

Pay for Outcomes, Not Volume

Innovations in PBHS Models Are Needed | January 2023



We must move our public behavioral health system to a value-based purchasing (VBP) model that creates strong incentives for mental health and addiction providers to achieve good patient outcomes. Maryland's public behavioral health system currently operates under a fee-for-service (FFS) system. While the FFS model offers critical strengths in its breadth of covered services and populations served, the model limits provider flexibility and doesn't align payment with outcomes.

Moving to a value-based purchasing (VBP) model will help specialists determine the best treatment for patients while taking into account patients' individual needs, including complex, comorbid health issues that often accompany behavioral health conditions, or social determinants of health like housing, food and employment needs.

Limits of Current Model

The fee-for-service model is limited in its approach to giving providers the flexibility needed to improve outcomes. FFS does not:

- Differentiate between good, mediocre or bad providers
- Allow providers flexibility in delivering services that meet clients' specific needs in order to improve health outcomes or social determinants
- Does not take into account the costs that are not specifically reimbursable, forcing providers to choose between offering quality care or getting paid for their work
- Does not automatically raise reimbursement rates for investments in technology or increase salaries to address the workforce crisis

Benefits of VBP Model

A value-based purchasing (VBP) model of care can correct the limitations of the FFS model. By building value incentives onto the existing FFS model, Maryland can create a health care delivery model that:

- Rewards providers who achieve positive health outcomes and penalizes those who don't
- Gives providers flexibility to manage the social determinants of health, such as housing, jobs, and nutrition. These social stressors can drive acuity of mental health and addiction conditions
- Creates incentives for providers to reduce hospital readmissions and remove barriers to timely follow-up after hospital discharge
- Focuses on both quality improvement and cost reduction

**Reward quality of care
bring value-based purchasing models to Maryland's public
behavioral health system
SUPPORT SB 581 / HB 1148**

Pay for Outcomes, Not Volume

Page 2 | December 2022



Maryland's mental health and addiction treatment providers are already engaged in unfunded and unrecognized work to improve the quality of care, reduce hospital expenditures, and improve coordination of care. By adopting a VBP model, the Maryland Department of Health can scale up outcomes-oriented activities across the public behavioral health system and reward providers who achieve targeted results.

Measurement-based care (MBC) is the routine collection and use of client-reported progress throughout treatment to guide clinical decision-making. MBC is a clinical process, distinct from the simple completion of an assessment tool. Increasingly, MBC is perceived as a core component of delivering evidence-based behavioral healthcare.

Across 18 CBH member organizations, 669 therapists have administered over 57,000 assessments to 25,000 clients in outpatient mental health settings. Agencies used PHQ-9, GAD-7, PSC-17 and therapeutic alliance measures.

Example 1
Create incentives for providers to measure and move clinical results

Adopting a value-based purchasing model would allow Maryland Medicaid to design programs that reward providers for using measurement-based care feedback approaches to inform and improve frontline care delivery.

47% patients with depression & anxiety reliably moved from severe to mild symptoms

71% patients with high suicide risk moved to low risk over episode of care

Example 2
Contract with provider network to reduce hospital utilization

In 2019, CBH and half of its members launched Maryland Behavioral Health Solutions (MBHS), a provider network seeking VBP contracts. The network houses a data warehouse designed to offer participating providers the analytics and data interoperability tools needed to effectively manage client care across systems.

The network has the capability to connect participating provider EMRs to CRISP for automated, daily data exchange, and delivers data to providers in a format designed to be easily clinically actionable. The network's participating providers have a demonstrated capability to reduce hospital utilization and improve timely follow-up visits.

Adopting a value-based purchasing model would allow Maryland Medicaid to design programs that reward providers who invest in the interoperability, analytics, and staff capacity necessary to effectively reduce hospital utilization and improve rapid follow-up after discharge.

HEDIS rate of follow-up within 7 days after hospital discharge

Public Behavioral Health System

48.9%

Source: DBM, [Managing for Results: Behavioral Health Administration](#), Objective 2.6

Maryland Behavioral Health Solutions

62.0%

Source: MBHS Data Warehouse (connecting provider EMRs to CRISP for passive, real-time data exchange)