



**Association for Behavioral
Health and Wellness**

*Advancing benefits and services
in mental health, substance use
and behavior change.*

Managed Care, Mental Health, Substance Use and Wellness: What Everyone Needs to Know

Introduction

The need for management of behavioral health care grew from rising costs of this care, and overuse of limited health care resources. Prior to managed behavioral health care no one was holding the delivery system accountable for the quality or effectiveness of services. Today an estimated 164 million Americans receive their mental health and substance use disorder benefits through a managed behavioral health care organization (MBHO).¹

Managed behavioral health care created a checks and balances system that helped allocate fixed resources. It is the responsibility of all managed behavioral healthcare organizations (MBHOs) to ensure quality of care, access to providers, and accountability for positive outcomes. Accountability is measured by MBHOs through performance measurements and standards. Consumers receive treatment that is based on evidence-based principles and is tailored to their needs. This results in more Americans having better quality, better access, and more affordable mental health, substance use, and wellness services than ever before.

MBHOs are structured in a variety of ways. Some operate independently of any health insurance plan. Some are a part of a larger health insurance plan. Other MBHOs are associated with academic and/or provider organizations. What they all have in common is the use of clearly identified strategies to deliver quality mental health and substance use disorder services while at the same time controlling costs. This is done through a specialized network or delivery system of behavioral health providers. These techniques enhance the access and quality of the care that is delivered. MBHOs manage utilization and modify reimbursement structures. MBHOs also coordinate delivery systems for mental health, substance abuse and workplace services. Their focus is on quality of care, clinical outcomes and consumer input.

¹ OPEN MINDS Yearbook of Managed Behavioral Health & Employee Assistance Program Market Share in the United States, 2002-2003.

Common Misperceptions of Managed Behavioral Healthcare

#1: MBHOs have high administrative costs and profits

The average administrative cost is approximately 10 to 15 cents on each dollar. Administrative costs are not all profit. They also include expenses for accreditation, provider credentialing, consumer surveys, quality improvement activities, and consumer education materials in multiple languages. These are items that contribute to better quality and improved access to health care. Profit margins of MBHOs are low – averaging around 4% after taxes.

#2: MBHOs deny care

MBHOs are dedicated to ensuring that limited health care resources are used most effectively. The goal is to help the consumer return to their life by getting them the right care, at the right time, in the right place. MBHOs authorize care that meets the expectations developed by independent national entities. Care plans may be questioned when clinical practice guidelines that are developed by behavioral healthcare professionals and national associations are not used.

To ensure fairness MBHOs have a high degree of oversight. In most cases contracts with government entities such as state or county government, or commercial entities, like employers or health insurance plans, are carefully monitored. Contracts are monitored for quality of care issues, adverse incidents affecting consumers, and complaints from providers and consumers in general. No government or commercial customer will tolerate poor results. Just like any other business contract, MBHOs have to deliver on their promise of high quality care or they will not be successful.

The management of behavioral healthcare services is one of the most highly regulated industries in the United States. There are regulations across all 50 states and the federal government, to provide for consumer rights and timely appeal of decisions. Powerful provider and consumer organizations such as the American Psychiatric Association, the American Psychological Association, the National Alliance on Mental Illness, and Mental Health America keep a close eye on the policies and procedures of MBHOs. Additionally, accrediting bodies such as the National Committee on Quality Assurance (NCQA) and URAC (originally the Utilization Review Accreditation Commission) also impose a variety of quality standards on MBHOs and examine their performance.

#3 MBHOs prevent providers from making decisions about care that are in the best interest of the consumer; MBHOs are only concerned about money

MBHOs strive to work with facilities and individual providers to ensure that each consumer is getting the best possible care. This includes timely discharge planning and completion of treatment when symptoms have resolved. It should be understood that MBHOs are not the only for profit health care entities, providers and facilities also often operate for profit. Health care is a business enterprise regardless of sector. Facilities need to keep their beds filled and providers need to keep their caseloads full. Effective MBHOs, as well as quality providers, understand that delivering excellent consumer care is not in conflict with either evidence based medicine or sound business principles.

How Managed Behavioral Healthcare Works

#1: Better mental health and substance use disorder benefits

Prior to managed behavioral healthcare, consumers had to navigate the health care system and decide upon appropriate care on their own. They did not have an MBHO to turn to in order to understand their benefits. Most of the money was spent on expensive and restrictive inpatient and residential programs. There was little money spent on benefits for intermediate and outpatient levels of care. Under managed

behavioral healthcare the number of consumers treated, and the ease of gaining access to treatment, has increased. Consumers have also been provided with a range of treatment options providing more choice for care than ever before.

#2: Quality care

MBHOs have established robust quality measurement programs that strive to manage care so that each consumer is provided with the best, most appropriate care available. The care provided is evidence based and uses clinical practice guidelines developed by behavioral healthcare professionals. MBHOs take the time to educate providers about the latest research, and encourage and facilitate coordination of care among providers. Additionally, these organizations voluntarily seek accreditation and oversight from accrediting bodies like the National Committee for Quality Assurance and URAC. Surveys are continuously given to consumers to measure and ensure high satisfaction with the delivery of care.

#3: Better access and consumer focused care

Under managed care, consumers have access to help 24 hours/7 days a week including, but not limited to, referrals to providers, educational resources, intervention and triage. MBHOs have call centers to provide assistance day or night to help assess and determine the needs of consumers as well as explain benefits and costs. As the field has evolved so have MBHOs, and consumer centric care with a focus on recovery and resiliency has become a key component of care delivery.

#4: Focus on overall health and wellness

MBHOs do not just provide services for mental health and substance use. They have expanded to recognize the importance of behavior in health improvement and in the management of chronic conditions. MBHOs recognize the effect behavior has on overall health. Products have diversified to address the areas of wellness and behavior change. Programs related to obesity, diabetes, heart attack and stroke are frequently offered and interconnected with behavioral health.

#5: Organization and coordination of the health delivery system

Under managed behavioral health care, more individuals are eligible to receive behavioral health care from a diverse network of providers. Treatments are offered to provide for a range of services that are flexible in order to meet consumers' individual needs. MBHOs ensure a continuum of care from inpatient through intermediate and outpatient levels of care, with the goal of recovery and resiliency for every consumer. There is greater flexibility in treatment options, increasing or decreasing the intensity and restrictiveness of the services based on clinical need, and offering a wider array of treatment choices for consumers and their families.

MBHOs often play an important role of coordinating and/or integrating consumer care. MBHOs coordinate/integrate the array of benefits offered to many individuals, including medical/surgical benefits, employee assistance programs, work-life programs, short term disability, long term disability, disease management programs, worker's compensation programs and pharmacy benefit programs.

#6: Management of quality of care delivered by a network of providers

MBHOs build highly specialized networks of providers and ensure that providers are qualified to provide care, and that their licenses and credentials are verified and free of sanctions or other issues that could potentially harm consumers. MBHOs establish access and availability standards for their providers, and measure performance on quality metrics through methods such as provider profiling. MBHOs promote the use of evidenced based practices and nationally recognized practice guidelines to ensure that the care consumers receive actually works. Finally, MBHOs work to increase provider

access resulting in higher quality of care and even expansion of services for underserved consumers such as those living in rural areas.

#7: Increased clinical innovation

MBHOs have influenced the health care delivery system to provide better collaboration with all medical specialties, and enhanced care coordination and intensive case management. MBHOs have created prevention, early intervention systems, employee assistance programs (EAP), and other wellness programs that aim to prevent or reduce the incidence and severity of mental illness and substance use disorders. MBHOs collaborate with leading academic and research programs to promote the best technological methods and the best evidence based practices to serve consumers. MBHOs have partnered with managed care organizations to help educate primary care physicians and pediatricians as they provide a substantial part of behavioral health care with only limited training.

Summary

Managing behavioral health care provides numerous benefits to behavioral health consumers, providers, and commercial and public customers. Providing the right care at the right time results in cost effectiveness and stretches health care dollars. Managed care provides oversight that ensures broader access, availability of services, and coordination of care. Through managed care efforts, providers are held to best practice standards, and strategies that fully involve consumers and families in directing their own care are implemented.

The number of people receiving mental health and substance abuse services continues to rise.^{2[1]} MBHOs provide leadership in the behavioral health care delivery system by making a difference in the quality, accountability, accessibility, and affordability of care. No one likes to have their judgment challenged, and yet the consequences of inappropriate treatment are a problem for both the consumers who receive them and the entities that ultimately pay for their care. MBHOs are entrusted to protect the consumer and provide value to the purchaser. High quality MBHOs care about consumers and want to help in their recovery process.

MBHOs will continue to promote standards and practices that ensure the best care as well as advocate for equal benefits and expanded coverage for mental illness and substance use disorders. MBHOs don't have all the answers, particularly to the most troubling problem of 45 million under/uninsured Americans, but MBHOs do their part through advocacy, through ensuring the provision of quality care, and through cost containment. All of these efforts allow those covered to have the highest behavioral healthcare quality prevention and treatment available in the world.

The Association of Behavioral Health and Wellness (ABHW), formerly the American Managed Behavioral Healthcare Association (AMBHA), is the national voice for behavioral health and wellness companies. ABHW is committed to improving health care access and outcomes, and to promoting health and wellness by effectively treating mental health, substance use and other behaviors that impact health. These companies provide an array of services related to mental health, substance use, employee assistance, disease management, and other health and wellness programs to over 147 million people in both the public and private sectors. ABHW and its member companies use their behavioral health expertise to improve health care outcomes for individuals and families across the health care spectrum.

^{2[1]} Source: Office of Applied Studies, Substance Abuse and Mental Health Services Administration, [National Survey on Drug Use and Health \(NSDUH\)](#), 2002, 2003, 2004, 2005, and 2006 (subsample). Available on-line: <http://nationaloutcomemeasures.samhsa.gov>