



# **ROLE OF PSYCHIATRY IN HEALTHCARE REFORM**

## **SUMMARY REPORT**

**A REPORT BY AMERICAN PSYCHIATRIC ASSOCIATION  
BOARD OF TRUSTEES WORK GROUP ON THE ROLE OF  
PSYCHIATRY IN HEALTHCARE REFORM**

**2014**

**Role of Psychiatry in Healthcare Reform**  
**APA Board of Trustees' Work Group on Health Care Reform**  
**Report Summary**  
**April 2014**

Several catalysts – including state and federal regulations, the pressure for improved quality and affordability of care, and the needs of employers--have led to some of the most significant reform of the United States healthcare system since the enactment of Medicare and Medicaid in 1965.

Throughout this recent period of change, the focus on behavioral health, which includes mental illnesses and substance use disorders, has begun to shift from a compartmentalized provider approach to an integrated delivery system linking behavioral health and primary care services. This has led to a renewed awareness that mental health is critical to overall health and wellbeing.

Because the implications of health reform for psychiatric practice are quite broad, the American Psychiatric Association's (APA) Board of Trustees established a Work Group on the Role of Psychiatry in Healthcare Reform. Chaired by Paul Summergrad, MD, the Work Group convened numerous times over 18 months with input from the Board of Trustees, the Assembly, and relevant councils and components. (A complete roster of Work Group members is available in the full report [www.psychiatry.org/integratedcare](http://www.psychiatry.org/integratedcare)).

The recommendations set forth by the Work Group serve as a springboard for discussion and action within the field of psychiatry and include findings in six key areas:

- Contemporary Health Reform Efforts
- Integrated Care: A Healthcare Reform Imperative
- The Financing of Psychiatric Care: Structure, Payment, and Administration
- Quality and Performance Measurement
- Health Information Technology
- Workforce, Work Environment, and Medical Education and Training

**Key Findings and Recommendations**

Contemporary Health Reform Efforts

*Finding: While healthcare reform expands insurance coverage and extends parity of benefits for behavioral health needs, it nonetheless will be critical to monitor new developments, models of care, and payment methodologies, and to enforce compliance to ensure patients and families receive the best quality of care.*

- The healthcare insurance exchanges, state and federal parity laws ensuring equal coverage of medical and behavioral health benefits, and an expansion of Medicaid will expand insurance coverage for many with behavioral health needs, but there will still be gaps in coverage.
- The mental health and substance use disorder services provided by each state will be defined by the Medicaid plan each state selects, essentially creating 50 different plans that need to be monitored for compliance and enforcement with the Mental Health Parity and Addiction Equity Act (MHPAEA).
- The Centers for Medicare and Medicaid Services (CMS) and its Center for Medicare and Medicaid Innovation (CMMI), as well as the Substance Abuse and Mental Health Services Administration (SAMHSA), are exploring and implementing new models of care.
- Purchasers, employers, providers and payers are actively engaged in alternative payment methodologies and delivery system reforms to anticipate resource constraints.

*Recommendation: Psychiatry must play a central role in the new patient care and delivery and payment models. These models must include an expanded emphasis on behavioral health.*

- Psychiatrists have a number of essential clinical skills that are vital to meeting the challenges in treating co-morbid populations with physical and mental illnesses.
- Treatment by psychiatrists has been demonstrated in research trials to positively contribute to better patient outcomes and improved healthcare resource utilization.
- To support this delivery of services, the field will need to define new basic units of clinical care and/or management for reimbursement as well as better performance measures.
- Psychiatrists, working with other healthcare providers, will need to be ready to assume risk, enter into integrated arrangements, and work in and oversee primary care and other integrated settings for care.
- Primary care providers must have an integral role in incorporating behavioral health care into the primary care medical home.

#### Integrated Care: A Healthcare Reform Imperative

*Finding: Integrated care models hold promise in addressing many of the challenges facing our healthcare system, but more research is needed to build their evidence base, explore their financial impact and define the role of psychiatrists, primary care providers and other behavioral health providers.*

- Various groups define integrated care differently, but the field agrees that integrated care is patient-centered, accountable, based on evidence and measurement, and delivered by a care team that shares a defined group of patients tracked in a registry.
- Five major models of care have emerged including collaborative care, care management, co-location, medical homes, and Accountable Care Organizations (ACOs).
- While evidence for some integrated care models is robust, more research is needed on the number of psychiatrists currently involved with new care models, how new care models address behavioral health disparities and these models' effect on children and adolescents.
- Developing integrated care models that can be sustained will require financial changes, since traditional reimbursement models will not work.
- The role of the psychiatrists and other behavioral providers within these new models of care must be defined – along with appropriate training and education of core competencies in integrated care models.

*Recommendation: Psychiatrists, alongside primary care providers, must play a major role in formulating integrated care solutions by defining their role and benefit to patients. NIH, CMS and other federal agencies should continue their ongoing research and evaluation of these models.*

- Psychiatrists must work closely with other care professionals to monitor and ensure that agreed-upon policies and standards result in the best care for patients and families. Special emphasis should be placed on working with CMS and other federal agencies in developing quality metrics for integrated care to be implemented through the patient registries.
- An ongoing inventory of current models should be developed with data on best practices for physicians, healthcare leaders and policy makers.

#### The Financing of Psychiatric Care: Structure, Payment, and Administration

*Finding: Fundamental payment issues, including implementation of parity laws, must be addressed to achieve the coverage, access and new care delivery goals of the ACA. This includes the economic impact of integration, Medicaid reimbursement policies, Medicare Fee Schedule distortions, fee for service payment methodologies, and the structure and management of payment.*

- A recent Milliman report, commissioned by the Work Group, outlines potential cost savings for the healthcare system of as much as \$26 billion to \$48 billion annually through effective integration of medical and behavioral health services.
- The report found that under the current fragmented model of care, people with treated mental illnesses, including substance use disorders, have general medical care costs that are two to three

times higher than those without a mental disorder, pointing to an opportunity for potential cost savings with improved clinical care programs.

- The full value of integrated medical and behavioral health services will not be realized without integrated payment models.
- As the largest behavioral health services payer, Medicaid coverage policy will continue to have a significant impact on the quality and costs of both medical and behavioral health services.
- Most proposed payment approaches, such as medical homes and shared savings for ACOs maintain fee-for-service components, retaining the importance of the Medicare Fee Schedule. However, payment levels and fee schedules will become more dependent on performance metrics.
- It is essential that payment structures and care models allow for sustainable investment.

*Recommendation: Payer and systems' budgeting mechanisms must include management of psychiatric care within the broader medical healthcare budgets, while protecting core services for those with mental illnesses.*

- Payment arrangements must recognize necessary psychiatric clinical and case-management functions, as well as other infrastructure costs in integrated care models.
- Payment streams for psychiatric care should not be carved out of existing medical budgets.
- If carve-out payers continue to operate, the credentialing, CPT codes and payment for psychiatric physician services must be integrated with the overall medical budget.
- Integrated care budgets must have formal budget and quality outcome metrics to protect existing mental health budget resources.

#### Quality and Performance Measurement

*Finding: While healthcare reform has accelerated the development and use of performance indicators, the behavioral health field needs to become more fully engaged in the development of performance measures.*

- Many current measures do not adequately account for variations in patient panels. These measures do not necessarily account for more severely mentally ill patients or patients with multiple physical and behavioral co-morbidities.
- Current accreditation and certification programs do not adequately include psychiatric input. This has resulted in mental health and substance use measures being entirely excluded, as well as inadequate measures of coordination with physical and behavioral co-morbidities.
- The development of appropriately integrated data streams will be a critical component of quality improvement in evaluating the care of patients.

*Recommendation: The field must lead on quality metrics for psychiatric care and their consistent adoption across payers and other regulatory entities. This can be accomplished by identifying a few priority areas for improvement, as well as establishing a series of goals covering various areas of practice.*

- Undertake a systematic review and analysis of quality and performance measures that are used to accredit and/or certify alternative care-delivery models. This will be beneficial for improving quality and cost of care and establishing adapted payment structures.
- Broaden the range of quality measures to include outcomes and integrated care measures for individuals with multiple physical and behavioral co-morbidities.
- Continue research activities on quality and effective psychiatric practices.

#### Health Information Technology

*Finding: The behavioral health field faces several challenges in the realm of health information technology (HIT). The success of integrated care models is particularly dependent upon the deployment of electronic health records (EHRs) and patient registries.*

- Mental health and substance abuse treatment systems have historically lagged behind other areas of medicine in the development and standardization of information technology tools because of concerns about privacy and confidentiality and limited federal support in this area.
- High profile breaches of health information security have undermined patient confidence that sensitive information will be protected.
- Despite concerns over confidentiality and privacy, mental health records are already embedded in existing EHRs because most patients with mental illness, including substance use disorders, are seen primarily in the general medical sector. There is a lack of EHR products available for behavioral health settings that can ensure adequate confidentiality.
- Health information technology and EHRs will play a key role in quality improvement.

*Recommendation: Health information technology should be a priority focus of communication and education for the psychiatric field, healthcare providers in general, patients, policy makers and the public.*

- Standardized templates for EHRs should include the data elements needed to manage and coordinate general medical care and mental health care.
- Robust discussion with the state and federal governments, industry and other stakeholders on appropriate and adequate HIT privacy should be ongoing.
- The appropriateness and feasibility of developing patient registries should be explored, as well as engagement with health information exchange efforts.
- HIT should be expanded to all aspects of the mental healthcare system including psychiatrists and other behavioral health clinicians in specialty mental health settings.
- Research must be conducted to assess the adoption and impact of HIT on quality in psychiatric practice and identify strategies to maximize positive impact.

#### Workforce, Work Environment, and Medical Education and Training

*Finding: Without changes in the workforce, the field will have difficulty meeting the increased demand for specialty psychiatric physician services.*

- There are known shortage areas for both psychiatric and other behavioral health practitioners, and these are likely to correlate with locations of the newly insured.
- There is a gap between the typical current competencies of psychiatric physicians and those needed to practice in integrated care models. Thus there may not be sufficient numbers of trained individuals who can meet the demand for psychiatric care to be appropriately embedded in integrated models.
- All physicians, especially those in primary care, need a stronger focus on mental health training.

*Recommendation: Curriculum, accreditation standards, new Continuing Medical Education (CME) trainings and collaboration with primary care practitioners are needed to meet newly insured patient needs as well as provide for new care delivery models.*

- Curriculum and accreditation standards should be developed for all residents on the core competence and skill sets needed for integrated medical and behavioral health care.
- Practice management modules, like CME, should be developed in the following areas: reviewing common medical problems in general medical care and public-sector populations, leading teams of behavioral health professionals, setting up and/or participating in integrated care settings, teaching primary care providers about identifying and screening for mental illnesses and substance use disorders, and using health information technology.
- Primary care and other medical specialties must develop enhanced competencies and expertise in behavioral health care, evaluation and management.
- Psychologists, social workers and other behavioral health providers should collaborate with primary care providers regarding needed education and training to practice in this care model.