

# WISE SPECIFIC - HOURLY RATE DEVELOPMENT BEHAVIORAL HEALTH ORGANIZATION (BHO) MENTAL HEALTH CAPITATION RATE SETTING

As of 11/9/16

The State of Washington contracted with Mercer Government Human Services Consulting (Mercer), part of Mercer Health & Benefits LLC to develop a case rate payment for the Wraparound with Intensive Services (WISe) program for State Fiscal Year (SFY) 2017/2018 contract period. WISe is a Medicaid funded range of service components that are individualized, intensive, coordinated, comprehensive, culturally competent, home and community based for children and youth who have a mental disorder that is causing severe disruptions in behavior. Treatment requires coordination of services and support, intensive care collaboration and ongoing intervention to stabilize the child and family to prevent more restrictive or institutional placement. WISe team members provide a high level of flexibility in accommodating families by working evenings and weekends and responding to crises 24 hours a day, seven days a week. The WISe program began July 1, 2014 in select areas across the State with ongoing ramp-up expected through June 30, 2018.

As a basis for calculating the case rate, Mercer utilized reported mental health (MH) encounters from the Calendar Year (CY) 2015 time period. Children enrolled in the WISe program utilize the full array of Medicaid benefits regardless of whether those services are delivered by a qualified WISe provider. The MH encounter data captures all Medicaid services delivered to WISe recipients and specifically identifies services delivered by qualified WISe providers using a 'U8' procedure code modifier. Services delivered by qualified WISe providers represent a fidelity-based approach, therefore the cost structure of these services is expected to be different than that of similar services delivered by non-WISe providers.

As with encounter data used to develop the BHO capitation payments, reported services delivered to WISe enrollees do not contain payment information from the BHOs. Therefore, Mercer implemented a pricing approach to WISe services, similar to that used for non-WISe encounters. Through discussions with DSHS, certain considerations were modified from what was used for non-WISe encounters. Specifically, adjustments were made to WISe services rates for training, documentation [Cross System Care Plan (CSCP) and note taking], 24-hour access to crisis and concurrent delivery of services by multiple providers. All other assumptions used in the development of non-WISe service expenses remain unchanged and are omitted from this document. These include assumptions for staff wages, employee-related expenses, provider overhead and certain productivity considerations. For additional information on the development of non-WISe service expenses, please refer to the MH/SUD Data Book dated October 7, 2016.

## Productivity Assumptions for WISE Services

The productivity assumptions are related to the percentage of full-time equivalent staff hours (2,080 hours per year) that translates into direct billable hours for each service modality. Mercer modeled the productivity of staff separately by service modality to consider the differences in service delivery between clinic-based services and community-based services as well as differences inherent to specific services such as crisis. The following assumptions were modified based on DBHR's expectation of typical delivery models. While DBHR recognizes that WISE service delivery will vary based on caseload size and individual service need/acuity, the considerations outlined below reflect expectations of typical service delivery.

- **Training** — This assumption was increased to 72 hours per year as each WISE team member is required to complete an additional 32 hours of annual training specific to the WISE program. The training assumption for non-WISE services is 40 hours per year per staff.
- **Notes/Team Meetings** — Due to the team-based WISE model, additional non-productive time was considered to reflect the time spent coordinating individual care. For all staff levels, DSHS expects an additional hour per day for CSCP planning and documentation, note taking and team meetings when compared to non-WISE services. The assumptions for WISE services are outlined below.
  - 2.25 hours per day for Psychiatrist and Physician assistants.
  - 2 hours per day for other staff.
  - Intake services and Special Population Services were set at 3 hours per day for all staff.

## 24-Hour Access to Crisis Services

Individuals enrolled in the WISE program are encouraged to access crisis services through their dedicated WISE service provider. While typical crisis response teams are subject to on-call time, WISE team members have the opportunity to deliver other forms of care when they are not responding to crisis events. However, during overnight hours, DBHR expects higher levels of on-call time as crisis events are expected to be less frequent and providers are not expected to be delivering other forms of care. Any increases to on-call time results in lower volumes of service encounters per staff and therefore higher average cost per service.

To capture the impact of these productivity considerations, each day was split into two segments for core service hours (8 hours) and overnight hours (16 hours). Mercer applied DSHS expectations separately for each of these segments.

- **Core Service Hours (8 hours):** Minimal on-call time as providers are expected to deliver (and bill for) other services. This translates to an expectation of approximately 6 hours of expected crisis delivery.
- **Overnight Service Hours (16 hours):** On-call time increased to 4 hours. Note that assumptions for travel interact with on-call time assumptions and therefore were considered together for overnight segments.
- For reference, on-call expectations for non-WISE providers is 1.5 hours per 8 hour shift.

Mercer acknowledges that individuals may continue to access crisis services through the non-WISE providers. In these cases, services continue to be priced based on considerations outlined in the Data Book.

### **Concurrent Delivery of Services by Multiple Providers**

Based on discussions with DBHR, the WISE delivery model provides for certain services to be administered simultaneously by multiple providers when clinically appropriate. Because the WISE service may not be encountered separately for each provider, additional considerations may be necessary to reflect the cost of multiple providers simultaneously delivering care. Note that this consideration is limited to instances where multiple providers are present during the delivery of care and does not include instances where providers confer in separate team meetings.

Certain state plan modalities are clinically appropriate for multiple providers to simultaneously deliver care. In such cases, DBHR and Mercer reviewed staffing considerations and documented provider types for WISE encounters. This information was used to develop team composition assumptions in instances where multiple providers may be present during the delivery of care. Because the WISE program is designed to cater service delivery based on individual needs, DBHR anticipates that this team-based approach will occur in 30 percent of services delivered for applicable modalities. In future rate setting and monitoring activities, DBHR will be performing targeted reviews to both support the development of the team-based approach and verify with more precision the frequency of team delivered services. Additionally, considerations will be made with respect to programmatic goals set forth by DBHR.

The following table illustrates the team composition for each modality where a team-based approach occurs:

**Team-based Modalities and Expected Team Composition**

<b>Modality</b>	<b>Provider Types Present</b>
Crisis Services	Below Master's Degree, Certified Peer Counselor, Master's Level Professional/Psychologist (MA/PhD)
High Intensity Treatment	Below Master's Degree, Certified Peer Counselor, Master's Level Professional/Psychologist (MA/PhD)
Group Treatment Services	Below Master's Degree, Certified Peer Counselor, Master's Level Professional/Psychologist (MA/PhD)
Family Treatment	Below Master's Degree, Certified Peer Counselor, Master's Level Professional/Psychologist (MA/PhD)
Community Psych Services	Below Master's Degree, Certified Peer Counselor, Master's Level Professional/Psychologist (MA/PhD)
Community Transition	Below Master's Degree, Certified Peer Counselor, Master's Level Professional/Psychologist (MA/PhD)
Therapeutic Psychoeducation	Below Master's Degree, Certified Peer Counselor, Master's Level Professional/Psychologist (MA/PhD)

<b>Modality</b>	<b>Provider Types Present</b>
Medication Management	Certified Peer Counselor and <i>either</i> Advanced Registered Nurse Practitioner/Physician Assistant (ARNP/PA) or Psychiatrist/Medical Doctor (MD)

### **Impact to WISE Case Rate Payment**

The WISE case rate payment is based on all services delivered by WISE providers and documented using the specific U8 procedure code modifier. Prior to the onset of WISE, all services were accessed through the RSN program and included in the development of the RSN PMPM capitation payment. With the onset of the WISE program in July, 2014, Mercer expects that certain services for WISE individuals are not being accessed through WISE providers. Thus, there is an inherent shift of reported encounters used as a basis for developing the WISE case rate payment.

The attached table (end of the document) illustrates the results of the pricing assumptions outlined above. Based on these expectations, the statewide CY 2015 WISE cost per user per month is approximately \$2,400. Note that this represents the historic cost expectation for WISE services and is prior to any prospective considerations for trend inflation or BHO administrative expenses associated with WISE screening and treatment plan review.

As noted above, individuals enrolled in the WISE program may continue to access services through non-WISE providers. For illustrative purposes, Mercer summarized any encounters accessed by WISE individuals (on a monthly basis) and quantified an additional cost per user of approximately \$470. While these encounters will not be included as part of the case rate payment, they will continue to be captured as part of BHO PMPM capitation payment issued on behalf of WISE individuals.

**MENTAL HEALTH AND SUBSTANCE USE DISORDER  
SERVICES DATA BOOK FOR THE STATE OF WASHINGTON**

Year: CY 2015  
 BHO: Statewide WISE Encounters  
 Rate Cell: All  
 Age Group: All  
 User Months: 6,170

Other Services Reported for WISE Users (Captured as part of the BHO PMPM capitation payment)
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Service Modality	Dollars*	Utilization**	Cost per User Month	Dollars*	Utilization**	Cost Per User Month
Inpatient	\$0	0	\$0.00	\$659,247	632	\$106.85
E&T	\$0	0	\$0.00	\$208,584	247	\$33.81
Residential MH Service	\$0	0	\$0.00	\$10,731	50	\$1.74
Crisis Services	\$962,521	1,756	\$156.00	\$256,621	1,101	\$41.59
Crisis Services (per diem)	\$0	0	\$0.00	\$57,367	169	\$9.30
High Intensity Treatment	385,850	1,105	\$62.54	18,899	96	\$3.06
Day Support	\$0	0	\$0.00	\$34,486	1,323	\$5.59
Individual Treatment Services	\$3,432,633	19,080	\$556.34	\$413,855	2,963	\$67.08
Group Treatment Services	\$4,804	73	\$0.78	\$56,846	1,449	\$9.21
Family Treatment	\$2,192,997	7,835	\$355.43	\$145,009	975	\$23.50
Intake	\$299,693	1,030	\$48.57	\$100,027	403	\$16.21
Special Population Evaluation	0	0	\$0.00	0	0	\$0.00
Medication Management	\$244,071	571	\$39.56	\$143,870	420	\$23.32
Medication Monitoring	\$0	0	\$0.00	\$1,330	10	\$0.22
Rehab Case Management	\$146,402	884	\$23.73	\$16,141	114	\$2.62
Community Psych Services	\$5,825,594	23,674	\$944.18	\$570,320	4,943	\$92.43
Peer Support	\$1,307,783	14,442	\$211.96	\$12,257	175	\$1.99
Therapeutic Psychoeducation	5,046	18	\$0.82	9,466	100	\$1.53
Assessment	\$0	0	\$0.00	\$6,227	49	\$1.01
Detox	\$0	0	\$0.00	\$0	0	\$0.00
Outpatient	\$0	0	\$0.00	\$78,850	9,272	\$12.78
Outpatient - Group	\$0	0	\$0.00	\$0	0	\$0.00
Opiate Substitution Treatment	\$0	0	\$0.00	\$0	0	\$0.00
Residential	\$0	0	\$0.00	\$92,621	624	\$15.01
<b>Mental Health (MH) Services Total</b>	<b>\$14,807,393</b>	<b>70,467</b>	<b>\$2,399.90</b>	<b>\$2,715,055</b>	<b>15,169</b>	<b>\$440.04</b>
<b>Substance Use Disorder (SUD) Services Total</b>	<b>\$0</b>	<b>0</b>	<b>\$0.00</b>	<b>\$177,699</b>	<b>9,945</b>	<b>\$28.80</b>
<b>Total</b>	<b>\$14,807,393</b>	<b>70,467</b>	<b>\$2,399.90</b>	<b>\$2,892,754</b>	<b>25,115</b>	<b>\$468.84</b>

\*Based on actual paid dollars for inpatient claims, reported per diem for daily non-inpatient services, and modeled unit costs for hourly services

\*\*Days for daily services, Hours for hourly services. Refer to Section III of the narrative for more information by modality

Note: this summary relies solely on base data. It does not include prospective trend or other administrative functions (e.g. WISE assessments, etc.)