



**FAILING TO DELIVER:
Analysis of New Mexico Medical Assistance Division Data
on Salud! Behavioral Health Care**

Few individuals with a mental illness enrolled in Salud!, New Mexico's Medicaid managed care program, are receiving any mental health services at all. Of those who do, many who have serious disorders are not receiving the intensive community-based services they need and which they have a right to expect.

This statement is based on a review by the Bazelon Center of the encounter data collected by the Medical Assistance Division, the state's Medicaid agency. The federal Health Care Financing Administer requires the state to collect these data on the use of services by all Medicaid managed care enrollees when it waives Medicaid rules for the state to provide services through managed care. New Mexico is operating its Medicaid program, Salud!, under such a waiver, contracting with three managed care health plans: Cimarron Health Plan, Lovelace Community Health Plan and Presbyterian.

New Mexico's encounter data on behavioral services provide a snapshot of failure. The number of adults and children receiving mental health services is woefully low and the services most needed by those with more serious conditions fall well below appropriate treatment standards.

Effective mental health services should be available

According to a 1999 report from the Surgeon General of the United States (*Mental Health: A Report of the Surgeon General*), "a variety of treatments of well documented efficacy exist for the array of clearly defined mental and behavioral disorders that occur across the lifespan." The report lists these well-documented and effective treatments for adults and children.

- **Community services that have proven particularly effective for adults with serious mental illnesses**, according to the Surgeon General's report, are: case management, psychiatric rehabilitation, assertive community treatment, community alternatives for crisis care, consumer self-help services, family self-help and family education, combination (sometimes called integrated) treatment for those with substance abuse disorders as well as mental illness and psychotherapy.

- **Services that have proven particularly effective for children with serious mental and emotional disorders**, according to the Surgeon General's report, are: case management, home-based services, multisystemic therapy for youth in juvenile justice systems, wrap-around services (including behavioral management), therapeutic foster care and crisis services.

To be effective, Salud! should offer Medicaid participants who require mental health services access to the above array of community-based interventions. The failure to do so will only lead to higher expenditures at a later date, as treatable problems become unmanageable crises.

Access to mental health services is far below New Mexico Medicaid recipients' need

In three prior analyses, the Bazelon Center has cited data documenting a low rate of access to mental health services by Salud! participants. For example, despite national prevalence estimates showing that 20% of adults and children have a mental or emotional disorder in any one year, a 1998 study by the New Mexico Medicaid agency found that an average of only 7% of the members at the three Salud! plans received any mental health services.

The state's encounter data for the last quarter of 1999 document an even more serious situation for adults and children in New Mexico who have the most severe disorders and who need ongoing and intensive mental health services, such as case management and rehabilitative services.

1. Adult Access to Behavioral Health Care Services (October-December 1999)

One of the most straightforward ways to assess how many adults with a severe and persistent mental illness, such as schizophrenia, are enrolled in Salud! is to look at data on the number receiving federal Supplemental Security Income (SSI) disability benefits as a result of a psychiatric disability. According to an analysis of Social Security Administration (SSA) data, an estimated 6,445 adults in New Mexico receive SSI benefits due to a mental illness. All are automatically eligible for Medicaid.¹ Yet Salud's encounter data show that during this quarter at most 2.5% of the 44,072 adults served by the plan—only some 1,100 individuals—receive any of the intensive mental health services cited as effective by the U.S. Surgeon General: case management, psychosocial rehabilitation services, medication management or psychotherapy (see table below for numbers and percentages receiving each of these services).

¹ Recipients of federal Supplemental Security Income (SSI) benefits are automatically eligible for Medicaid in most states, including New Mexico. Adults qualify for SSI on the basis of age or a severe disability; accordingly most adult Medicaid participants under age 65 who receive SSI because of a psychiatric disability have a mental illness severe enough to require intensive services. Additional adults with serious mental illnesses will have qualified through other eligibility categories.

Adult Mental Health Services, October to December 1999

| Service | Number of Adults in Salud! Receiving Service | Percent of the Adults in Salud! Receiving Service |
|--------------------------------------|---|--|
| Case management | 486 | 1.1 |
| Psychosocial rehabilitation services | 169 | 0.4 |
| Medication management | 21 | 0.05 |
| Psychotherapy | 1,118 | 2.5 |

- All individuals with severe mental illnesses should receive case management services; in many states, this is state policy. In Salud!, however, only 486 people out of at least 6,445 with severe mental illnesses are reported to be receiving this service. Case management services should be increased by a factor of at least 10.
- Most adults with severe mental illnesses should also receive psychiatric rehabilitation, yet only 169 of at least 6,445 are receiving such services (0.4% of the Salud! population).
- Many should also receive psychotherapy, but only 1,118 individuals received psychotherapy during this quarter. Many of them may have had a less severe disorder, such as moderately severe depression, for which psychotherapy is an appropriate treatment.
- Nineteen percent of adults (8,527 people) on the rolls of Salud! receive a psychotropic medication, yet only 21 individuals appear to have received medication management visits to a physician during the last quarter of 1999. Even if some visits to physicians included such services but were not billed as medication management, this is an irresponsibly low number.

1. Children’s Access to Behavioral Health Care Services (October-December 1999)

Salud! lists 191,838 children on its rolls. Fewer than 7% of them receive any mental health services at all, despite national prevalence rates suggesting that 20% of all children experience mental or emotional disorders during any given year. National data on the prevalence of more extreme disorders among children suggest that at least 9% of the children enrolled in Salud! have a severe functional impairment as a result of a serious mental or emotional disorder.² Yet fewer than 1% of the children enrolled in Salud! (about 1,900 children) receive the intensive community-

² This estimate would be conservative for the Medicaid population because a higher proportion of these children have severe disorders, demonstrated by their having qualified for federal SSI benefits. In addition, children qualify for Medicaid because of low family income, and children in low-income families have been found to have high rates of mental disorder.

based mental health services cited by the U.S. Surgeon General as effective for children with serious mental or emotional disorders.

Accordingly, more than 17,200 children should have received such critical community services as case management, behavioral management, child-enhanced services (includes intensive outpatient, respite, home-based rehabilitation, etc), and child psychotherapy and counseling. As the numbers and percentages in the table below show, most do not.

Child Mental Health Services, October to December 1999

| Service | Number of Children in Salud! Receiving Service | Percent of Children in Salud! Receiving Service |
|----------------------------------|--|---|
| Case management | 207 | 0.11 |
| Behavioral management specialist | 63 | 0.03 |
| Child enhanced services | 111 | 0.06 |
| Psychotherapy counseling | 1,621 | 0.8 |

- Best practice is for all of these children to have case managers (many states ensure case management for all children with such severe impairments). Accordingly, case management rates should be at least nine times higher.
- Rates of utilization of behavioral management specialists, child-enhanced services and psychotherapy counseling are also extremely low, falling far short of the need.

Conclusion

New Mexico’s own encounter data strongly suggest extreme underutilization of the intensive community services found by the U.S. Surgeon General to be effective for adults and children with the most serious disorders. Without these services, many New Mexicans will continue to have major problems in their lives, their families will suffer heartache and stress, and both federal and state taxpayers will pay—one way or another. Major mental and emotional disorders do not dissipate if left untreated, but almost always worsen. Increased costs in social welfare systems, schools, and juvenile and criminal justice systems will be the inevitable economic result of this neglect. Increased anguish for children, adults and family members will be the inevitable—often avoidable—human impact.

The encounter data analyzed here comport with other data on utilization, provider closings and provider and consumer concerns, documented in earlier analyses, and with anecdotal evidence from all over the state. New Mexico’s managed care program has failed those who need mental health services. It needs to be reformed.

Explanation of Data Used for This Analysis

When the Bazelon Center previously criticized Salud! for failure to meet the needs of adults and children in need of mental health services, the state charged that Bazelon's assessments were based on old and invalid data. For this report, the Bazelon Center has used the state's own most recent encounter data to assess New Mexico Medicaid participants' access to adequate behavioral services under managed care in New Mexico.

Data analyzed for this report are from the period October 1999 to December 1999. These are the latest data available to the state, and therefore to the Bazelon Center. No complete encounter data were available prior to October 1999. Although Salud! began on July 1, 1997, Medicaid was unable to assure the accuracy and completeness of data until October 1999—two years and five months later. The Medicaid agency's monitoring efforts have a lag of four months, and therefore the most recent encounter data that could be obtained for this analysis was from the third quarter of 1999 (available in April 2000).

The state considers the encounter data accurate and appropriate to assess Salud! In a letter to the federal government, the state reported that it imposed monetary sanctions on MCOs that fail to provide complete encounter data, and that all plans had responded appropriately and were providing "all necessary data" by September 1999. According to the Medicaid agency, "the state has defined and refined the process (to collect good encounter data) to the point that the encounter data is one hundred percent better than it was at the time of the [federal] site visit [in March 1999]." The state believes that "these encounters as well as other reports required by contractual provisions [in the plans] have provided the Department with sufficient data to adequately monitor the Salud! program."

The Bazelon Center concurs. There is now more than enough solid information to conclude that Salud! is failing to deliver behavioral health services to those most in need.

September 5, 2000