



**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)



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



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:
 - 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, not 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?

