The Colorado Health Foundation™

Can a $65M SIM Golden Goose Pay for Next-Level Integration?

As Colorado health system reformers toiled away on experiments, pilot programs, Affordable Care Act mandates and other complex problems in recent years, the potential of a large gift from the U.S. government colored their outlook.

Colorado is a recognized innovator in integrating physical and behavioral health through primary care offices. But a boost that would come as a monetary endorsement from Uncle Sam might push those ideas into every corner of the state, from government agencies deep into the nonprofit and commercial worlds. Now that golden goose is well within the clutch of the reform community — in the form of a $65 million SIM, or State Innovation Model, grant. It's an award born out of years of planning, strategizing and creating bold policy changes. Funding like this could help the state, along with groups of anxious public and private stakeholders, decipher better ways to enhance patient outcomes, expand service delivery and drive down health care spending in the state.

At least that's the hope.

With these funds, the state aims to integrate behavioral health and primary care in coordinated community systems.

According to Susan Birch, executive director for the Colorado Department of Health Care Policy and Financing, another goal is "improved health system performance," something Birch said is taking shape from partnerships with private

and public sector entities like insurance carriers, Medicare and the Children's Health Plan.

Under this integrated approach in health care, SIM funding would allow the state to "leverage the power of public health," Birch said, which includes "broader population health goals." As one example, Birch said it will be important to more closely address mental health issues like depression.

That means early intervention and treatment from the right health care providers.

"We're going to use this grant for paying people for outcomes and value, and that will further inspire them to keep delivering services in the right way," Birch said.

Oftentimes people visit their primary care doctors because they have multiple diseases and troubling symptoms coalescing all at once. Maybe they have battled with anxiety and asthma or depression and diabetes for many years. Medical experts refer to these co-occurring conditions as comorbid diseases.

Problem is, in the typical primary care setting, not even the most talented physicians, physician assistants or nurse practitioners are necessarily trained or equipped to treat all these symptoms, let alone in just one visit. Even if they could, there would be no clear mechanism to pay providers for the nonphysical care or case management required to do a good job.

In essence, SIM funding allows for some experimentation or creative thinking in terms of figuring out how to deliver better treatment, expand services that reach more Coloradans and create a way of paying for it.

"Primary care is at the heart of SIM. (Primary care is) the largest platform for health care delivery, and it's an ideal setting to focus on health care policy and health care redesign," said Benjamin Miller, PsyD, director of the Eugene S. Farley, Jr. Health Policy Center at the University of Colorado School of Medicine.

Under this new integrated approach, theoretically, patients would see better health outcomes because of increased access to both physical and mental health practitioners in one location. Essentially this kind of health care delivery could provide patients "instantaneous access" to mental health care professionals, Miller said.

"One in four individuals in the U.S. will have a diagnosable mental health condition in a given year, and upwards of 80 percent of those diagnosed visit the primary care setting at least once. Yet the traditional primary care setting isn't optimized to provide comprehensible behavioral health care," Miller said. And frankly, he said, we can do better than that.

According to Miller, integrating primary care and behavioral health would strengthen the "Triple Aim," which strives for better patient experiences and better health for the entire population while controlling costs.

Based on reports from the Institute of Medicine, he said, strong evidence suggests that separating primary care and behavioral health diminishes the level of care.

Solving Reimbursement Riddles

Traditionally, primary care and behavioral health are separate billing entities, from a third-party payer perspective. Figuring out how the two can coexist harmoniously while allowing for proper reimbursement will come as a challenge.

To make this integrated care model a success, compensation protocols must change, said Vatsala Pathy, SIM director at the Office of the Governor.

"So the primary care physician is compensated in a way that allows him or her to have a psychologist on staff," Pathy said. "If the patient needs behavioral therapy, they can be handed off to the therapist in that clinical setting."

The SIM project team will be tasked with designing payment protocol models that would allow for proper reimbursement when both primary care and behavioral health services are rendered simultaneously, she said.

"One thing the federal government wanted to see through the SIM projects across the board was an interest and willingness on the part of (health plans) to explore both the barriers to pay differently and the opportunities to do it in a way that helps support their bottom line," she said.

Policy changes would be necessary from the health plans, Pathy added. They would need ways to "reimburse our (primary care physicians) differently and to incent this type of (integrated) care." Such examples might come in the form of "enhanced per-member-per-month reimbursement or care coordination payments," she added. An earlier version of that model is already in place for most Medicaid patients. SIM aims to extend the idea to many more Colorado patients, including those paid for by commercial insurance.

Costs would not be transferred to the members who visit their primary care physicians under this integrated care model, she said.

Birch said the goals laid out in SIM are "very ambitious." And it will take a certain mindset to make this work.

"We want to be forward thinking in the way we structure service delivery and how we pay for these services," she said.

Steve Melek, an actuary with Milliman, also played a role in Colorado receiving SIM funding. He helped demonstrate to the federal government that this integrated approach (blending primary care and behavioral health) would, over the long run, save money in Colorado while creating a sustainable infrastructure that continues to save money upon SIM's conclusion.

He also said it was important to demonstrate a "portable" component — something that could be "replicated in other states."

No doubt a tall order.

Melek has risk-benefit analysis models down to a science. He digests algorithms and turns them into calculations of which types of patients cost the most to care for.

"The average member costs about $400 per month; the diabetic, about $800 to $1,000; and the depressed diabetic, about $2,000 per month," he said.

Knowing these numbers makes it especially advantageous to fully understand the full range of symptoms diabetics struggle with so they can receive the right balance of care.

People with comorbid diseases like depression and diabetes are more likely to end up in emergency rooms, hospitals or inpatient settings, Melek said, all carrying exorbitant price tags. And that's why it's critical to provide comprehensive primary care with a behavioral health component. Giving patients the right care at the right time could prevent unnecessary hospital visits and ultimately drive down health care costs, he said.

Pathy agreed with Melek's analysis on cost savings.

"Over time, (integrated care has) been demonstrated to lower costs for health plans, so they would save money over the long run," Pathy said.

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> Susan Birch, executive director, Colorado Department of Health Care Policy and Financing

However, initially, it's likely that health care plan payers would take a hit and pay more until costs equalize or balance out.

That's because initial early spending would account for those Coloradans who have traditionally had limited access to integrated care, Melek said. Expanding services and increasing health care access to more people carries some initial costs.

"The goal is to more than recover the additional costs through medical cost offsets," he added.

Proof of SIM success in the long run, Colorado health system experts said, will come when private commercial payers adopt more integration and payment reform. That will spread the best concepts of SIM well beyond the few dozen practices currently on the leading edge.

The key is how these monies flow down to the practitioners that make it happen," said Marshall Thomas, MD, president and chief medical officer of Colorado Access, which manages care for hundreds of thousands of Medicaid patients and also provides behavioral care services. "The state can do things, but how does it get UnitedHealthcare and Anthem and all the others to do payment reform? That's the million-dollar question. You can have all the structure and process in the world, but you've got to have some beef. Who's going to pay for that behavioral specialist to show up?"

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