state is Klickitat County. MCOs have recently begun to submit their own access surveys to HCA to observe wait times for various outpatient behavioral health services (see 2023 Statewide Behavioral Health Access Survey Report and 2022 Statewide Behavioral Health Access Survey Report). MCOs report that workforce challenges and provider shortages continue to be substantial barriers, as well as the reimbursement rates, even with the recent increases, due to inflation and increased operating costs.

Additional behavioral health access requirements and monitoring methods will become effective incrementally over the next several years due to new federal rules that specifically focus on improving access and decreasing wait times. Requirements in the new federal rules include minimum wait time standards, secret shopper/enrollee surveys, and enhanced directory monitoring. In the meantime, HCA continues to partner with MCOs and providers on strategies to improve reliable acquisition of access to service data. MCOs report they are relying on the following to mitigate access issues for long appointment wait times:

- Providing telehealth solutions.
- Assisting members in contacting other providers to secure an appointment when the provider they initially requested has a long wait time.
- Educating non-compliant providers on access to care responsibilities and requiring Corrective Action Plans for providers that demonstrate non-compliance.
- Contracting with providers who can provide temporary "on-demand" services while members wait for appointments with ongoing providers.

Additionally, HCA conducts encounter based reviews, receives questions from patients in our call center, and reviews grievances and concerns from Apple Health enrollees.

Outside of what is collected for new individuals requesting behavioral health services, HCA relies on survey results, administered by the MCO-collective, to understand behavioral health access across the state. HCA also uses complaints, grievances, and anecdotal information as a primary method for monitoring access concerns.

Looking forward, HCA is implementing HB 1515 for improving the BH network. New federal rules also offer promising practices, such as 'secret shoppers' to help assess access, versus network, which may not always ensure timely access to care, especially for services like BH and primary care that are in such demand.

Service denials

The Centers for Medicare and Medicaid Services (CMS) added requirements to what needs to be collected in terms of adverse benefit determinations (ABD), grievances, and appeals from Apple Health managed care organizations. To adhere to CMS reporting needs, HCA changed the data collection process and found errors in reporting which were re-submitted to ensure compliance with the contract. Tables 5 and 6 found in 2023 Behavioral Health Outcomes Data demonstrate the normal ebb and flow of adverse benefit determinations from the five MCOs serving the Washington Apple Health population. Of note, the bulk share of ABDs is within mental health outpatient services.

HCA does not routinely collect ABD, grievance, and appeals data from the BH-ASOs, although their processes and contract adherence are monitored each year during the annual contract review process.

Claims denials and timely payment to providers

HCA provides oversight of MCO claim denial information. As demonstrated within figures 5 and 6 found in 2023 Behavioral Health Outcomes Data, MCOs maintain a consistent level of payment for submitted claims. However, Wellpoint (formerly Amerigroup) was an outlier and paid a lower percentage of processed claims for the past three years; Wellpoint states there were issues related to the Enterprise Electronic Data Interchange (EDI) system which slowed down the acceptance of claims into the organization's claims platform. HCA has a corrective action to address this issue with Wellpoint.

HCA does not obtain claims denial information from BH-ASOs; therefore, only denials relating to Apple Health Managed Care are available within 2023 Behavioral Health Outcomes Data.

Social and recovery metrics

HCA has a broad data-sharing agreement with DSHS/RDA, which allows HCA to access reports concerning certain social determinants of health (SDOH) and recovery. Some SDOH and aspects of recovery can be directly or indirectly measured with RDA's current set of metrics concerning employment, arrest, homelessness, client satisfaction, measures of treatment adherence, and use of preventive vs. acute and long-term services.

Click links to review metrics:

- Employment Statuses of Washington Apple Health (Medicaid) Clients and Non-Client Individuals with Dependents Who Are Apple Health Clients (calendar year 2022)
- Employment Statuses of Washington Apple Health clients and non-client individuals with dependents who are Apple Health Clients (calendar year 2023)
- Living arrangement: homeless broad (HOME-B); homeless narrow (HOME-N), which is Included in the most recent Comparative Analysis report

MCO performance measures

Comagine Health's Comparative Analysis report presents 3-year trends on MCO performance measures, as well as health equity analyses by race/ethnicity, gender, spoken language, and an urban vs. rural

comparison. To review Comagine Health's Comparative Analysis report, visit HCA's External Quality Review (EQR) comparative and regional reports page for 2022 and 2023 data.

At HCA, EQR work is a foundational and premier activity to establish our quality metrics. These reports are extensive and include many helpful visuals and comparisons, including a star rating system, which are the key metrics people use when selecting a managed care plan. EQR is a third-party external entity that is federally recognized for quality metrics and programming. As noted above, if funding is made available, EQR could be used for FFS as well.

Conclusion

In 2023, 436,533 Washingtonians received community behavioral health services provided by licensed Behavioral Health Agencies through Apple Health or a BH-ASO contract. As described in the 2023 Comparative and Regional Analysis Report, Comagine encourages HCA to maintain focus on clinically meaningful areas, continue to leverage value-based payment incentives, focus on access, preventive care and utilization, and continue to prioritize health equity.

HCA continues to monitor MCO performance through a variety of tools, including the National Committee for Quality Assurance (NCQA) plan accreditation and star rating, Value-Based Purchasing quality report card, Apple Health Plan Report Card, Enrollee Engagement Surveys, and the Community Checkup. HCA continues to work to incorporate FFS metrics where available and look to opportunities to expand as resources are available.

Within the past year, HCA has initiated or heightened oversight of the following areas that should help increase access, quality, and outcomes for Washingtonians experiencing symptoms of mental illness and substance use disorders:

1. State directed payments are implemented when there is a legislatively directed rate increase. HCA has added the following quality measures to the state directed payment list starting in 2025:
    - BHA Rate Increase(s)
        - Follow –Up After Emergency Department Visit for Substance Use (FUA) (30-day, Total)
        - Follow-Up After Hospitalization for Mental Illness (FUH) (30-day, Total)
    - Opioid Treatment Programs Rate Increase
        - Pharmacotherapy for Opioid Use Disorder (POD) (Total)
        - Initiation and Engagement of Substance Use Disorder Treatment (IET)
            - Initiation, SUD, Total
            - Engagement, SUD, Total
    - Program of Assertive Community Treatment (PACT) Rate Increase
        - Follow-Up After Hospitalization for Mental Illness (FUH) (30-day, Total)
        - Plan All-Cause Readmissions (PCR)
        - Adherence to Antipsychotic Medications for Individuals with Schizophrenia (SAA)
2. MCOs are collaboratively working on two performance improvement projects that focus on the Children's Mental Health Services Rate and Follow-Up After Hospitalization for Mental Illness (FUH). In 2025, the children's performance improvement project ends, and it transfers to being a health equity performance improvement project for the Homeless Broad measure.
3. HCA continues to monitor and offer technical assistance around MCO timely claims payments and percent of denied claims for behavioral health providers.
4. HCA continues to take action when necessary in oversight, including corrective action and sanction, to ensure value of managed care. These actions include network adequacy, quality and utilization management, along with various other activities as necessary when MCOs fall short to ensure contract provisions are addressed.

5. HCA continues to support strengthening and stabilizing BHA providers and the behavioral health workforce through implementing governor and legislative funded efforts such as the following:
    a. Strengthening rates to ensure adequate workforce
        i. Implementing rate increases
        ii. Implementing a minimum fee schedule for behavioral health providers
    b. Network adequacy
        i. Implementing House Bill 1515 network adequacy requirements
        ii. Implementing new CMS rules that highlight minimum wait time standards, secret shopper/enrollee surveys, and enhanced directory monitoring.
    c. Targeted Medicaid state plan amendments to ensure providers have flexibility in how the workforce serves Washingtonians within their scope of practice:
        i. Expanded SUD assessments, treatment and brief interventions to licensed mental health counselors and licensed clinical social workers
        ii. Added peers to crisis intervention and stabilization
        iii. Added Substance Use Disorder Professionals (SUDP) and Substance Use Disorder Professional trainee to behavioral health care coordination for transitions of care
        iv. Added SUDPs and licensed associates to work in federally qualified health centers, rural health clinics, and primary care settings, ensuring no wrong door to access care
        v. Adding new bachelor's level provider type (Behavioral Health Support Specialist) effective January 2025
        vi. Will be implementing a new peer credential (Senate Bill 5555) effective 2025
        vii. Billing guide changes: added intensive outpatient and partial hospitalization guidance and updated codes to ensure more comprehensive network adequacy for these levels of care.
    d. Partnering with BH-ASOs to strengthen the crisis service system throughout the state through:
        i. Targeted state plan amendments
        ii. Implementation of 988
        iii. Implementing endorsement standards and enhanced rate for mobile crisis providers as prescribed within House Bill 1134
        iv. Implementing new Crisis Relief Center model
        v. Completing a funding gap analysis as required per Engrossed Substitute Senate Bill 5950; Section 215 (19b); Chapter 475; Laws of 2024
    e. HCA continues to expand medication for opioid use disorder (MOUD), highlights include:
        i. Developing Health Engagement Hubs
        ii. MOUD in Jails
        iii. Naloxone distribution through vending machines
        iv. Tribal Opioid Settlement funds
        v. Prevention efforts
        vi. Overdose recovery access center, and

vii. Comprehensive drug checking

f. HCA continues to expand eligibility and coverage:
    i. 1115 waiver Re-entry and Health Related Social Need Services
    ii. Post-partum behavioral health services
g. Expansion and development of services for children and youth
    i. Children and Youth Behavioral Health Work group initiatives
    ii. School based services
    iii. Applied Behavioral Analysis services
h. 1580 Complex Discharge team that supports children in crisis
i. HCA's "Start Your Path" career campaign continues to inspire Washingtonians to explore behavioral health careers and educate the public on the many pathways and options within the field.
j. Washington continues to engage in capacity building efforts: 23-hour facilities, Assisted outpatient and intensive outpatient services, and new community facilities.