



Advising the Congress on Medicare issues

Caring for Medicare beneficiaries with mental illnesses

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Assessing payment adequacy in IPFs

- Changes in the volume of services
- Changes in the capacity and supply of providers
- Beneficiaries' access to care
- Changes in the quality of care
- Providers' access to capital
- Medicare's payments and providers' costs

IPF volume and spending, 2004 and 2007

	2004	2007	% change 2004-2007
Cases	482,948	455,380	-5.7%
Spending	\$3.5b	\$3.8b	6.9
Cases per 1,000 FFS beneficiary	13.4	13.1	-2.0
Spending per FFS beneficiary	\$98.2	\$109.1	11.1
Payment per day	\$627	\$697	11.2
Unique beneficiaries	310,992	301,145	-3.2

Most common types of cases in IPFs, 2007

DRG	Description	Discharges	Percentage
430	Psychosis	331,671	72.8%
12	Degenerative nervous system disorders	37,533	8.2
429	Organic disturbances & mental retardation	26,221	5.8
426	Depressive neurosis	16,010	3.5
523	Alcohol/drug use without rehabilitation	11,838	2.6
521	Alcohol/drug use with comorbid conditions	10,394	2.3
	All IPF cases	455,380	100.0

Source: MedPAC analysis of MedPAR data from CMS.

Scatter bed volume, 2004 and 2007

	2004	2007	% change 2004-2007
Cases	255,248	249,841	-2.1%
Cases per 1,000 FFS beneficiary	7.1	7.2	1.5

Most common types of cases in scatter beds, 2007

DRG	Description	Share of scatter bed cases	Share of IPF cases
430	Psychosis	32.3%	72.8%
12	Degenerative nervous system disorders	25.2	8.2
521	Alcohol/drug use with comorbid conditions	13.2	2.3
429	Organic disturbances & mental retardation	8.2	5.8
523	Alcohol/drug use without rehabilitation	5.8	2.6
Total number of cases		249,841	455,380

Other mental health services that may affect IPF volume

- Psychotropic drugs
 - Improved access under Part D
- Outpatient mental health services
 - MIPPA requires cost sharing to be reduced from 50% to 20% by 2014
- Partial hospitalization

IPF supply, 2007

Type of IPF (share of discharges)	Total beds	% share	% change in total beds 2004-2007
All IPFs (100%)	82,645	100%	0.2%
Urban (84%)	71,317	86.3	1.6
Rural (16%)	11,328	13.7	-7.5
Freestanding hospitals (28%)	44,799	54.2	7.4
Distinct-part units (72%)	37,846	45.8	-7.2
Nonprofit (57%)	28,303	34.2	-10.5
For profit (22%)	18,229	22.1	12.0
Government (21%)	36,113	43.7	4.5

Factors influencing access to mental health care

- Provider availability
- Patient ability to pay
- Patient willingness to seek care
- Patient ability to seek care
- Presence of barriers: ethnic, racial, cultural, language

Racial and ethnic differences in diagnosis of and treatment for mental illnesses

- Minorities report lower lifetime rates of mental disorders
- But minorities with mental illnesses are:
 - More likely to be misdiagnosed
 - Less likely to receive needed care
 - More likely to receive poor quality care
 - More likely to have persistent illness

Racial make-up of IPF users similar to that of the under-65 beneficiary population

Race/ethnicity	IPF users 2007	Medicare under-65 (disabled) population, 2007
White	77.0%	74.0%
African American	17.6	18.4
Hispanic	2.5	3.7
Asian American	0.8	1.0
Native American	0.6	0.8
Other	1.3	1.8
Unknown	0.3	0.2

Dual eligibles with mental illnesses

- Many dual eligibles have mental illnesses and/or cognitive impairment
 - 60% of disabled duals
 - 20% of elderly duals
- May have difficulty accessing outpatient mental health services and understanding their coverage
- Little coordination of care

Barriers to measuring IPF quality

- Few meaningful, frequent, easily collected outcome measures
- Lack of assessment instrument
- Chronic nature of mental illness: What outcomes can the IPF control?

Summary

Since PPS was implemented:

- IPF cases declined 2% (controlled for FFS population)
- DRG 12 (degenerative nervous system disorders) increased 29%
- Little change in overall supply of IPF beds

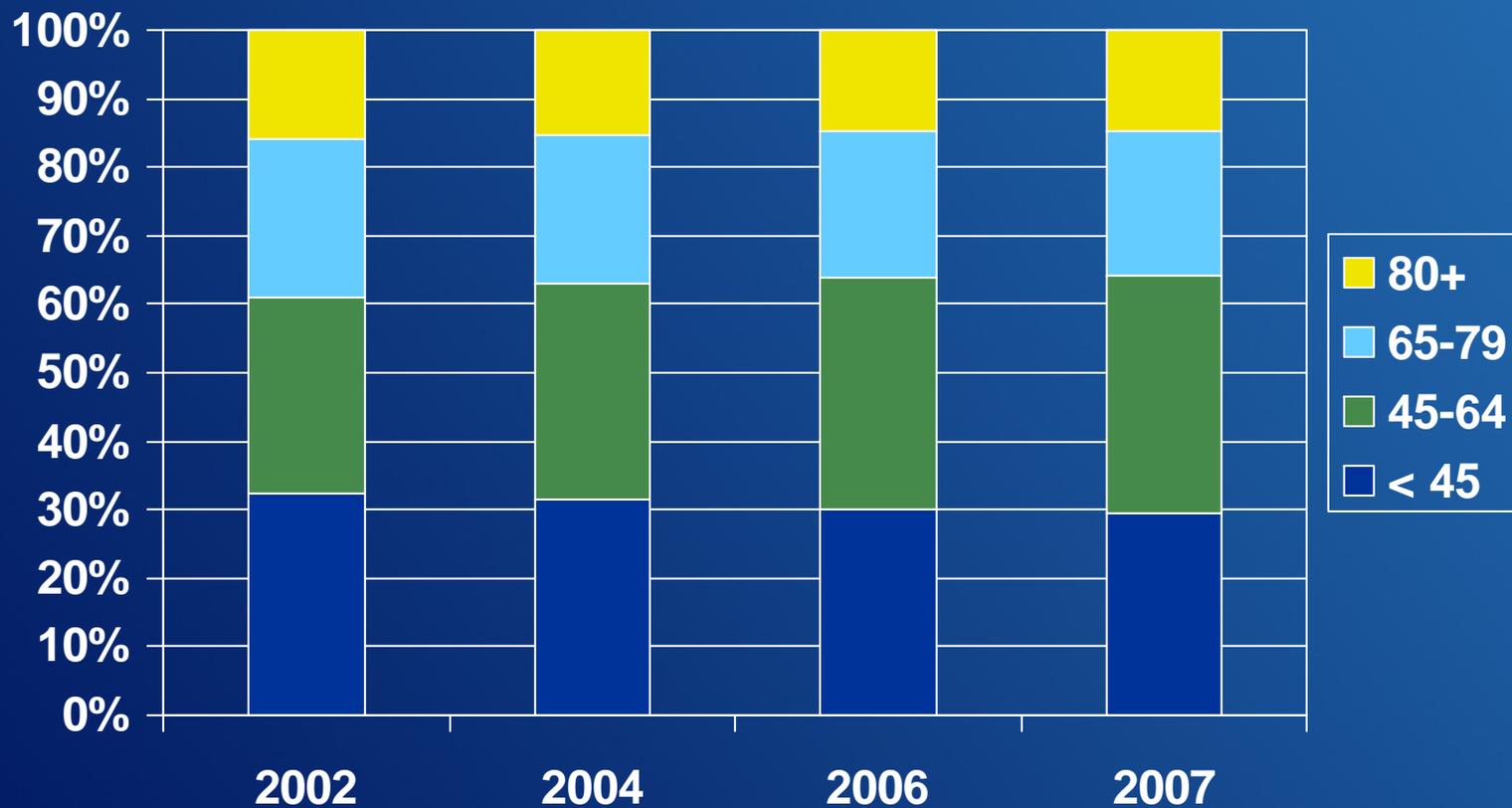
Summary, continued

- Scatter bed cases increased 1.5%
- Part D may improve access to psychotropic drugs
- MIPPA reduced cost sharing for outpatient mental health services

Summary, continued

- Access to mental health care complicated by:
 - Patient willingness & ability to seek care
 - Ethnicity, race, culture, and language barriers
- Few reliable quality measures

IPF discharges by age, 2002-2007



IPF discharges by age, 2002-2007

