



Expand Access to Outpatient Mental Health Services (Intensive Outpatient and Partial Hospitalization Programs)

The Problem

For children, youth and adults, intensive outpatient (IOP) and partial hospitalization (PHP) programs bridge the gap in behavioral health care between acute inpatient stays and occasional outpatient treatment. These mental health programs provide **structured, intensive mental health services**, and sometimes co-occurring chemical dependency services, without an overnight stay in a hospital. These services **expand the mental health continuum of care** available to patients and allow hospitals to utilize beds and clinical resources more efficiently. However, neither IOP nor PHP services are included in Washington's Medicaid state plan, nor are they reimbursed by Medicaid.

For hospitals, IOPs and PHPs can prevent some inpatient hospitalizations and allow for timelier discharge from inpatient psychiatric units. IOPs and PHPs focus on treatment – giving patients effective coping skills to improve self-management of care and enabling them to continue treatment in a community setting, surrounded by family and other supports.

IOP and PHP services are covered by Medicare and most commercial health insurance plans. While Medicaid programs in 29 states include IOP and PHP as covered benefits, Washington's Medicaid program does not. This also results in variation in how each of the five Medicaid managed care plans cover IOP or PHP. Since not all Medicaid managed care plans are offered in every region in the state, low-income Washingtonians' access to these services depends on where they live and which Medicaid plan they select. All Washingtonians — regardless of income or Medicaid plan — should have **equitable access to these mental health services**.

Proposed Solution

Low-income Washingtonians with mental health needs should be able to access a wide array of treatment options. WSHA recommends that the Legislature provide **new, dedicated funding at a sustainable rate** to support adding both IOPs and PHPs to the Medicaid state plan.

Who Can be Admitted into an IOP or PHP?

IOPs and PHPs are designed for adults and children with mental illnesses who will benefit from short-term, intensive treatment programs, structured around the individual's psychiatric needs. Clinical experts provide evidence-based treatments for a multitude of mental health illnesses, including: anxiety, depression, suicidality, trauma and obsessive-compulsive disorder.

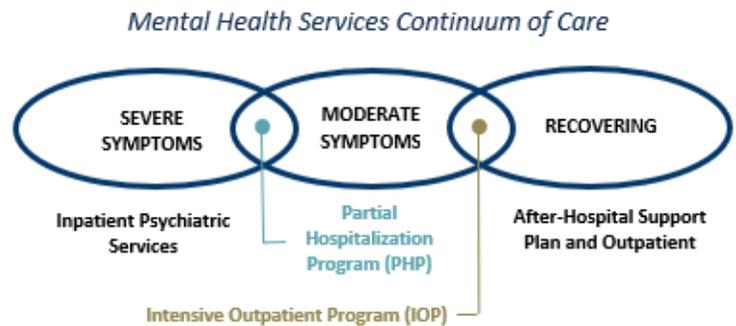
These structured, intensive mental health services are appropriate for individuals who:

- Experience acute psychiatric symptoms that require intensive treatment, but not necessarily hospitalization;
- Have significant difficulty functioning on a day-to-day basis, such as inability to go to work, attend school or take care of themselves day-to-day; and
- Are receptive to group-oriented treatment.

What Services are Offered to Eligible Patients?

As a vital part of the mental health continuum of care, IOPs and PHPs focus on teaching and building effective coping skills to improve self-management of care, enabling participants to continue treatment in a family and community setting.

IOP and PHP patients generally meet several times a week and work with a multidisciplinary team of professionals, such as psychiatrists, psychiatric nurse practitioners, master's level licensed therapists and mental health technicians. Each follow treatment regimens tailored to the patient's specific needs. Participants also engage in motivational group and individual therapy sessions, develop cognitive and dialectical behavior therapy skills and receive medication management consultations.



- IOPs are usually part-day programs (up to 3 hours a day, 2 to 3 days a week).
- PHPs are usually full-day programs (anywhere from 3 to 8 hours a day, up to 5 days a week).

How is an IOP or PHP Different from Existing Supports for Washington Medicaid Enrollees?

Wraparound Intensive Services (WISe) is a state program for Medicaid eligible youth, up to 21-years old, who have complex mental health challenges. The Program for Assertive Community Treatment (PACT) is a similar program for Medicaid eligible adults. Both programs provide **intensive wraparound services, at flexible locations and times** that work best for the enrollee, including in their home and on evenings and weekends. It provides intensive care coordination, and the team may include the enrollee, family members, therapists and others.

For WISe services, all youth discharged from the Children's Long-Term Inpatient Program (CLIP) are eligible, though non-CLIP youth are eligible if they meet the Child and Adolescent Needs and Strengths (CANS) screening criteria. PACT services are offered to those who have been diagnosed with severe and persistent mental illness, have difficulty performing daily living activities and have had multiple encounters with crisis responses. Both WISe and PACT services ensure enrollees receive medications, attend appointments, and work on education/employment and housing stability. Unlike WISe or PACT services, IOPs and PHPs focus more directly on reducing mental health symptoms so a patient may be more effectively treated in a day support program.

How do Patients Feel about their IOP or PHP Experience?

Eva suffered from obsessive-compulsive disorder (OCD) and she and her family have struggled to cope with this. This summer, at age 14, she was admitted to Seattle Children's for inpatient care for a week, which is where she and her family learned about the hospital's Intensive Outpatient OCD program. After she was released from inpatient care, she enrolled in the IOP. After only a few weeks in the program, Eva and her family were seeing tremendous results. After about five weeks in the program, Eva graduated.

When I graduated, I finally felt free again. I felt that nothing was too hard, or too scary or too anything for me to do. The idea that I could do anything I was passionate about was almost too good to be true. I am confident that graduation day will always be one of the best days of my life.

William, a 45-year old man from Kirkland sought care for severe depression through a PHP.

After reaching the end of my rope in a deep hole of despair and depression, my doctor recommended I admit myself into the partial hospitalization program at Fairfax. The program offered a holistic approach to recovery of health in mind, body and spirit. The program balanced education and skills development within a nurturing environment with a structured approach that gave me some stability when I most needed it. On my discharge date, I barely recognized the state I had been in when I walked in the door.

Who Supports Adding IOPs and PHPs as Medicaid Mental Health Benefits?

The Health Coalition for Children and Youth has adopted expansion of IOPs and PHPs to children enrolled in Medicaid as a 2020 legislative priority. This is also echoed in the Health Care Authority's (HCA) report to the legislature this year, "Long-Term Behavioral Health Inpatient Involuntary Care Access, Purchasing, and Bidirectional Integration." It recommends that IOPs and PHPs be added as a Medicaid benefit to bolster the continuum of mental health care.

Budget Ask

Intensive Outpatient Programs

\$2.2 million general fund-state (\$6 million total, including federal funds) to add IOPs as a Medicaid mental health benefit, starting on January 1, 2021 (through June 30, 2021).

Estimated Number of Patient Days in a Calendar Year	Estimated Total Cost for 12 Months for IOPs (Federal and State)	Estimated Total Cost for 6 Months for IOPs (Federal and State)	Estimated Total Cost for 6 Months for IOPs (State Only)	Estimated Total Cost for 6 Months for IOPs (Federal Only)	Estimated Maintenance Level Cost (State Only) for IOPs
	A	B = A x 0.5	C = B x 0.37	D = B x 0.63	E = (A x 2) x 0.37
25,938	\$12,089,010	\$6,044,505	\$2,236,467	\$3,808,038	\$8,945,867

Partial Hospitalization Programs

\$2.4 million general fund-state (\$6.4 million total, including federal funds) to add PHPs as a Medicaid mental health benefit, starting January 1, 2021 (through June 30, 2021).

Estimated Number of Patient Days in a Calendar Year	Estimated Total Cost for 12 Months for PHPs (Federal and State)	Estimated Total Cost for 6 Months for PHPs (Federal and State)	Estimated Total Cost for 6 Months for PHPs (State Only)	Estimated Total Cost for 6 Months for PHPs (Federal Only)	Estimated Maintenance Level Cost (State Only) for PHPs
	A	B = A x 0.5	C = B x 0.37	D = B x 0.63	E = (A x 2) x 0.37
20,174	\$12,865,680	\$6,432,840	\$2,380,151	\$4,052,689	\$9,520,603

- The above figures are cost estimates that include seven hospitals (across the state) interested in expanding IOPs and PHPs to Medicaid enrollees (to both children and adults). There may be other hospitals interested in providing these mental health services after June 30, 2021.
- The cost includes an estimated per diem payment rate. Participating hospitals will require a review of their cost reports after operations commence to determine if rebasing is necessary to have rates accurately reflect costs.
 - This solution also requests the HCA set an interim rate for IOP and PHP services based on the hospital costs or the statewide average, whichever is greater, depending on the type of hospital.
 - Hospitals' IOP and PHP per diem rates include costs such as staffing, facilities and incidentals.
- This solution assumes a federal match rate of 63%, based on federal match of FFS psych related DRGs for SFY18. The federal match rate calculation is provided by the HCA.
- This solution assumes the per diem payment rate starts January 1, 2021, to allow the state to amend the Medicaid state plan and Medicaid managed care contracts.

Key Messages

For adults and children, IOPs and PHPs **are critical services in the continuum of mental health care.**

- It is “**step up**” care for adults and children who have mental health illnesses that are too severe for community providers but not severe enough to meet admissions criteria for inpatient psychiatric care.
- It is also “**step down**” care for patients who are discharged from inpatient psychiatric care but still need intensive mental health services.

For low-income Washingtonians on Medicaid, accessing IOPs and PHPs is about **health equity**. Washingtonians who have Medicare or commercial coverage may access these programs. Individuals who have Medicaid coverage should be able to access the same mental health care.

- Currently, there are seven Washington hospitals (located across the state) interested in offering PHPs and IOPs to Medicaid enrollees.
- We estimate they can provide almost 21,000 PHP patient days of care and almost 26,000 IOP patient days of care in a calendar year. (Patient days may change depending on funding).
- Of the five Medicaid managed care organizations (MCOs), only two cover both IOPs and PHPs for adults and children. One MCO covers only IOPs and another MCO does not cover either program for mental health patients. With integrated managed care, not all MCOs serve all regions in the state. Thus, a Medicaid enrollee’s access to these services should not depend on where they live or their managed care plan. IOPs and PHPs need to be a statewide Medicaid benefit for all enrollees to ensure equitable access to care.

For hospitals, broader patient access to IOPs and PHPs will likely:

- **Reduce hospitalizations** by helping stabilize patients outside of inpatient care settings;
- **Ease discharge** issues if patients can continue their mental health care by transitioning to an intensive outpatient care program once they no longer meet inpatient admissions criteria;
- Help **reduce psychiatric readmissions** because patients can access medication management and therapies;
- **Provide options** for individuals who come to the emergency room in psychiatric distress but do not meet inpatient admissions criteria; and
- Allow hospitals to utilize their inpatient psychiatric beds and resources in the most efficient manner.

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