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616 H Street, NW · Suite 300
Washington, DC 20001
T 202.467.4900 · F 202.467.4949
www.childrenslawcenter.org

Testimony before the District of Columbia Council

Committee on Health

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Performance Oversight Hearing

Department of Health Care Finance

Judith Sandalow

Executive Director

Children's Law Center

Good morning Chairman Alexander and members of the Committee on Health. My name is Judith Sandalow. I am Executive Director of the Children's Law Center[1] (CLC) and a resident of the District. I am testifying today on behalf of CLC, the largest non-profit legal services organization in the District and the only such organization devoted to a full spectrum of children's legal services. Every year, we represent more than 2,000 low-income children and families, focusing on children who have been abused and neglected and children with special health and educational needs. Almost every one of our clients is a Medicaid beneficiary.

I appreciate this opportunity to testify regarding the performance of the Department of the Health Care Finance (DHCF) over this past year. Seventy percent of children in the District, 97,000 children and youth under 21 years of age, are enrolled in the District's Medicaid program.[2] A properly functioning Medicaid system is not only vital for ensuring the physical and mental health of DC's children, but it is also the backbone of our early intervention and child welfare systems -- providing the services that ensure children reach developmental milestones, aid their academic achievement and reduce their stay in foster care.

Under Director Wayne Turnage's leadership, the Department has made progress this year in some key areas. Currently, the biggest challenges are following through on the groundwork that has been laid and implementing initiatives that have been started.

In my testimony today, I will highlight two main areas where we see a great deal of opportunity: 1) the new managed care organization (MCO) contracts and the related increased oversight and transparency and 2) initiatives regarding improving the integration of children's health.

New MCO Contracts, Improved Oversight and Transparency

Ninety percent of children on Medicaid receive their care through one of the three major MCOs - AmeriHealth DC, MedStarFamily Choice, Trusted Health Plan -- or through Health Services for Children with Special Needs (HSCSN) which serves disabled children up to age 26.[3] In addition to providing care for their beneficiaries' physical health needs, the MCOs are also responsible for providing office-based mental health services. However, for children diagnosed with severe mental illness and who need more intensive in-home therapies, the responsibility for providing those intensive services shifts to the Department of Behavioral Health's (DBH) provider network and the payments shift directly to DHCF. Unfortunately, even though both the MCOs and DBH have been providing mental health care to the same group of children and families for many years, there has been insufficient coordination between them. This has resulted in many complications for providers and, ultimately, made it difficult for children and families to obtain services.

This year, however, there has been an improvement in how DHCF and the MCOs are working with DBH. DHCF worked with DBH to draft the new MCO contracts and they included provisions in several areas relating to mental health. Most importantly, the new contracts require the MCOs to acknowledge DBH as the "Credentials Verification Organization" for mental health providers already certified by DBH. This means if the provider is already part of the DBH system they can automatically be part of the MCO's network without being subject to additional credentialing requirements.[4] We understand from mental health providers that they are having an easier time credentialing with the new MCOs as a result of the new process. We urge DHCF and DBH to monitor whether this change in fact leads to faster credentialing, expanded networks and more access.

Contracts, of course, are only as good as their enforcement. In FY2014, DHCF initiated a comprehensive review process to assess and evaluate the performance of the MCOs. Each quarter, DHCF plans to publicly release a performance review of the MCOs to address issues including the MCO's financial health, their ability to meet the administrative requirements for plan management, whether each plan has adequate provider networks, each plans' medical spending across various health service categories, whether members are accessing primary care and to what extent members are using emergency rooms for non-emergency purposes.[5] With the release of its first

report in February, covering July-September 2013, DHCF is sending a message to the MCOs that it intends to vigorously enforce its contracts. This level of oversight and transparency is a welcome development. The report confirms several troubling findings that previously we only had anecdotal evidence to support. Two findings I want to highlight are the lack of care management systems and low behavioral health utilization.

MCOs Are Not Providing Required Care Management

None of the three health plans have established robust care management systems. Per the contract, each MCO is required to have "intensive care coordination services for enrollees with multiple, complex or intensive health care problems that require frequent and sustained attention."[6] The MCOs have only contacted and assessed small percentages – ranging from 1% to 11% -- of their members to consider admitting them into case management.[7] And of those members who have been contacted, across all three plans, less than 1% of members are actually in case management.[8] This data confirms the experience of my colleagues; for years our clients have experienced that there is virtually no meaningful case management at the MCOs (with the exception of HSCSN). For parents of children with intense health needs, and especially those trying to navigate the complex mental health system, it is often impossible to obtain proper treatment without assistance. We urge the MCOs to

quickly increase their capacity to provide care management. DHCF should ensure this is a top priority in the coming year.

MCO Spending on Behavioral Health Services is Extremely Low

Medical spending for behavioral health services is, in DHCF's own words, "negligible."[9] AmeriHealth spends an average of $8.60 per child per month on behavioral health services; MedStar spends only $1.05; and Trusted only 59 cents.[10] Clearly these numbers do not come close to meeting the need for mental health services experienced by children enrolled in these MCOs. Nationally, 1 in 5 children has a diagnosable mental disorder and 1 in 10 has a serious mental health problem that is severe enough to impair how they function at home, school or in the community. Although mental health problems impact children from all types of families and at all economic levels, there are certain conditions which can increase the prevalence of mental health needs. Many of DC's children are subject to the most significant of these conditions: living in poverty, witnessing violence or coming into contact with the child welfare or juvenile justice system. There is a well-researched association between socioeconomic status and indices of both physical and mental health, and 30% of DC's children are poor.[11] DHCF notes that "the issue of the health management of mental health services clearly warrants more attention."[12] We are encouraged that DHCF has

recognized this problem and expect improving the provision of mental health care provided by the MCOs will be a priority this year.

Integration of Primary Care with Developmental, Behavioral and Oral Health Care

Another area where we see much progress is in the Department's initiative regarding improving the integration of children's health. The Children's Division, under the leadership of Associate Director Colleen Sonosky, has set forth an improved plan for integration of primary care with developmental, behavioral and oral health care. Through the DC Collaborative for Mental Health in Pediatric Primary Care, a public/private partnership including Children's Law Center, Children's National Health System, American Academy of Pediatrics, Georgetown University, the Department of Behavioral Health, and the Department of Health, we have been working along with DHCF on the behavioral health aspect of this integration project. One of the main goals of this project is to ensure that pediatricians are screening children for mental health needs using standardized screening tools. DHCF staff has been part of an interdisciplinary group that selected appropriate screening tools, set up an Improvement Learning Collaborative to train pediatricians on how to use the mental health screenings and is consider the changes needed to billing and reimbursement procedures to support this practice change.

DHCF is also working on a larger project to improve the billing procedures not only for mental health screening, but for the entire well-child visit.[13] Per the Early and Periodic Screening, Diagnostic and Treatment (EPDST) benefit and the District's periodicity schedule, children receive many different services during a well-child visit. The District's current billing practices do not allow DHCF to confirm that all the components of the well-child visit were performed. DHCF is also unable to undertake analyses on any one component (e.g., developmental or mental health screen) or explain the need for enhanced diagnostic or treatment services. With this new billing manual, scheduled to be completed by April 2014, many more details about what services children in the District are receiving will be available.[14]

DHCF has also acknowledged that pediatricians will need additional reimbursement to administer and analyze these mental health screens and they plan to account for this new cost in their FY15 budget request. We look forward to seeing these details in the Mayor's budget and hope you, Councilmember Alexander, will support this request.

Conclusion

In conclusion, we applaud DHCF for the positive steps they have taken to improve the Medicaid program and we look forward to working with them to ensure

all children receive timely, high-quality care. Thank you for the opportunity to testify. I am happy to answer any questions.

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[1] Children's Law Center works to give every child in the District of Columbia a solid foundation of family, health and education. We are the largest provider of free legal services in the District and the only to focus on children. Our 80-person staff partners with local pro bono attorneys to serve more than 2,000 at-risk children each year. We use this expertise to advocate for changes in the District's laws, policies and programs. Learn more at www.childrenslawcenter.org.

[2] Department of Health Care Finance, District of Columbia's Managed Care Quarterly Performance Report (July 2013-September 2013), 3 (Feb. 2014).

[3] Colleen Sonosky, Division of Children's Health Services, Department of Health Care Finance, Integrating EPSDT/Primary Care with Developmental, Behavioral and Oral Health Care, Presentation to the HHS Monthly Cluster Meeting (Jan. 30, 2014).

[4] Managed Care Organization Contract C.8.2.8.8, 87-88 (2013).

[5] Department of Health Care Finance, District of Columbia's Managed Care Quarterly Performance Report (July 2013-Sept 2013) (Feb 2014).

[6] Managed Care Organization Contract C.1.3.31, 6 (2013).

[7] Department of Health Care Finance, District of Columbia's Managed Care Quarterly Performance Report (July 2013-Sept 2013), 32 (Feb 2014).

[8] The average monthly enrollment of the three MCOs, as of December 31, 2013, is 162,274. And only 1,571 members are in case management. Department of Health Care Finance, District of Columbia's Managed Care Quarterly Performance Report (July 2013-Sept 2013), 32 (Feb 2014).

[9] Department of Health Care Finance, District of Columbia's Managed Care Quarterly Performance Report (July 2013-Sept 2013), 17 (Feb 2014).

[10] Department of Health Care Finance, District of Columbia's Managed Care Quarterly Performance Report (July 2013-Sept 2013), 43 (Feb 2014). The Report notes that some MCO members may be receiving mental health care through the Medicaid fee-for-service system (likely through DBH's Mental Health Rehabilitative Services system) rather than the MCO system.

[11] Children's Defense Fund, Children in the District of Columbia (March 2013).

[12] Department of Health Care Finance, District of Columbia's Managed Care Quarterly Performance Report (July 2013-Sept 2013), 17 (Feb 2014).

[13] DHCF FY13 Oversight Responses, Question 54

[14] DHCF FY13 Oversight Responses, Question 54