

Meadows Mental Health Policy Institute

Coordinated Specialty Care for Texans – June 2022

- Each year, about **3,000 Texas youth and young adults** ages 12 to 35 years experience a first episode of psychosis (FEP).¹ Many have access to health insurance through their parents (up to age 26), Medicaid, or CHIP, but they do not typically receive care and treatment **until five years after the onset of psychosis**.²
- Studies show that the longer treatment is delayed, the worse the outcome, both for the individual and for society.³ Although most people who experience psychosis are not violent, they are much **more likely to be violent or become entangled in our criminal justice system** when their conditions go untreated.⁴

What Does Detection, Screening and Treatment Look Like in Practice?

- A team-based approach, **Coordinated Specialty Care (CSC)**, starts assertive and intensive treatment as early after the initial psychosis as possible. The sooner CSC is accessed following the onset of psychotic symptoms, the better. One study of CSC found that people who began treatment **within 17 months of the onset of symptoms** had better outcomes.⁵
- FEP can be **detected by law enforcement, in emergency rooms, and in hospitals**. Screening can also occur in primary care practices, schools, and even faith communities, if training is provided. Useful brief screening tools are available.⁶
- The duration of CSC is about **two years, on average**, and it costs approximately **\$15,000 per year per person served**.^{7,8}

Why Should Texas Invest in Coordinated Specialty Care?

- The **rate of homicide** with a first episode of psychosis is **15 times the annual rate** after people are treated for psychosis.⁹
- The 12-month **risk of suicide and other mortality** among young people after a first episode of psychosis is dramatically elevated: **24 times the average risk** for people of the same age. This may be due in part to a greater risk of suicide but also to elevated cardiometabolic risk factors.¹⁰
- Texas spends at least **\$1.4 billion** in emergency room costs and **\$700 million** in local justice system costs **each year** that is attributable to inadequately treated mental illness and substance use disorder. Delayed and ineffective treatment for people experiencing FEP results in a disproportionate share of costs to local governments.
- People who receive CSC within the first 17 months of the onset of psychosis have better **quality of life** and are more involved in **work and school**.¹¹ Compared to usual care, CSC is **more cost effective** in improving people's quality of life.¹²

To Which Age Groups Does this Apply and What is the Extent of the Need?

- A first episode of psychosis can occur at almost any age, but the vast majority of FEP occurs between **ages 12 and 35**; roughly **3,000 Texans** in that age group experience FEP in a 12-month period. This estimate represents a minimum expected number of new cases in a given **12-month period**.
- Given that a course of CSC takes about **two years**, on average, and CSC teams can serve about **30 to 35 people** at one time, Texas would need **200 teams** to meet statewide need. However, even with a more comprehensive statewide effort to detect and refer everyone in need, *we estimate that only half would actually agree to receive and follow through with a referral*, such that it is more realistic to estimate that **100 teams are needed statewide**.¹³ The state should ramp up this capacity over time.
- Texas currently has **23 program sites and 37 CSC teams** across the state that operate primarily through block grant funding from the Substance Abuse and Mental Health Services Administration.¹⁴ This represents an important increase in capacity since 2014, but current teams are meeting **35% of the estimated 3,000 new cases per year** and account for **17.5% of needed capacity** given a two-year treatment period.

Policy Options

- Expand CSC through **general revenue appropriations** (see Health and Human Services Commission [HHSC] exceptional item 19 from the 86th Legislative Session).
 - Appropriations: roughly **\$475,000 per new team, per year**
 - Within the budgeted amount, teams would be required to maximize third-party payment for people with Medicaid, CHIP, or private insurance.
- Add CSC as a **Medicaid bundle** by adopting a single Healthcare Common Procedure Coding System (HCPCS) billing code (T1024) for the evidenced-based model.
 - While most components of CSC are reimbursable in Medicaid, it is the flexible use of the entire package of services, tailored to a person's specific needs, that makes the program effective.
- Require Texas Department of Insurance (TDI) regulated health plans to mandate coverage for CSC (see [87\(R\) HB 1141](#)).
- Encourage self-funded plans and employers to cover CSC under national billing codes.

¹ Psychotic episodes include troubling symptoms, such as hallucinations (hearing or seeing things that are not there) and delusions (false and sometimes bizarre beliefs). Our estimate of 3,000 cases of FEP in a 12-month period was calculated using Kirkbride, J. B., Hameed, Y., Ankireddypalli, G., Ioannidis, K., Crane, C. M., Nasir, M., Kabacs, N., Metastasio, A., Jenkins, O., Espandian, A., Spyridi, S., Ralevic, D., Siddabattuni, S., Walden, B., Adeoye, A., Perez, J., & Jones, P. B. (2017). The epidemiology of first episode psychosis in early intervention in psychosis services: Findings from the Social Epidemiology of Psychoses in East Anglia [SEPEA] study. *The American Journal of Psychiatry*, 174(2), 143–153. <https://doi.org/10.1176/appi.ajp.2016.16010103>. The incidence rates for ages 16–35

reported in Kirkbride et al. (2017) were applied to Texans of the same ages; we also derived extrapolated estimates for Texans ages 12–15, since other studies have found first episode psychosis can occur in those ages, as well. However, FEP incidence varies considerably, depending on a community's rate of migration, poverty rate, crime rate, and other factors – FEP incidence, therefore, can vary considerably across different Texas communities.

² Wang P. S., Berglund P. A., Olfson M., & Kessler R. C. (2004). Delays in initial treatment contact after first onset of a mental disorder. *Health Services Research, 39*(2), 393–415.

³ Kane, J. M., et al. (2015). Comprehensive versus usual community care for first episode psychosis: 2-year outcomes from the NIMH RAISE early treatment program. *American Journal of Psychiatry, AJP in Advance*, 1–11.

⁴ Nielssen, O., & Large, M. (2010). Rates of homicide during the first episode of psychosis and after treatment: A systematic review and meta-analysis. *Schizophrenia Bulletin, 36*(4), 702–712, and Randall, J. R., Chateau, D., Smith, M., Taylor, C., Bolton, J., Katz, L., ... & Brownell, M. (2016). An early intervention for psychosis and its effect on criminal accusations and suicidal behavior using a matched-cohort design. *Schizophrenia Research, 176*(2–3), 307–311.

⁵ Kane, J. M., et al. (2015). Previously cited.

⁶ For example, the Prodromal Questionnaire, Brief Version (PQ-B) or the Yale University PRIME Screening Test are frequently used.

⁷ Data from HHSC, received through personal communication on March 13, 2018.

⁸ 2018 estimates were adjusted for inflation to estimate the expected 2022 costs.

⁹ Nielssen & Large (2010). Randall et al. (2016). Previously cited.

¹⁰ Schoenbaum, M. et al. (2017). Twelve-month health care use and mortality in commercially insured young people with incident psychosis in the United States. *Schizophrenia Bulletin, 43*(6), 1262–1272.

<https://academic.oup.com/schizophreniabulletin/article/43/6/1262/3111212>

¹¹ Kane, J.M., et al. (2015). Previously cited.

¹² Rosenheck, R., et al. (2016). Cost-effectiveness of comprehensive, integrated care for first episode psychosis in the NIMH RAISE early treatment program. *Schizophrenia Bulletin, 42*(4), 896–906.

<https://academic.oup.com/schizophreniabulletin/article/42/4/896/2413925>

¹³ In non-metropolitan areas, it is likely that small FEP Care teams serving 25 people at one time would be more realistic.

¹⁴ In July 2019, HHSC announced the addition of 13 new program sites funded through increased funding from SAMHSA, which continues the 10% set-aside "to support evidence-based programs that address the needs of individuals with early serious mental illness, including psychotic disorders, regardless of the age of the individual at onset."