CT BHP Reimbursement

Proposed Reimbursement Methods Effective January 1, 2012

Background: On January 1, 2012 the Medicaid waiver under which the HUSKY A program operates will cease. The Departments are proposing to create new, melded rates for the HUSKY (A & B), Medicaid Fee for Service (FFS), Medicaid for Low Income Adults (MLIA) and Charter Oak programs for most areas of behavioral health service reimbursement effective with the cessation of the waiver. Medicaid rules will not permit a rate differential for different coverage groups outside of a waiver.

The Departments intend to meld the rates such that there is no aggregate gain or loss for each provider type and service category (e.g., routine outpatient). In addition, it is the Departments' expectation that the meld will achieve overall state budget neutrality. Final adjustments to the methods may be required to ensure budget neutrality. The meld will be based on HUSKY, Charter Oak, Fee for Service and Medicaid for Low Income Adults (MLIA) expenditures and volume according to the following formula, which will be applied in aggregate for the production of fixed fees and by provider for the production of provider specific rates. The following equation represents how the meld is calculated:

$$\frac{\text{Total Expenditures (FFS, MLIA, HUSKY, DCF, Charter Oak)}}{\text{Total Paid Units}} = \text{Blended Rate}$$

The proposed methods are subject to CMS review and approval. As such, final methods may be adjusted to accommodate CMS requirements. The proposed methods for establishing the new behavioral health rates and fees under the Medicaid state plan are as follows:

I. Freestanding Mental Health Clinics

a. Fixed fee meld by type of service as follows:
   i. Routine outpatient (ECC)
   ii. Routine outpatient (non-ECC)
   iii. PHP (CMHC)
   iv. Adult Day Treatment
   v. Intensive Outpatient

II. Other Freestanding Clinics

a. Fixed fee meld by type of clinic as follows:
   i. Medical clinics
   ii. Rehabilitation clinics

III. Child Rehabilitation Services and Child Targeted Case Management (<19)

a. Fixed fee meld by type of service as follows:
   i. Home and community based rehab (non-IICAPS)
   ii. Home and community based rehab (IICAPS)
   iii. Targeted case management (IICAPS/non-IICAPS, T1017)

iv. Targeted case management (T1016)

b. Extended Day Treatment (EDT) – Previously proposed IOP/EDT melded rate of approximately $82.02.
c. EMPS is not currently covered under Medicaid FFS so no meld is required. Proposed EMPS rate is current CT BHP rate.

IV. Chemical Maintenance Clinics

a. Provider specific meld
b. Currently, a number of chemical maintenance providers have different rates across service locations. The Department is also considering a provider specific cost-neutral meld that would equalize each provider's rates across service locations. Comments are welcome.

V. Alcohol and Drug Centers

a. Provider specific rate meld
    i. Alcohol & Drug Detox
b. Fixed fee meld
    i. Ambulatory Detox
c. Alcohol & Drug Rehab services are only covered for HUSKY A and B so no meld is required. Above coverage restrictions will remain.

VI. Home Health Services:

a. No meld. Proposed rates are current Medicaid FFS rates, same for medical and behavioral health.
b. Note: 98.5% of all FFS and CT BHP home health service expenditures are in the Medicaid fee for service program. HUSKY MCOs pay for medical home health services off of the current Medicaid FFS fee schedule.
c. This proposal presumes that HUSKY managed care organizations currently pay providers using the Fee for Service fee schedule.

VII. Independent Practitioner:

a. Fixed fee meld
    i. MD
    ii. Psychologist
        1. Coverage for adults will remain limited to family coverage populations (HUSKY A, HUSKY B, Charter Oak).
    iii. APRN
    iv. Licensed Masters Level Clinician (LMLC, which includes LCSW, LMFT, LPC, LADC)
        1. Coverage for adults will remain limited to family coverage populations (HUSKY A, HUSKY B, Charter Oak).

VIII. Private Psychiatric Residential Treatment Facilities

a. Effective July 1, 2011; provider specific meld with adjustment for 24/7 nursing
b. Interim rate will be replaced with final rate based on annual cost report filings
c. No changes proposed for January 1, 2012

d. Note: CMS required the establishment of state plan rate methods for PRTF services effective July 1, 2011.

IX. General Hospital

a. Provider specific meld for inpatient services
b. Adult psychiatric inpatient
    i. Medicaid FFS adult (19 and over) psychiatric volume and HUSKY adult (19 and over) psychiatric volume will be included in the development of new inpatient hospital melded case rates for the Medicaid FFS and HUSKY medical program. These new melded case rates will apply to all medical inpatient admissions for individuals of any age and all psychiatric inpatient admissions for individuals age 19 and over.
    ii. Propose to maintain special coverage and payment methods for DMHAS certified intermediate care unit.
c. Child psychiatric inpatient
    i. Meld of FFS child under 19 + HUSKY under 19; FFS expenditure based on final cost settled case rate expenditures.
    ii. Note: Full per diem for all acute medically necessary days. Coverage for medically necessary discharge delay days at 85% of full per diem.
d. Child psychiatric inpatient emergency stabilization (CARES)
    i. Meld of FFS + HUSKY
    ii. Note: Coverage limited to 3 days, with exceptions.
e. Observation
    i. Default to existing Fee for Service payment methodology based on cost to charges.
    ii. 1 unit = 1 hour of service (23 hour maximum)
f. Outpatient
    i. Fixed fee meld
    ii. Partial Hospital Program (PHP)
    iii. Intensive Outpatient Program (IOP)
    iv. Routine outpatient (non-ECC, child and adult combined) fees are calculated using the following methodology:
        1. Outpatient meld converts 513 to 900 series codes based on hospital reported allocation to 900 series service subtypes.
        2. Price all outpatient 900 series codes to x% of Medicare 2011 MD Facility Based fees except group therapy which will price at 100%.
    v. Routine outpatient (ECC)
        1. ECC – No meld, same as current BHP hospital ECC rate.
        2. Note: Hospital ECC program will be restricted to the current four recognized hospital outpatient ECC clinics and their current approved age span (i.e., child, adult, or child/adult). ECCs that wish to retain their status, will have to meet the requirements for all Medicaid coverage groups. Current recognized ECCs will have the option of relinquishing their

status and defaulting to the non-ECC hospital outpatient rate. Projected costs to the state of extending ECC payment rates to current adult Medicaid FFS populations seen by recognized hospital ECCs will be offset by a reduction in the supplemental payment and performance pools identified in XII and XIII below.

X. Psychiatric Hospital

a. Provider specific meld
b. Adult psychiatric inpatient
    i. Meld of FFS 19 and over + Husky adults 19 and over
    ii. Note: Full per diem through 29th day; 85% thereafter. Coverage only for medically necessary acute care.
c. Child psychiatric inpatient:
    i. Meld of FFS child under 19 + HUSKY under 19
    ii. Note: Full per diem for all acute medically necessary days. Coverage for medically necessary discharge delay days at 85% of full per diem.
d. Routine outpatient (child and adult combined)
e. Partial Hospital Program (PHP)
f. Intensive Outpatient Program (IOP)

XI. Federally Qualified Health Centers

a. No change

XII. Supplemental Payments

a. Starting in January 2012 Provider Performance Initiatives (incentives) must be approved by CMS. The Department plans to use calendar year 2011 performance incentive funds to provide one time supplemental payments to providers who were previously eligible to receive an incentive payment based on a percentage proportionate to expenditures for services rendered in calendar year 2011. The Departments will propose to CMS that payments be made during the period April through June, 2012. Payment method and amounts subject to CMS approval.

XIII. Provider Performance Initiatives

a. The Department plans to submit a proposal to CMS for the implementation of Performance Initiatives for calendar year 2012. It is the Departments' intent that the total Performance Initiative pool of funding will remain the same and will apply to all coverage groups.