

# MINUTES

## Community Mental Health Center Services Financial Workgroup

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September 25, 2019  
10:00 am – 2:00 pm  
Drifters Event Center

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### In Attendance

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Laurie Mikkonen, Laura Schaeffer, Phyllis Meiners, Michelle Carpenter, Linda Reidt Kilber, Terry Dosch, Tiffany Wolfgang, Stacy Bruels, Brenda Tidball-Zeltinger, Steven Gordon, Michelle Spies

Not Present: Amy Iversen-Pollreisz

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### Welcome and Introductions

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- Laurie Mikkonen welcomed the group and thanked them for their participation.

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### Overview and Workgroup Purpose

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- Laurie Mikkonen discussed SB 147 from the 2017 Legislative Session, now codified as 28-22, which formalizes rate methodology review. It was discussed that all meetings and records are public and located on the Department of Human Services Website here: <https://dhs.sd.gov/workgroups.aspx>.
- An annual report is provided to the Legislature during the Department's Budget Hearing. The 2018 Annual Report was reviewed.
- Laurie provided an overview of the Steering Committee formed and the Consensus Framework developed by the Steering Committee as well as the schedule of review. This is year three which targets community mental health center (CMHC) rates including:
  - Psychiatric services provided by psychiatrists and certified nurse practitioner or physician assistants (CNP/PA)
  - Adult mental health services including Comprehensive Assistance with Recovery and Empowerment (CARE), Room and Board, and Individualized Mobile Programs of Assertive Community Treatment (IMPACT)
  - Children or Youth, and Family Services (CYF)
  - Outpatient Services

- Rural rates, methodology developed would also apply to substance use disorder
- Juvenile Justice Services will be reviewed in year four.
- The group discussed priority order. It was agreed that Room and Board relates to adult services, so should be reviewed with CARE and IMPACT. This change was made. The workgroup agreed with the order of review.
- An overview of the historical methodology and last date of review was provided.
- It was noted that the Mental Health Summer Studies may impact certain services, delivery models, and reimbursement methodology as the services are discussed.

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### Myers and Stauffer Overview

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- Catherine Sreckovich with Myers and Stauffer called in to provide an overview of the work she has been contracted to do. Myers and Stauffer is a national consultant who has worked with all 50 states, and most recently, worked with State Behavioral Health authorities on service reimbursement and methodology including alternative payment models. Ms. Sreckovich and her team are compiling a report of methodology and rates paid to community mental health centers in other states including, Minnesota, Iowa, Nebraska, North Dakota, Colorado, Wyoming, and Montana. A draft is targeted to be available for the next workgroup meeting

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### Rate Methodology Overview/Discussions

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- The workgroup reviewed and discussed cost report data from the CMHCs related to psychiatry and CNP/PA psychiatric and medication management services. The workgroup discussed the variability in cost per unit based on cost report data and if there is a way to normalize and better understand the variances. Variances included differences related to location of the center, how services are provided (contract vs employee), the overhead costs and no-show rates. It was determined no additional survey was needed at this time. There was discussion on comparability to other payor sources as it relates to the unit reimbursed and rate as well as other CPT/HCPC code options that are used for evaluation and medication management services. The workgroup also discussed what the market rate for psychiatrists and CNP/PAs as well as what competitors pay for these practitioners.
- The workgroup agreed to proceed with modeling using the information in the cost report as that should be accurate as far as salaries, benefits and indirect costs. This would be the basis for the model. From there, market factors and Bureau of Labor Statistics data can be incorporated to refine the model. Once the psychiatry rate is established, it was agreed that CNP/PA should continue to be 90% of the psychiatry rate. Further discussion will include the unit rate. There is a desire from the workgroup to align the unit with other payor sources as many payors reimburse at a visit rate rather than a 15-minute unit or to change to a 20-minute unit.

- There was also discussion regarding CMHC rates compared to independent practitioners for similar services and to bridge the gap or to justify why CMHC rates are different.

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### Calendar for Workgroup

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- The workgroup went over the rest of the rates that will be reviewed to begin making recommendations and determining if additional information needs to be gathered.
- It was discussed that while the contract requirements only require staffing for Room and Board services to be overnight. In practice, some CMHCs need to staff 24/7 due to the needs of the clients.
- Related to CARE, DSS will work on putting together a summary of the detail from the cost report as well as developing a survey for workgroup review before disseminating to all CMHCs. Questions to include relate to productivity expectations, duplication percentage, and length of contact.
  - There was a discussion as to whether the structure of the CARE bundle needed to change, but it was decided that it would be better left bundled in a daily rate.
- IMPACT services, being similar to CARE, will have the same survey developed to garner information related to IMPACT rates.
  - Terry Dosch will follow up on why one CMHC has had a historically different rate than the others.
- CYF/SED services were determined to not need an additional survey. There was also discussion about changing the method of reimbursement for CYF services, but again, the workgroup determined it would be better to retain the current structure.
- Outpatient services also didn't feel that a survey was needed, but historically, outpatient rates were higher as a result of the more seasoned, higher-credentialed staff providing this service whereas CYF services were more bachelor's level. CMHCs indicate they have seen staffing changes that may indicate more master's level clinicians may be providing CYF services.
- The rural rate methodology was also discussed. The workgroup agreed that a rural rate is needed due to the travel time and costs associated with providing services to rural locations. Currently, the rural rate is 20% higher than the non-rural rates. The workgroup was unsure of how 20% was determined. Further discussion will be needed on the methodology and determining an enhanced rate for rural services.

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### Next Steps

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- CMHCs will provide information related to other payor reimbursement for psychiatric services.
- DSS will begin developing a modeled rate for psychiatry to assess what variables are missing or other inputs needed.
- DSS will begin drafting a survey for CARE and IMPACT to garner additional information.
- DSS plans to have a draft from Myers and Stauffer to disseminate to the group.

- It was acknowledged that the calendar and timeline is aggressive and may need to be adjusted.

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### Public Comment

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- Laurie Mikkonen asked for any public comment. Being none, the meeting was adjourned.