

Behavioral Health Roundtable: Here's What You Missed

Richard Zall, Partner and Chair of Proskauer's Health Care Industry Group, opened the discussion with a general overview of the behavioral health care space. Although the field still suffers from an imbalance of supply and demand, medical and behavioral health providers recently have formed more integrated connections, responding to the increased need for services.

The discussion continued with speaker **Mark Covall, President and CEO of the National Association of Psychiatric Health Systems (NAPHS)** and moderator **Frank Martin, Vice President of Managed Care at Farragut Square Group**. Covall praised the positive changes occurring recently in behavioral health, including increased investor interest, expansion of coverage and access, and changes to the Medicare Prospective Payment System.

With respect to the legislative debate over the Affordable Care Act, Covall emphasized the importance of Medicaid funding, given that Medicaid is the top payor for mental health services. Moreover, one-third of the Medicaid expansion population receives services for opioid addiction and mental health. Covall applauded the inclusion in proposed legislation of \$45 billion in funding for substance abuse initiatives, and noted that allowing public funding to flow to private entities would be a welcome change, with the private sector providing a large proportion of behavioral health services.

Covall and Martin also discussed the challenges facing both behavioral health payors and providers. Payors have traditionally struggled to build viable networks of quality providers. The speakers noted that payors could improve upon relationships with community health providers, as well as network infrastructure and data collection. Martin discussed a recent trend of payors in the Northeast moving away from episodic reimbursement and toward an annual reimbursement model in New Hampshire and Connecticut, and more recently in New Jersey and Pennsylvania.

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Providers struggle with steady or declining reimbursement and must innovate in the way they deliver care. In some cases the reimbursement rates are not increasing, even where states are required to increase rates for behavioral health providers at parity with other health care providers, so Covall expects to see legal action in this space. In addition, institutional providers in most states face the hurdles of cumbersome certificate of need (CON) processes, which can be time-consuming and costly. Nevertheless, Covall predicted that we may see an uptick in CON approval in the near future.

What's next for behavioral health? First, the theme of data and analysis resonated with the roundtable participants: with the proper infrastructure in place, and payor and provider buy-in, the behavioral health market would function more efficiently for payors, providers and patients. Although value-based payments are increasingly becoming the norm in other sectors of health care, these types of models would be difficult to implement in behavioral health. However, CMS is considering the use of alternative payment models for behavioral health. Lastly, the field continues to move toward integration of not only mental health services with addiction services, but also behavioral health care with overall medical care.