Severe Mental Illness:
What Can a Governor's Administration Do?

Secretaries' Innovation Group
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Public Mental Health: Many Needs, No Single "Cure-All"

- More investment in community-based care
- Inpatient psychiatric beds
- Recruit mental health professionals to underserved regions
- New law-enforcement / diversion strategies
- Address treatment non-engagement

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Recommendation One:

- Direct your state Medicaid office to apply for a Section 1115 SMI Waiver from the IMD exclusion, or amend your existing waiver to *include* SMI.

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Why Don't We Have Enough Psychiatric Beds?

- Deinstitutionalization
- Lack of payment parity
- The IMD Exclusion

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What's the IMD Exclusion?

- Clause in the Medicare and Medicaid Act of 1965 that was supposed to address over-reliance on psychiatric hospitalization
- Section 1905(a)(B) prohibits federal financial participation for inpatient psychiatric care in an "institute of mental disease" (IMD)
- IMD defined as any "hospital, nursing facility, or other institution of more than 16 beds, that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care, and related services"
- States can use managed care to pay for IMD stays up to 15 days only

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What is the SMI/SED Waiver?

- In 2018, the Trump Administration sent out guidance to CMS directors announcing a new type of demonstration project under Section 1115.
- The new demonstration project is for adults with serious mental illness (SMI) or children with severe emotional disturbance (SED). It is referred to as the SMI/SED Demonstration Opportunity.
- Allows states to apply for a waiver from the IMD exclusion to use federal funds for the inpatient treatment of SMI in IMDs!

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What is the SMI/SED Waiver?

- Using Authority under Section 1115 of the Social Security Act, CMS

  "will allow states, upon CMS approval of their demonstrations, to receive **FFP for services furnished to Medicaid beneficiaries during short term stays for acute care in psychiatric hospitals or residential treatment settings that qualify as IMDs** if those states are also taking action… to ensure good quality of care in IMDs and to improve access to community-based services"

  "Opportunities to Design Innovative Service Delivery Systems for Adults with a Serious Mental Illness or Children with a Serious Emotional Disturbance"

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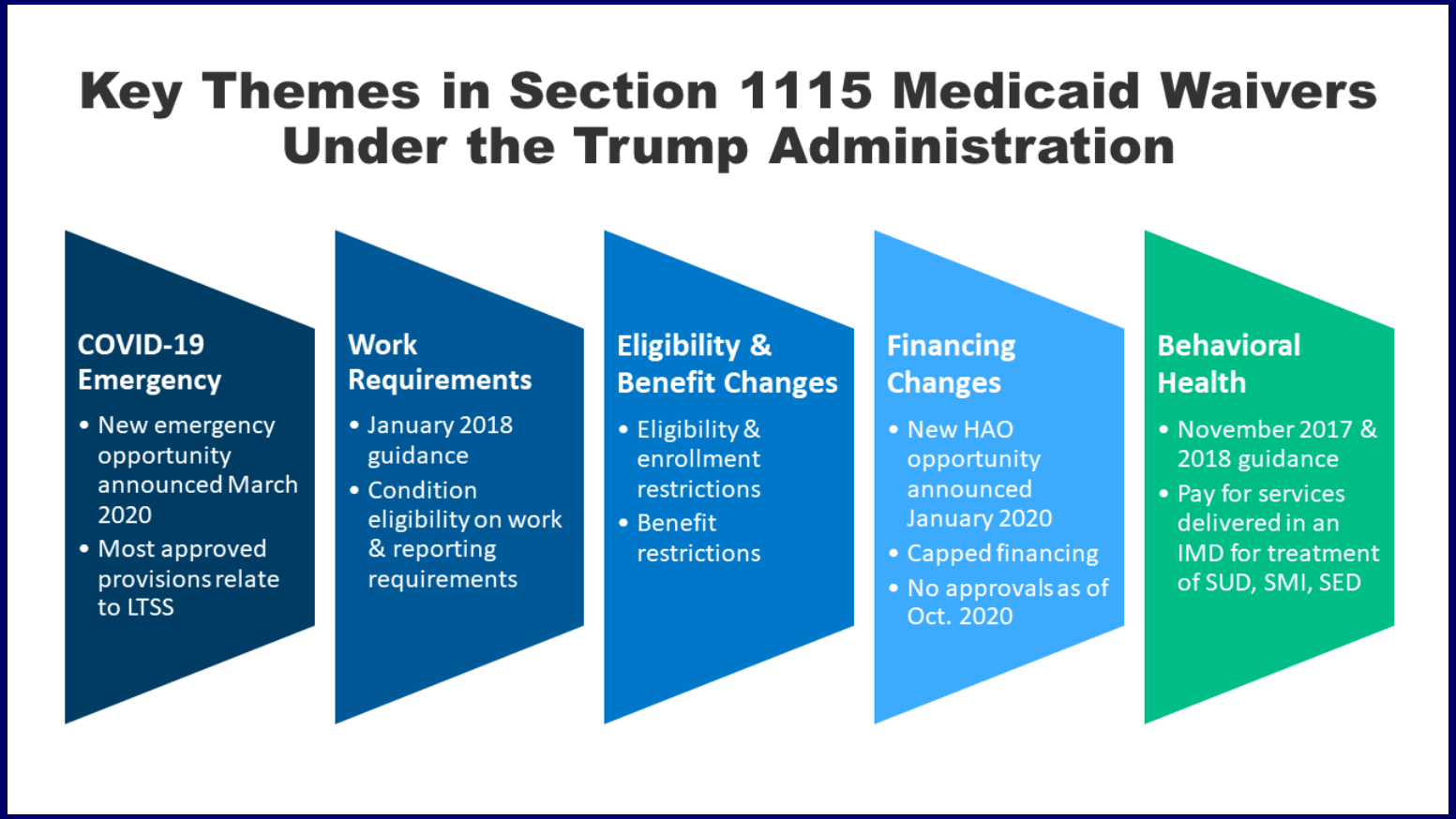
What is the SMI/SED Waiver?



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Frequently Asked Questions

Which states currently have waivers?

AL, DC, ID, IN, MD, NH, OK, UT, VT, WA

Pending waivers: MA, NJ, NM, OR, WV

Soon to be pending: MO, NY

34 states have IMD waivers for SUD <u>only.</u>

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Frequently Asked Questions

Question: Who pays for the newly available beds under the waiver?

Answer: Federal financial participation (FFP), the federal government's financial share of Medicaid, averages about 65% nationwide. The average state pays for 35% of Medicaid costs.

Question: Isn't this already possible?

Answer: No, not without a waiver. In some states, managed care organizations receive monthly capitation payments for psychiatric services provided to Medicaid recipients. In those states, some managed care organizations allow patient stays of under 15 days in IMDs. However, the SMI-SED IMD Exclusion waiver would allow stays in excess of 15 days.

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Frequently Asked Questions

Question: When will these changes happen in my state?

Answer: Nothing happens automatically! This policy change will not happen unless your state Medicaid program applies and is approved for a demonstration waiver with the federal Centers for Medicare & Medicaid Services (CMS).

Question: Is there a deadline to apply?

Answer: No. States can submit a request to make this change in their program at any time. But the process can be lengthy.

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Recommendation Two:

- Direct your health and human services/behavioral health department staff to step-up use of assisted outpatient treatment (AOT) to 1) keep at-risk individuals engaged with treatment, and 2) divert people out of the competency restoration system.

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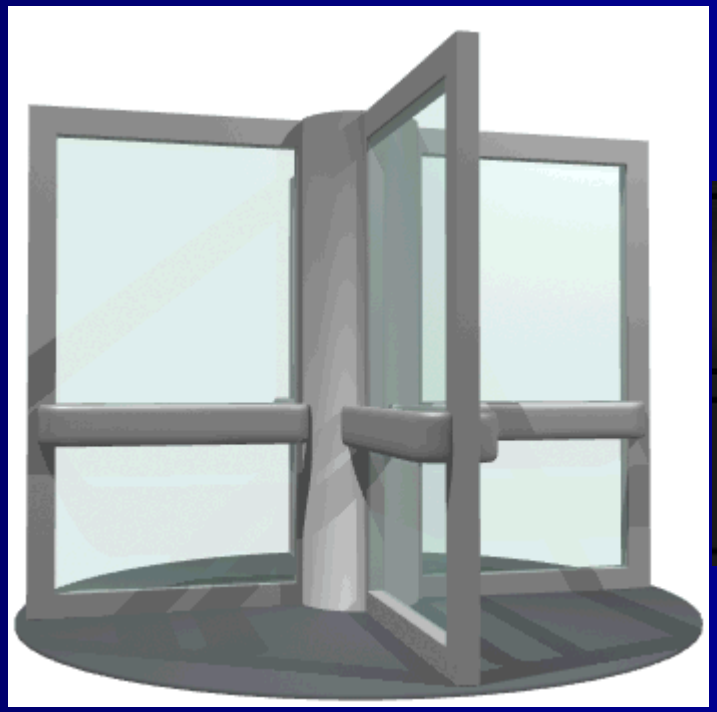
Treatment Non-Engagement

Too many with SMI are caught in the "revolving doors" of the mental health and criminal justice systems.



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Many reasons for non-engagement

- Inadequate community-based support
- Health insurance gaps
- Distance to provider / lack of transportation
- Substance abuse
- Side effects of medications
- Challenges with executive functioning
- Mistrust of doctors
- **Anosognosia / lack of insight**

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A challenging cause of non-engagement:

a symptom of brain dysfunction known as ...

ANOSOGNOSIA

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Anosognosia

- Lack of insight into one's own illness. (inability to recognize illness in self)
- NOT denial
- Neurological condition
- Out of the individual's control
- Makes non-adherence *logical*

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A

Low self-reflection

B

High self-reflection

Figure 2. Brain activation of selected individuals is displayed (the patterns of activation are consistent with the group-level differences). Differences in brain activation in the left and right vMPFC during a self reflection task between two patients with schizophrenia, one patient with impaired insight and one patient with good insight. (A) a patient with a low score (7) on the subscale self reflectiveness of the Beck Cognitive Insight Scale (BCIS) and (B) a patient with a high score (27) on the subscale self-reflectiveness.

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Linking Anosognosia and Non-Adherence

Psych. Services:

- Of 300 patients with non-adherence tracked, 32% found to lack insight
- Those 32% had significantly longer non-adherent episodes, more likely to completely cease meds, have severe symptoms, be hospitalized

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Bottom Line on Anosognosia

- If you build it …

… SOME still won't come!

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"Assisted Outpatient Treatment" (AOT) is …

- A clinical/legal strategy to overcome an individual's problems with treatment adherence
- An outpatient form of civil commitment supervised by a judge
- A means of leveraging the power of courts to keep people in treatment

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What does AOT look like?

- Under typical state AOT law:
  - No contempt of court
  - No automatic return to inpatient commitment
  - No forcibly administered meds

- Fair to ask: why does this work?

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Point #1: "The Black Robe Effect"

- Judges command respect as symbols of authority
- The court process emphasizes the serious nature of the order
- The black robe effect works on the treatment system too, ensuring at-risk patients are not dropped

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Point #2:
Rapid Response to Non-Adherence

AOT prevents at-risk people from falling through the cracks.

Allows the system to quickly course-correct.

Lack of punishment doesn't mean lack of *consequence.*

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AOT Works

2009 Duke University study results:

- Likelihood of hospital admission over 6-month period cut in half (74% to 36%)
- "Substantial reductions" in days in hospital
- Likelihood of arrest over 1-month period cut in half (3.7% to 1.9%)
- AOT group 4x less likely to commit serious violence than non-eligible control group, despite more violent histories

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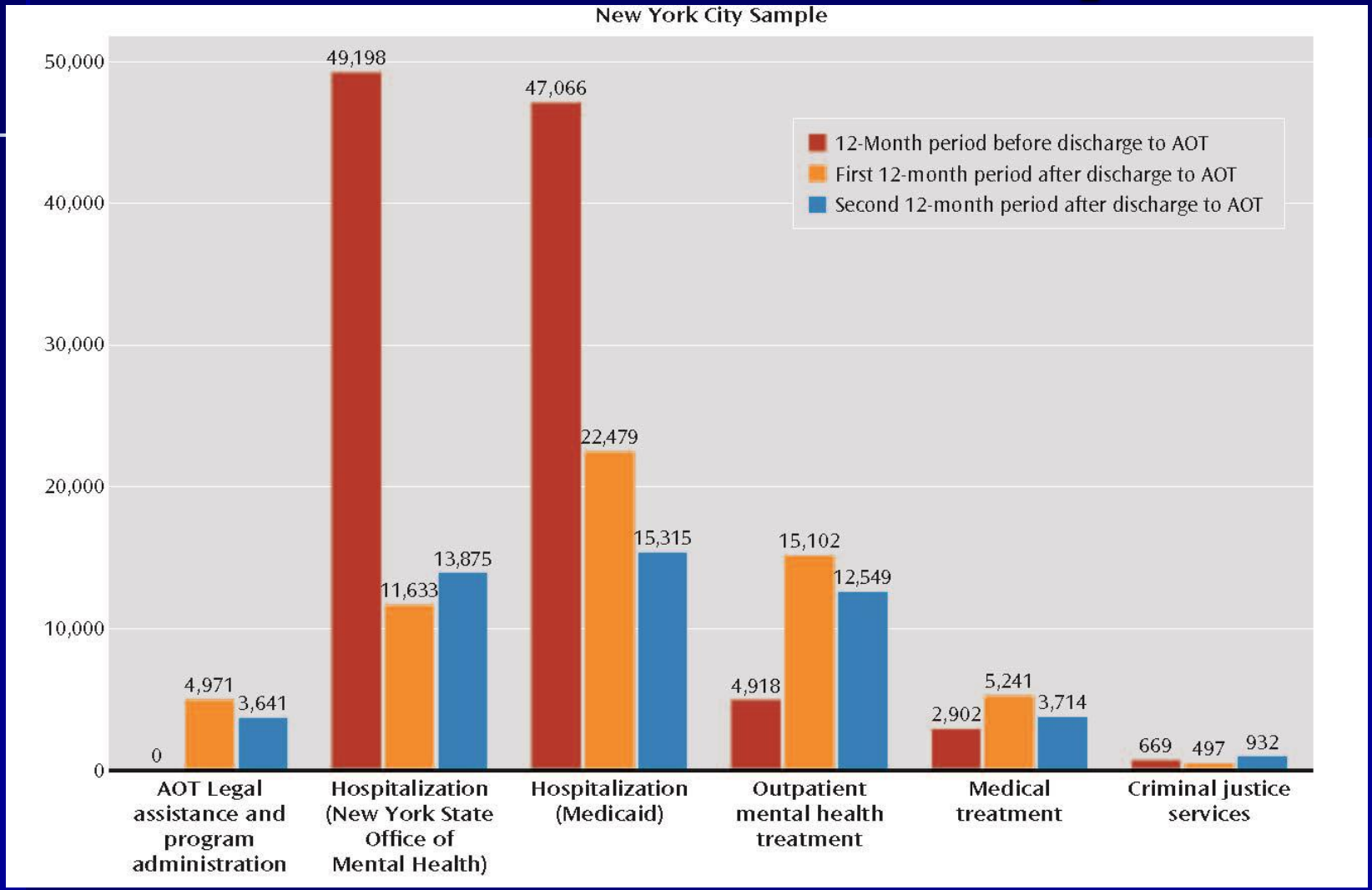
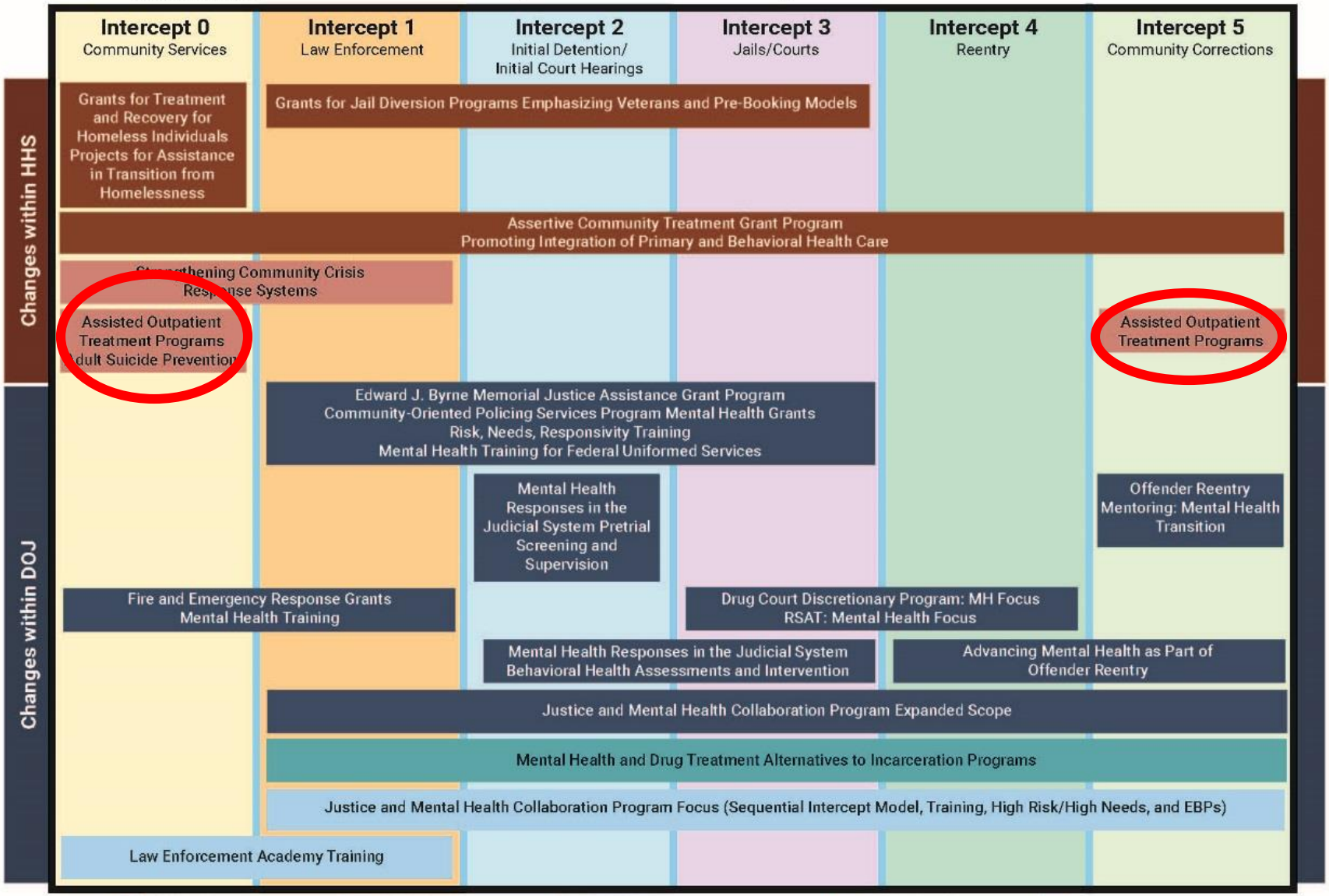
AOT Saves Money!



In NYC, net treatment costs declined 43% Y1, another 13% in Y2.

SAMHSA'S GAINS Center for Behavioral Health and Justice Transformation

The 21st Century Cures Act & the Sequential Intercept Model



Why Don't States Use AOT More?

Good question!

- Misunderstandings or assumptions about what AOT is and how it works
- Opposition by civil rights groups insisting on voluntary treatment only
- False belief that it takes major new funds
- Need to work across siloed areas of governing to create a program

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Questions?

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