

The Allegheny County HealthChoices Program

Executive Summary

1999 – 2009

Improving Access and Quality of Services
Through Collaboration, Fiscal Management, and Quality Oversight

Allegheny HealthChoices, Inc.

Many states have implemented Medicaid managed care programs to improve access to services, quality, continuity of care, and the coordination and distribution of finite Medicaid resources to better control the rate of spending. In order to meet these goals, Pennsylvania's Department of Public Welfare (DPW) established the HealthChoices program, which carved out behavioral health services from physical health services. DPW also gave the counties the first right of opportunity to manage behavioral health services directly or contract with managed care organizations.

In 1999, Allegheny County established a public-private partnership to manage the local behavioral health HealthChoices program. Responsibilities are divided among the County

Office of Behavioral Health, Community Care Behavioral Health, a non-profit managed care organization, and Allegheny HealthChoices, Inc. (AHCI), an independent non-profit oversight and monitoring agency.

The Allegheny County HealthChoices program has evolved and grown in the last 10 years in response to local needs and priorities—including the closure of the regional state mental hospital—making considerable progress in meeting the goals of the HealthChoices program. Financial and quality oversight activities have expanded from a focus on Community Care meeting minimum requirements for managed care operations to a focus on improving access, quality, and allocation of resources while monitoring efforts to prevent and detect fraud, waste and abuse of Medicaid funds.

Key Accomplishments

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Key accomplishments include:

- **INCREASING ACCESS.**

The penetration rate—the proportion of people in the enrolled population who access services—has increased from 19% in 1999 to 26% in 2009. The number of children and adults using mental health and/or drug and alcohol services has approximately doubled between 2000 and 2009. During this same time period, the number of people enrolled in the HealthChoices program in Allegheny County increased by 31%. Providing services to a larger proportion of a growing Medicaid population is an important accomplishment, indicating that more people who need services are getting them.

- **IMPROVING PLANNING AND OVERSIGHT.**

Allegheny County, Community Care, and AHCI have developed coordinated management practices and use data extensively to guide decision-making, oversight, and quality improvement in order to integrate HealthChoices with County-funded treatment services and supports. Having an infrastructure in place that collects, stores, analyzes, and reports on the processes and trends throughout the service system allows for flexibility and adaptation, acts

as a stabilizing influence, and affords decision-makers greater confidence in their decisions.

- **CONTAINING ADMINISTRATIVE COSTS.**

Administrative costs—the management costs of Community Care's operations, and AHCI and Allegheny County's oversight costs—have remained stable as a proportion of capitation, and currently account for less than 9% of capitation payments.

- **SHIFTING RESOURCES TO FUND COMMUNITY-BASED SERVICES.**

Funds are increasingly allocated to community-based rather than psychiatric inpatient services, particularly in the adult system, where the proportion of claims paid for community psychiatric hospitalizations has decreased from 57% in 2000 to 34% in 2009. Providing more comprehensive, high-quality community-based services like Community Treatment Teams has led to this shift in resources. Furthermore, the system is not relying on state mental hospital services to provide inpatient care.

- **REINVESTING IN THE LOCAL SYSTEM.**

To date, HealthChoices has allocated a significant amount of funds to projects and programs developed to support innovative approaches to

promoting a recovery-oriented behavioral health system. The reinvestment of funds remaining after medical claims and other obligations are paid has had a particularly large effect in the adult system as it has begun to transition to a more community-based, recovery-focused system with the closure of Mayview State Hospital in December 2008.

- **BUILDING CAPACITY FOR EVIDENCE-BASED SERVICES.**

New services focusing on evidence-based practices have been added in both the child and adult systems, and access to crisis services has been greatly expanded with the development of the re:solve Crisis Network.

Future Priorities **FUTURE PRIORITIES**

These key achievements have been possible through the local public-private partnership and the collaborative management and oversight practices that have evolved over the last 10 years. As the program looks to the next 10 years, the priorities will continue to broaden the ability of the Allegheny County behavioral health HealthChoices program to improve the overall quality of life for people coping with mental illness and substance use problems.

These priorities will include:

- **BUILDING ON THE COUNTY'S SINGLE POINT OF ACCOUNTABILITY INITIATIVE**

to improve service coordination services, ultimately improving access to care, coordination of care, and system accountability.

- **EXPANDING COLLABORATION** with other systems, including Juvenile Justice, Children, Youth and Families, and the criminal justice system for adults.

- **INTEGRATING** behavioral health and physical health care.

- **CONTINUING TO FOCUS** on housing and employment for adults with mental illness and/or substance use disorders.

- **OPERATIONALIZING RECOVERY** throughout the service system.

With health care reform implementation on the horizon, including a likely expansion of Medicaid enrollment, the Allegheny County HealthChoices program has already demonstrated the capacity to provide services to an increasing proportion of a growing Medicaid population. This locally operated and monitored carve-out has the planning and management processes and information technology infrastructure in place to respond to changing state and federal requirements as the health care landscape changes in 2011 and beyond.



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To download a copy of the full report, please visit www.ahci.org.

AHCI is a contract agency of the Allegheny County Department of Human Services' Office of Behavioral Health.

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