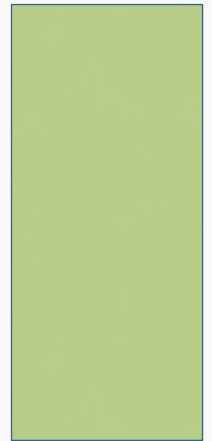




MEDICAID COMMUNITY BEHAVIORAL HEALTH AND MENTAL HEALTH PHYSICIAN CLINIC RATE SETTING METHODOLOGY

October 27, 2022



AGENDA

- Overview Community Behavioral Health and Mental Health Physician Clinic Rate Methodology
- Provider Survey
- Questions

SERVICES

- State Plan Community Behavioral Health Services
 - Clinic
 - Rehab

METHODOLOGY OVERVIEW

- Components
 - Wages
 - Fringe Benefits
 - Productivity
 - Program Support
 - Admin. & General
 - Time
- Not prescriptive

Modeled Component	Value	Calculation
Wage	\$34.00	A
Fringe Benefit	47%	B
Direct Cost per Hour	\$49.98	C = A * (A+B)
Productivity	38%	D
Direct Service Cost after Productivity	\$68.97	E = C * (1+D)
Program Support	25%	F
Direct Service & Program Support Cost	\$86.22	G = E * (1+F)
Admin.	25%	H
Total Service Cost per Hour	\$107.77	I = G * (1+H)
Time (Hours)	0.25	J
Proposed Rate	\$26.94	K = I * J

WAGES

- Rate driver
- Qualified Provider Type
 - Physician
 - Physician Assistant
 - Advanced Nurse Practitioner
 - Registered Nurse
 - Licensed Practical Nurse
 - Psychologist
 - Mental Health Professional Counselor
 - Behavioral Health Clinical Associate/Peer
 - Substance Use Disorder Counselor

WAGE SOURCES

- Sources
 - Bureau of Labor Statistics
 - Grants Electronic Monitoring System (GEMS)
 - Medicare Cost Reports
 - Federally Qualified Health Centers
 - Nursing Homes
 - State
 - Alaska Psychiatric Institute
 - Division of Juvenile Justice
 - Federal
 - Veterans Administration

WAGES

- Utilize a straight average of all sources gathered.

QUALIFIED PROVIDER WAGES - %

- AKAIMS

Service Description	Psychologist	MHPC	Total %
EXAMPLE	1.60%	98.40%	100%

- Example calculation

- Psychologist wage = \$65
- MHPC wage = \$38
- $(1.6\% \times \$65) + (98.4\% \times \$38) = \$38.43$

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FRINGE BENEFITS

- Fixed percentage Fringe Benefits
 - Life Insurance
 - Retirement
 - Short-term Disability
 - Long-term Disability
 - Social Security
 - Medicare
 - Federal Unemployment Insurance
 - State Unemployment Insurance
 - Worker's Compensation
- Variable fringe benefits (depending on wage/qualified provider type)
 - Paid Leave
 - Health Insurance

FRINGE BENEFITS - SOURCES

- Fixed Fringe Benefits
 - Bureau of Labor Statistics
 - IRS Publications
 - Provider Surveys
- Variable Fringe Benefits
 - Bureau of Labor Statistics
 - Alaska Health Insurance Sources
 - Kaiser Family Foundation
 - Commonwealth Fund
 - Provider surveys

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PRODUCTIVITY CALCULATION

- Non-billable time
 - Ensure non-billable time is included in rate calculation
- Example
 - Business Prospective
 - 8 Hours with \$20 Wage = \$160
 - Rate Perspective
 - If 6 of 8 hours are billable time, calculation is $8/6 = 1.3333$
 - $\$20 \times 1.3333 = \26.666
 - $\$26.666 \times 6 \text{ hours} = \160

PRODUCTIVITY COMPONENTS

- Sources
 - Provider Survey
- Components
 - Varies by Clinic v. Rehab
 - Travel
 - Documentation
 - Varies by licensed v. unlicensed staff (BHCA,SUDC)
 - Case conferences
 - Supervision
 - Staff meetings
 - Continuing professional education
 - Training

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PROGRAM SUPPORT

- Definition

- Program support costs are expenses that are neither direct care nor administrative. Such activities are program specific but are not billable independent of the direct services.
 - Included but is not limited to:
 - Salaries & benefits for supervisors of direct service worker
 - Costs of direct care worker training
 - Not pay of direct service employee
 - Salaries costs of persons performing training
 - Training materials
 - Vehicles costs for direct service workers & their supervisors
 - Background checks
 - Rent, depreciation, furnishings of direct service space
 - If the program disappeared, would the costs disappear?

PROGRAM SUPPORT

- Source
 - Single State Audit
- Same for all codes

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ADMIN & GENERAL

- Components
 - Accounting staff wages and benefits
 - Building rent (admin portion)
 - Consulting expenses
 - Corporate management wages and benefits
 - Depreciation
 - Home Office Costs or management fees
 - Human Resources
 - Insurance
 - IT
 - Legal
 - Office supplies
 - Outside audit fees
 - Subscriptions
 - Utilities of administrative space
- Same for all codes

ADMIN & GENERAL

- Source
 - Single State Audit

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TIME

- Assessments & Administration
 - Ask for documentation time & time to complete assessment
- Daily Codes
 - 18 awake hours divided by staffing ratio
 - CMS doesn't allow pricing of 24 hours for non-inpatient services
- Source
 - Provider surveys

GROUP

- Services
 - Psychotherapy multi-family group
 - Psychotherapy group
 - Therapeutic BH services group
- Options
 - Attempt to price through model with dividing modeled cost per hour per staff person by staffing ratio
 - Discuss setting group rates at a % of the individual rates
 - Currently, group codes at 40% of individual level
 - Medicare group rates are at 18% of individual
 - UPL considerations

UPL CONSIDERATIONS

- Upper Payment Limits
 - Inpatient Hospital
 - Outpatient Hospital
 - Nursing Facility
 - Immediate Care Facility for Individual with Intellectual Disabilities (ICF/IDD)
 - Clinic
 - End Stage Renal Disease (ESRD)
 - **Mental Health Clinic (MHC)**
 - Ambulatory Surgery Centers (ASC)
 - Other Inpatient & Outpatient
 - Residential Psychiatric Treatment Centers (RPTCs)
 - Qualified Physician
 - Enhanced payments to physicians employed by academic medical centers

CLINIC UPL HIGH LEVEL

- Sample

Clinic UPL Example					
Procedure Code	AK Medicaid Rate	AK Medicare Rate	Variance	SFY16 Units of Service	Over / (Under) Payment
Code ABC	\$40	\$20	\$20	1,000	\$ 20,000
Code XYZ	\$100	\$150	(\$50)	1,100	\$ (55,000)
TOTAL					\$ (35,000)

Must be negative

- Clinic Codes are already priced by Medicare
 - Rehab codes not included in Clinic UPL
- Detailed
 - By State Government Owned, Non-State Government Owned, Private
 - Clinic UPL – ASC, ESRD, MHC
- If positive = owe federal portion back, CMS won't approve SPA

CLINIC UPL RATE COMPARISON

Medicare Equivalent Code (if applicable)	Proc Cd	Service	Unit	Medicaid Rate (SFY23)	Medicare Rate (CY22)	Var (%)
	90832	Psychotherapy, Individual	16-37 min	\$67.87	\$108.30	59.60%
	90834	Psychotherapy, Individual	38-52 min	\$101.81	\$142.95	40.40%
	90837	Psychotherapy, Individual	53-60 min	\$135.75	\$210.53	55.10%
	90846	Psychotherapy, Family (w/o patient present)	60 min	\$142.79	\$140.04	-1.90%
	90847	Psychotherapy, Family (w/ patient present)	60 min	\$138.72	\$145.23	4.70%
	90849	Psychotherapy, Multi-family group	60 min	\$55.49	\$46.91	-15.50%
	90853	Psychotherapy, Group	60 min	\$54.30	\$38.02	-30.00%
See 90791	H0031	Mental Health Intake	Assessment	\$437.50	\$248.70	-43.20%
See 99213	H2010	Comprehensive Medicaid Services	1 visit	\$145.16	\$118.36	-18.50%
See 90839	S9484	Short term Crisis Intervention	1 hour	\$128.40	\$200.62	56.20%
	90791	Psychiatric Assessment - Diag Eval	Assessment	\$573.60	\$248.70	-56.60%
	96136	Neuropsychological Testing	30 min	\$70.40	\$56.87	-19.20%
	96137	Neuropsychological Testing	30 min	\$70.40	\$51.00	-27.60%
	96130	Psychological Testing	60 min	\$140.91	\$167.72	19.00%
	96131	Psychological Testing	60 min	\$140.91	\$125.32	-11.10%
	96132	Neuropsychological Testing	60 min	\$165.42	\$180.11	8.90%
	96133	Neuropsychological Testing	60 min	\$165.42	\$139.42	-15.70%

CLINIC UPL OVERALL

- With most recent utilization, increase would be 16.5% in aggregate to get to Medicare clinic rates
 - Some providers would experience reductions
 - If heavy use of group services
- Provider survey question on preference

PROGRESS UPDATE

- Work performed to date:
 - Gathered source documents for:
 - Wages
 - AKAIMS data
 - Fringe benefits
 - Program Support
 - Administrative & General
- Work still needed
 - Gathering responses to provider surveys
 - Fringe benefits
 - Productivity
 - Time
 - Staffing Ratios
 - Preferences on Clinic Codes

TO DO

- Provider surveys
 - Two surveys
 - Administrative
 - Clinical
 - November 7 – 21, 2022
 - One response per provider per survey type
- Complete analysis of all inputs
- Regulations
 - After approval from Chief of Staff
 - Generally 6+ months to get through regulations process
 - Rates would be effective the later of July 1, 2023 or the effective date of the regulations
 - Rates in regulation cannot be retroactive

ADDITIONAL STEP

- Another publicly noticed meeting
 - Sharing the results of the provider survey

DOCUMENTATION

- Public Comment
 - Regulations
 - Updated rate chart adopted by reference
- Updated Upper Payment Limit
 - CMS won't approve state plan amendment unless it shows there is still a UPL gap

QUESTIONS



COMMENTS

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