

State Behavioral Health Landscape

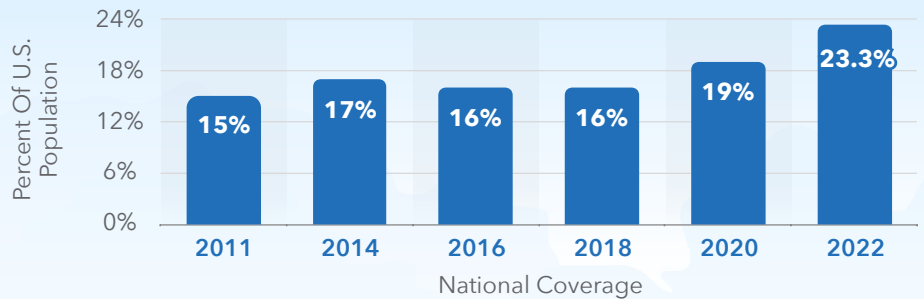
Volume II takes a deep dive look at how U.S. states differ in their delivery and financing of behavioral health services. Specifically, find state comparisons of population distribution among payers, how Medicaid financing rules differ from state to state for people with serious mental illness (SMI), and numerous state behavioral health innovation initiatives.

Medicaid Coverage Continues To Increase^{1,2}

Medicaid is the single largest payer for behavioral health services in the United States today, providing coverage for over **95 million U.S. residents.**



State Medicaid Coverage, By % Of Population, National Summary, 2011-2022^{1,2}



From 2017-2022, State Medicaid Behavioral Health Carve-Out Models Have Reduced³



Carve-outs are mental health and substance use disorder treatment services that are contracted and delivered through an entity separate from the physical healthcare system.



These models have experienced a steep decline. Of 15 states with a behavioral health carve-out in 2011, only 8 states still had separation in 2022.

State Medicaid Behavioral Health Carve-Out Financial Models By Number Of State Medicaid Programs* At-A-Glance, 2017-2022³

	Primary Carve-Out To Managed Behavioral Health Organization (MBHO)	All Behavioral Health In Medicaid FFS** Plan With Physical Health In Medicaid Health Plan	Behavioral Health & Physical Health In Medicaid Health Plan	Behavioral Health & Physical Health In Medicaid FFS	Vertical Carve-Out† For Consumer Population With Mental Health/ Cognitive Disorders
2011	15 (25%)	14 (23%)	15 (25%)	17 (28%)	0 (N/A)
2017	11 (17%)	12 (19%)	26 (41%)	11 (17%)	3 (5%)
2022	8 (13%)	9 (14%)	33 (52%)	11 (17%)	3 (5%)
% Change 2011-2022	-47% ↓	-36% ↓	120% ↑	-35% ↓	N/A

*Total number of states does not total 51 (U.S. states + D.C.) due to 10 states having 15 specialty Medicaid programs

**FFS=Fee-For-Service

†Physical & Behavioral Health

State Medicaid Programs With Integrated Physical/Behavioral Health Benefit Management Have Increased³

Co-Management Of Physical & Behavioral Health	Integrated Plan Prevalence	Significant Increase
The growth of integrated care may reflect a growing recognition that mental health and substance use conditions are healthcare cost drivers. Co-management of physical and behavioral health offers an opportunity to improve outcomes and reduce overall costs.	53.3 million people , well over half (57%) of Medicaid recipients, now receive their healthcare in integrated plans.	Integrated benefit management climbed from 15 states in 2011 to 33 in 2022: a 120% increase.

References:

1. OPEN MINDS. (2023, May 11). *An Update On State Medicaid Enrollment By Consumer Type & Coverage Type: An OPEN MINDS Market Intelligence Report.* <https://openminds.com/intelligence-report/an-update-on-state-medicaid-enrollment-by-consumer-type-coverage-type-an-open-minds-market-intelligence-report/>

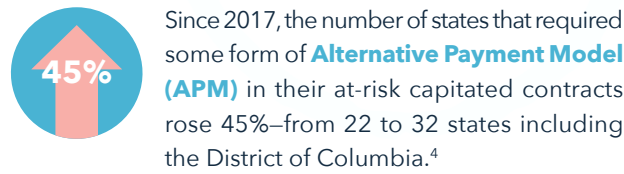
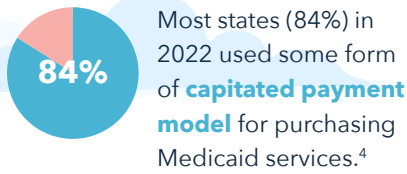
2. OPEN MINDS. (2023). *OPEN MINDS Market Intelligence Payers Proprietary Database.*

3. OPEN MINDS. (2023, May 10). *An update on state Medicaid Behavioral Health Financing Models.* <https://openminds.com/intelligence-report/an-update-on-state-medicaid-behavioral-health-financing-models-an-open-minds-market-intelligence-report/>

4. OPEN MINDS. (2023, March 6). *Medicaid Health Plan Requirements For Provider Alternate Payment Methodologies: The 2023 OPEN MINDS Market Intelligence Report.* <https://openminds.com/intelligence-report/medicaid-health-plan-requirements-for-provider-alternate-payment-methodologies-the-2023-open-minds-market-intelligence-report/>

5. OPEN MINDS. (2023, June). *State Medicaid Care Coordination Initiatives The 2023 Update.*

States With At-Risk Capitated Health Plan Medicaid Contracts Have Continued To Increase From 2017-2022



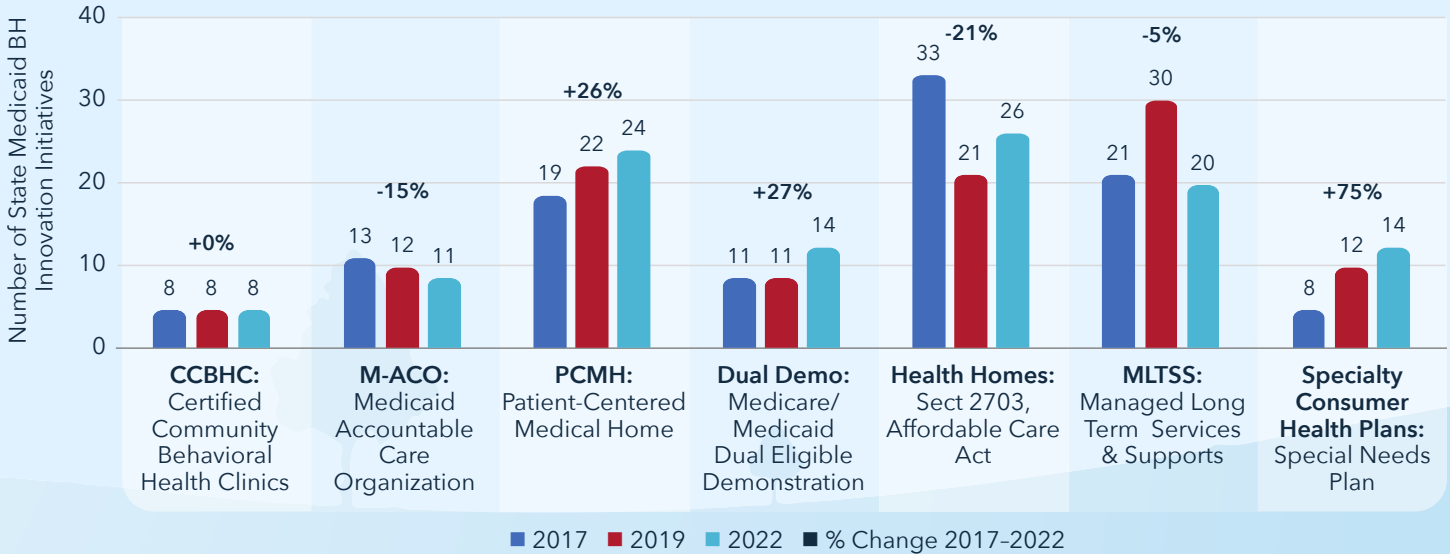
Of 32 APM States, Just 20 Set A Minimum Percentage Of Total Provider Revenue To Be Paid In An APM Contract.⁴



- 1 While a growing number of states are establishing health plan requirements for Alternative Payment Models, **many do not set targets** and goals for APM spending.
- 2 APM requirements can include targets for health plan revenue to be paid out through a specific APM model, such as **performance bonuses, bundled payments and shared savings**.

Tracking State Innovations in Medicaid Behavioral Health, 2017-2022⁵

Flexibility for states to adopt and test new models for configuring delivery systems to enhance service integration and coordination is a feature of today's Medicaid program.



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References:
 1. OPEN MINDS. (2023, May 11). *An Update On State Medicaid Enrollment By Consumer Type & Coverage Type: An OPEN MINDS Market Intelligence Report*. <https://openminds.com/intelligence-report/an-update-on-state-medicaid-enrollment-by-consumer-type-coverage-type-an-open-minds-market-intelligence-report/>
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 5. OPEN MINDS. (2023, June). *State Medicaid Care Coordination Initiatives: The 2023 Update*.
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