Behavioral Health Rate Meld Summary
December 9, 2011 – Post Sub-Committee Meeting

**Subcommittee Presentation to Oversight Council – December 14, 2011**

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Gen. Hosp. Adult Psych. Inpt. | 1. Include FFS adult (19 and over) psych. volume and HUSKY adult (19 and over) psych. volume into a comprehensive medical case rate<br>2. Maintain DMHAS certified intermediate duration unit | General hospitals would be interested in reviewing the adult per diem rates as part of evaluating the feasibility of this approach should DSS and its partners deem this a viable approach | DSS posted its intention of including adult inpatient psychiatric services within a comprehensive medical case rate.<br><br>No change to the DMHAS certified intermediate duration unit. | Approve with the following conditions:<br><br>1. Departments to continue to consider a per diem payment methodology for adult psych. inpatient and share the rates with hospitals. |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Gen. Hosp. Child Psych. Inpt. | 1. Meld of FFS child under 19 and HUSKY under 19<br>2. Full per diem for all acute medically necessary days; reduce per diem by 15% for medically necessary discharge delay days | The calculation of discharge delay should reflect data from the six hospitals that provide both child and adolescent services separately from the two adolescent only providers, given the differences in case mix and likely impact of discharge delay days for those providers | No change in plan. Calculations pending | Approve with the following conditions:<br><br>1. Providers need to see the revised calculations based on the discharge delay methodology recommended by the Council |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Gen. Hospital Child Psych. Inpt: CARES | Default to HUSKY Rate | N/A | No change | Approve with no conditions |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Gen. Hospital Observation | 1. Default to FFS methodology based on cost to charges<br>2. 1 unit = 1 hour of service (23 hour max) | NA | No change | Approve with no conditions |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Gen. Hospital Intermediate LOCs (PHP/IOP) | Fixed Fee Meld | Given the shift of resources from children to adult services in outpatient levels of care, an analysis should be provided showing the impact of a rate for services provided to children and services provided to adults for outpatient, PHP, IOP, level of care. | Departments are recommending a fixed fee meld. There is more adult utilization for these LOCs so a child/adult differential does not benefit the child providers.<br><br>FFS- existing uniform fee for PHP & IOP<br>BHP- almost uniform fee for PHP, 3 minor outliers, 2 outliers for IOP, 1 minor, 1 major<br><br>Total adult PHP/IOP units: 52,502<br>Total child PHP/IOP units: 34,174<br><br>Hospital with largest net loss, does slightly better under the straight meld methodology | Approve with the following conditions:<br><br>1. Remove significant outliers from the meld, calculate separately and transfer the balance of the net loss into the inpatient rate of the hospital respectively. |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Gen. Hospital Outpatient | 1. Routine outpatient (non-ECC): converts 513 to 900 series codes based on hospital reported allocation to 900 series service subtypes. Price all outpatient 900 series codes to a % of Medicare 2011 MD Facility Based fees except group therapy which will be priced at 100%<br>2. Routine outpatient (ECC): default to HUSKY rates. Hospital ECC programs will have to meet the requirements for all Medicaid coverage groups. Projected costs to the state of extending ECC payment rates to FFS will be offset by a reduction in the supplemental payment and performance pools | The impact of extending ECC reimbursement adults serviced at the three general hospitals needs to be quantified and the determination of source of funding for this expansion further discussed | The Departments are projecting an increase cost of approximately $185,000 to extend ECC reimbursement to the two adult hospital ECC programs (Middlesex & CHH). Bristol Hospital elected not to expand to the adult FFS population. The Departments recommend using $185,000 from the performance pool to cover this increase | 1. Approve without conditions.<br>2. Approve with condition<br>**The Departments will submit plan for use of specific performance pools to the Council prior to implementation.** |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Psychiatric Hospital | 1. Provider specific meld | | No change | Approve with the following conditions: |

| | | | | |
|---|---|---|---|---|
| | 2. Adult- meld FFS and HUSKY. Full per diem through 29th day, 85% of per diem thereafter<br>3. Child: meld FFS and HUSKY. Full per diem for medically necessary days, 85% of per diem for medically necessary discharge delay days | The calculation of discharge delay should reflect data from the six hospitals that provide both child and adolescent services separately from the two adolescent only providers, given the differences in case mix and likely impact of discharge delay days for those providers | | 1. Providers need to see the revised calculations based on the discharge delay methodology recommended by the Council |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Free Standing Mental Health Clinics | 1. Fixed fee meld for OP, PHP, Adult Day Tx., IOP | Given the shift of resources from children to adult services in outpatient levels of care, an analysis should be provided showing the impact of a rate for services provided to children and services provided to adults for outpatient, PHP, IOP, level of care.<br><br>Provider specific rates are eliminated under the meld for PHP and IOP, impacting providers with higher negotiated rates. | The straight meld moved approximately $370,000 from child services to adult services<br><br>The child/adult rate differential kept all child dollars intact. The rate decrement for adults is 9.45% of the child rate.<br><br>The Departments recommend a hybrid between the straight meld and the child/adult differential in an effort to mitigate provider and service system problems. Committee recommended consideration of assessing impact on services provided by physicians and APRN's.<br><br>Analysis of impact on child IOP not provided. Committee recommended the Departments evaluate child rate for MH IOP and removing significant outliers from the meld for SA IOP. | Approve with the following conditions:<br><br>1. Routine Outpatient: Departments calculated an adult rate decrement of 5% that moves approximately $115,418 from child services to adult services.<br>2. The revised outpatient adjustment of 5% will be reviewed in the Council meeting.<br>3. **Determination of adjustments to SA IOP and MH IOP to address impact on significant outliers from the elimination of provider specific rates at this level of care.** |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Child Rehabilitative Services | Fixed fee meld for home and community based rehab<br>• Home-based (IICAPS)<br>• Home-based (non-IICAPS) | N/A | No change | Approved without conditions |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Other Freestanding Clinics | Fixed fee meld for medical (school based health centers) and rehabilitation clinics | N/A | No change | Approved without conditions |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Chemical Maintenance Clinics | 1. Provider specific meld<br>2. Requested comments from providers about a provider specific rate rather than a site specific rate | N/A | The Departments would like to pursue a single fixed fee by provider rather than a site specific fee. | Approved without conditions |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Alcohol and Drug Centers | 1. Provider specific meld for detox | N/A | No change | Approved with the following conditions: |

| | | | | |
|---|---|---|---|---|
| | 2. Fixed fee for ambulatory detox<br>3. No meld required for residential rehab | | | 1. Depending on the re-calculation of the adult/child differential, Council may want Department to put the balance of the Rushford loss into their detox rate. |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Home Health Services | Default to FFS rates | N/A | No change | Approved without conditions |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Independent Practitioners | Fixed fee meld | Given the shift of resources from children to adult services in outpatient levels of care, an analysis should be provided showing the impact of a rate for services provided to children and services provided to adults. | The Departments have completed the analysis of child and adult services for independent practitioners. Based on the analysis, the Departments do not see the need for a child/adult rate differential.<br>FFS Findings: all provider types benefit since the FFS rates increase<br>BHP Findings: There is more adult utilization for all providers types (MD, APRN, LMC) except Ph.D.s. Therefore the Departments do not see the value in a child/adult rate differential.<br><br>BHP Utilization<br><br>Provider Type / <18 / >18<br>MD / 8,965 / 14,575<br>APRN / 1,631 / 6,037<br>Ph.D. / 13,017 / 9,584<br>LMLC / 48,330 / 52,327 | Approved with the following conditions:<br><br>1. The Departments and providers are concerned about the lack of representation of independent practitioners reviewing the rate meld documents. The Departments should move forward with the proposed methodology and move to load the rates for these providers as quickly as possible in order to determine and analyze the potential impact of the rate changes. Review of network impact no later than April 2012 to determine if further changes may be needed. |

| | | | | |
|---|---|---|---|---|
| | | | BHP Codes 90801*, 90805, 90807, 90862: more adult utilization.<br>* except Ph.Ds.<br><br>Net increase for MD = $143,937<br>Net increase for APRN = $5,870<br>Net decrease for Ph.D. = $19,964<br>Net decrease for LMC = $88, 880 | |

| Provider Type / LOC | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| Federally Qualified Health Center (FQHC) | No change | N/A | No change | Approved without conditions |

Other:

| Supplemental Payments | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| The Departments plans to use calendar year 2011 performance incentive funds to provide one time supplemental payments to providers who were previously eligible for receive an incentive payment based on a percentage of proportionate to expenditures for services rendered in | | | | Approved without conditions |

| | | | | |
|---|---|---|---|---|
| calendar year 2011. Payments will be made during the period of April through June 2012. Payment method and amounts subject to CMS approval. | | | | |

| Provider Performance Initiatives | Original Plan | Council Recommendation | Current Status | Approval Status |
|---|---|---|---|---|
| The Department plans to submit a proposal to CMS for the implementation of Performance Initiatives for calendar year 2012. Departments recommend using approximately $185,000 from the performance pool to pay for the hospital ECC expansion | | | | Approved with condition.<br><br>**Council review of use of specific performance pools and performance incentives for 2012.** |