Mental Health Adult Residential Standardized Rate Implementation

Final rates effective July 1, 2019 and capacity reporting

June 6, 2019 webinar

Oregon Health Authority

HEALTH SYSTEMS DIVISION
Adult Mental Health Services

For July 1 implementation

- All facilities must submit updated client rosters and LSI scores by **June 7, 2019**.
  - OHA will use the updated rosters and LSI scores to update all POCs for 7/1/2019 forward at the standardized rates.

  - All facilities must submit full roster capacity report by June 14.- Report template sent out this morning June 6.
  - Weekly thereafter, all facilities must submit roster and note changes of new admits, changes to LSI, transfers and discharges – more from Michael Oyster later in today's webinar

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Rules (OARs) for July 1

- OHA has filed a Notice of Proposed Rulemaking for the new rule that will implement the standardized rates (OAR 410-172-0705).
  - OHA will hold a public hearing 10:30 a.m. Tuesday, June 18 and accept written comments till 5 p.m. Thursday, June 20.
  - For details, see the rulemaking notice: https://www.oregon.gov/oha/HSD/OHP/Policies/Nprm-172-06182019.pdf

- All recent OHP rulemaking notices are posted at www.oregon.gov/OHA/HSD/OHP/Pages/Rule-Notices.aspx.

- **OHA is developing draft temporary rule language for Tier 5 intensive services criteria**

What we will cover today

Final rates

- Overview

- Standardized rates

- Special Program rates for additional required staffing
  - Secure
  - Young Adults in Transition
  - Tier 5 & intensive services

- Capacity Reporting

Standardized rate overview

- Costs according to provider submitted general ledgers for residential services

- Per provider feedback to JVGA, national job classifications for home health aide and personal care service worker - See Dec. 5 Optumas rate presentation on website
https://www.oregon.gov/oha/HSD/OHP/Pages/MH-Rates.aspx

- To build BRICK based upon direct care costs and other relative costs for residential services, value of hour for supervision and for engagement.

- Cost adjustments to rates for capacity, geographic cost variation (wages, housing, transportation).

- Trend to pace to Oregon minimum wage July 2019

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Project Overview

- The Oregon Health Authority contracted with Optumas and its subcontractor JVGA to help restructure reimbursement rates for services provided to individuals in OHA-licensed mental health residential settings.

- Optumas/JVGA utilize a process called The Brick Method™, developed by JVGA, which studies provider cost data to create fair and equitable rate systems built on the value of the direct support staff hour.

Base Data

- There are two types of data which underlie the calculation of the rate under the Brick methodology:
  - ○ General Ledger Data
  - ○ Bureau of Labor Statistics (BLS) Wage Data

General Ledgers

- Each facility submitted a general ledger representing the costs they incur by operating their business.

- The costs reported are examined in detail and split into consistent cost categories for each provider.

Expense Description	Cost	Expense Type
AM Direct Care	$25,000	Direct Support Wages
PM Direct Care	$20,000	Direct Support Wages
Night Direct Care	$22,000	Direct Support Wages
Float	$2,000	Direct Support Wages
Vac/Relief Staff	$1,000	Direct Support Wages
Employee Benefits	$500	Employment Related Expenditures
Worker's Compensation	$5,000	Employment Related Expenditures
Office Expense	$3,000	General and Administrative
Postage and Delivery	$300	General and Administrative

General Ledgers

- The data is then aggregated at the systemwide level and each expense type receives a component percentage which is its magnitude relative to direct support wages.

- To illustrate, consider the total of the following expense types in the previous table:
  - *Direct Support Wages - $70,000*
  - *Employee Related Expenditures - $5,500*

- The cost component percentage for ERE relative to the direct support wages would be 7.9% ($5,500/$70,000).

BLS Wage Data

- JVGA works with the state and providers to understand which job positions are being used to provide the adult residential services.

- JVGA extracts the BLS wage categories which most closely approximate the job descriptions provided for the service being rendered.

BLS Wage Code	Title	Oregon Statewide Wage
31-1011	Home Health Aides	$12.45
39-9099	Personal Care and Service Workers, All Others	$16.51

BLS Wage Data

- The wage data which is pulled down is extracted such that it aligns with the underlying time period of the general ledgers (CY 2017).

- The adult residential rates being set aim to be effective in 2019, so the wage data is trended forward to 2019 using the Consumer Price Index (CPI).

Brick Calculation

- Using the time period-adjusted BLS wage as the new base wage, the overall average cost relativities derived from the General Ledgers are applied to reflect the other cost categories.

- The cost categories included in the modeling are:
  - Employment Related Expenditures,
  - Training,
  - Support,
  - Program Related Facility Costs,
  - Transportation,
  - General and Administrative, and
  - Vacancy Factor.

Brick Calculation

- Engagement Brick

Brick Components	Component Percentages	Brick Value
Wage		$15.92
Employment Related	37.6%	$5.99
Training	5.0%	$0.80
Support	34.6%	$5.51
Program Related Facility Costs	6.5%	$1.03
Transportation	2.0%	$0.32
General and Administrative	10.0%	$3.29
Vacancy Factor	5.0%	$1.64
Sub total (all components but G&A, Vacancy)		$29.57
All Components (except Vacancy) with G&A		$32.86
FULL "BRICK"		$34.50

i. All estimates shown in the table above should be considered draft only and do not represent final rates.

Geographic Variation

- As JVGA examined the general ledger profiles, it was noticed that general ledgers in the tricounty area tended to have higher costs on average than those in the rest of the state.

- Approach: Geographic Variation based on the Minimum Wage Regions
  - o The value of the hour varies by the implied percentage difference in the minimum wage for the three regions established by Senate Bill 1532.

Brick to Rates

- To align with programmatic objectives, OHA felt that the most appropriate billable unit type for adult residential services would be per diem rates.
  - Due to the variance in the type of hours provided, JVGA and Optumas requested that OHA provide the standard split in engagement vs supervision hours.
  - Given that client acuity largely dictates this split, OHA created the following matrix which aims to address the variance while helping create a person-centered system.

Tier	Supervision Hours	Active Engagement Hours	Est. LSI Score Bands
Tier 1	24	0	Absent Bed
Tier 2	21	3	0-40
Tier 3	19	5	41-60
Tier 4	17	7	60+

Brick to Rates

- Does the intensity of supports vary by facility size?
  - In order to account for increased need for support depending on the number of people in a home, OHA provided an additional matrix which detailed the intensity of the staffing ratios.

- When paired with the type of hour split, this gives the total number of engagement and supervision hours for the day.

- The total hours can then be multiplied by the hourly rate (the Brick) to get an initial Per Home Per Diem.

Special Program rates for SRTF & YAT

- Based upon a December 2018 rate simulation, OHA and Optumas examined three program areas where program costs and individual levels of care varied relative to the general residential system.
  - Secure programs – OAR 309 Secure staffing requirements were detailed to Optumas
  - Young Adults in Transition programs requirements were detailed to Optumas
  - Complex, intensive services cases and programs were identified to examine staffing, credentialing and engagement

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Tier 5 intensive services rates, excluding SRTF & YAT

A. Tier 5 LSI 80+

B. For individuals with lower LSIs but requiring frequent monitoring & redirect based upon medical, behavioral, cognitive condition(s) severely interfering with treatment and self-care consistent with PCSP.

- Medically necessary (IQA)
- OHA concurrent review
- Asymmetric review service period approval (3 months then 6 months, then 6-12 months)

C. Standardized rates including SRTF, YAT, Tier 5 A & B for complex care needs cover 95% of individuals.

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Intensive Services Rate Requests

- "Brick Method" accounts for 85-95%

- 10-15% needs not captured by standardized instruments

- Traditionally "fuzzy" as to criteria and services

- Previously negotiated based on stated cost

- Reimbursement based on a fixed rate

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Criteria for Medically Complex

- Intensive Services Based on Medical Needs
  - At least 1:1 full assistance to:
    - Use and maintain adaptive or medical devices
    - Assistance with catheter/ostomy care
    - Delegated nursing tasks
    - Feeding
    - Mobility, transfers, or repositioning
    - Toileting, bowel or bladder care
    - Severe risk for wound care

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Criteria for behavioral – cognitive – psychiatric complex needs

- Intensive services based on behavioral/psychiatric/cognitive needs
  - 1:1 supervision in excess of 7 hours/day
  - More than 1:1 supervision to maintain community safety
  - Communication deficits requiring substantial intervention
  - Documented pattern of decompensation without proposed intensive supports

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Process

- Provider Contacts Rate Review Committee

- Submits Required Documentation

- Committee Reviews

- Meets With Provider

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Documentation

- Most recent LSI and LOCUS

- Current Treatment Plan

- Current Person Centered Service Plan

- Current Mental Health Assessment

- Current History and Physical (for rate requests based on medical needs)

- Current Risk Assessment (if applicable)

- Relevant Incident Reports

- Last 60 days' Worth of Progress Notes

- One Page Explanation of How the Proposed Services Meet Needs in PSCP

- One Page Synopsis from CMHP/Choice Contractor Affirming the Need for the Proposed Services

- Completed Intensive Services Rate Determination Request Form

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Advantages

- Standardized Transparent Process

- Specific Criteria

- Collaboration With Providers Counties and IQA

- Eliminate GF For Medicaid Eligible Individuals

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OHA Transition Period guidance

- OAR 410-172-0705

- Documentation required daily

- Engagement aligned to individual's LSI and PCSP

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Capacity reporting

- All sites to report roster, LSI and disposition by Jun 14 on template provided to ABH Residential Capacity Reporting ABH.ResidentialCapacityReporting@dhsoha.state.or.us

- Weekly thereafter all providers report changes (new admits, LSI changes, transfers, discharges) or no changes to ABH.ResidentialCapacityReporting@dhsoha.state.or.us

- Review template & instructions
  - Using drop-down lists when provided
  - "Enter" means to type info, "Select" means to use drop-down list
  - Do not edit lists or change them but do give us feedback
  - Every client should be included, both resident and those being referred, for each residential setting
  - Be looking for new versions beginning with: 1.0 6-6-19

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Residential Plan of Care

Service Code: Procedure code T1020

Dollars: Individual's per diem rate

Dates approved for this Plan of Care. Only bill for dates of service on or between the **Effective date** and **End date.**

How to bill at the individual's per diem rate:

- OHA will update POCs with the appropriate rate for the resident's acuity tier (based on the resident's LSI score).
  - Tier 2: LSI 40 or below
  - Tier 3: LSI 41-60
  - Tier 4: LSI 61 and above

- The table below shows how to bill for Tier 3 and Tier 2 individuals for July 2019 at the per diem rate (refer to the POC for the rate).

Roster	LSI	Tier	Per diem rate	From Date of Service	Thru Date of Service	Units	Total Billed
Individual 1	43	3	$246.80	7/1/2019	7/31/2019	31	$7,650.80
Individual 2	38	2	$160.07	7/1/2019	7/31/2019	31	$4,962.17

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Next steps: Preparing for July 1

June 2019
- Webinar 6/6/2018
- Pilot and roll out provider-reported capacity data
- Rulemaking hearing 6/18/2018
- Webinar 6/25/2018

July 2019
- Contracts for non-Medicaid only invoicing
- Technical assistance on engagement, documentation
- Monthly check-ins going forward

Technical assistance

- June 24, 2019 webinar
  - Invoice Tracker training

- June 25, 2019 webinar:
  - Billing refresher
  - Details on Retainer Payment billing
  - July 1 readiness

- July-October 2019
  - Monthly provider check-ins
  - Encourage and facilitate best practices development among providers

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For more information

Questions?

Email:

- MentalHealth.ResidentialTransition@dhsoha.state.or.us.
- ABH Residential Capacity Reporting ABH.ResidentialCapacityReporting@dhsoha.state.or.us

Website:

- https://www.oregon.gov/oha/HSD/OHP/Pages/MH-Rates.aspx

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