

Background Information on the Behavioral Health Clinic Rate Increase Project (September, 2015)

DSS was appropriated \$8.3 million by OPM to increase the rates for private behavioral health clinics

On September 2, 2015, at the Operations sub-committee meeting, DSS presented numerous models on how to use the \$8.3 million for the private behavioral health clinics. These models included:

1. Allocate approximately \$2.4 million to modify the current payment methodology when an Evaluation and Management (E/M) code is submitted with a psychotherapy code
2. Allocate \$500,000 to expand the number of adult Enhanced Care Clinics and prioritize underserved geographic areas
3. Use the balance of approximately \$5.4 million for rate increases without exceeding the Medicare rates, except for the group psychotherapy code (90853)
4. DSS identified certain procedure codes to target for a more substantial rate increase compared to other codes. The targeted codes included those codes used by medical professionals and the evaluation codes

The committee requested that the Department maintain the payment methodology for the E/M codes combined with psychotherapy codes and allocate the \$2.4 million to the rates for a total of \$7.8 million for rates

On September 9, 2014, at the operations sub-committee meeting, the Departments presented four new rate methodology models, as follows:

Model 1: A simple addition of \$7.8 million to the fee schedule

Model 2: Increasing the child and adult ECC rates to 100% of Medicare and keep the child/adult rate differential at %5 at the non-ECC clinics

Model 3: Increased the child and adult ECC rates to 100% of Medicare and reduced the child/adult rate differential at the non-ECC clinics

Model 4: Increased the child and adult ECC rates to 100% of Medicare and eliminated the child/adult rate differential at the non-ECC clinics

All models maintained the current payment methodology for E/M codes with psychotherapy codes and excluded the group psychotherapy code because if we used the Medicare rate to establish the rates, in some cases, the current group psychotherapy code is more than the Medicare rate and therefore the modeling would have reduced the group psychotherapy code

Hospitals outpatient: this clinic rate increase is for private behavioral health clinics, not hospital outpatient programs. DSS is developing a separate payment methodology for hospital outpatient. DSS plans to initiate meetings with hospitals and CHA on the implementation of Ambulatory Payment Classification (APC) payment methodology in the very near future. Similar to the DRG implementation, the APC will be transparent and invite stakeholder feedback

Summary of Rate Models

	Gross Allocation
Starting Allocation	\$8,300,000
ECC Expansion	\$500,000
Remaining balance	\$7,800,000

MODEL 1: Rate Increase \$2.4

	Proposed Components		SFY 2016 Total	SFY 2016 Appropriation	Funds Remaining
	ECC Exp.	Rate Increase			
Estimated Gross Costs:					
Services for Children	\$ -	\$ 3,240,065	\$ 3,240,065	\$ 2,900,000	\$ (340,065)
State Share	\$ -	\$ 1,620,032	\$ 1,620,032	\$ 1,000,500	\$ (619,532)
Federal Share	\$ -	\$ 1,620,032	\$ 1,620,032	\$ 1,899,500	\$ 279,468
Estimated Gross Costs:					
Services for Adults	\$ 500,000	\$ 4,559,935	\$ 5,059,935	\$ 5,400,000	\$ 340,065
State Share	\$ 143,085	\$ 1,304,916	\$ 1,448,001	\$ 1,863,000	\$ 414,999
Federal Share	\$ 356,915	\$ 3,255,019	\$ 3,611,934	\$ 3,537,000	\$ (74,934)
Estimated Gross Costs:					
Total (Child & Adult)	\$ 500,000	\$ 7,800,000	\$ 8,300,000	\$ 8,300,000	\$ 0

MODEL 2: ECC 100% Medicare-Keep 5%

	Proposed Components		SFY 2016 Total	SFY 2016 Appropriation	Funds Remaining
	ECC Exp.	Rate Increase			
Estimated Gross Costs:					
Services for Children	\$ -	\$ 3,121,102	\$ 3,121,102	\$ 2,900,000	\$ (221,102)
State Share	\$ -	\$ 1,560,551	\$ 1,560,551	\$ 1,000,500	\$ (560,051)
Federal Share	\$ -	\$ 1,560,551	\$ 1,560,551	\$ 1,899,500	\$ 338,949
Estimated Gross Costs:					
Services for Adults	\$ 500,000	\$ 4,678,897	\$ 5,178,897	\$ 5,400,000	\$ 221,103
State Share	\$ 143,085	\$ 1,338,960	\$ 1,482,045	\$ 1,863,000	\$ 380,955
Federal Share	\$ 356,915	\$ 3,339,938	\$ 3,696,853	\$ 3,537,000	\$ (159,853)
Estimated Gross Costs:					
Total (Child & Adult)	\$ 500,000	\$ 7,800,000	\$ 8,300,000	\$ 8,300,000	\$ 0

MODEL 3: ECC 100% Medicare-Adj. 5%

	Proposed Components		SFY 2016 Total	SFY 2016 Appropriation	Funds Remaining
	ECC Exp.	Rate Increase			
Estimated Gross Costs:					
Services for Children	\$ -	\$ 3,021,103	\$ 3,021,103	\$ 2,900,000	\$ (121,103)
State Share	\$ -	\$ 1,510,551	\$ 1,510,551	\$ 1,000,500	\$ (510,051)
Federal Share	\$ -	\$ 1,510,551	\$ 1,510,551	\$ 1,899,500	\$ 388,949
Estimated Gross Costs:					
Services for Adults	\$ 500,000	\$ 4,778,897	\$ 5,278,897	\$ 5,400,000	\$ 121,103
State Share	\$ 143,085	\$ 1,367,577	\$ 1,510,662	\$ 1,863,000	\$ 352,338
Federal Share	\$ 356,915	\$ 3,411,320	\$ 3,768,235	\$ 3,537,000	\$ (231,235)
Estimated Gross Costs:					
Total (Child & Adult)	\$ 500,000	\$ 7,800,000	\$ 8,300,000	\$ 8,300,000	\$ 0

MODEL 4: ECC 100% Medicare-Eliminate 5%

	Proposed Components		SFY 2016 Total	SFY 2016 Appropriation	Funds Remaining
	ECC Exp.	Rate Increase			
Estimated Gross Costs:					
Services for Children	\$ -	\$ 2,929,010	\$ 2,929,010	\$ 2,900,000	\$ (29,010)
State Share	\$ -	\$ 1,464,505	\$ 1,464,505	\$ 1,000,500	\$ (464,005)
Federal Share	\$ -	\$ 1,464,505	\$ 1,464,505	\$ 1,899,500	\$ 434,995
Estimated Gross Costs:					
Services for Adults	\$ 500,000	\$ 4,870,989	\$ 5,370,989	\$ 5,400,000	\$ 29,011
State Share	\$ 143,085	\$ 1,393,931	\$ 1,537,016	\$ 1,863,000	\$ 325,984
Federal Share	\$ 356,915	\$ 3,477,058	\$ 3,833,974	\$ 3,537,000	\$ (296,974)
Estimated Gross Costs:					
Total (Child & Adult)	\$ 500,000	\$ 7,800,000	\$ 8,300,000	\$ 8,300,000	\$ 0

Mental Health and Substance Abuse Clinics - CY2014
Intermediate Codes Pulled: H0015, H0035, H2013, S9480

*Utilization increases annually. With an expected rate improvement, annual increases may be higher than normal. Therefore, a 10% increase was applied to the units for modeling purposes.

Pulled from Demonstration

90887 No Medicare Rate

96110 No Medicare Rate

99243 No Medicare Rate

99244 No Medicare Rate

90853 Access

Remaining Allocation after Uncap/ECC	\$7,800,000
Total Funds Needed for Targeted Code	\$4,395,770
Remaining Funds Available for Untargeted	\$3,404,230

90853	Access	Percentage of Medicare 95%					Percentage of Medicare 100%				
		Adult									
		Mental Health Clinic - Rates are 100% of Child Rates					Enhanced Care Clinic - Rates are 100% of Medicare				
Procedure Code	Description	Units*	Current Medicaid Rate (95%)	Medicare Rate (PAR Amount)	"New" Medicaid Rate	Additional Expenditure	Units*	Current Medicaid Rate (95%)	Medicare Rate (PAR Amount)	"New" Medicaid Rate	Additional Expenditure
90791	PSYCHIATRIC	22,288	\$102.09	\$140.10	\$133.10	\$691,113	10,858	\$133.34	\$140.10	\$140.10	\$73,379
90792	PSYCHIATRIC	3,113	\$102.09	\$150.87	\$143.33	\$128,379	2,696	\$133.34	\$150.87	\$150.87	\$47,257
90833	PSYCHOTHER	2,456	\$43.13	\$69.27	\$65.81	\$55,700	734	\$54.18	\$69.27	\$69.27	\$11,073
90836	PSYCHOTHER	377	\$62.94	\$87.58	\$83.20	\$7,645	624	\$78.80	\$87.58	\$87.58	\$5,475
90838	PSYCHOTHER	175	\$94.10	\$115.72	\$109.93	\$2,770	2	\$115.41	\$115.72	\$115.72	\$1
99201	OFFICE OR C	13	\$24.64	\$46.96	\$44.61	\$264	0	\$29.57	\$46.96	\$46.96	\$0
99202	OFFICE OR C	138	\$42.73	\$80.39	\$76.37	\$4,625	4	\$51.28	\$80.39	\$80.39	\$128
99203	OFFICE OR C	752	\$63.08	\$116.60	\$110.77	\$35,882	34	\$75.70	\$116.60	\$116.60	\$1,395
99204	OFFICE OR C	383	\$95.16	\$178.42	\$169.50	\$28,456	3	\$114.19	\$178.42	\$178.42	\$212
99205	OFFICE OR C	41	\$119.07	\$221.73	\$210.64	\$3,727	1	\$142.89	\$221.73	\$221.73	\$87
99211	OFFICE OR C	274	\$14.19	\$21.84	\$20.75	\$1,795	37	\$17.03	\$21.84	\$21.84	\$180
99212	OFFICE OR C	3,940	\$25.49	\$47.36	\$44.99	\$76,848	581	\$30.59	\$47.36	\$47.36	\$9,740
99213	OFFICE OR C	18,391	\$40.78	\$78.65	\$74.72	\$624,077	15,813	\$48.94	\$78.65	\$78.65	\$469,726
99214	OFFICE OR C	9,482	\$61.74	\$115.81	\$110.02	\$457,781	11,548	\$74.09	\$115.81	\$115.81	\$481,768
99215	OFFICE OR C	321	\$83.22	\$154.71	\$146.97	\$20,478	166	\$99.86	\$154.71	\$154.71	\$9,110
				\$1,626.01	\$1,544.71				\$1,626.01	\$1,626.01	
				95%		\$2,139,540			100%		\$1,109,530
Total Adult											\$3,249,070

Targeted % of Medicare 95%					Targeted ECC % of Medicare 100%				
Child									
Mental Health Clinic					Enhanced Care Clinic - Rates are 100% of Medicare				
Units*	Current Medicaid Rate	Medicare Rate (PAR Amount)	"New" Medicaid Rate	Additional Expenditur e	Units*	Current Medicaid Rate	Medicare Rate (PAR Amount)	"New" Medicaid Rate	Additional Expenditure
2,512	\$107.46	\$140.10	\$133.10	\$64,405	9,697	\$140.36	\$140.10	\$140.10	(\$2,521)
495	\$107.46	\$150.87	\$143.33	\$17,754	3,104	\$140.36	\$150.87	\$150.87	\$32,625
457	\$45.40	\$69.27	\$65.81	\$9,316	1,084	\$57.03	\$69.27	\$69.27	\$13,262
48	\$66.25	\$87.58	\$83.20	\$820	163	\$82.95	\$87.58	\$87.58	\$754
10	\$99.05	\$115.72	\$109.93	\$113	144	\$121.48	\$115.72	\$115.72	(\$830)
-	\$25.94	\$46.96	\$44.61	\$0	-	\$31.13	\$46.96	\$46.96	\$0
4	\$44.98	\$80.39	\$76.37	\$138	-	\$53.98	\$80.39	\$80.39	\$0
12	\$66.40	\$116.60	\$110.77	\$537	21	\$79.68	\$116.60	\$116.60	\$772
15	\$100.17	\$178.42	\$169.50	\$1,068	39	\$120.20	\$178.42	\$178.42	\$2,241
32	\$125.34	\$221.73	\$210.64	\$2,721	15	\$150.41	\$221.73	\$221.73	\$1,098
9	\$14.94	\$21.84	\$20.75	\$51	59	\$17.93	\$21.84	\$21.84	\$232
196	\$26.83	\$47.36	\$44.99	\$3,556	2,232	\$32.20	\$47.36	\$47.36	\$33,836
2,289	\$42.93	\$78.65	\$74.72	\$72,765	9,140	\$51.52	\$78.65	\$78.65	\$247,965
1,867	\$64.99	\$115.81	\$110.02	\$84,057	13,959	\$77.99	\$115.81	\$115.81	\$527,929
52	\$87.60	\$154.71	\$146.97	\$3,070	584	\$105.12	\$154.71	\$154.71	\$28,966
		\$1,626.01	\$1,544.71						
		95%		\$260,370					\$886,330
Total Child									\$1,146,700

				Percentage of Medicare 75%				Percentage of Medicare 100%			
90785	INTERACTIV	226	\$3.50	\$14.95	\$11.26	\$1,750	108	\$3.50	\$14.95	\$14.95	\$1,235
90832	PSYCHOTHE	25,924	\$43.13	\$67.67	\$50.95	\$202,807	9,697	\$54.18	\$67.67	\$67.67	\$130,820
90834	PSYCHOTHE	71,833	\$62.94	\$89.69	\$67.53	\$330,150	36,882	\$78.80	\$89.69	\$89.69	\$401,552
90837	PSYCHOTHE	22,261	\$94.10	\$134.10	\$100.97	\$153,049	18,792	\$115.41	\$134.10	\$134.10	\$351,305
90846	FAMILY PSYC	120	\$61.17	\$108.81	\$81.93	\$2,489	113	\$76.40	\$108.81	\$108.81	\$3,672
90847	FAMILY PSYC	2,728	\$75.59	\$112.08	\$84.39	\$24,009	921	\$94.13	\$112.08	\$112.08	\$16,530
90849	MULTIPLE-F	2	\$29.55	\$36.56	\$27.53	(\$5)	15	\$34.31	\$36.56	\$36.56	\$35
96101	PSYCHOLOG	9	\$68.44	\$84.52	\$63.64	(\$44)	1	\$68.44	\$84.52	\$84.52	\$16
96111	DEVELOPME	0	\$126.46	\$137.19	\$103.30	\$0	0	\$126.46	\$137.19	\$137.19	\$0
96118	NEUROPSYC	0	\$111.09	\$104.91	\$78.99	\$0	0	\$111.09	\$104.91	\$104.91	\$0
99406	SMOKING A	3	\$9.99	\$14.84	\$11.17	\$4	1	\$9.99	\$14.84	\$14.84	\$5
99407	SMOKING A	91	\$19.63	\$29.26	\$22.03	\$219	241	\$19.63	\$29.26	\$29.26	\$2,321
Remaining Funds				\$934.58	\$703.71	\$714,428					\$907,491
\$3,404,230		75%				Total Adult					\$1,621,919

		Percent of Medicare 75%					Targeted ECC % of Medicare 100%			
1,998	\$3.68	\$14.95	\$11.26	\$15,136	7,491	\$3.68	\$14.95	\$14.95	\$84,424	
1,628	\$45.40	\$67.67	\$50.95	\$9,041	6,753	\$57.03	\$67.67	\$67.67	\$71,851	
12,290	\$66.25	\$89.69	\$67.53	\$15,775	77,256	\$82.95	\$89.69	\$89.69	\$520,707	
6,525	\$99.05	\$134.10	\$100.97	\$12,547	13,695	\$121.48	\$134.10	\$134.10	\$172,831	
1,647	\$64.39	\$108.81	\$81.93	\$28,884	8,877	\$80.42	\$108.81	\$108.81	\$252,018	
5,547	\$79.57	\$112.08	\$84.39	\$26,752	43,962	\$99.08	\$112.08	\$112.08	\$571,500	
4	\$31.10	\$36.56	\$27.53	(\$14)	519	\$36.12	\$36.56	\$36.56	\$228	
1	\$72.04	\$84.52	\$63.64	(\$8)	65	\$72.04	\$84.52	\$84.52	\$811	
21	\$133.12	\$137.19	\$103.30	(\$626)	121	\$133.12	\$137.19	\$137.19	\$492	
0	\$116.94	\$104.91	\$78.99	\$0	3	\$116.94	\$104.91	\$104.91	(\$36)	
0	\$10.52	\$14.84	\$11.17	\$0	0	\$10.52	\$14.84	\$14.84	\$0	
0	\$20.66	\$29.26	\$22.03	\$0	0	\$20.66	\$29.26	\$29.26	\$0	
		\$934.58	\$703.71	\$107,484					\$1,674,826	
75%		Total Child							\$1,782,311	

check	\$3,404,230
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