Clinical Outcome in Managed Care and Traditional Health Insurance Groups: An Empirical Study

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Invited Paper

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Comparing Managed Care and Traditional Insurance Programs

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Acknowledgments

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- Blue Cross Personnel
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- University Collaborators
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Managed Care

- **The Premise and Promise**

The Managed Care Product

- Unsubstantiated Claims on Both Sides
  - Saves money and improves services
  - Blocks access to needed treatment, destroying people's lives in the process
- Managed Care is Now Widely Used
- Question: Does Managed Care Affect
  (1) Treatment outcome and
  (2) Cost of treatment?

Impetus Behind Managed Care

- Rapidly Escalating Mental Health Care Costs
- Increasingly Fragmented Service Delivery System
  - Often without anyone taking responsibility for coordinating services
- Competition Among Insurance Carriers
  - A better product for less money

Managed Care

- The Premise and Promise
- **Design Considerations**

Overview of the Design

- Measure symptom level and satisfaction
- Two pairs of samples, matched as closely as possible
  - Prospective Samples (followed for 6 months)
  - Retrospective Samples (tested once)
- Focus on diagnoses that could be costly (hospitalization or long-term care possible)
- All assessment blind to insurance coverage

Dependent Measures

- A subset of items (N=63) from the Symptom Checklist {SCL-90}
- Anxiety, Depression, and Vigor Scales of the Profile of Mood States {POMS}
- Four single-item satisfaction ratings
- Selected portions of the SCID Interview to verify diagnosis

Managed Care

- The Premise and Promise
- Design Considerations
- **Sample Selection**

Subject Selection

- Essentially Stratified Random Samples:
  - » Traditional and Managed Care Health Plans
  - » Matched on (1) age, (2) sex, (3) severity of diagnosis, (4) limits of insurance coverage, and (5) pool of service providers
- Diagnoses:
  - » schizophrenia, bipolar disorder, major depression, delusional disorder, brief reactive psychosis, panic disorder, OCD, and severe dissociative disorders

Subject Selection Procedures

- Selection Procedures
  - Selected Managed Care Patients
  - Selected Traditional Insurance Controls (roughly same age, gender, and severity)
  - No match attempted on specific providers
- Offered monetary incentives ($30/hour) for participation

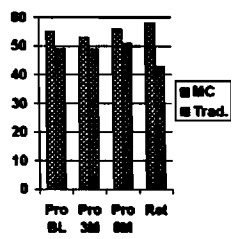
Subjects

- Traditional
  - Prospective Sample
    - » N = 24
      8 Males; 16 Females
      Mean Age = 41.6
  - Retrospective Sample
    - » N = 32
      9 Males; 22 Females
      Mean Age = 45.6
- Managed Care
  - Prospective Sample
    - » N = 37
      9 Males; 28 Females
      Mean Age = 37.5
  - Retrospective Sample
    - » N = 52
      9 Males; 43 Females
      Mean Age = 41.0

Managed Care

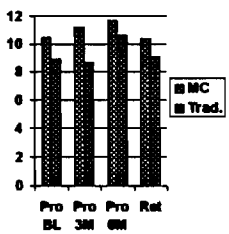
- The Premise and Promise
- Design Considerations
- Sample Selection
- **Results**

SCL-90 Total Score



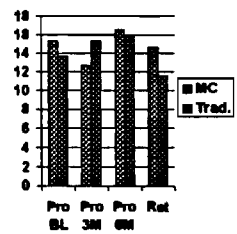
- All differences are short of significance
- No change over time in prospective samples
- Conclusion: No difference on general symptomatology level
- Also, no SCL-90 subtest differences between the groups

POMS (Anxiety)



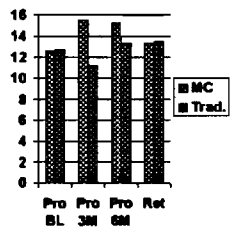
- All differences are short of significance
- No change over time in prospective samples
- Conclusion: No difference in anxiety level

POMS (Depression)



- All differences are short of significance
- No change over time in prospective samples
- Conclusion: No difference in depression level

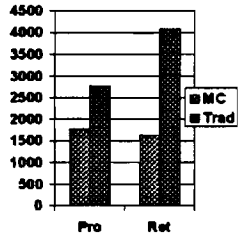
POMS (Vigor)



- Significant difference (p=.03) at 3 months (greater vigor in managed care group)
- No change over time in prospective samples
- Conclusion: Possible advantage for managed care in vigor

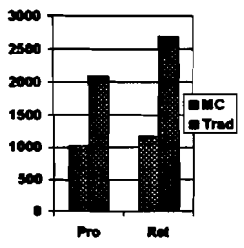
Cost Data: Mental Health

- Amount of Psychological Services Billed
- Difference between Managed Care and Traditional Health Insurance was statistically Significant (p=.029)



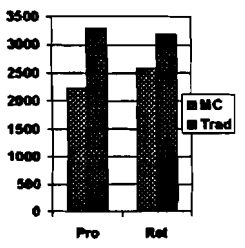
Cost Data: Mental Health

- Amount of Psychological Services Paid
- Difference between Managed Care and Traditional Health Insurance was statistically Significant (p=.009)



Cost Data: Medical

- Is there any evidence for a shift of costs from mental health services to general medical services?
- Amount Billed
- No: The effect is in the opposite direction



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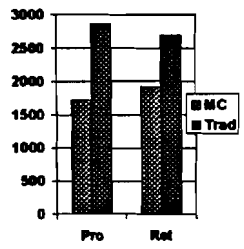

Satisfaction Survey

- Satisfaction with
  - Quality of Care
  - Promptness of Service
  - Insurance Coverage
  - Claims Handling
- Only Two (12%) Significant Differences
  - In opposite directions (likely due to chance)

Managed Care

- The Premise and Promise
- Design Considerations
- Sample Selection
- Results
- **Interpreting the Findings**

Conclusions

- No Differences Between Managed Care and Traditional Health Insurance Products
  - In either clinical outcome or patient satisfaction
- Mental Health Cost is Lower with Managed Care
- No difference in Medical Costs
- Little Evidence for Symptom Reduction in Either Group Over Time

Caveats and Disclaimers

- Study Focused On a Limited Range of Psychiatric Disorders
  - Disorders that are traditionally costly to treat with some risk for hospitalization
  - Substance abuse treatment not included
  - Mild problems such as adjustment disorders not included

Caveats and Disclaimers

- The management of the care in this study was done locally; Generalize with caution to large, centrally-managed programs
- In spite of financial incentives, not all subjects invited to participate accepted the invitation

Managed Care

- The Premise and Promise
- Design Considerations
- Sample Selection
- Results
- Interpreting the Findings
- **Where to Go From Here**

Implications

- Managed Care May Not be Here to Stay, BUT COST CONTAINMENT IS!
  - Currently insurance carriers are experimenting with cost containment procedures
  - We should be doing the same
  - A proactive approach will serve us best
- We must monitor outcome to verify and document our effectiveness

Implications

- Some Insurance Carriers are flirting with capitation rates that are too low to provide quality care
  - even with the best treatments available

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- Some Insurance Carriers are flirting with capitation rates that are too low to provide quality care
  - even with the best treatments available
- Will the system of the future balance cost containment, quality, and accountability?