Rate standardization for adult residential mental health services

CMHP Business Meeting

June 27, 2018
Rate standardization for adult residential mental health services

POLICY GOALS
OHA policy goals for rate standardization

1. Align with Oregon Performance Plan and CCO 2.0

2. Incentivize good outcomes that result in transitions to a community-based level of care that maximizes personal choice

3. Establish sustainable standard rates based upon client acuity and level of care needs

4. For OHP members in residential and 1915(i) settings, explore ways to move Medicaid-allowable services to MMIS claiming

5. Ensure service quality and stability in transitions from residential to home/community-based care
Why is alignment important?

• With Oregon Performance Plan, aligned supports, rates, and county contracts will:
  – Transition clients to the least restrictive settings, and
  – Expand Assertive Community Treatment and Supportive Housing capacity.
  – Business model impacts of diversion, accelerated OSH discharge, transition to most integrated setting

• With CCO 2.0, standard residential rates will make it easier to transition residential clients to CCOs.
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FINDINGS
## Reasons for rate disparities

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<tr>
<th>Housing crisis</th>
<th>Bundled personal care/ habilitation rates</th>
<th>Partial rate standardization (2007)</th>
<th>Inconsistent Medicaid reimbursement</th>
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<tr>
<td>Raised rents</td>
<td>Not tied to acuity</td>
<td>Unbundled rates, tied to contracts</td>
<td>All providers bill PC/Hab per diem</td>
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<td>Reduced rental stock</td>
<td>Not risk-adjusted, nor county contract funded</td>
<td>Updated contract COLA biennially</td>
<td>Not all providers are licensed to do &amp; bill MH Rehab</td>
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<td>Impact varies geographically</td>
<td>From pre-2007 individual rate negotiations</td>
<td>Standardization incomplete</td>
<td>Not all residents have Medicaid</td>
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Related operational activities

- Exceptional Needs Review Committee
- We are shifting resources to integrated services in the community; ACT, Mobile Crisis and Supported Housing
- Developing Residential Utilization Tracking System
Preliminary findings

- Interim Rate Review
  - Lowest quartile
    - Discussing issues with wages, OPE, high turnover
    - Additional staffing, more services, better services toward transitioning to most integrated setting

- Goal to move clients into the most community integrated setting
Rate Standardization Project milestones

**Feb-Apr 2018**
- Develop interim rate review process
- Collect data to support interim rate review

**Apr-Jun 2018**
- Initiate provider engagement
- Gather rate standardization data

**July-Sep 2018**
- Preliminary analysis, modeling
- Internal review & pricing rate options

**Oct-Dec 2018**
- OHA review & approve rates
- Public notice of rates
- Plan phased roll-out
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DATA COLLECTION
Technical assistance contractors

**Substantial analysis needed for review of:**
- Updated operating budgets
- Client acuity data
- Medicaid claims data

**Independent review needed for variations among providers in:**
- Operations
- Costs
- Current individually negotiated rates

**Optumas & JVGA contracted to assist with:**
- Data collection
- Analysis
- Modeling
- Rate methodology development
Data collection

1. General Ledgers have been submitted to vendor JVGA:
   - JVGA will Follow-up with provider calls and visits through end of July

2. Current operating budget and most recent audited financials received June 25 to be reviewed.
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NEXT STEPS
County and provider engagement

- Currently, OHA provides monthly rate review & standardization updates to AOCMHP, ORPA/OPERA, CCO BH Directors and State Regional Behavioral Health Network.
  - We could consider providing updates at monthly meetings but want feedback about interest in a monthly update call with this group as we realize sometimes information doesn’t always travel.
- OHA is working with AOCMHP and with ORPA to convene County Advisory and ORPA Provider Advisory groups. Please let us know if your interested in participating in a smaller advisory group. The kinds of things that will be addressed are:
  - Feedback to OHA rate standardization project team on emerging issues in data collection, preliminary analysis, operational findings
  - To test rate methodology simulations on provider operations
  - To advise and provide feedback on provider training and roll-out of standardized rates, and ways to monitor for system stability and client transition processes
Questions?

• Email MentalHealth.ResidentialTransition@dhsoha.state.or.us

OHA will collect questions and add to Q&A document posted on OHA’s Behavioral Health Policy page at http://www.oregon.gov/OHA/HSD/OHP/Pages/Policy-BHS.aspx