

Meeting Agenda

Provider Rate Methodology Workgroup – Substance Use Disorder

June 19, 2019

9:00 a.m. – 11:00 a.m. (Central Time)

Conference Call 1-866-410-8397

Access Code: 243-320-4489

- I. Welcome and Introductions
- II. Review and finalize minutes from June 6, 2019 meeting
- III. Review and finalize models for: PRTF & Detox
- IV. Next steps
- V. Public Comment

MINUTES

Substance Use Disorder Services Financial Workgroup

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

In Attendance

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

Welcome and Introductions

- Laurie Mikkonen welcomed the group.

Review and finalize minutes from December 13th, 2018 meeting

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

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

- 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.

Next Steps

- 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.

Public Comment

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

	A	B	C	D	E	F	G	H	I	J	K
1	SB147 Y2 - SUD										
2	Intensive Inpatient Draft Model Options										
3	Not all Inpatient programs are represented on this sheet.										
4											
5	Model based on FY18 Cost Report Information										
6	Program	Capacity	Direct Care FTE	Total Paid Direct Care Hours Needed	Direct Care Wage Expense per Hour	Total Direct Care Wage Expense	Total Direct Care Wage Expense as a % of Total Allowable Expenses	Total Expense	*Individual Occupancy	Daily Cost	Average of Individual Provider's Cost
7	BMS	6	6.4	13,364	\$ 16.89	\$ 225,784	58.6%	\$ 385,133	88%	\$ 200.28	\$ 220.17
8	DCI 17 Data	5	2.9	6,043	\$ 25.33	\$ 153,040	63.1%	\$ 242,373	58%	\$ 229.96	
9	Compass Point	9	8.2	17,150	\$ 17.82	\$ 305,682	61.6%	\$ 496,259	59%	\$ 256.60	
10	VOA	3	2.7	5,653	\$ 18.49	\$ 104,536	56.1%	\$ 186,482	88%	\$ 193.85	
11		23	20.3	42,210	\$ 19.63	\$ 789,041	59.9%	\$ 1,310,247	73.1%		
12					average		average		average		
13											
14	Model based on FY18 Cost Report Information, Averaging Direct Care Wage Expense per Hour and Total Direct Care Wage Expense as a % of Total Allowable										
15	Program	Capacity	Direct Care FTE	Total Paid Direct Care Hours Needed	Direct Care Wage Expense per Hour	Total Direct Care Wage Expense	Total Direct Care Wage Expense as a % of Total Allowable Expenses	Total Expense	*Individual Occupancy	Daily Cost	Average of Individual Provider's Cost
16	BMS	6	6.4	13,364	\$ 19.63	\$ 262,389	59.9%	\$ 438,373	88%	\$ 227.96	\$ 224.92
17	DCI 17 Data	5	2.9	6,043	\$ 19.63	\$ 118,648	59.9%	\$ 198,226	58%	\$ 188.07	
18	Compass Point	9	8.2	17,150	\$ 19.63	\$ 336,724	59.9%	\$ 562,563	59%	\$ 290.88	
19	VOA	3	2.7	5,653	\$ 19.63	\$ 110,991	59.9%	\$ 185,433	88%	\$ 192.76	
20		23	20.3	42,210		\$ 828,752		\$ 1,384,595	73.1%		
21									average		
22											
23	Model based on Lewis and Clark data only, FY18 Cost Report Information										
24	Program	Capacity	Direct Care FTE	Total Paid Direct Care Hours Needed	Direct Care Wage Expense per Hour	Total Direct Care Wage Expense	Total Direct Care Wage Expense as a % of Total Allowable Expenses	Total Expense	*Individual Occupancy	Daily Cost	
25	Lewis and Clark	16	13.2	27,516	\$ 32.03	\$ 881,243	65.6%	\$ 1,344,337	75%	\$ 308.48	
26											
27											
28			Option	Modeled Rate Options	Indexed to SFY19 with 2.25%						
29			1	\$ 220.17	\$ 225.12						
30			2	\$ 224.92	\$ 229.98						
31			L&C	\$ 308.48	\$ 315.42						
32											
33	*Due to the small overall capacity of Intensive Inpatient beds compared to other residential services, occupancy is indirectly related to modeled rate. The modeled rates are based on actual units and expenses.										

	A	B	C	D	E	F	G	H	I	J	K	L
1	SB147 Y2 - SUD											
2	PRTF Draft Model Options											
3												
4	Model based on FY18 Cost Report Information											
5	Program	Capacity	Direct Care FTE	Total Paid Direct Care Hours Needed	Direct Care Wage Expense per Hour	Total Direct Care Wage Expense	Total Direct Care Wage Expense as a % of Total Allowable Expenses	Total Expense	Individual Occupancy	Daily Cost	Average of Individual Provider's Cost	
6	Our Home	20	20.6	42,765	\$ 23.45	\$ 1,002,643	60.4%	\$ 1,661,251	77%	\$ 295.23	\$ 288.86	
7	Wellfully	15	12.4	25,733	\$ 18.28	\$ 470,444	54.0%	\$ 870,643	61%	\$ 259.74		
8	VOA	12	9.8	20,346	\$ 18.30	\$ 372,262	52.4%	\$ 710,814	52%	\$ 311.62		
9		47	42.7	88,844	\$ 20.01	\$ 1,845,349	55.6%	\$ 3,242,708	63.5%			
10					average		average		average			
11												
12	Model based on FY18 Cost Report Information, Averaging Direct Care Wage Expense per Hour and Total Direct Care Wage Expense as a % of Total Allowable											
13	Program	Capacity	Direct Care FTE	Total Paid Direct Care Hours Needed	Direct Care Wage Expense per Hour	Total Direct Care Wage Expense	Total Direct Care Wage Expense as a % of Total Allowable Expenses	Total Expense	Individual Occupancy	Daily Cost	Average of Individual Provider's Cost	
14	Our Home	20	20.6	42,765	\$ 20.01	\$ 855,634	55.6%	\$ 1,539,280	77%	\$ 273.55	\$ 290.31	
15	Wellfully	15	12.4	25,733	\$ 20.01	\$ 514,865	55.6%	\$ 926,238	61%	\$ 276.32		
16	VOA	12	9.8	20,346	\$ 20.01	\$ 407,082	55.6%	\$ 732,337	52%	\$ 321.06		
17		47	42.7	88,844		\$ 1,777,581		\$ 3,197,855	63.5%			
18									average			
19	Model based on CPS PRTF SB147 Y1 Modeled Rate with 2016 data at 90% Occupancy											
20								CPS PRTF Modeled Rate	Indexed to SFY20	Medical Addon CPS Claims Data	Final Rate with Medical Addon	
21	Medical Costs Notes											
22	Original Medical BH Cost per day from original DHS model: \$18.99											
23	Claims Data BH Medical Cost Nov. 2018: \$18.37 Per Day											
24	Claims Data CPS Medical Cost Nov. 2018: \$23.96 Per Day											
25												
26			Option	Modeled Rate Options	Indexed to SFY19 with 2.25%							
27			1	\$ 288.86	\$ 295.36							
28			2	\$ 290.31	\$ 296.84							
29			3	\$ 277.75	no index							

	A	B	C	D	E	F	G
1	SB147 Y2 - SUD						
2	Detox Model						
3							
4	Full Base Rate + 5% Medical + 30 Mins Ind Counseling per 48 Hours (0.5 units/12 hour)						
5		Base Rate (50% of 3.1)	5% Medical Addon	Units	Modeled Individual	1/2 Unit of Individual	Total Rate
6		\$ 29.72	\$ 1.49	0.5	\$ 23.41	\$ 11.71	\$ 42.91
7							
8							
9			Modeled Rate	Indexed to SFY19 with 2.25%			
10			\$ 42.91	\$ 43.87			