





“Non-Medicaid” Mental Health Clients’ Income and Impairment Levels

Staff Presentation to the
Joint Legislative and Executive
Mental Health Task Force

August 26, 2004



This morning's meeting takes a closer look at the income and impairment levels of the 43,000 community mental health clients not on Medicaid.

- 9:00–9:20** Key points from last meeting.
- 9:20–9:45** Do non-Medicaid clients have low incomes?
- 9:45–10:15** Clinical Characteristics 101
- Characteristics of common mental illnesses.
 - “Global assessment of functioning” categories.
- 10:15-10:30** Break
- 10:30-11:15** How clinically impaired are non-Medicaid clients, compared to those on Medicaid?
- 11:15-12:15** The faces behind the numbers: some non-Medicaid client profiles.

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Summary of Key Points on non-Medicaid Funding From July Meeting




The state is budgeted to spend about \$750 million on community mental health services this biennium.

- ▶ Washington is 3-5% above the national average in mental health spending per state resident. About 35% of the states spent more on community services in 2001, and about 40% spent more on state hospitals.
- ▶ After accounting for inflation and population growth, total funding for community mental health services has grown about 9% over the past decade.
- ▶ Spending on community mental health has grown about half as fast as the total state budget.

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Almost 127,000 people – 2% of the total state population – received a community mental health service in FY 2003.

- ▶ one-third of those served – 43,000 people – were not on Medicaid.
- ▶ they received about 25% of the total hours of service delivered during the year.
- ▶ at a cost of about \$87 million, \$23 million of which was federal Medicaid match.


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State and federal Medicaid accounts for 89% of the \$750 million Washington is budgeted to spend on community mental health services this biennium.

- ▶ Washington has made much more use of Medicaid to finance community mental health services than most states.
 - in 2001, Medicaid comprised more than 80% of total community mental health funding in only 4 other states.
 - the national average and median was 38%.
- ▶ Under federal waivers during 1993 – 2004, Washington was able to use Medicaid managed care savings to pay both for:
 - non-Medicaid clients; and
 - non-Medicaid services to Medicaid clients.

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Beginning in January, Washington will no longer be able to use Medicaid managed care savings for non-Medicaid people and services.

- ▶ Annual loss will be substantially in excess of \$23 million.
- ▶ \$23 million estimate does not yet include:
 - non-Medicaid services, such as care in 17+ bed facilities; services in jail; and some involuntary treatment.
 - higher expenditures on Medicaid eligibles, due to new and increased services.
- ▶ Some RSNs are already eliminating or reducing services to non-Medicaid clients, in order to:
 - phase-down services in an organized manner;
 - safeguard future Medicaid rate levels.

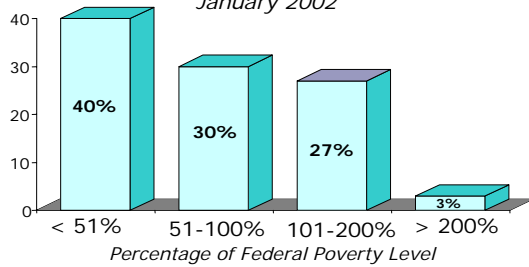
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**Do “Non-Medicaid” Clients
Have Higher Incomes
Than Those Enrolled in Medicaid?**

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We know that Medicaid recipients generally have very low incomes, since that is one of Medicaid's key eligibility requirements.

Income Distribution of Medical Assistance Enrollees
January 2002



	Monthly Poverty Level, 2004		
Family Size	50%	100%	200%
One	\$388	\$776	\$1,552
Three	\$653	\$1,306	\$2,612

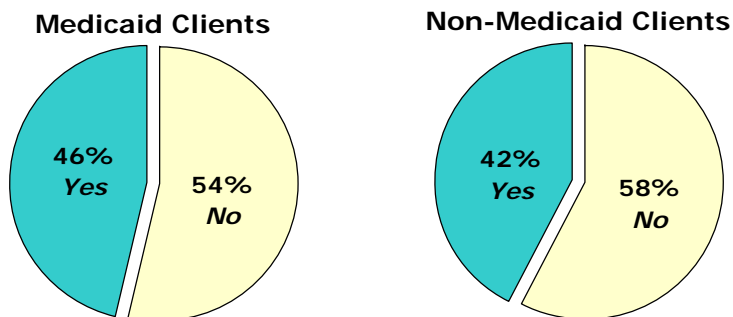
State law and rules do not establish any specific financial eligibility requirements for receipt of non-Medicaid mental health services.

► We know some things about non-Medicaid clients' income from:

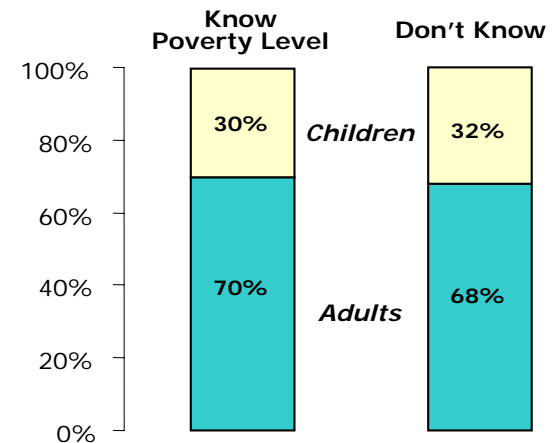
- Mental Health Division databases.
- cross-matches with other DSHS programs.
- financial eligibility criteria individual RSNs and mental health centers have established.

There is sufficient data in Mental Health files to estimate poverty status for about 45% of the people who received community mental health services in FY03. This is true for both Medicaid clients, and non-Medicaid clients.

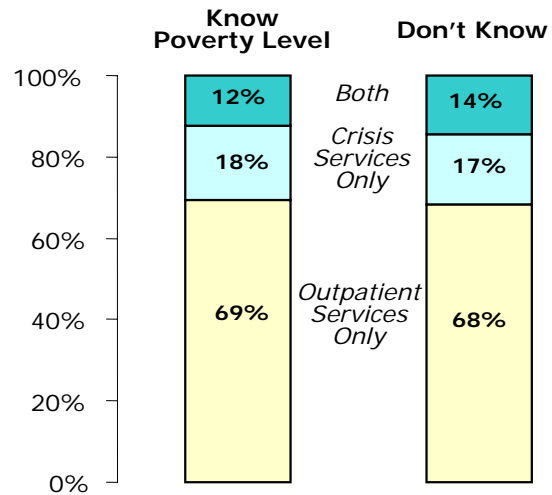
MHD Data Sufficient to Estimate Poverty Status?



There do not appear to be any systematic differences between clients whose poverty status can be estimated, and those with missing household income data. They are very similar, in terms of age distribution...

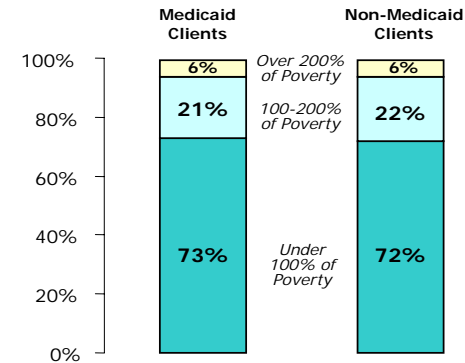


...and also with regard to the types of service received.



Considering just those for whom household income and size are known, three things stand out:

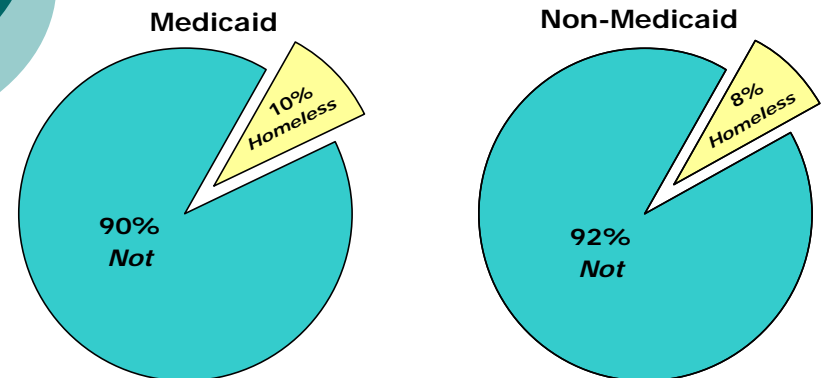
- ▶ almost three-quarters have incomes below poverty.
- ▶ Medicaid and non-Medicaid income distribution is very similar.
- ▶ mental health client income distribution is very similar to that of the total Medical Assistance population*.



* In Jan. 2002, 70% of all medical assistance enrollees were below 100% of poverty; 27% were between 100-200% of poverty; and 3% were over 200% of poverty.

Several other indicators also suggest that non-Medicaid and Medicaid clients have similar income levels.

Similar percentages of Medicaid and non-Medicaid clients are known to have been homeless at some point since their first contact with the mental health system.



People move back and forth between Medicaid and non-Medicaid status.

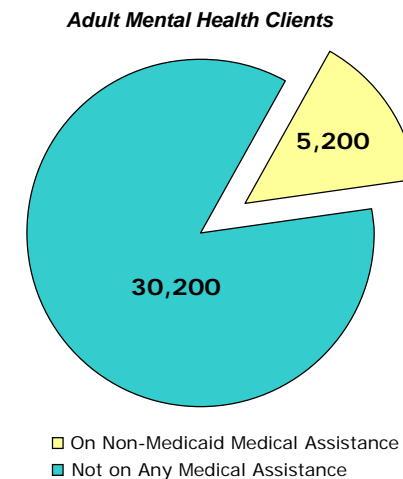
- ▶ 17% of the “non-Medicaid” mental health clients in FY 03 were also a Medicaid mental health client that same year.

	# Clients	% of Total
Moved from non-Medicaid to Medicaid	4,114	8%
Moved from Medicaid to non-Medicaid	4,597	9%
Non-Medicaid Only	42,577	83%

- ▶ 14% of the people who were only “non-Medicaid” in FY 01 were on Medicaid in one of the two subsequent years.

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At least 15% of non-Medicaid adult mental health clients were receiving physical health care under the GAU, ADATSA, Medically Indigent, or Refugee programs in FY 03, all of which require very low income as a condition of eligibility.



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A survey of 15 representative community mental health centers indicates that:

- ▶ only 5 - 10% of non-Medicaid clients have insurance coverage.
- ▶ two-thirds of non-Medicaid clients qualify for sliding-scale charges, due to low income.*
- ▶ 70 - 80% of those subject to sliding-scale qualify for a zero fee, because income is below \$339 per month.

* sliding scale does not apply to persons on GAU or Medicare, or usually to those in jail.

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The data and research suggest that:

- ▶ Non-Medicaid clients are similar to Medicaid clients, in terms of income.
- ▶ The reason the large majority are not on Medicaid probably isn't because they have significantly higher incomes, but rather because they:
 - are disabled, but not severely or long enough to meet social security standards.
 - meet federal disability standards, but receive more social security income than the \$565 per month allowed for Medicaid.
 - are elderly, but receive more than \$565 per month in social security, and don't need COPES or nursing home care.
 - are non-elderly adults who don't have children.
 - have not re-established Medicaid eligibility after time in jail, or failing to follow through on certification paperwork.
 - don't meet U.S. residency requirements.

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For other policy reasons, the Task Force may want to recommend that an income standard be established for receipt of ongoing non-Medicaid community mental health services.

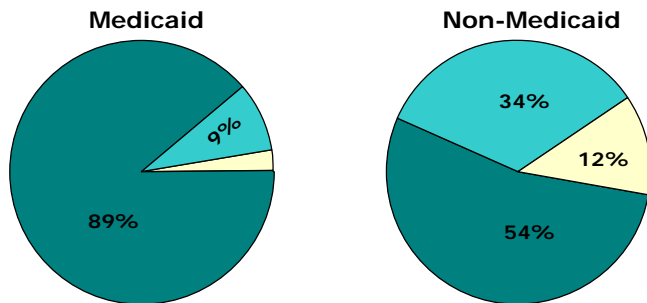
However, because most appear to have very low incomes, such a standard would probably not:

- significantly reduce the number of non-Medicaid clients served; or
- the cost of serving them.

How Clinically-Impaired are “Non-Medicaid” Adults, Compared to Those Enrolled in Medicaid?

We have Global Assessment of Functioning (GAF) scores, and/or state priority status, on 98% of Medicaid adults, and on 88% of those not on Medicaid.

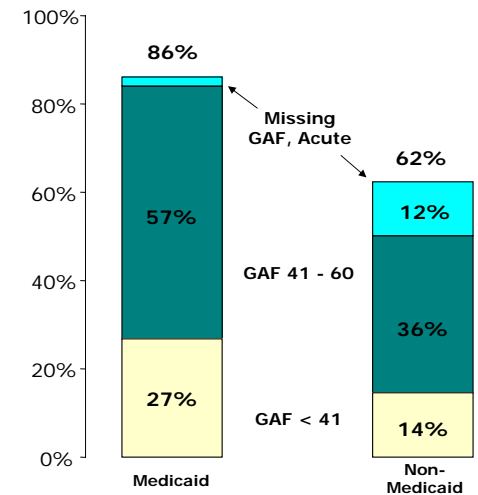
Adults Served by Community Mental Health in FY 03



	Medicaid	Non-Medicaid
GAF Score Available	46,031	19,065
No GAF, but Priority Known	4,541	11,941
Missing both GAF & Priority	1,227	4,344
TOTAL	51,799	35,350

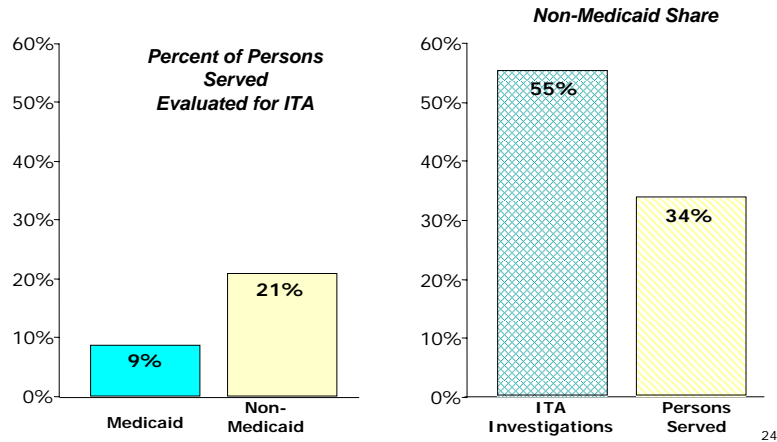
Among the 88-98% of adults for whom data are available, several things stand out:

- ▶ many are quite substantially impaired.
- ▶ the “average” non-Medicaid adult is not as impaired (though, individually, many are).
- ▶ non-Medicaid adults are more likely to be in crisis.



One of every 5 non-Medicaid clients served in FY 03 was evaluated for involuntary commitment.

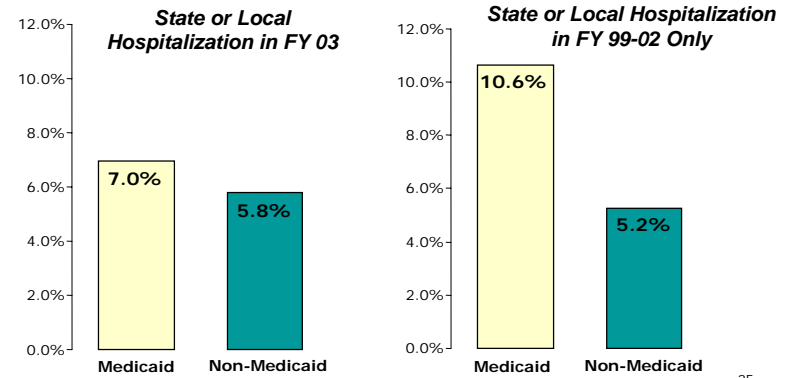
Though they comprised only one-third of the total persons served, 55% of all ITA evaluations involved a non-Medicaid client.



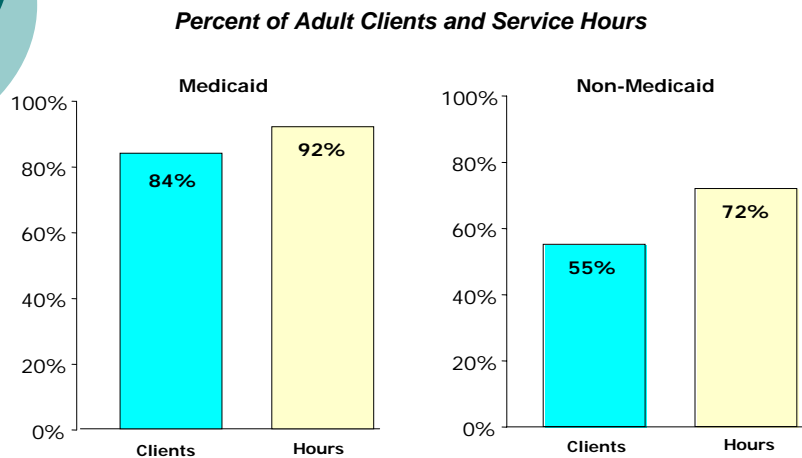
Non-Medicaid clients are almost as likely as those on Medicaid to have experienced a psychiatric hospitalization during the current year, but less likely to have been hospitalized in past years.

This may indicate that non-Medicaid clients' illness is just beginning to manifest itself.

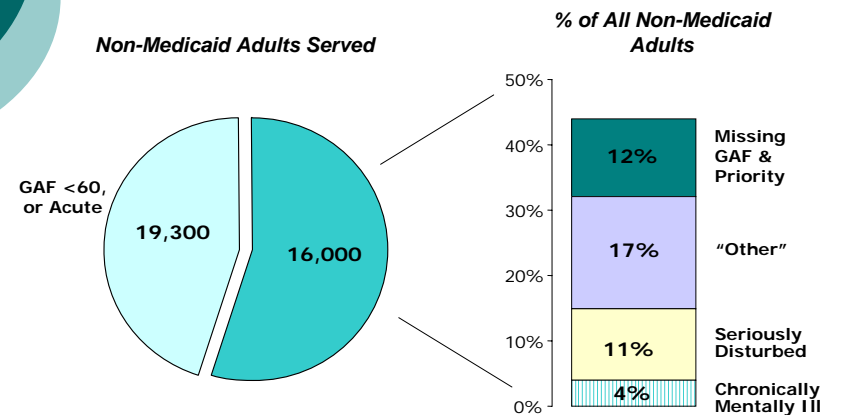
Percentage of Persons Receiving Community Mental Health Services in FY 03 Who Had:



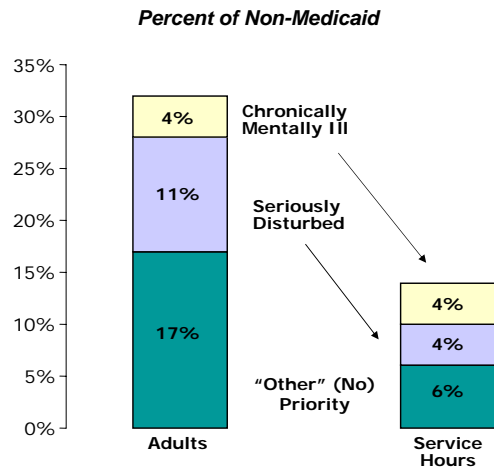
Both for Medicaid and non-Medicaid, adults with more severe disabilities – GAF scores below 61, or experiencing an acute episode – account for the substantial majority of the service provided.



The 45% of non-Medicaid adults with GAF scores over 60, and not classified as acutely mentally ill, fall into four categories.

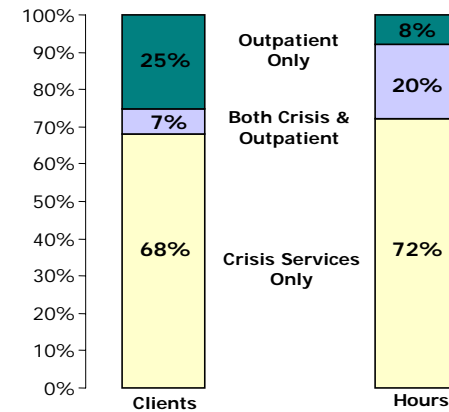


The one-third classified as chronically mentally ill, seriously disturbed, or as not meeting one of the state priority categories received 14% of the total hours of service provided to non-Medicaid adults.



Of the 12% for whom neither a GAF score nor a priority status was recorded, three-quarters received crisis services.

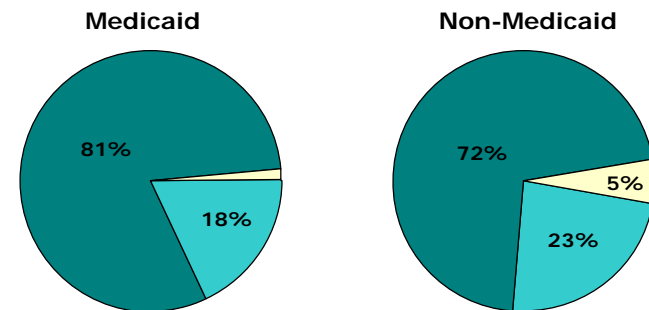
Services Received by Non-Medicaid Adults Missing Both GAF and Priority Data



How Clinically-Impaired are "Non-Medicaid" Children, Compared to Those Enrolled in Medicaid?

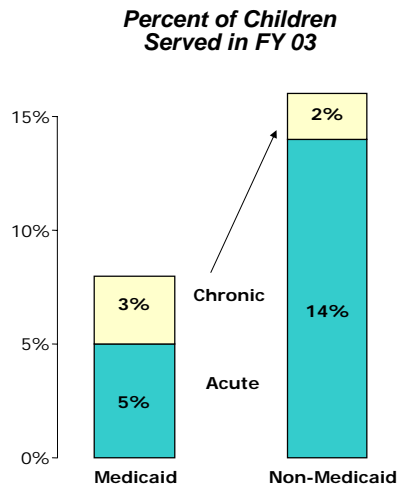
We have priority status, and/or Children's Global Assessment Scale scores, on almost all the children served, both Medicaid and non-Medicaid.

Children Served in FY 03



	Medicaid	Non-Medicaid
No CGAS , but Priority Known	26,185	4,959
CGAS Score Available	5,835	1,636
Missing both CGAS & Priority	421	375
TOTAL	32,441	6,970

A non-Medicaid child was twice as likely as one on Medicaid to be classified as acutely mentally ill.

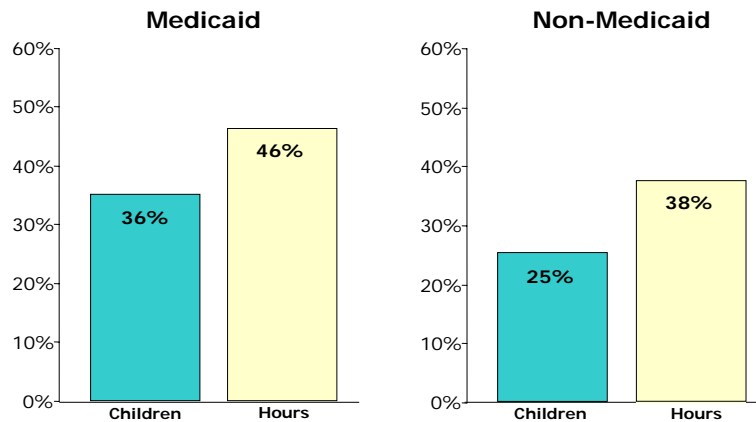


Over one-third of the Medicaid children served in FY 03, and one quarter of the non-Medicaid children, were classified as “severely emotionally disturbed”.

A child who has a mental disorder that clearly interferes with functioning, and who:

- ▶ has undergone inpatient treatment or out-of-home placement related to the disorder within the previous two years;
Or
- ▶ has undergone involuntary treatment within the previous two years;
Or
- ▶ is currently receiving juvenile rehabilitation, child protective, special education, or developmental disabilities services;
Or
- ▶ is at risk of escalating maladjustment, due to chronic family dysfunction, changes in custodial adult, out-of-home placement, physical abuse or neglect, drug or alcohol abuse, or homelessness.

“SED” children accounted for almost half of Medicaid service hours in FY 03, and for almost 40% of services to non-Medicaid children.



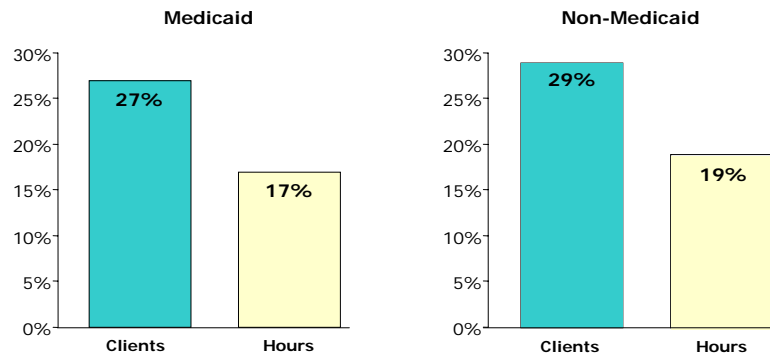
Roughly one-quarter of the children served in FY 03 were classified as “seriously disturbed”, and they received one quarter of the total children’s hours of service. This was true both for Medicaid and non-Medicaid.

A “seriously disturbed” person is one who:

- ▶ has been on conditional release from a state hospital or evaluation and treatment facility within the previous two years;
Or
- ▶ has been on a less restrictive treatment order within the previous two years;
Or
- ▶ exhibits suicidal preoccupation or attempts;
Or
- ▶ is a child diagnosed with a disorder that is clearly interfering with functioning or personality development.

A little more than one quarter of the children served in FY 03 did not meet one of the priority population criteria. They received roughly 17% of the total children's hours of service.

"Other Priority" Share of Children and Service Hours



Key Findings from the Impairment Data

- ▶ 62% of the non-Medicaid adults for whom data are available have a GAF score of 60 or less, or are classified as acutely mentally ill. This compares to 86% of Medicaid adults.
- ▶ One-quarter of non-Medicaid children are classified as "severely emotionally disturbed", compared to 36% of Medicaid children.
- ▶ Non-Medicaid clients are more than twice as likely to be classified as acutely mentally ill. This may be because:
 - their illness is just beginning to manifest itself, so they have not yet established Medicaid eligibility;
 - their illness interferes with establishing or maintaining Medicaid eligibility.
 - they are served for a shorter time, so a higher percentage are in the initial crisis stage of their illness; and/or
 - Medicaid clients receive more ongoing treatment, and so are less likely to have a crisis.

Key Findings from the Impairment Data

- ▶ Approximately 17% of non-Medicaid adults were classified as not meeting one of the priority categories. They received 6% of the total hours of service provided non-Medicaid adults.
- ▶ Approximately one-quarter of the children served, both Medicaid and non-Medicaid, were classified as not meeting one of the priority categories. They received 17% of the total children's hours of service.