

# Evaluation of Parity in the Federal Employees Health Benefits (FEHB) Program

Kevin D. Hennessy, Ph.D.  
Office of the Assistant Secretary for Planning and Evaluation  
U.S. Dept. of Health & Human Services  
2000 Fall Plan Conference  
Washington, D.C.

## Why DHHS?

- Largest single funder of health care research and health care services in the world
  - Responsibility to run programs in the most efficient and effective manner possible
  - Commitment to advancing messages of SGR
  - Can learn impact of major policy changes from studying other's experiences
- FEHB is single largest private health program
- Unless DHHS invested in evaluation, opportunity to understand effects of policy change on stakeholders and system would be substantially diminished or lost altogether

## Overview

- Competitive contracting process
- Awarded to consortia headed by ROW Sciences
  - subcontractors include: Harvard Medical School, RAND Corporation, U. of MD., and Westat
- Performance Period – 10/00 to 9/03
- OPM partnership with ASPE/DHHS to manage evaluation – DHHS partners include:
  - National Institutes of Health (NIMH, NIDA, NIAAA)
  - Substance Abuse and Mental Health Services Administration (SAMHSA)
  - Health Care Financing Administration (HCFA)
  - Agency for Healthcare Research and Quality (AHRQ)

## Role of FEHB Plans

- All plans with 500+ enrollees will provide OPM and contractor with information on policies and procedures
- Eight (8) plans will be designated as “Evaluation Partners” – will participate in more data intensive activities:
  - 4 BCBS Plans
  - Mail Handlers Benefit Plan
  - GHI Health Plan (NY)
  - 1 Kaiser Permanente plan (likely No. or So. CA)
  - 1 PacifiCare plan (likely CA)

## Major Evaluation Questions

- Assess effects of parity requirement on:
  - Benefit design and management
    - Both nominal **and** effective benefits
  - Beneficiary and plan costs
    - Includes evidence of adverse selection
  - Access to MH and SA services
    - Includes identification of unmet service needs
  - Utilization of MH and SA services
  - Quality of MH and SA services
    - Includes adherence to evidence-based guidelines
  - Awareness of policy change and satisfaction with services

## Design and Data Sources

- Quasi-experimental pre-post design
- Multi-method approach to address study questions
  - All plans with 500+ enrollees
    - Information - basic plan info, policy & procedure changes
    - Plan benefits – from OPM web site
  - “Data intensive” activities with eight (8) plans
    - Administrative claims/encounter data (1999 to 2002) – assess costs, access, service use, and adherence to practice guidelines
    - Site visit – meet with plan representatives, assess implementation experiences
    - Beneficiary survey – assess satisfaction, unmet needs, service use, and health status
  - Focus groups with beneficiaries (6) and providers (3)

## All Plans with 500+ Enrollees

- Participation will entail:
  - Providing information that clarifies existing policies and procedures for providing and managing mental health and substance abuse services under parity
  - Describing any changes in policies and procedures from pre-to-post parity requirement
- Assessment at two points in time (approximate):
  - Spring 2001
  - Fall 2002
- Will receive mailing from OPM with return to contractor

## Eight Plans – “Data Intensive” Activities

- Selected from plans listed in RFP attachments
  - Large plans
  - Different management structures (FFS, HMO, etc.)
  - Proportional representation to entire enrolled population (e.g. several BCBS plans)
  - Geographic variation, but perhaps 2 in the same market
  - Degree of prior implementation of parity
- Participation throughout evaluation beginning with orientation meeting in November 2000
  - Establish communication channels
  - Discuss roles and expectations of all stakeholders
  - Determine reimbursements for data transmission, etc.

## Eight Plans as “Evaluation Partners”

- On-going contact with contractor regarding data transmission and collection activities
  - Archival enrollment and claims/encounter data
    - Removal of unique identifiers from medical, mental health and substance abuse, and pharmacy data
    - Recommending “data dump” strategy in transmitting data from plan to contractor
    - Transmission as soon as feasible (begin with 1999 data immediately; subsequent years as soon as data becomes available)
  - Site visits
    - Assess implementation of parity requirement, including any issues or concerns facing plans (or successfully addressed)
    - Availability of plan subcontractors (e.g., carve-outs) for site visit
    - Will occur during Summer and Fall of 2001

## Eight Plans as “Evaluation Partners” (cont.)

- Facilitation of beneficiary survey
  - Coordination with contractor regarding identification and selection of survey recipients
  - Various processes employed to ensure confidentiality of responses
  - Completed surveys (Internet, telephone, mail) returned directly to contractor
  - Proposal calls for survey at two points in time (approximately): January/February 2002 and January/February 2003
- Proactive approach to addressing issues and concerns - encourage utilization of OPM Co-Project Officer as well as OPM contract specialists
- Efforts by contractor to be as minimally disruptive to normal business operations as possible – additional plan activities over and above this will be reimbursed

## Resources to Inform Evaluation

- Contractor and Subcontractors bring depth and range of experience
  - Research Director (Goldman) and Project Director (Blasinsky) served as Senior Scientific Editor and Project Director (respectively) on recently released Surgeon General's Report on Mental Health
  - Associate Directors (Burnam, Frank, Moran) have supervised major health surveys and service delivery studies of U.S. population, and consulted on both Administration and Congressional health reform efforts
  - Domain experts and consultants (Cleary, McGuire, Newhouse Wells, etc.) are pre-eminent scholars in their subspecialties – frequently cited by media and members of both political parties

## Resources to Inform Evaluation (cont.)

- *Technical Advisory Group* – non-Federal experts in technical areas (e.g., FEHB data, health services research, MH and SA providers, consumers and/or family members) – will meet two times in person, and three times by phone to advise on design and implementation, review deliverables as needed
- *Federal Technical Workgroup* – Federal experts within participating agencies – will meet at least quarterly to review project status and implementation issues, review deliverables

## Challenges

- Logistics
  - Multiple data collection activities – each requiring different expertise
  - Coordinating among contractor, subcontractors & plans
  - Producing high-quality products in a timely manner
- Analytics
  - Limitations of data (availability, quality, comparability, completeness, comprehensiveness)
  - Differential implementation of parity
  - Generalizability of findings from plan to carrier to program levels
- Communications – presenting complex results in accessible terms to multiple audiences