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AN ANALYSIS OF ACCREDITATION AND ITS IMPACT OF RECEIVING FUNDING IN MENTAL HEALTH HOSPITALS

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ABSTRACT

This paper examines the accreditation of mental health hospitals and the receiving of funding. The funding sources examined are Medicare, Medicaid, Veterans Administration, private insurance, and client fees. Other factors were the type of ownership of the hospital and region. The conclusion is that accreditation is important. Different accreditations are important for different funding sources. Region is also important with the Northeast having less funding for most sources.

INTRODUCTION

Accreditation is important in a wide variety of entities, including colleges and universities, social service agencies, and health care providers. Achieving accreditation is a stamp of approval. This stamp of approval carries with it a favorable public opinion, potentially more customers, and more funding.

Accreditation is necessary in certain instances to receive funding. To receive Medicare funds, a hospital must meet certain statutory requirements set by the secretary of the Department of Health and Human Services, including accreditation. There are several ways to do this, including accreditation from Joint Commission, accreditation from American Osteopathic Association, or approval from Centers for Medicare and Medicaid Services (Sprague, 2005).

ANALYSIS OF DATA

The 2010 National Mental Health Services Survey will be utilized to find the determining factors for whether or not mental health hospitals received different types of payment. Only residential facilities were included. Out-patient facilities were excluded. The five major funding sources are Medicaid, Medicare, Veterans Administration funds, Client/Patient Funds, or private insurance funds. The variables examined were the various licensing/accreditation agencies, the region of the country, and type of organization. There were twelve accreditation agencies. These were state mental health, state substance abuse, state health department, hospital licensing authority, joint commission, rehabilitation services, Council on Accreditation, Department of Family and Children Services, US Department of Health and Human Services, Medicare, Medicaid, and others. Hospitals were identified by region of the country. These are the four defined by the Census Bureau. The four regions was Northeast, South, Midwest, and West. Finally, the hospital were defined by ownership. The three categories were Private- Profit, Private – Non-Profit, and Government.

Table 1 shows the frequency of hospitals by region and ownership. Approximately 2/3rds of the hospitals were private non-profit. The largest groups was Midwest and private non-profit hospitals with 19.5% of all mental health hospitals.

Table 1
Hospitals by Region and Ownership

Type	Northeast	South	Midwest	West	Total
Private for Profit	77 2.2%	280 7.9%	102 2.9%	119 3.4%	578 16.5%
Private Non-Profit	711 20.1%	530 15.0%	688 19.5%	383 10.8%	2312 65.2%

Government	116 3.3%	258 7.3%	168 4.8%	103 2.9%	645 18.3%
Total	902 25.6%	1068 30.2%	958 27.1%	605 17.1%	3535 100.0%

Hospitals may have more than one type of accreditation. Table 2 shows the number of accreditations held by hospitals. The data shows that only 378 (10.6%) of the hospitals do not have any type of accreditation. Only one hospital held all twelve accreditations. Most of the hospitals had between one and six different types of accreditation.

Table 2
Number of Accreditations Held by Hospitals

Number of Accreditations Held	Number of Hospitals	Percent
0	378	10.6%
1	268	7.5%
2	444	12.5%
3	519	14.6%
4	529	14.9%
5	548	15.4%
6	451	12.7%
7	239	6.7%
8	120	3.4%
9	34	1.0%
10	18	0.5%
11	6	0.2%
12	1	0.0+%
Total	3555	100.0

Table 3 presents the relationship between hospital ownership and type of licensure/accreditation. There was a statistically significant difference for each type of licensure/accreditation except U.S. Department of Health and Human Services ($p=0.259$), Medicaid ($p=0.141$), and Others ($p=0.067$). The type of licensure/accreditation received the most hospitals was State Mental Health Agency with 2056 hospitals receiving this type. The lowest was Council of Accreditation with 456 hospitals. The standardized residuals in the table show how much different the actual number was from what would be expected if there was no relationship. A positive value shows that the actual is above what would be expected. A negative value means that the actual was less than the expected. A value of over +2 or less than -2 is considered significant.

Table 3
Licensing/Accreditation by Type of Hospital
Only for Residential Hospitals

Type of Licensure		Private for Profit	Private Non-Profit	Government	Total	p-value
State Mental Health Agency	Yes	314	1416	326	2056/3157	.000*
	Std. Res.	-1.2	2.4	-3.3		
State Substance Abuse Agency	Yes	92	376	80	548/3145	.014*
	Std. Res.	0.4	1.1	-2.4		
State Department of Health	Yes	365	1193	301	1859/3148	.000*
	Std. Res.	3.5	-0.3	-2.7		
Hospital Licensing Authority	Yes	256	629	214	1099/3103	.000*
	Std. Res.	5.9	-3.1	0.3		
Joint Commission	Yes	372	1076	452	1900/3162	.000*
	Std. Res.	3.4	-4.3	4.7		

Comm. On Accred of Rehabilitation Facilities	Yes	66	276	114	456/3130	.002*
	Std. Res.	-0.9	-1.1	2.9		
Council on Accreditation	Yes	22	271	13	306/3073	.000*
	Std. Res.	-3.9	5.2	-6.0		
Dept. of Children and Family Services	Yes	112	491	30	633/3118	.000*
	Std. Res.	0.8	4.1	-8.2		
U.S. Dept of Health and Human Services	Yes	113	387	115	615/3056	.259
	Std. Res.	1.3	-0.6	-0.2		
Medicare	Yes	325	963	375	1663/3111	.000*
	Std. Res.	3.2	-3.4	3.3		
Medicaid	Yes	349	1290	385	2024/3106	.141
	Std. Res.	1.1	-0.5	-0.1		
Other	Yes	43	203	42	288/3057	.067
	Std. Res.	-0.6	1.2	-1.7		

The next factor analyzed was region. The purpose was to determine if regions differed in acceptance of funding sources. Table 4 presents the results. For all of the types of funding, the differences in the regions were statistically significant ($p < .05$). For all types of funds, the number of hospitals in the Northeast that accepted each type of funding was less than expected. The same is true of the West except for VA funds and client/patient funds. The South and Midwest were most above expected. The standardized residuals in the table show how much different the actual number was from what would be expected if there was no relationship. A positive value shows that the actual is above what would be expected. A negative value means that the actual was less than the expected. A value of over +2 or less than -2 is considered significant.

Table 4
Accepting Funds by Region
Only for Residential Hospitals

Type of Funding		Northeast	South	Midwest	West	Total	p-value
Medicaid	Yes	676	814	744	435	2669/3171	.001
	Std. Res.	-0.3	-0.2	1.1	-1.2		
Medicare	Yes	454	679	578	332	2043/3163	.000
	Std. Res.	-3.0	2.4	1.2	-1.1		
Veterans Administration	Yes	144	286	246	169	845/3143	.000
	Std. Res.	-5.0	1.8	1.4	1.9		
Client/Patient Fees	Yes	570	802	701	441	2514/3165	.000
	Std. Res.	-3.0	1.3	1.2	0.4		
Private Insurance	Yes	544	764	696	412	2416/3161	.000
	Std. Res.	-3.0	1.1	2.0	-0.3		

The main purpose of this paper is to attempt to determine the characteristics that allow a hospital to receive different types of funds. A forward conditional logistic regression was performed for each of the five different funding sources utilized here. The five types of funding sources were Medicaid, Medicare, VA funds, Client/Patient Funds, and Private Insurance. The factors used to determine whether a hospital received funding were whether hospital were accredited by the various licensing/accreditation agencies, region of the country, and ownership of the hospital. Table 5 summarizes these results. Only factors that were important have values.

Table 5
Logistic Regression for Funding Source

	Medicaid	Medicare	Veterans Administration	Client/Patient Funds	Private Insurance
Licensing/Accreditation					
State Mental Health	2 1.982				
State Substance Abuse		3 1.504		2 1.569	
State Health Department		4 1.550		3 1.440	5 1.432
Hospital Licensing Authority		5 2.588	4 1.721	5 2.130	6 3.569
Joint Commission	3 1.383		5 2.035	6 1.313	7 3.618
Rehabilitation Services		6 0.792	6 2.627		
Council on Accreditation		7 0.374	7 0.376	7 0.565	
Department of Family and Children Services		8 0.314	8 0.719	8 0.435	
US Dept of Health and Human Services			9 1.398		
Medicare		9 69.750	10 2.212	9 2.173	9 5.231
Medicaid	4 32.838	10 0.503	11 0.694		
Other	5 0.645				
Region					
Northeast		1 0.705	1 0.614	1 0.537	1 0.526
South			2 0.721		2 0.650
Midwest					
West					
Type of Hospital					
Private – Profit		2 0.451			3 2.354
Private – Non-Profit	1 2.892		3 0.516		
Government					

The values in each block are the relative importance and the likelihood ratio. For example for Medicaid, state mental health accreditation was the 2nd most important variable and hospitals that held this accreditation were 1.982 times more likely to receive Medicaid funds.

Under Medicare, Rehabilitation Services accreditation was the 6th most important variable. The likelihood ratio is less than 1, meaning that those that held this accreditation were less likely to receive Medicare funds. The smaller the value, the less likely it is that the hospital will receive funds.

The table shows that certain types of accreditation are important determinants of determining funding. For example, Joint Commission accreditation is a determining factor in four of the five funding sources. Also, accreditation from hospital licensing authority and Medicare was also important in four of the five funding sources. Being in the Northeast, those hospitals are less likely to receive funding in four of the five sources.

CONCLUSIONS

Mental health is an important part of the healthcare system. This paper has examined the factors that lead to hospitals accepting five major funding sources. The relationship between accreditation, region, and type of hospital has been explored. Medicaid and Medicare are important components of the health care system. These payment systems will probably only get larger. These require accreditation from qualified accrediting agencies. Yet, in spite of these, numerous entities do not accept Medicare and Medicaid. This could be due to the fact that these funding sources do not pay as much as other sources. If hospitals can fill their beds with higher paying patients, then they will not accept lower paying systems.

Region is an important variable in determining the acceptance of certain kinds of payments. There are known cases where doctors only accept cash. No insurance or other payment system is accepted. These cases are in the large cities in the Northeast. These physicians can fill their caseload with only-cash payments. This reduces their cost of business due to lower accounting costs. In addition, they can charge their fees without taking discounts required by insurance payers.

One of the problems facing the entire healthcare system is the payment system. There are two major problems. First, shifts in the payment systems may cause fluctuations in the funds received by the health care systems. As the population ages, the percentage of cases paying by Medicare will increase. If Medicare reduces the amount that it reimburses for DRGs, then the health care facility will receive less monies. In addition, under the Affordable Care Act, individuals are required to have insurance or pay a penalty. A lot of the insurance being purchased by individuals, have large deductibles. If the individual cannot pay the deductible, then the healthcare facility may have to absorb that cost.

Second, the government and accrediting are becoming more interested in the quality of care. Healthcare facilities need to document the quality of the care in terms of outcomes. This may be more difficult to document in the mental health system. Back in 1984 at a conference sponsored by the National Institute of Mental Health, it was felt that:

“The most pressing issues in mental health policy, indeed in all of health policy, concern the likely effects of prospective payment systems on costs and patterns of care.” (McGuire and Scheffler, 1985).

In addition, it has been suggested that psychiatrists with large Medicaid practices see more patients per week but spend less time with them (Mitchell and Cromwell, 1982). It also has been suggested that Medicaid patients are likely to obtain lower-quality services than private insurance patients (Hasenfield, 1985).

If you want to see if accreditation is worth the cost and effort, CARF suggests you should measure key functions before and after accreditation is attained. Measure performance in such areas as personnel turnover, workers' compensation claims, customer and staff satisfaction, health and safety of staff and customers, financial system perform, etc., before seeking accreditation. This way a facility will have a basis for comparing data pre- and post-accreditation (Terry-McElrath, Chriqui, and McBride, 2011).

The question that needs to be addressed is whether the having accreditation truly impacts the quality of service. The second part of the question is which type of accreditation is the best. Perhaps, going to a single accreditation system with multiple specialties may be a solution. For example, the hospital would be overall accredited with specialties such as substance abuse.

There are many questions to answer concerning the mental health system. More research is needed especially in the area of outcomes. These may not be easy to ascertain.

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