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Medicaid Treatment Costs for Persons with Severe Mental Illnesses in Florida's Medicaid Population During FY2001-2002

Background

Many people with severe mental illnesses in Florida are dependent on public funding to meet their mental health treatment needs. These include persons diagnosed with schizophrenia, major depressive disorder, or both. In providing necessary mental health services to these vulnerable members of the Medicaid population, high costs to Medicaid are incurred. This brief will attempt to provide a descriptive breakdown of the types of services paid for by Medicaid for individuals dealing with severe mental illnesses.

Method

This study examined costs and service patterns by diagnosis group for Medicaid-enrolled persons with severe mental illnesses by analyzing Florida fee for service (FFS) billing claims from the Medicaid system (excludes areas 1 and 6) for fiscal year 2001-2002. Diagnosis codes on claims were used to identify Medicaid enrollees with severe mental illnesses (SMI), and diagnosis groupings were formed for this analysis using ICD-9-CM codes located on FFS billing claims. Using ICD-9-CM codes 295.1, 295.2, 295.3, and 295.9 to locate people diagnosed with schizophrenia and codes 296.2 and 296.3 to identify those diagnosed with major depression, a list was compiled of all Medicaid recipients to whom these diagnoses were applied based on at least one inpatient or outpatient claim record during FY2001-2002. Medicaid-enrolled people with SMI were divided into three diagnosis groups: those with a schizophrenia diagnosis and no major depression diagnosis, those with a major depression diagnosis and no schizophrenia diagnosis, and those who had both schizophrenia and major depression listed as diagnoses on their FY 2001-2002 claims. Once the list and grouping of individuals with SMI was completed, all Medicaid FFS claims (inpatient, outpatient and pharmacy) were identified for these recipients with severe mental illnesses for FY 2001-2002.



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A set of seven treatment group categories was identified for this analysis. Services were categorized as inpatient mental health services, outpatient emergency and evaluation, case management, physical health, other mental health related services, transportation/miscellaneous, or pharmacy. Each Medicaid claim for this group of Medicaid recipients with severe mental illnesses was coded to a treatment category based primarily on the procedure or service performed.

Payments listed on each claim were then used to calculate the median person/treatment cost for each treatment group, by diagnosis group (schizophrenia, major depression, or both), across all Medicaid claims. Median costs were used to reduce the effect of outliers on the summary statistic.

Median person costs for pharmacy services, by diagnosis group, were calculated from the pharmacy FFS file. Pharmacy costs could not be calculated within the identified treatment groups since no treatment procedure information is available on pharmacy claims records, so pharmacy services were listed as a separate treatment category.

Results

There were 16,489 Medicaid recipients in FY 2001-2002 with a diagnosis of schizophrenia and no major depression. There were 33,332 who had a major depression diagnosis with no schizophrenia during the same time period. The number of mental health treatment recipients with both schizophrenia and major depression claims during FY 2001-2002 was 2,178.

Total costs for all the diagnosis groups are dominated by Inpatient Mental Health Services, followed by Pharmacy costs (see Figure 1). Recipients with a co-occurring diagnosis of Schizophrenia and Major Depression have much higher costs for Inpatient Mental Health Services than recipients with a single diagnosis of Major Depression or a single diagnosis of Schizophrenia.

Because inpatient and pharmacy mental health treatment dwarfed the other services in terms of cost, Figure 2 adjusts the scale of Figure 1 and provides a more detailed view of the cost patterns by diagnosis group for the treatment groups excluding the inpatient and pharmacy treatment groups. Among these remaining treatment groups, the largest expense for all three groups was for Case Management services, ranging from \$1180 to \$1290 per person per year. The biggest disparity among the groups occurred in Other Mental Health-Related Services. The high cost group was the single diagnosis Schizophrenia group at \$602 per person. Recipients in the single diagnosis Major Depression group had the lowest costs, totaling \$31 per person, with the co-occurring diagnosis Schizophrenia & Major Depression group having annual costs between the two, equal to \$97 per person.

There was also a marked difference in costs of Outpatient Emergency & Evaluation Services, with the lowest costs for single diagnosis Major Depression at \$272 per person, and the highest costs for co-occurring diagnosis Schizophrenia & Major Depression at \$686 per person, with single diagnosis Schizophrenia between the two at \$406 per person per year.

In summation, the findings of this study suggest that, for persons diagnosed with Schizophrenia and/or Major Depression, the majority of Medicaid FFS costs in Florida FY 2001-2002 were related to inpatient and pharmacy services. Recipients with a co-occurring diagnosis of Schizophrenia and Major Depression had higher costs in these two service categories than recipients with a single diagnosis of Schizophrenia or Major Depression.

Figure 1: Median Total Costs, by Diagnosis Group and Service Category, FY 2001-2002 Medicaid Claims

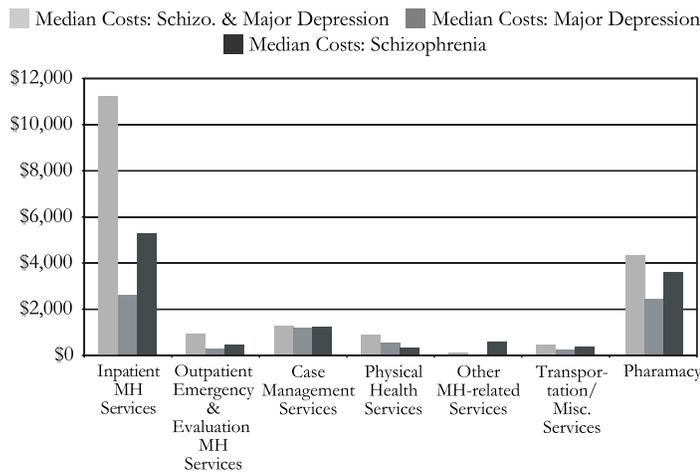


Figure 2: Median Outpatient costs, by Diagnosis Group and Service Category, FY 2001-2002 Medicaid Claims

