



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene

*Larry Hogan, Governor - Boyd Rutherford, Lt. Governor - Van Mitchell, Secretary*

January 8, 2016

The Honorable Edward J. Kasemeyer  
Chair  
Senate Budget and Taxation Committee  
3 West Miller Senate Office Building  
Annapolis, MD 21401-1991

The Honorable Maggie McIntosh  
Chair  
House Appropriations Committee  
121 House Office Building  
Annapolis, MD 21401-1991

**RE: 2015 JCR (Page 70) – Utilization and Expenditures on Behavioral Health Services by Medicaid Eligibility – Substance-Related Disorder Services Data**

Dear Chairpersons Kasemeyer and McIntosh:

Pursuant to page 70 of the 2015 Joint Chairmen's Report, the Department of Health and Mental Hygiene (DHMH) respectfully submits this supplemental report on the utilization and expenditures for substance-related disorder services provided to individuals covered under Medicaid. On September 1, 2015, DHMH submitted only mental health data based on claims paid through June 30, 2015, as substance use-related data was not yet available. This report focuses on substance use services provided between January 1, 2015 and June 30, 2015.

### **Background**

Following significant public input over four years, DHMH has implemented an administrative services organization (ASO) model to serve as the hub for the provision of behavioral health services to Medicaid recipients in Maryland. This is not a new approach for mental health care; however, it is a new approach for substance-related disorder services, which were previously included in the managed care benefit package. Because many individuals with behavioral health conditions access both mental health and substance use services, this change permits greater integration of services, allows for better coordination of care and simplifies the claims and billing process for providers.

Beacon Health Options, Inc. (formerly ValueOptions) was selected as the ASO. On January 1, 2015, DHMH launched the process to integrate substance use and mental health services into one comprehensive behavioral health system. The new ASO system includes billing and claims payment, authorization and referral services for individuals seeking behavioral health care. The new ASO system allows DHMH to more quickly analyze data across the entire behavioral health care system, track and report on behavioral health outcomes, and make rapid system adjustments in response to changing conditions.

201 W. Preston Street – Baltimore, Maryland 21201

Toll Free 1-877-4MD-DHMH – TTY/Maryland Relay Service 1-800-735-2258

Web Site: [www.dhmh.maryland.gov](http://www.dhmh.maryland.gov)



## Substance Use Data Analysis

Since the addition of substance-related disorder services to the ASO in January 2015, DHMH has been working with the ASO to develop behavioral health reports to include both mental health and substance-related disorder services. DHMH has worked closely with the ASO to make substance use-related disorder data accessible. Beacon Health Options produced a Medicaid substance use-related expenditure report that is based on claims paid through October 31, 2015 for services provided during January 1, 2015 and June 30, 2015.

During this period, Medicaid expenditures totaled approximately \$121.9 million (total funds). The following table shows the expenditures by major service category and the number of unique individuals receiving those services.

**TABLE 1. Total Medicaid Expenditures: Services Provided From January – June 2015**

Service Category	No. of Individuals (Unduplicated Count)	Expenditures Jan. 1, 2015 – June 30, 2015
SUD Inpatient	1,476	\$ 3,900,000
SUD Intensive Outpatient	5,626	\$ 14,400,000
SUD Labs	17,733	\$ 5,900,000
SUD Methadone	22,274	\$ 38,700,000
SUD Outpatient	25,866	\$ 17,200,000
SUD Partial Hospitalization	2,014	\$ 4,400,000
SUD Residential ICFA (Under 21)	263	\$ 1,400,000
Buprenorphine	7,354	\$ 36,000,000
<b>Total</b>		<b>\$121,900,000</b>

*Note: This expenditure data is reported as of 11/17/2015. The individuals are not unique across service categories.*

The ASO ran the expenditure report on November 17, 2015, meaning that the data for the reporting period is incomplete, as claims can be submitted up to 12 months from the service date. As a point of reference, DHMH carved approximately \$200 million out of the MCO rates when setting the capitation rates for calendar year (CY) 2015. If expenditures continue at the same rate in the last six months of CY 2015, expenditures will surpass the amount spent when managed by the MCOs.

**Conclusion**

If you have any questions regarding this report, please contact Allison Taylor, Director of Governmental Affairs, at (410) 767-6481 or at [allison.taylor@maryland.gov](mailto:allison.taylor@maryland.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'Van T. Mitchell', written over a circular scribble.

Van T. Mitchell  
Secretary

cc: Gayle Jordan-Randolph, M.D.  
Barbara Bazron, Ph.D.  
Allison Taylor, M.P.P., J.D.  
Jordan More, DLS