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Working within a Managed Care System

Substance Use Disorder Treatment

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Webinar Controls

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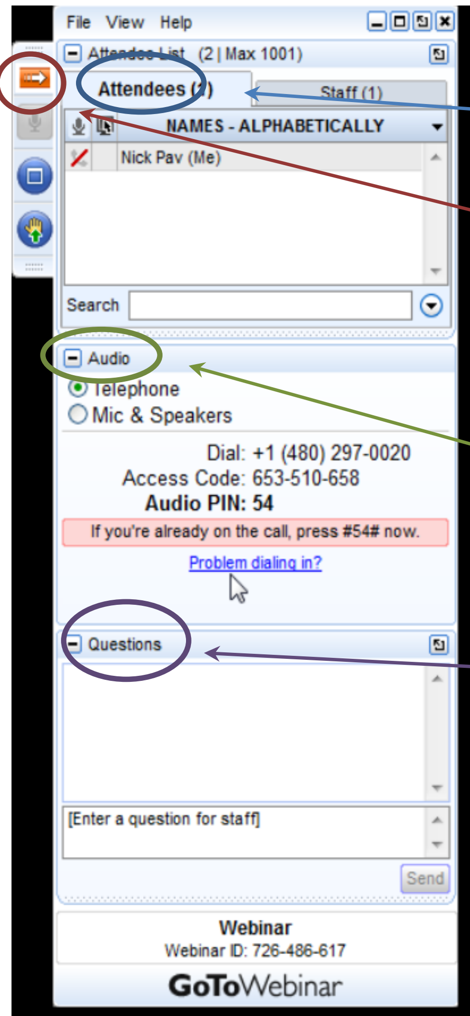
Webinar Controls



- Attendee List - Displays all the participants in-session
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Welcome

- This webinar is the 2nd in a three part series.
- The first webinar presented a general overview of Washington State's managed care system. Webinars are available by going to "Developing Behavioral Health Organizations" in the "Improving Services" section of the DBHR website

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Topics to be covered

This webinar is intended to provide Substance Use Disorder providers with information on how to work within a managed care system to include:

- Overview of Managed Care,
- Managed Care Entities
- Contractual Relationships
- Regional Service Areas
- Behavioral Health Organizations
- Contract and Sub Contract Elements
- Payment Methods, and
- Actuarial Rate Setting Process

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Overview of Managed Care

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What is Managed Care?

An organized way to deliver healthcare and behavioral healthcare services by efficiently utilizing healthcare resources to provide quality patient care.

The major goals of managed care include:

- Improved quality and accessibility of health care,
- Improved outcomes and overall quality of life, and
- Appropriate utilization of funds

Utilization Management

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Utilization management is a set of techniques used by or on behalf of managed care entities to manage health care costs by influencing patient care decision-making through case-by-case assessments of the appropriateness of care prior to its provision.

Key components include:

- Prospective Review which uses tools to predetermine what services can be provided such as access standards.
- Preauthorization Review is used for services that must be authorized on a per occurrence basis.
- Concurrent review/Discharge Planning is used for ongoing review of services, extensions and discharge.

BHOs are responsible to manage within the resources provided without regard to demand.

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Provider Network Management

Behavioral Health Organizations (BHOs) are required to submit documentation that demonstrate that they offer for Medicaid enrollees:

- An appropriate range of services that is adequate for the anticipated requests for service in the region.
- A network of providers that is sufficient in number, mix, and geographic distribution to meet the need of the anticipated number of enrollees.
- A mechanism to ensure providers comply with timely access requirements.

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Quality Assurance

- Requires quality improvement processes to decrease inefficiency and maximize outcomes for enrollees.
- External Quality Review Organization(EQRO) reviews compliance with federal requirements for quality standards.

Managed Care Entities

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Manage Care Entities include Managed Care Organizations (MCO's) and Behavioral Health Organizations (BHO's)

A system designed to provide quality health care in a cost effective way to ensure:

- Comprehensive benefit package
- Payment is risk bearing/capitation
- Paid a per member per month premium (PM/PM) to provide and/or purchase covered services.
- PM/PM is considered full payment for all medically necessary services

Regional Service Areas (RSAs)

Regional Service Areas (RSA)

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The Health Care Authority (HCA) and Department of Social and Health Services (DSHS) have jointly decided on common Regional Service Areas (RSAs) for Medicaid purchasing of physical and behavioral health care, beginning in 2016. More information is available through: hca.wa.gov/Releases/RSA%20Announcement%2011-04-14.pdf

Behavioral health services will be delivered through a Behavioral Health Organization (BHO), a Managed Care entity at risk for the mental health and substance use disorder services for Medicaid enrollees within the service area.

Medicaid MCOs (Apple Health, previously Health Options) will remain at risk for delivery of physical health services. As the delivery system transformation evolves, regions will transition towards fully integrated Managed Care systems.

For more information on the BHO development, visit: http://www.dshs.wa.gov/dbhr/bho_transition.shtml .

Regional Service Areas:

New purchasing regions designated by HCA and DSHS on November 5, 2014

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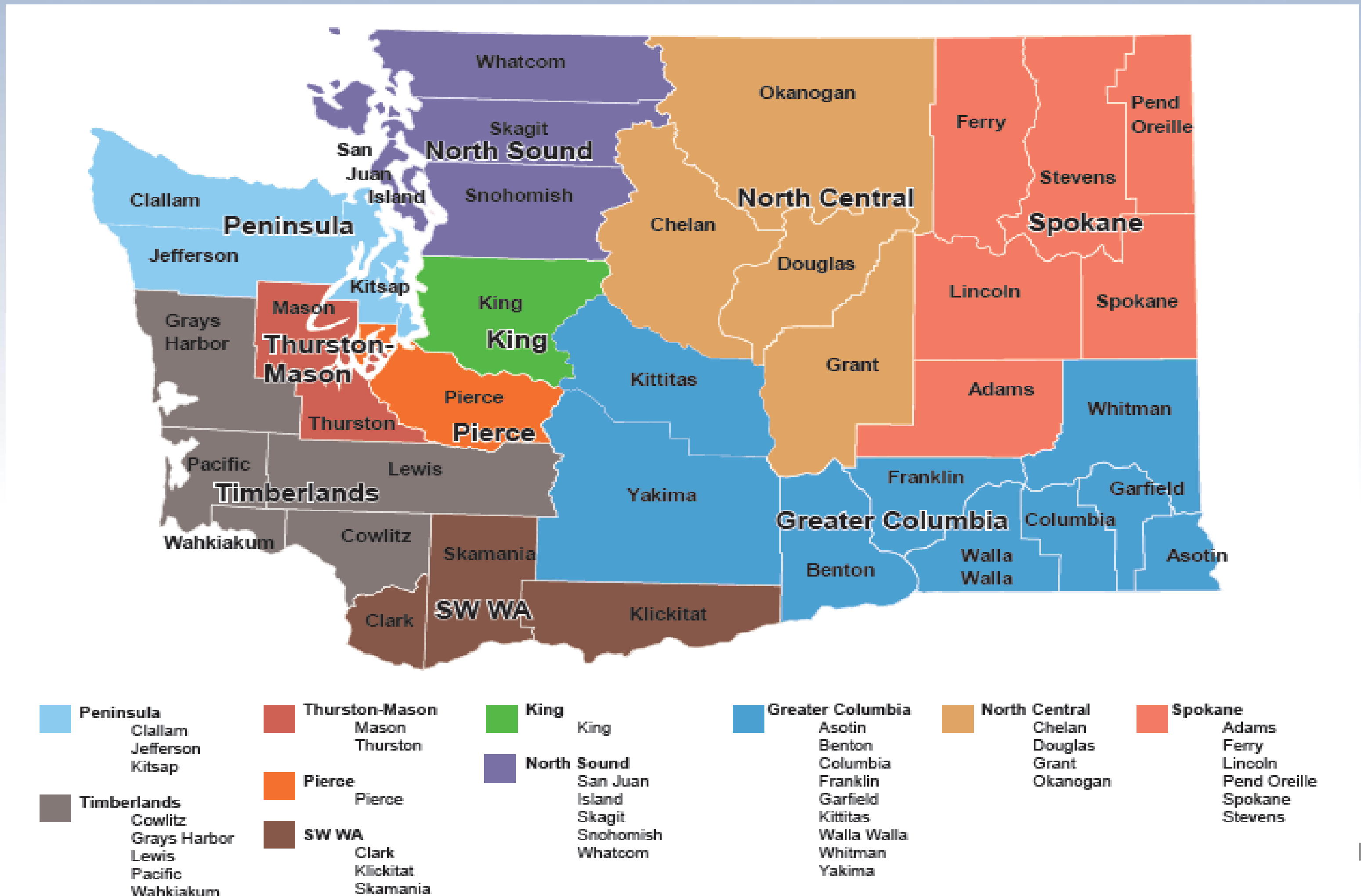

Contractual Relationships

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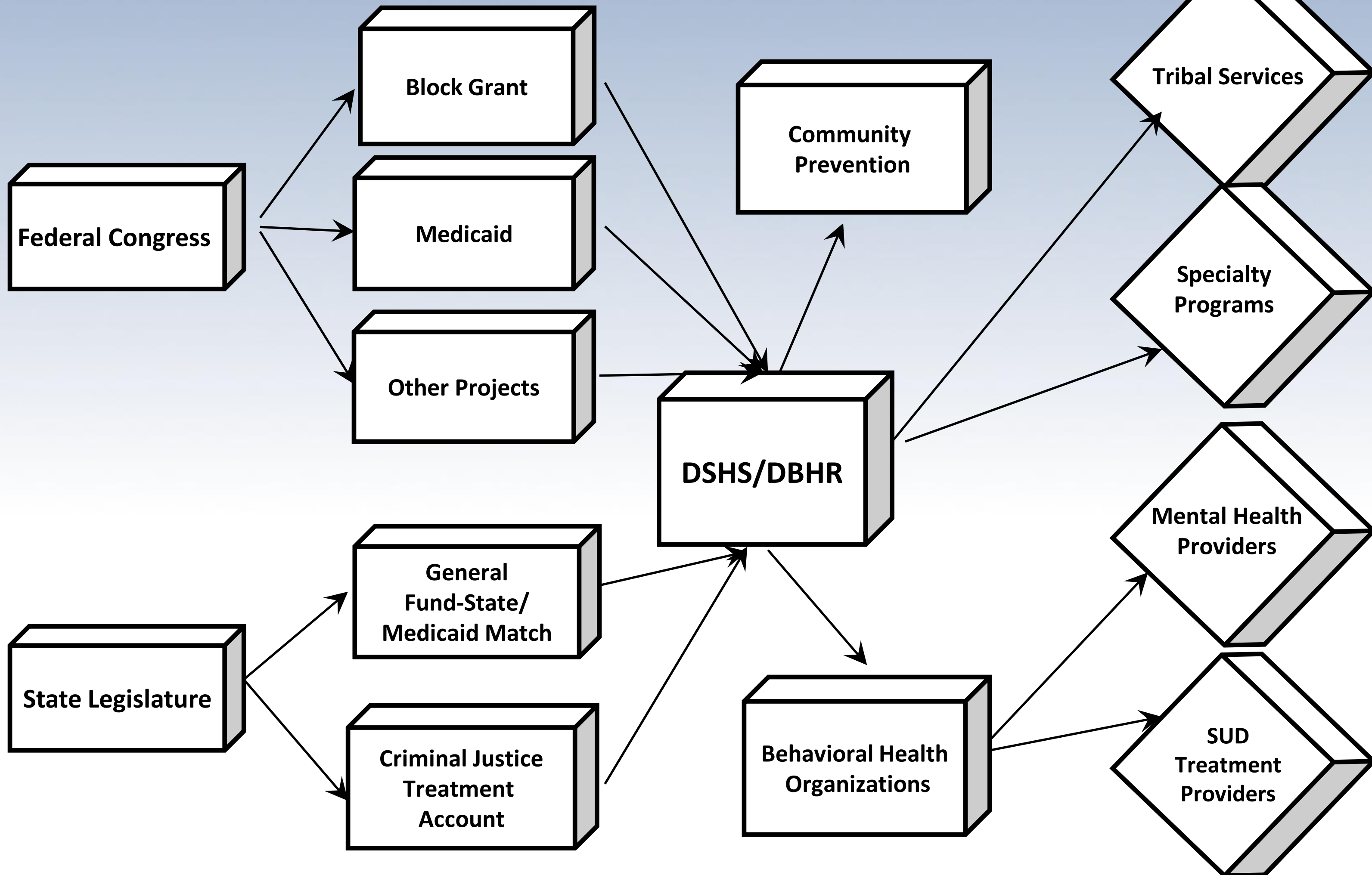
Future Funding Flow - All Sources



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Goals for Regional Service Areas

- Align interests around a common population especially for individuals who have complex, high cost, multi-system service use and needs.
- Bring partners together for shared accountability and to meet the legislated outcome measures of SB 5732 and HB 1519
- Serve as a platform to expedite fully integrated managed care delivery systems by 2020, as directed by statute
- Provide a framework for the evolution of a community role in Medicaid purchasing through Accountable Communities of Health (ACHs)

Behavioral Health Organizations (BHOs)

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2SSB 6312 (2014)

- Authorizes Behavioral Health Organizations.
- Directs state to purchase health and behavioral health in common regions.
- By April 1, 2016 BHOs begin in regional service areas that do not pursue the early adopter option for fully integrated Medicaid purchasing.
- BHOs held to new outcome measures.
- January 1, 2020 full integration of behavioral and medical health services to Medicaid enrollees.

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Elements of BHO

- BHOs established within regional service areas; one BHO per region
- Scope of services include current mental health services and substance use disorder services in current state law and the Medicaid state plan.
- The State pays a monthly capitation rates to the BHO to cover the cost of providing behavioral health services to Medicaid eligible members.
- DSHS has established several workgroups, participants of which include state agency staff, HCA, RSNs, and various stakeholder groups to help with this transition.
- Recovery Support Services including Supported Housing, Supported Employment and expansion of Peer Support to Substance Use Services may be added based on legislative and budget priorities.

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Contracting with Behavioral Health Organizations (BHOs)

- Start early conversations/negotiations with the BHO in your region.
- Treatment contracts will be restricted to Division of Behavioral Health and Recovery certified and licensed providers.
- Providers with multiple clinics may have varying local planning and operations decisions based on the BHO served.
- Access criteria will be standard, however utilization management, including continuing stay and discharge criteria may vary by BHO
- Providers will be required to verify Medicaid eligibility prior to providing service, even after service has been authorized

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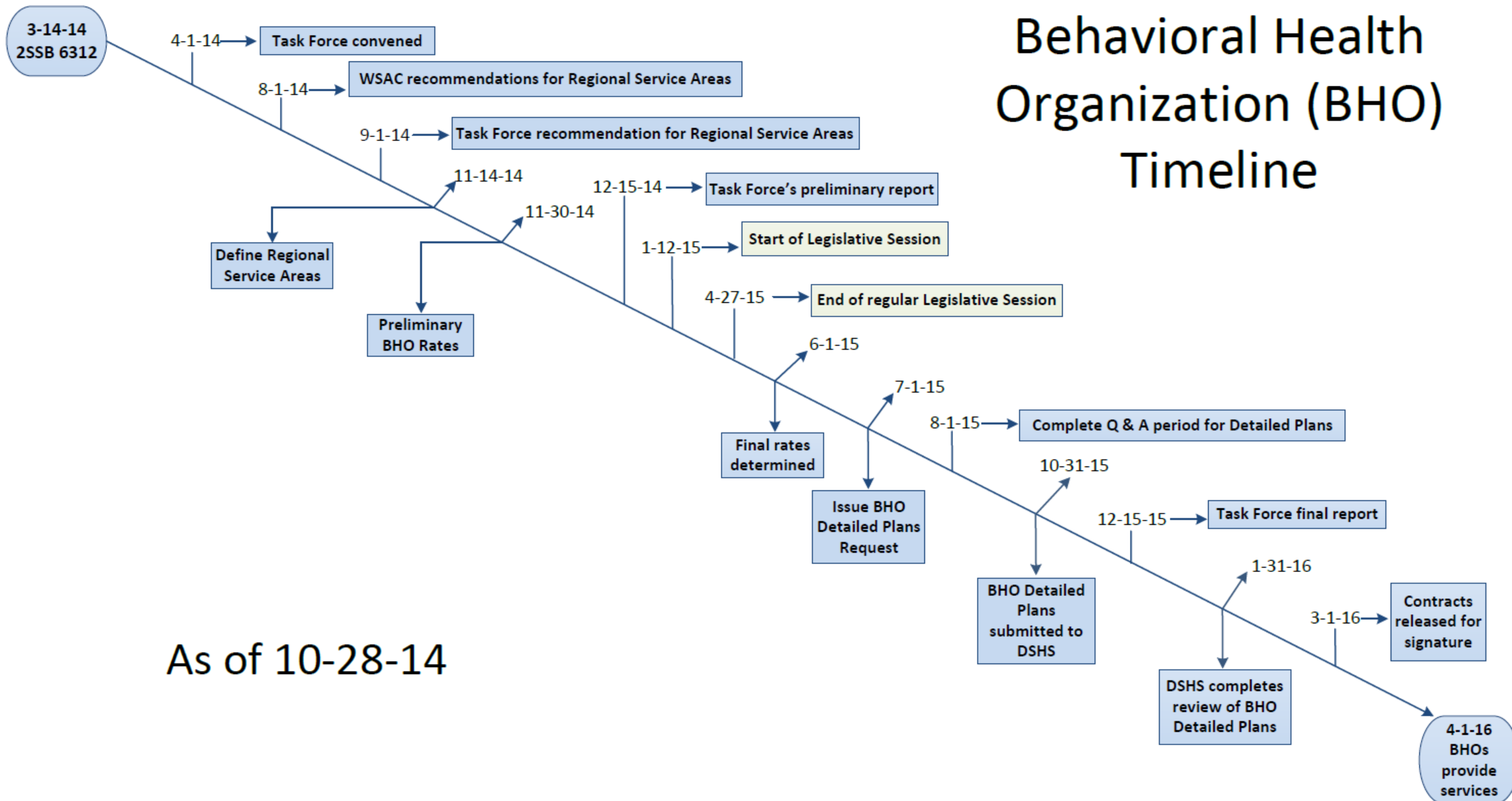
Behavioral Health Organization (BHO) Timeline



As of 10-28-14

http://www.dshs.wa.gov/pdf/dbhr/BHO%20Timeline.pdf

Contracting Elements

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Benefits package – Substance Use Disorder

- All the modalities currently outlined in the Medicaid State Plan will be provided to clients.
  - *Assessment for Drug Dependency*
  - *Detoxification*
  - *Outpatient and residential services*
  - *Pregnant and Parenting Women Residential*
  - *Opiate Substitution Treatment*

- The American Society of Addiction Medicine (ASAM) criteria for patient placement in substance use disorder services will be used to determine medical necessity and access to services.

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Subcontractual Relationships

Have in place written policies and procedures for:

- Processing requests for initial and continuing authorization of services
- Consistent application of review criteria for authorization decisions and procedures to consult with any requesting provider when appropriate
- Any decision to deny a service authorization request or to authorize a service in an amount, duration, or scope that is less than requested, must be made by a health care professional who has appropriate expertise
- Notification be given to both member and the requesting provider, in writing, of any adverse decision within 14 days

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Payment Methods

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The Funding Structure Before and After

Before

Fee for Service – Providers have traditionally billed for each service they delivered. The "unit of service" billed refers to a visit to a provider, a service hour – consider in 15 minute increments, or a methadone dosing.

After

The BHO is paid a – paid a "per member/per month" (PM/PM) payment to provide and manage all covered services for that month. The payment methodology to providers can vary between services and service providers.

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Managed Care Reimbursement Structure

Revised Program Design under Managed Care:

- The State establishes contracts with Behavioral Health Organizations (BHOs) to provide behavioral health services to a specified region.
- BHOs establish contracts with provider organizations to deliver behavioral health services.
- The State pays a monthly capitation payments (PM\PM) to the BHO to cover the cost of providing behavioral health services to Medicaid eligible members.
- Capitation payments are a fixed monthly payment that is made for each Medicaid eligible member in the region regardless of whether that member presents for a service.
- A pre-determined set of behavioral health services will be covered under the capitation payment while others will continue to be reimbursed through other funding mechanisms.

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Chemical Dependency Services

In BHO Contract	Continue as individual contracts with DBHR
• Traditional Outpatient, Intensive Outpatient and Opiate Substitution (both Medicaid and non Medicaid services) • Pregnant and Parenting Women, PCAP • Residential Services • Detox services	• Prevention services

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Rates

- DBHR will pay BHOs a per member/per month rate that is developed using actuarially sound rates development methodology.
- DBHR is working with an independent actuary to establish the rates.
- State will not be setting provider rates for services contracted.
- The BHO will negotiate with providers for services and payment methodology.
- BHOs will hold contracts with the state for general fund and block grant services to non-Medicaid clients and for non-Medicaid services.

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Reimbursement

The BHO is not:

- Required to contract with providers beyond the number necessary to meet the needs of the enrollees.
- Precluded from using different reimbursement methodology or rates with different providers.
- Precluded from establishing measures that are designed to maintain quality of services and control costs and is consistent with its responsibilities.

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Actuarial Process

Federal Rate Setting Requirements

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Actuarially sound capitation rates means capitation rates that:

Have been developed in accordance with generally accepted actuarial principles and practices;

Are appropriate for the populations to be covered, and the services to be furnished under the contract; and

Have been certified, as meeting requirements by actuaries who meet the qualification standards established by the American Academy of Actuaries and follow the practice standards established by the Actuarial Standards Board

Rate Development

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Step One

- DSHS has engaged Mercer to develop rates for Behavioral Health Organizations
- Mercer has set mental health rates for RSNs that will be the basis for the mental health portion of a Behavioral Health Rate
- Payment history is the starting point for the task of prediction that leads to a future rate

Step Two

Adjustments may be made by Mercer to historical costs for verifiable and quantifiable factors such as:

- Demographic & population changes
- Variations in utilization
- Inflation
- Cost changes
- Penetration & prevalence
- Experience in other states
- Benefit changes

Step Three

Combine CD & MH rates into a BHO Rate

Preliminary BHO rates will be presented to:

- The governor and legislature and their staff
- Office of Financial Management
- Potential BHOs
- Stakeholder workgroups

Rates are finalized as the basis for the budget

Rates are submitted with resulting contracts to CMS for approval

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Any Questions?

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Thank You

For more information:

Behavioral Health Organization Transitions:
Email questions to BHOTransitions@dshs.wa.gov
Website: http://www.dshs.wa.gov/dbhr/bho_transition.shtml

Apple Health (Medicaid): Customer Service Center
(1-800-562-3022), Long waits are sometimes required, but self-service options are available
https://fortress.wa.gov/hca/p1contactus/

Early Adopters Inbox : EarlyAdopterQuestion@hca.wa.gov
Early Adopters FAQs: http://www.hca.wa.gov/hw/Documents/early_adopter_QA_110614_final.pdf