DIVISION OF MENTAL HEALTH AND ADDICTION SERVICES TRANSITION TO FEE FOR SERVICE

9-19-13

Addictions Quarterly Provider Meeting

OVERVIEW

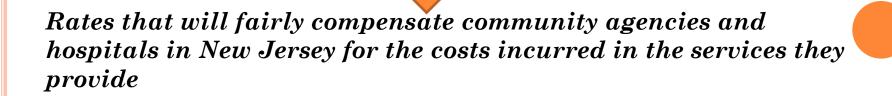
• DMHAS has engaged Myers and Stauffer (M&S), a national CPA firm, to conduct the rate analyses for DMHAS services.

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 using following data sources:
 - Comprehensive cost and unit data collection exercise with 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)



STAKEHOLDER INVOLVEMENT

• DMHAS has committed to transparency throughout the rate-setting process and stakeholders' input is being actively solicited.

• 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. First meeting held 7/25/13.
- Practice Workgroups focused on more specific service categories (e.g., Outpatient, Residential)
 - Will include several consumer advocates in these groups
- E-mail address for comments/questions/suggestions:
 - ${\color{red} \bullet} \ \underline{MBHOInput@dhs.state.nj.us}$
- 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
 - E.g., Certain services where State needs to buy overall capacity, as opposed to utilization, such as Emergency Services, Intensive Family Support Services and PATH.
 - Inpatient psychiatric services paid exclusively by Medicaid are, for now, <u>not</u> part of this new rate-setting exercise.

CURRENT STATUS AND NEXT STEPS

- Data Collection Tool (Excel file) was sent to selected providers on 8/27
 - Targeted for return to M&S is end of September (4 weeks from date it was distributed)
 - 2 training sessions were held: On-site demonstration at DHS Central Office on August 16th and a webinar on August 19th.
 - For those providers that need assistance, M&S will be able to visit them and provide guidance.
 - No specific provider cost information will be disclosed to other agencies.
- Practice groups: 7 groups focused on broad service categories have been determined and participants who have expert knowledge on these areas have been selected to participate.
 - Will also have a working group for Behavioral Health Homes (development of case rates for pilot program)
 - Introductory letter is almost ready to go.
 - Meetings should take place in October/November, i.e., after cost data has been collected
- M&S already has current spending data and will receive updates (e.g., impacts of Medicaid expansion) as needed.
- Expect preliminary rates during Fall. Will review with practice groups and Fiscal Workgroup.
- Final rates, with any adjustments from stakeholder review, hopefully by end of 1st quarter of CY14. *Will not be effective until ASO goes live*.

QUESTIONS?