

# MINUTES

## Substance Use Disorder Services Financial Workgroup

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June 6, 2019  
9:00-11:00 am  
Teleconference

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### In Attendance

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Michelle Spies, Mary LeVee, Tiffany Wolfgang, Amy Hartman, Michelle Carpenter, Terry Dosch, Steven Gordon, Brendan Smith, Laura Schaeffer, Amy Iversen-Pollreisz, Laurie Mikkonen, Susan Sandgren, Brenda Tidball-Zeltinger, Stacy Bruels

Not Present: Stacia Nissen, Gary Tuschen

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### Welcome and Introductions

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- Laurie Mikkonen welcomed the group.

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### Review and finalize minutes from December 13<sup>th</sup>, 2018 meeting

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- The minutes were reviewed. Michelle Spies moved to approve. Minutes were approved.

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### Review and finalize models for: Inpatient, PRTF, and Detox

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- Laurie Mikkonen provided an overview of updates made to the two inpatient methodologies previously discussed. Clarifications were made to occupancy and direct care staff. The first model pulled directly from the provider cost reports and then calculated an average rate based on each individual provider's cost report data. The modeled rate using this methodology is \$220.17 per day. The second model level-set all providers by taking an average direct care wage and percent of direct care wage expense to the total allowable while maintaining each provider's occupancy levels before averaging a rate. The modeled rate using this methodology is \$224.92. Michelle Carpenter indicated that because the second model averaged the direct care wage while leaving occupancy helps to normalize the rate. The workgroup concurred to use the second model to establish the inpatient rate. The modeled rate will be indexed to SFY19.

- The rate for Lewis and Clark Behavioral Health was reviewed using their cost report information as well and keeps them in line with the historical methodology.
- Laurie Mikkonen walked through the methodologies for Substance Use Disorder Psychiatric Residential Treatment Facilities (SUD PRTFs). The methodologies presented used the same logic as the inpatient models. An additional methodology was presented using the Child Protection Services (CPS) PRTF rate and then enhancing the rate to cover the medical costs. Amy Hartman, speaking only for Volunteers of America, indicated the second method would make the most sense as this would keep the model in alignment with the inpatient model. There was additional discussion regarding the difference in the SUD PRTF and CPS PRTF. The key difference is the use of actual occupancy vs imputing 90% for both the PRTF and inpatient rates. The 90% imputed occupancy for CPS PRTF is consistent with federal requirements of promoting rate methodologies that incentivize efficiency. Approval of any methodology for services that utilize Medicaid may result in reconsidering the occupancy levels given the ranges of actual occupancy 52% - 77%. The group suggested tabling finalizing these until the occupancy issue can be analyzed and resolved.
- A model for detoxification services was presented. Information from cost reports varied by provider that all rates would have been classified as outliers. Instead, the low intensity rate was used as a basis with an enhancement made to cover medical costs that are part of detox. Concern was voiced that this modeled rate was too low and would not cover providers' costs. Missing from this model was reimbursement for the required treatment. Follow up will be conducted to create a model that would allow for billing of treatment separately from the 12-hour unit rate. The workgroup discussed that a large detox provider can provide detox services in a more cost-effective manner than a small detox provider. As a result, another model will be developed to scale the rate based on the size of provider. Staff will also be reviewing the intensity of treatment required in Administrative Rules for detox services to determine if adjustments can and should be made.
- Currently, only one provider serves individuals in day treatment. As a result, DSS will be in conversation directly with the provider.

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### Next Steps

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- DSS will review the CPS PRTF rate in comparison with the SUD PRTF model.
- DSS will create two models for detoxification services to contemplate billing treatment outside of the detox rate and one to scale the rate for provider size.
- DSS will review treatment requirements for detox services.
- DSS will contact the day treatment provider to discuss the rate methodology.
- The next meeting will be held on June 19, 2019.

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### Public Comment

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