



TRANSITION TO FEE FOR SERVICE

7-19-2013

Professional Advisory Committee

OVERVIEW

- DMHAS has engaged Myers and Stauffer (M&S), a national CPA firm, to conduct the rate analyses for DMHAS services.
- Objectives:
 - *Develop a fee schedule that is reflective of the costs incurred in providing the services*
 - *Rates will be rolled out concurrent with ASO going live.*
 - *Encourage cost efficiencies through new payment system*
 - *Provide equity in rates or “like rates for like services.”*
 - *Maintain/increase access to services State-wide*



METHODOLOGY/APPROACH

- M&S will use following data sources:
 - Site visits of a sample of providers
 - Existing rates paid by commercial payers and Medicaid, where applicable
 - Detailed analysis of current spending (Mental Health and Addictions contracts, Addictions Fee for Service, Medicaid spending on Behavioral Health conditions)
 - Rates in other states (with most similarity to NJ demographics and in relative proximity)



Rates that will fairly compensate community agencies and hospitals in New Jersey for the costs incurred in the services they provide



STAKEHOLDER INVOLVEMENT

- Vital to gaining buy-in and cooperation from providers
- **Examples in FFS project:**
 - Kickoff meeting held on May 20th
 - Fiscal Workgroup: Providers will have general input as to what should be considered “reimbursable costs” for services
 - Practice Workgroups - focused on more specific service categories (e.g., Outpatient, Residential)
 - E-mail address for comments/questions/suggestions
MBHOinput@dhs.state.nj.us
 - Newsletters and conference calls with M&S



DELIVERABLES

- **Preliminary Rates**
- **Fiscal Analysis:**
 - *Aggregate Fiscal Impact Program Wide*
 - *Provider Level Fiscal Impacts*
 - *Federal / State Fiscal Impacts*
- **Final Rates**
 - **For most services currently funded by DMHAS**
 - **A subset of services will remain under contract reimbursement**



CURRENT STATUS AND NEXT STEPS

- Service providers for site visits will be finalized this week and shared with M&S
- Practice groups: Currently deciding how many and how they will be structured
- M&S already has current spending data and will receive updates (e.g., impacts of Medicaid expansion) as needed
- M&S to commence site visits and will be leading the practice group meetings



THANKS!

- Thank you for your attention

