Meadows Mental Health Policy Institute

Coordinated Specialty Care for Texans – February 2020

- Each year, about **3,000 Texas youth and young adults** ages 14 to 35 years experience a first episode of psychosis (FEP).[1] Many have access to health insurance through their parents (up to age 26), Medicaid, or CHIP, but they do not typically receive care and treatment **until five years after the onset of psychosis**.[2]
- Studies show that the longer treatment is delayed, the worse the outcome, both for the individual and for society.[3] Although most people who experience psychosis are not violent, they are much **more likely to be violent or become entangled in our criminal justice system** when their conditions go untreated.[4]

What Does Detection, Screening and Treatment Look Like in Practice?

- A team-based approach, **Coordinated Specialty Care (CSC)**, starts assertive and intensive treatment as early after the initial psychosis as possible. The sooner CSC is accessed following the onset of psychotic symptoms, the better. One study of CSC found that people who began treatment **within 17 months of the onset of symptoms** had better outcomes.[5]
- FEP can be **detected by law enforcement, in emergency rooms, and in hospitals**. Screening can also occur in primary care practices, schools, and even faith communities, if training is provided. Useful brief screening tools are available.[6]
- The duration of CSC is about **two years, on average,** and it costs approximately **$14,000 per year per person served**.[7]

Why Should Texas Invest in Coordinated Specialty Care?

- People with **untreated psychosis are fifteen times more likely to commit homicide**.[8]
- People experiencing a first episode of psychosis have a dramatically **elevated risk of suicide and other mortality**: **24 times the average risk** for people of the same age. This may be due in part to a greater risk of suicide but also to elevated cardiometabolic risk factors.[9]
- Texas spends **$1.4 billion** in emergency room costs and **$700 million** in local justice system costs **each year** that is attributable to inadequately treated mental illness and substance use disorders. Although these costs are not a result of psychosis alone, delayed and ineffective treatment for people experiencing FEP results in a disproportionate share of costs to local governments.
- People who receive CSC within the first 17 months of the onset of psychosis have better **quality of life** and are more involved in **work and school**.[10] Compared to usual care, CSC **is more cost effective** in improving people's quality of life.[11]

To Which Age Groups Does this Apply and What is the Extent of the Need?

- A first episode of psychosis can occur at almost any age, but the vast majority of FEP occurs between **ages 14 and 35**; roughly **3,000 Texans** in that age group experience FEP in a 12-month period. This estimate represents a minimum expected number of new cases in a given **12-month period**.
- Given that a course of CSC takes about **two years**, on average, and CSC teams can serve about **30 to 35 people at one time**, Texas would need **200 teams** to meet statewide need. However, even with a more comprehensive statewide effort to detect and refer everyone in need, we estimate that only half would actually agree to receive and follow through with a referral, such that it is more realistic to estimate that **100** CSC teams are needed statewide.[12] The state should ramp up this capacity over time.
- Texas currently has **23 program sites and 26 CSC teams** across the state that operate primarily through block grant funding from the Substance Abuse and Mental Health Services Administration.[13] This represents an important increase in capacity since 2014, but current teams are meeting only **25% of the estimated 3,000 new cases per year** and account for **12.5% of needed capacity** given a two-year treatment period.

Policy Options

- Add CSC as a **Medicaid bundle** by adopting a single Healthcare Common Procedure Coding System (HCPCS) billing code (T1024) for the evidenced-based model.
  - While most components of CSC are reimburseable under Medicaid, it is the flexible use of the entire package of services, tailored to a person's specific needs, that makes the program effective.
- Expand CSC through **general revenue appropriations** (see Health and Human Services Commission [HHSC] exceptional item 19 from the 86th Legislative Session).
  - Appropriations: roughly **$425,000 per new team**, **per year**
  - Within the budgeted amount, teams would be required to maximize third-party payment for people with Medicaid, CHIP, or private insurance.
- Make CSC available in Medicaid managed care programs by updating managed care contracts to **include CSC "in lieu of" inpatient psychiatric care**. "In lieu of" services are delivered in lieu of a covered service. Providing "in lieu of" services are optional for managed care organizations and must be cost effective as defined in federal regulations.
  - **86(R) Senate Bill 1177** is currently being implemented by HHSC, which will update managed care contracts to include a list of "in lieu of services."
- Require the Texas Department of Insurance (TDI) to conduct a comprehensive study on the availability of CSC in TDI-regulated health plans and any self-funded health plans that voluntarily participate in the study.

- Encourage private health plans and employers to cover CSC under recently-developed national billing codes.

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[1] Psychotic episodes include troubling symptoms, such as hallucinations (hearing or seeing things that are not there) and delusions (false and sometimes bizarre beliefs). The Meadows Mental Health Policy Institute previously reported an estimate of 3,900 cases of FEP in a 12-month period, but that estimate was based on an older, now outdated estimation methodology. Our estimate of 3,000 was calculated by using data reported in Kirkbride et al. (2017). The epidemiology of first-episode psychosis in early intervention in psychosis services: Findings from the Social Epidemiology of Psychoses in East Anglia [SEPEA} Study. *American Journal of Psychiatry, 174*(2), 143–153. The incidence rates for ages 16–35 reported in Kirkbride et al. (2017) were applied to Texans of the same ages; we also derived conservative, extrapolated estimates for Texans ages 14–15, since other studies have found first episode psychosis can occur in those ages, as well. However, FEP incidence varies considerably, depending on a community's rate of migration, poverty rate, crime rate, and other factors – FEP incidence, therefore, can vary considerably across different Texas communities. Our estimates likely are biased downward for urban areas.
[2] Wang P. S., Berglund P. A., Olfson M., & Kessler R. C. (2004). Delays in initial treatment contact after first onset of a mental disorder. *Health Services Research, 39*(2), 393–415.
[3] Kane, J. M., et al. (2015). Comprehensive versus usual community care for first episode psychosis: 2-year outcomes from the NIMH RAISE early treatment program. *American Journal of Psychiatry, AJP in Advance*, 1–11.
[4] Nielssen, O., & Large, M. (2010). Rates of homicide during the first episode of psychosis and after treatment: A systematic review and meta-analysis. *Schizophrenia Bulletin, 36*(4), 702–712. Randall, J. R., Chateau, D., Smith, M., Taylor, C., Bolton, J., Katz, L., ... & Brownell, M. (2016). An early intervention for psychosis and its effect on criminal accusations and suicidal behavior using a matched-cohort design. *Schizophrenia Research*, *176*(2–3), 307–311.
[5] Kane, J. M., et al. (2015).
[6] For example, the Prodromal Questionnaire, Brief Version (PQ-B) or the Yale University PRIME Screening Test are frequently used.
[7] Data from HHSC, received through personal communication on March 13, 2018.
[8] Nielssen & Large (2010). Randall et al. (2016).
[9] Schoenbaum, M. et al. (2017). Twelve-month health care use and mortality in commercially insured young people with incident psychosis in the United States. *Schizophrenia Bulletin, 43*(6), 1262–1272. https://academic.oup.com/schizophreniabulletin/article/43/6/1262/3111212
[10] Kane, J.M., et al. (2015).
[11] Rosenheck, R., et al. (2016). Cost-effectiveness of comprehensive, integrated care for first episode psychosis in the NIMH RAISE early treatment program. *Schizophrenia Bulletin, 42*(4), 896–906. https://academic.oup.com/schizophreniabulletin/article/42/4/896/2413925
[12] In non-metropolitan areas, it is likely that small FEP Care teams serving 25 people at one time would be more realistic.
[13] In July 2019, HHSC announced the addition of 13 new program sites funded through increased funding from SAMHSA, which continues the 10 percent set-aside "to support evidence-based programs that address the needs of individuals with early serious mental illness, including psychotic disorders, regardless of the age of the individual at onset."