

Medicaid State Plan Amendments



Behavioral Health Partnership Oversight Council
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State Plan Overview



- The Department of Social Services (DSS) is the State Medicaid Agency responsible for administering the Medicaid Program
- The Medicaid Program is a partnership between the State Medicaid Agency and the federal Centers for Medicare and Medicaid Services (CMS)
- All medical services covered by the Medicaid Program must be articulated in the Medicaid State Plan and approved by CMS in order to receive Federal Financial Participation
- Federal Financial Participation (FFP) or “Federal Match” is the federal government’s reimbursement to the state for services approved within the state plan and paid for by the state
- In general FFP has been approximately 50%, but there are circumstances where the FFP is greater (e.g. HUSKY D expansion starting 1/1/14)

State Plan Amendment Overview Continued



- If the Medicaid Program decides to add a new medical service to the Medicaid Program, DSS must submit a state plan amendment to CMS for approval
- FFP is contingent on CMS approval of the state plan and any amendments
- If the Medicaid Program decides to modify coverage of an existing service, modify rates or modify payment methodology, a State Plan Amendment (SPA) must be submitted to the CMS for approval
- DSS is required to publish public notice for all state plan amendments that involve a “significant proposed change in its method and standards for setting payment rates for services”

SPA Process Continued



- DSS must submit a state plan amendment before the end of the calendar quarter when the service is implemented
- For example, if a new service is scheduled to start October 1, 2014, the state plan or state plan amendment must be submitted to CMS by December 31, 2014
- Public notice, if required, must occur prior to the implementation of a new service
- DSS is also required to notify the Native American tribes of any state plans or state plan amendments

State Plan Amendments



- Prior to submission to CMS, state plan amendment must be approved by the Commissioner of DSS and by the Office of Policy and Management
- All state plan amendments require a fiscal analysis that estimates the cost or the savings of implementing the proposed change

Behavioral Health: State Plan Amendments



- DSS plans to implement reimbursement for smoking cessation group counseling at hospital outpatient clinics effective for dates of service beginning October 1, 2014
- Public notice will occur in September 2014
- A state plan amendment will be submitted by December 31, 2014

Behavioral Health: Pending SPAs



- Behavioral Health Clinics
- Psychiatric Residential Treatment Facilities
- Targeted Case Management
- Health Homes (Draft State Plan has been submitted informally and all pending questions have been answered by the State)
- Child Rehabilitation Services (In-home services, EMPS, EDT)
- Independent Practitioners serving members > 21

Behavioral Health Clinic SPA



- Behavioral Health Clinic SPA was submitted to CMS in March 2012
- Upon submission, CMS has 90 days to comment and ask questions
- Formal questions come in a Request for Additional Information (RAI)
- RAIs can be straightforward clarification questions or they can be extremely broad
- RAIs questions can ask about coverage or reimbursement of the service that is the subject of the SPA. In addition, “companion” questions can ask about any other services within the same or nearby benefit categories

Behavioral Health Clinic SPA Continued



- If the RAI cannot be completed within the specified time frame, the state can request to take the state plan amendment “off the clock”
- Behavioral health clinic services are contained within the “clinic” benefit category section of the State Plan
- There are other types of clinics referenced in the clinic section of the State Plan
 - Ambulatory Clinics
 - Dialysis Clinics
 - Medical Clinics
 - Methadone Maintenance Clinics

SPA continued



- Many of the questions within the RAI for the behavioral health clinic requested clarification of service descriptions which have been completed and submitted to CMS
- As part of the RAI, CMS requested the state to complete an Upper Payment Limit (UPL) Demonstration for all of the clinic services referenced in the state plan. UPL demonstrations are now required annually for all clinic services.
- A UPL demonstration is a detailed fiscal analysis that compares all clinic services paid by Medicaid, by procedure code, to the Medicare rates for the same procedure code
- The UPL must demonstrate that Medicaid payment for clinic services, in aggregate, does not exceed what Medicare would pay for the same service
- If the UPL exceeds what Medicare would have paid for the services, the state risks the FFP for the all services referenced in the clinic section of the SPA

UPL Continued



- There are some services covered by Medicaid that are not covered by Medicare
- This presents a challenge within the UPL because there is no equivalent Medicare procedure code
- Under these circumstances, the state seeks guidance from CMS or provides the UPL with a Medicare equivalency logic
- Examples of non equivalent codes include: Intensive Outpatient, Enhanced Care Clinics, and methadone maintenance

UPL Continued



- CMS has verbally indicated tentative approval for the Medicare equivalency logic for Enhanced Care Clinics (value added service) and Intensive Outpatient Treatment (3 units of day treatment)
- CMS did not accept the Medicare equivalency logic for methadone maintenance
- DSS is now forced to undergo a cost report analysis with the methadone maintenance providers
- In the very near future, MM providers will receive a request from DSS to complete a cost report in order to determine actual costs related to providing this service
- Upon completion of the cost reports, DSS will issue new rates and submit the new rates within the UPL analysis

Next Steps



- As soon as DSS has the cost reports from providers, we can develop new rates and complete the UPL demonstration
- DSS plans to issue a public notice so we can secure a October 1, 2014 date for any rate adjustments for behavioral health clinics
- Upon completion of the UPL and approval of the state plan amendment, DSS can issue rates retroactive to October 1, 2014
- DSS and other applicable state agencies participate in a weekly conference call with CMS (Boston Regional Office & Central Office in Baltimore) to work through pending draft state plan amendments



QUESTIONS