Washington State Health Care Authority
Report to the Legislature

Intensive Outpatient and Partial Hospitalization Services

Progress Report

Engrossed Substitute Senate Bill 5187; Section 215(36)(d); Chapter 475; Laws of 2023

December 30, 2023

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Executive summary

Senate Bill (SB) 5092 (2021) and SB 6168 (2020) (referred to in this report as proviso 76), required the Health Care Authority (HCA) to implement two pilot sites for children and youth-centered intensive outpatient services and partial hospitalization services. These sites are located on each side of the Cascade Mountains – one is at **Spokane Providence Sacred Heart Hospital** (eastside) and the other is located at **Seattle Children's Hospital** (westside). In 2023, we added a third site at **MultiCare in Lake Burien**.

The Intensive Outpatient Programs (IOP) and Partial Hospitalization Programs (PHP) began January 1, 2021 and the startup of direct services began spring of 2021. As required by SB 5092, the sites are based in psychiatric hospitals serving children and adolescents. HCA established minimum standards, eligibility criteria, authorization and utilization review processes, and payment methodologies for the pilot programs.

The requirements from legislation include:

- Meeting the needs of an individual referred to the program. Children and adolescents discharged from an inpatient hospital treatment program that requires the level of services offered by the pilot programs in lieu of continued inpatient treatment.
- Children and adolescents who require the level of services the pilot programs offer to avoid inpatient hospitalization.

Services may not be offered if there are less costly, alternative community-based services that can effectively meet the needs of children and youth referred to the program.

In July 2022, HCA requested a report extension from December 2022 to December 2023 to allow for more robust data from the pilot program locations. This initial progress report provides information on the two requirement bullet points above and contains specific data from the pilot sites and efforts with HCA's contracted actuary, Mercer Government Human Services Consulting (Mercer).

This final report contains a review of clinical data and claims data and areas for consideration.

Impacts to timeline

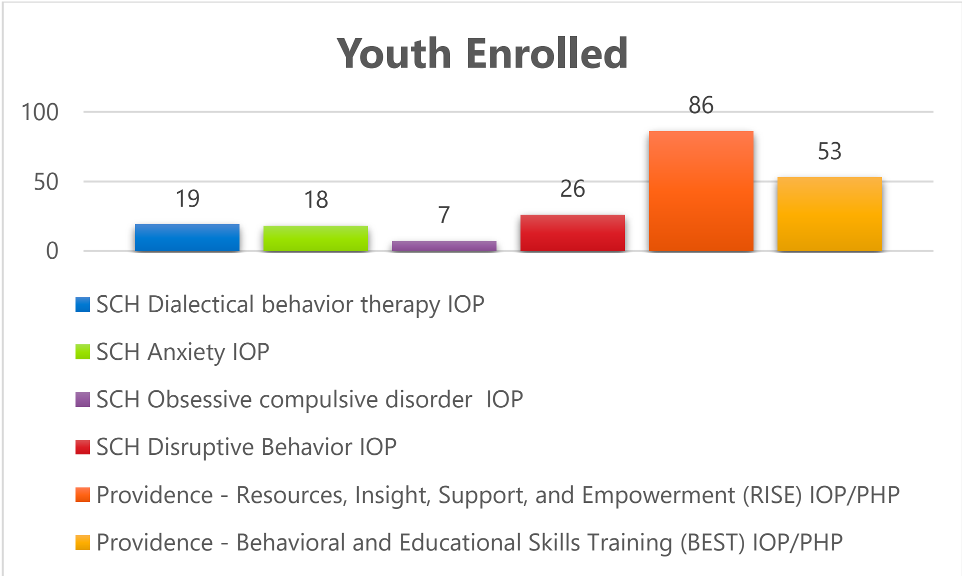
For purposes of this Pilot Program Evaluation Report, HCA provided clinical data to Mercer for admissions from November 2020 through April 2023. The timeline for starting the pilots was impacted by the COVID-19 pandemic. Between August 2021 and December 2021, Providence Hospital did not participate in the pilot and instead provided pilot program services as an "in-lieu-of" service in the fully integrated Medicaid managed care program. Due to the timeline of the study, there will not be any data collected from MultiCare that will be shared in this report.

Findings

HCA worked closely with Seattle Children's Hospital, Providence Sacred Heart, and Mercer. See the Mercer report in **Appendix A** for a description of the two pilot sites' services, data, and limitations.

Youth served

Table 1: youth enrolled



PHPs and IOPs served 209 youth from November 2020 through April 2023.

- Behavioral and Educational Skills Training (BEST) and Resources, Insight, Support, and Empowerment (RISE) at Providence Sacred Heart Hospital served 139 youth.
- Seattle Children's Hospital's four programs served 70 youth.

Demographics data

Age

- Most individuals served by the pilot programs were either ages 6 years–12 years or ages 13 years–17 years.
- A small portion of individuals ages 18 years–20 years were served by the pilot program (3 percent), and data was not provided for the number of individuals served (17 percent) due to clinical data error.

Gender and transgender identity

Of the 209 served by IOPs and PHPs, 35.5 percent identified as male, and 61 percent identified as female. This data included 11 identified transgender youth, while 9 identified as nonbinary.

Race and ethnicity

Most youth served by BEST, RISE, and Seattle Children's Hospital were Caucasian/white. The programs also served African American, Asian, Native American, and Pacific Islander youth.

Providence and Seattle Children's Hospital served Hispanic and non-Hispanic youth.

Co-occurring disorders

Providence and Seattle Children's Hospital served youth with co-occurring mental health and intellectual or developmental disorders, or mental health and co-occurring substance use disorders.

Seattle Childrens reported 2 percent of individuals were reported as having a co-occurring disorder and 17 percent reported being diagnosed with a cognitive disability. Of the Providence participants, 3 percent of individuals were identified as having a co-occurring disorder.

Referrals

Some youth served by BEST and RISE programs were referred by an emergency department.

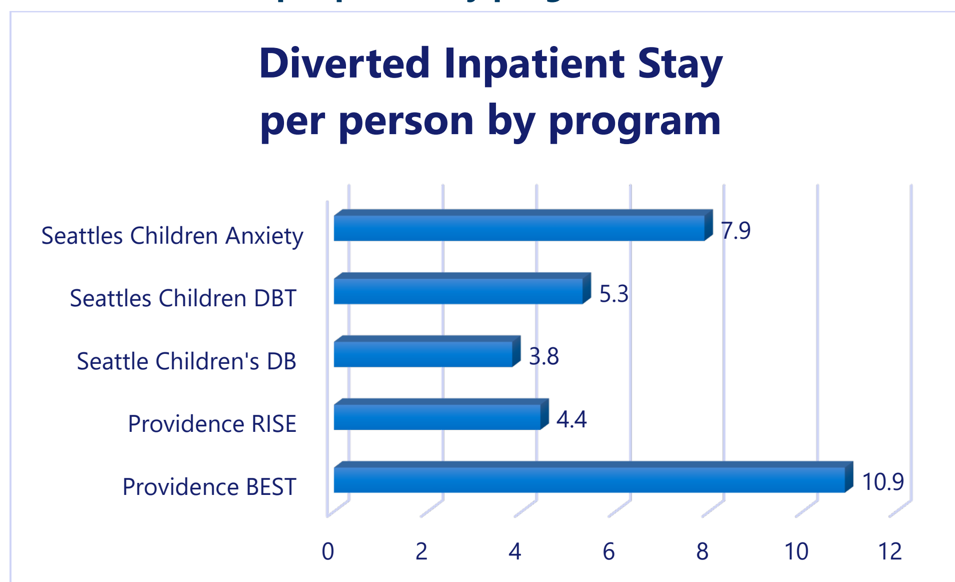
Services provided

Program descriptions and components are provided later in this report. Generally, children and youth served by PHPs moved into a lower level of care after an average of nine episodes of treatment. Children and youth served by IOPs received an average of 15 episodes of treatment.

Impact and outcomes

Diverted inpatient stays

Table 2: Diverted per person by program



Data provided is for the 209 enrolled individuals from the reporting time November 2020 through April 2023.

Each program is required by contract to provide the number of inpatient days that were possibly diverted due to participation in the pilot program. Both Providence programs reported 76 percent of their enrolled individuals were diverted from inpatient admission.

The BEST programs reported that 100 percent of their enrolled individuals were diverted from inpatient admission for at least some period. The BEST program reported a mean of 10.9 days of inpatient stay diverted per enrolled member, with the range being two days to 19 days. The RISE program reported a mean of 4.4 days diverted per member. For the Seattle Children's programs, 7.9, 3.8, and 5.3 inpatient days on average were diverted for the Anxiety IOP, DB IOP, and DBT IOP programs, respectively.

Cost per User Per Month Outcomes

HCA and Mercer recognized a savings in cost per month for the services provided during the pilot. The table below shows a savings of $532 from three months leading up to admission to three months after discharge. This positive trend is beneficial to the impact of services in the state.

Table 3. Additional Medicaid Cost per User per Month Before, During, and After the PHP IOP Pilot Program

Average Cost Per User Per Month, in Addition to Pilot Program		
Three months leading up to admission	During treatment	Three months after discharge
$1,641	$1,695	$1,109

Next steps and conclusion

HCA will continue to evaluate PHP and IOP programs as statewide expansion is rolled out. This includes evaluating the cost-effectiveness of IOP and PHP programs through methodologies comparable to the cost-benefit analysis for other programs. The clinical findings suggest that the IOP and PHP programs may be able to fill access gaps to the extent that other evidence-based practices targeted to children with BH are not available in the state.

With the appropriate research and data Mercer has provided rates for Intensive and Partial Hospitalization to HCA that will help to negotiate terms with our Managed care organizations (MCO) that will be working to process and pay for the services offered throughout Washington State.

Hospital-Based PHP and IOP Programs

The statewide standardized conversion factor and all hospital-specific adjustments used to illustrate the formula for developing rates for PHP and IOP services under the EAPG methodology below are effective as of July 1, 2022. Since HCA is looking to operationalize non-hospital IOP and PHP rates differently, non-hospital clinics may receive higher reimbursement depending upon the HCA program standards because the non-hospital clinic reimbursement rates will be aligned with the specific HCA clinical program standards.

Table 4: Hospital-Based PHP and IOP Rates Using EAPG Methodology and July 1, 2022, Pricing Factors

Program	PHP Rate	IOP Rate
Seattle Children's	$292.70	$278.36
Providence	$279.94	$266.23

Non-Hospital-Based PHP and IOP Programs

For the non-hospital IOP and PHP rates, HCA intends to use generalized rates that are based on PHP and IOP program standards. Mercer calculated draft rates for this report based on initially assumed standards.

Table 5. Non-Hospital-Based PHP and IOP Rates

PHP Rate	IOP Rate
$203.03	$196.46

Appendix A

Proviso 40—Pilot Programs for Intensive Outpatient Services and Partial Hospitalization Services for Children and AdolescentsHCA contracted with Mercer, part of Mercer Health & Benefits LLC, to develop fees and determine fiscal impact for the pilot programs in response to proviso 76 and 40.

Per the proviso, the Legislature provided $8,027,000 of the general state appropriation to HCA to implement two pilot IOP and PHP programs for certain children and adolescents. In this initial progress report, the Mercer report describes:

- Information on clinical outcomes and estimated reductions in psychiatric inpatient costs associated with each of the pilot sites.
- Services provided at each pilot site and identification of any specific gaps the sites were able to fill in the current continuum of care.