

Magellan Health Services Enhances Recovery and Improves Effectiveness of Care Through Innovative Iowa Program

AVON, Conn.--(BUSINESS WIRE)--Aug. 14, 2006--Magellan Health Services, Inc., the nation's leading manager of mental health and substance abuse services, has implemented a program in partnership with Hope Haven, a prominent Midwest rehabilitation facility, for adult Iowa Plan Medicaid enrollees to provide additional resources to individuals with serious mental illness in order to promote active management in their recovery. Magellan is the first organization to execute such a program in the managed care environment.

An expansion of Magellan's Intensive Psychiatric Rehabilitation (IPR) program, the Self-directed Care program features several key components that, together, are designed to provide enhanced support and resources to assist individuals with serious mental illness in taking control of their health care and recovery process as well as achieving their life goals. The program includes:

- Person-centered planning - Individuals participate in a life planning process through which they devise their unique health care recovery plan. During the process, participants identify goals that will aid in their recovery and list services that they believe will help advance their achievement of those goals. For example, a participant's goal may be to live independently.
- Life coaching - An independent coach works one-on-one with participants to help design, develop and manage their recovery plan, which specifies the services and resources needed to help participants achieve their life plan goals. The coaches provide support, encouragement and guidance, but ultimately, the participants take control of their individual recovery plan.
- Recovery purchasing plans - Individuals have greater control over how funds are used for their care and recovery. Together, participants and their life coaches build a recovery purchasing plan that outlines services and items that can be purchased to assist participants in attaining their goals. To impact and/or support their ability and progress, participants have access to a \$2,000 one-time credit that they can use to purchase approved goods and services that support their identified recovery plan. Magellan and Hope Haven facilitate the payment for those services on the participants' behalf. For example, a recovery purchasing plan may involve purchasing services to support a goal to live independently.
- Expanded provider network and services - Participants have more flexibility in choosing providers and support services to supplement their care. Participants are required to demonstrate that the expanded services are not currently covered by their Iowa Plan and that the service received would directly address their rehabilitation goals. Examples of expanded services include tutoring, mentoring, transportation, and services related to employability, among others.

"The development and implementation of this program exemplifies Magellan's belief that individuals with serious mental illnesses can fully and actively participate in their recovery process," said Russell Petrella, Ph.D., chief operating officer for Magellan's Public Sector Solutions team. "This model has the potential to significantly aid in participants' recovery and resiliency and improve their quality of life."

To date, Magellan has actively engaged program participants in managing their path to recovery by assisting participants with multiple aspects of their lives, including education, social relationships, living independently, and finding meaningful work. "Just knowing someone out there cares, raised my self-esteem and self-confidence," said Kim Bailey, a participant in the program whose recovery goals include living independently. The Self-directed Care program assisted Bailey's move by providing a rent deposit and some furnishings.

"Nationwide, policymakers, employers and insurers continue to have a growing interest in consumer-directed health care as a way to offer consumers greater choice and control in their care," said Jennifer Tripp, vice president of program innovation for Magellan's Public Sector Solutions team. "Recognizing this movement and building off of the success of Iowa's IPR, Magellan developed the Self-directed Care program to provide our members with even more support and resources so they may take a greater role in their recovery by working toward achieving their life goals."

"With the self-directed program in place, we have even greater flexibility to provide additional coaching and financial resources to support consumers in their communities and help them take control of their health care," Petrella said. "We anticipate that the results of this pilot program will demonstrate the effectiveness of self-directed care in further improving outcomes for people with serious mental illness and enhancing the public mental health system."

Approval for the Self-directed Care pilot was granted in March from the Iowa Department of Human Services (IDHS) and the Centers for Medicaid Services (CMS). The project is funded by the IDHS through its contract with Magellan Health Services from the Iowa Plan for Behavioral Health Community Reinvestment funds.

About Magellan: Headquartered in Avon, Conn., Magellan Health Services, Inc. (Nasdaq:MGLN) is the nation's leading diversified specialty health care management organization. Its customers include health plans, corporations and government agencies.

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