

MINUTES

Substance Use Disorder Services Financial Workgroup

December 13, 2018
9:00-11:00 am
Teleconference

In Attendance

Michelle Carpenter, Stacy Bruels, Terry Dosch, Greg Evans, Steven Gordon, Amy Hartman, Amy Iversen-Pollreisz, Laurie Mikkonen, Susan Sandgren, Laura Schaeffer, Brendan Smith, Michelle Spies, Brenda Tidball-Zeltinger, Gary Tuschen, Tiffany Wolfgang, Josh Merkley, Linda Reidt Kilber, Alan Solano, Thomas Stanage

Not Present: Stacia Nissen, Richard Bird, Hillary Schwab

Welcome and Introductions

- Laurie Mikkonen welcomed the group.

Review and finalize minutes from November 7th meeting

- The minutes were reviewed. Michelle Spies moved to approve. Michelle Carpenter seconded the motion. Minutes were approved.

Review changes and models for: Outpatient-group and low-intensity residential and rural rate

- Laurie Mikkonen reviewed the low intensity residential model. The model had not been changed from prior meetings; however, DSS staff had reached out to speak directly with the low intensity providers to review. The workgroup approved the modeled low intensity rates which will include a non-treatment daily rate with treatment services billed separately at outpatient individual and outpatient group rates.
- The workgroup reviewed information regarding rural rates. Current rural rates are 20% higher than non-rural rates. In State Fiscal Year 2018, approximately \$74,000 were billed in rural rates for substance use disorder services. Mental health rural

services had expenditures of approximately \$3.5 million. The workgroup discussed the desire to have consistent policy for all behavioral health services. As a result, rural rates will remain at 20% higher than non-rural rates until mental health services are reviewed. The workgroup agreed that if adjustments are made to the rural rate methodology under mental health, the same methodology will be applied to substance use disorder services.

- The workgroup compared individual and group rates to among Region 8 states: South Dakota, Montana, Wyoming, Colorado, and North Dakota. In reviewing these rates, South Dakota has established the highest individual rate. Group rates, as a percentage of individual rates, varied, with an average of 37%. The workgroup agreed to use a percentage of an individual rate to model the group rate. Cost report information indicated that group costs are 23% of individual costs. The models presented provided a calculation using 26% of the individual rate or 28%. The workgroup approved the 28% option for the group rate modeling as this will support agencies that may have more difficulty drawing larger group sizes.

Review inpatient model methodology

- Laurie Mikkonen walked through calculations from cost report data by provider. Two different models utilizing cost report data were presented to the workgroup. The first model utilizes each provider's cost report data to develop a daily cost whereas the second model utilized as average hourly rate and average direct care wage cost as a percentage of allowable expenses.
- The workgroup reviewed this information and determined that follow up would be conducted directly with inpatient providers to determine what staffing needs are over the course of the week as inpatient requires 30 hours of treatment per week. The discussion included needing to ensure the rate supports evidence-based practices in an inpatient setting. Also discussed was the need to assess a potential "add-on" rate for individuals in need of medication assisted treatment.

Next Steps

- DSS will review the most recent cost report data and conduct follow up with the inpatient providers on staffing needs and salaries. The target date for contacting providers, which may include a survey, is January 17th.
- As part of a federal technical assistance opportunity, DSS will be requesting guidance on reimbursing for medication assisted treatment.
- The next rates to be reviewed include PRTF and detox.
- The target date for the next workgroup meeting is February.

Public Comment

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