# MOCMHC
# Recommendations related to Geographic Expansion of Managed Care

- The Alicia Smith report did not appear to show overall better outcomes in the managed care areas. Although managed care was better on *some* outcomes, fee-for-service was better on others.

- When the state implements managed care, it creates a negative cash flow position in which it must prepay for its services. This negative cash flow position needs to be evaluated when considering expansion of managed care. Adding geographic areas creates a substantial increase in cost in the year of implementation that may be difficult to recover.

- The state needs to look further at how behavioral health clinic outpatient services are handled in a managed care environment. In many cases, the management process is primarily offering lower rates than the fee-for-service program. This has been seen more in the sub-capitation contract areas. The state may want to consider either not allowing sub-capitation by a managed care company or having DMH manage the clinic-outpatient benefit. The rate reductions cause significant problems.

- The state should look at why the average length of stay in state custody is longer in managed care areas, why the state's only state-operated child inpatient psychiatric unit is needed in the managed care area, and why the court orders for residential treatment are substantially higher in the managed care areas.

- Using "secret shoppers," the state should evaluate the true accessibility of provider networks in both the fee-for-service and managed care areas.

- Managed care providers should be required to submit encounter data to be placed into Cyber-Access for better provider care management.