



Connecticut Community KidCare - BHP

Waiver Amendment Financials
- Follow-up



Mercer BH Rate Setting

- Follow-up Questions from March Presentation:
 1. BH Category of Service (COS) Allocation – Coverage grid by 3 rate setting categories
 2. BH Utilization Changes – % of increase
 3. BH Programmatic Changes – DCF service changes



1. Rate Setting COS Allocation

- Series of Hierarchical Steps to Allocate ALL services, including BH.
- Steps include:
 - Record Type
 - Revenue Code
 - Bill Type
 - Procedure Code
 - Provider Specialty Code and Provider Type
 - Primary and Secondary Diagnosis



BH Service Hierarchy

■ Rule of Thumb*

- Inpatient = Inpatient BH by revenue code
- Outpatient/Professional = traditional non-inpatient BH codes, providers, and settings with BH diagnoses
- Other Professional/Other = non-inpatient non-BH specific codes, providers, and settings with BH diagnoses

**** Can be used as guide, will not cover every instance***



Examples of BH Service Hierarchy

■ **MH Clinic – 90801**

- Psychiatric Diagnostic Interview
- Billed on a UB92
- BH Diagnosis

COS Allocation

- Outpatient/Professional

■ **MH Clinic – 90801**

- Psychiatric Diagnostic Interview
- Billed on a 1500
- BH Diagnosis

COS Allocation

- Outpatient/Professional



Examples of BH Service Hierarchy

■ **MH Clinic – 96110**

- Developmental Testing
- Billed on a 1500
- BH Diagnosis

COS Allocation

- Other Professional/
Other

■ **MH Clinic – 96110**

- Developmental Testing
- Billed on a 1500
- Medical Diagnosis

COS Allocation

- NOT COVERED



2. BH Utilization Change

- Overall 7.76% Increase Assumed
 - Inpatient = Approximately 80%
 - Outpatient/Professional = Approximately 12%
 - Other/Other Professional = Approximately 8%
- Not Meant to Address Where Service Utilization Comes From
- Proxy for Service Costs Could Come From



3. BH Programmatic Changes

- Programmatic Changes account for Changes between the Base Year and the Contract Year:
 - Home-Based Services
 - Mobile Crisis
 - Case Management
- Captured Within 3 Data Sources
- Predominantly “In-Lieu of” Services
- No Additional Adjustment Necessary



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SFY 2006 Budget



BH Carve Out Estimates

- SFY 2006 enrollment projection
 - 3,605,379
- HUSKY MCO BH PMPM
 - \$19.76
- HUSKY Non-Riverview psych PMPM
 - \$3.64

HUSKY A

BH Carve Out Estimates

	SFY06	10/1 start
MCO BH Service	\$ 71,242,269	\$ 53,645,429
1 month delay	\$7,069,056	\$7,094,646
Claims lag (2 mo)	(\$14,138,112)	(\$14,189,292)
Non-RV reinsurance	\$13,123,576	\$9,882,053
Utilization (7.76%)	\$5,528,400	\$4,162,885
Net BH Service	\$82,825,189	\$60,595,721



Administration

- HUSKY MCO BH Administrative PMPM
 - \$1.48
- ASO cost approximately \$8.5 million
 - HUSKY A \$8,058,000 per year
 - HUSKY B \$442,000 per year

HUSKY A

BH Administration Estimates

	SFY06	10/1 start
MCO admin	(\$5,335,959)	(\$4,017,977)
ASO admin	\$ 8,058,000	\$6,043,500
Net admin	\$2,722,041	\$2,025,523



Administrative Costs

- Nationally – 7.5 - 10% of service expenditures
- Massachusetts Behavioral Health Project - \$25 m of \$325-\$350 m (7.7%)
- KidCare - \$8.5 m of \$200+ m (4.25%)
- 75% federal share



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Rates and Fees



Changes to Rate and Fee Methods

- The Departments are proposing to amend the methods for the calculation of fee schedules based on feedback received on the initial proposal and issues associated with MCO reported utilization for independent practitioners, and general and psychiatric hospital outpatient clinics.



Provider Specific Rates

- Hospital & Clinic
- Inpatient, PHP, IOP, EDT
- Recalculate based on updated contracted rate information



Independent Practitioner

- All MCOs use uniform fee schedules for independent practitioners and all pay different fees based on the credential of the practitioner
- Fees calculated by class of practitioner (MD, PhD, APRN, LMLC)
- Weighted average of MCO fee schedules, with weight based on each MCO's enrollment as a percentage of total enrollment



Independent Practitioner

$$\begin{aligned} & \text{MCO1 fee} * \text{MCO1 \% enrollment} \\ & + \text{MCO2 fee} * \text{MCO2 \% enrollment} \\ & + \text{MCO3 fee} * \text{MCO3 \% enrollment} \\ & + \text{MCO4 fee} * \text{MCO4 \% enrollment} \\ & = \text{Weighted average fee} \end{aligned}$$



General and Psychiatric Hospitals Outpatient

- Uniform fee schedules for the reimbursement of hospital clinics
- Some MCOs pay a blended rate while others use fee schedules based on credential of provider
- Two steps
 - Create blended fee schedule for each MCO
 - Calculate weighted average across MCOs



General and Psychiatric Hospitals Outpatient – Step One

- Blended fee schedule
- Created for each MCO that pays by credential
- Blended based on reported proportion of payments to each level of credential



General and Psychiatric Hospitals Outpatient – Step Two

- Weighted average
- KidCare fees calculated across the four blended fee schedules
- Weighted average of each MCO's blended fee schedule based on each MCO's enrollment as a percentage of total enrollment

Freestanding MH Clinic

Option A

- Simple weighted average based on SFY03 utilization and expenditures
- Cost-neutral adjustment to pay at uniform percentage of Medicare
- Adjustment to Medicare current method for MD, MEDS, etc.
- Exempted med management, testing, group therapy

Freestanding MH Clinic

Option B

- Simple weighted average based on SFY03 utilization and expenditures
- Would agree to recalculate using updated fee schedules weighted by utilization or enrollment



Enhanced Care Clinic Option

- First investment: propose 20-25% increase in MH Clinic fees effective 10/1/05 for providers that meet special enhanced care requirements
- Second investment: extend to General and Psychiatric Hospital Outpatient
- Examples:
 - Routine/urgent access
 - After hours/weekend appointment times
 - Primary care collaboration
 - Co-occurring capable
 - Specialization – eating disorders, trauma, etc.



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Accountability



Administrative Service Organization

Member Services

- Member Satisfaction Surveys
 - Responsiveness
 - Courteousness
 - Timeliness
- Average Speed of Answer
- Complaint - number/type/response time



Administrative Service Organization

Utilization Management

- Authorization – response timeframes
- Provider satisfaction with authorization process – speed, efficiency, reasonableness, clinically informed, ease of use, accuracy and reliability
- Authorization tracking – reliability and ease of use
- WEB/Phone registration – ease of use
- Denials – percent overturned



Administrative Service Organization

Intensive Care Management

- Quarterly/annual volume served
- Increased connection to care (post-inpatient/residential)
- Reduced ED utilization/overnights
- Reduced high need service users
- Reduced discharge delays
- Increase engagement in AOD (alcohol and other drug) treatment



Administrative Service Organization

Quality Management

- Quality management activities
- Child and adult quality improvement initiatives/outcomes
- Quality management program evaluation



Administrative Service Organization

System Management

- Improved quality with the use of a Local Area Development Plan
- Increased school participation
- Reduced suspensions/expulsions
- Reduced juvenile justice involvement
- Improved collaboration/community participation



Administrative Service Organization

System Management

- Increased recruitment of non-traditional service providers
- Increased recruitment, for example, language/specialties, to fill network gaps
- Increased availability and use of natural supports in individualized care planning



Administrative Service Organization *Reporting*

- Accuracy
- Completeness
- Timeliness
- User-friendly format



Administrative Service Organization

Claims - Authorization

- Timeliness in:
 - Passing authorization data to fiscal agent
 - Correcting authorization info errors
- Accuracy in:
 - Passing authorization data to fiscal agent
 - Importing claims data from fiscal agent
- Completeness



DCF/DSS

Claims - Processing

- Timeliness in:
 - Clean claims processing
 - Correcting authorization info errors



DCF/DSS

Network Adequacy

- Geographic access (how close)
- Density (how many)
- Capacity (Secret Shopper survey)
- Child/adult specific measures
- Mental health/substance abuse specific measures