



Los Angeles County's Substance Use Disorder Organized Delivery System

PREPARING FOR THE NEW REIMBURSEMENT AND COST RECONCILIATION PROCESS

February 9, 2017

Los Angeles County Department of Public Health Substance Abuse Prevention and Control (SAPC)



WHAT IS IN YOUR PACKET?

- Agenda and Presentation Handout
- Upcoming Provider Meeting Dates and Topics
- Los Angeles County's START-ODS Implementation Plan
- Los Angeles County's START-ODS Finance & Rates Plan
- START-ODS Informational Sheet #1: Expansion
- START-ODS Informational Sheet #2: Major Changes
- DHCS MHSUDS Notice #16-007: Same Day Billing
- DHCS MHSUDS Notice #17-002: HCPCS Codes



PREPARING FOR THE NEW REIMBURSEMENT AND COST RECONCILIATION PROCESS

SESSION CONTENT OVERVIEW

- New Treatment Rates for Youth and Adult Services
- Essential Role of Projecting Utilization to Building the Budget
- Allowable Costs for Program Development and Capacity Building
- Building Budgets that Support Capacity Building and Prevent Reimbursement Recoupment
- Restrictions on Client Fees for Medi-Cal and My Health LA Participants

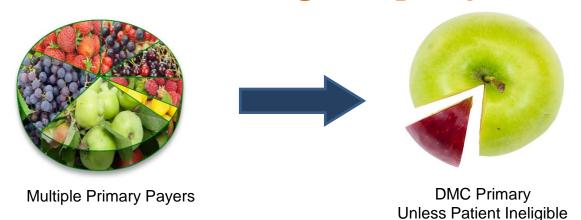


BUILDING A MODERN SUD SYSTEM OF CARE:

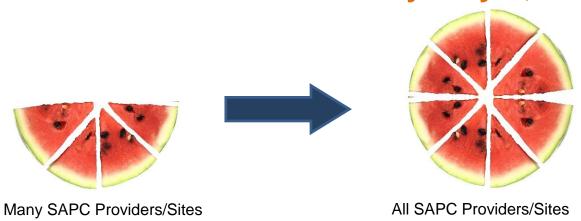
The Shift to DMC as the Primary Payer



DMC Covers Most Services for Most Patients Beginning July 1, 2017



All SAPC Contractors DMC Certified/Licensed at All SUD Treatment Sites by July 1, 2017





Eligibility Drives Payment Source

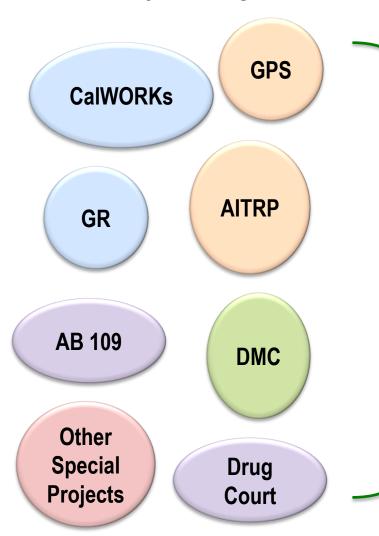
If an individual is Medi-Cal eligible and has a substance use disorder (SUD) diagnosis, he or she must be served at a DMC certified/licensed site.





CURRENT SYSTEM

Contracts by Funding Source



NEW SYSTEM

DMC Contracts with Other Funding Sources Used for Non-DMC Reimbursable Services



SAPC's Finance Division will "charge" non-DMC funding sources "on the backend" for non-DMC reimbursable services for eligible patients. In other words, no more funding specific contracts.



All non-DMC treatment contracts/statements of work are scheduled to expire June 30, 2017 and won't be renewed. This will help move the system to a single benefit package regardless of funding source with a focus on DMC.

- **CalWORKs SOW**
- General Relief SOW
- **8** AB109 SOW
- AITRP Treatment SOW

- **GPS SOW**
- Most Special Project SOWs



However, all funding sources from expiring contracts WILL BE NEEDED & USED FOR QUALIFIED PATIENTS



CalWORKs



General Relief



SAPT Block Grant from AITRP & GPS



Special Project Funds



AB109/ Realignment



SINGLE BENEFIT PACKAGE

Each individual eligible for publicly funded substance use disorder treatment services will have access to the same benefit package.

Eligible individuals include those eligible for, or currently receiving, Medi-Cal or My Health LA.



BUILDING A MODERN SUD SYSTEM OF CARE:

Improved Rates for Improved Care



Los Angeles County DMC Rates for Fiscal Year 2017-2018									
ASAM LOC/Service	Unit of Service (UOS)	Interim Rate per UOS	Projected Persons Served						
1.0 Outpatient	15-minute (except group* session)	\$29.63	25,667						
2.1 Intensive Outpatient	15-minute (except group* session)	\$32.01	10,591						
3.1 Residential	Day Rate	\$145.71 (includes \$36.43 for R&B, non-DMC funds)	1,648						
3.3 Residential	Day Rate	\$187.85 (includes \$46.96 for R&B, non-DMC funds)	3,244						
3.5 Residential	Day Rate	\$166.70 (includes \$41.47 for R&B, non-DMC funds)	10,026						
1-WM Withdrawal Management	Day Rate	\$210.46	1,047						
3.2-WM Withdrawal Management	Day Rate	\$381.37 (includes \$95.34 for R&B, non-DMC funds)	4,186						
Case Management	15-minute	\$33.83	24,511						
Recovery Support Services	15-minute	\$20.89	10,748						
Group Sessions calculated by # minutes for the group / # of beneficiaries / # of counselors = Total Minutes per Beneficiary.									

OUTPATIENT: DMC This Year → **DMC Next Year**



ASSESSMENT – 90 MINUTES



This Year \$69.50

Next Year \$177.78

TREATMENT PLAN - 60 MINUTES



This Year \$69.50

Next Year \$118.52

GROUP COUNSELING – 60 MINUTES 10 PATIENTS



This Year \$183.07

Next Year \$296.30

CASE MANAGEMENT – 15 MINUTES



This Year \$0

Next Year \$33.83

This Year: 90-Day Episode \$798*

Next Year: 90-Day Episode \$4,141* (+419%)

PHYSICIAN EVALUATION – 15 MINUTES



This Year \$0

Next Year \$29.63

INDIVIDUAL COUNSELING – 60 MINUTES



This Year \$0

Next Year \$118.52

FAMILY COUNSELING – 60 MINUTES



This Year \$0

Next Year \$118.52

DRUG TESTING - PER UNIT



This Year \$0

Next Year \$29.63

^{*} This is only an example and does not necessarily represent what will actually be paid for services at this LOC and duration. All services delivered must be based on medical necessity.

OUTPATIENT: Non-DMC This Year → DMC Next Year



ASSESSMENT – 90 MINUTES



This Year \$83.50

Next Year \$177.78

TREATMENT PLAN - 60 MINUTES



This Year \$17.51

Next Year \$118.52

GROUP COUNSELING – 60 MINUTES 10 PATIENTS



This Year \$208.80

Next Year \$296.30

CASE MANAGEMENT – 15 MINUTES



This Year \$17.41

Next Year \$33.83

This Year: 90-Day Episode \$2,478*

Next Year: 90-Day Episode \$4,141* (+67%)

PHYSICIAN EVALUATION – 15 MINUTES



This Year \$0

Next Year \$29.63

INDIVIDUAL COUNSELING – 60 MINUTES



This Year \$83.60

Next Year \$118.52

FAMILY COUNSELING – 60 MINUTES



This Year \$0

Next Year \$118.52

DRUG TESTING - PER UNIT



This Year \$20.22

Next Year \$29.63

^{*} This is only an example and does not necessarily represent what will actually be paid for services at this LOC and duration. All services delivered must be based on medical necessity.

RESIDENTIAL 3.1 – 3.3 - 3.5: SUD \rightarrow DMC



ASSESSMENT

PHYSICIAN EVALUATION





TREATMENT PLAN

DRUG TESTING





GROUP COUNSELING

TRANSPORTATION





INDIVIDUAL COUNSELING

FAMILY COUNSELING





THIS YEAR - SUD CONTRACT

Day Rate \$121.93 60-Day Episode with CM: \$7457*

NEXT YEAR - DMC CONTRACT

ASAM 3.1 Low Intensity
Day Rate \$145.71

60-Day Episode with CM: \$9,013* (+21%)

ASAM 3.3 High Intensity (Population Specific)

Day Rate \$187.85

60-Day Episode with CM: \$11,541* (+55%)

ASAM 3.5 High Intensity (Non-Population Specific)

Day Rate \$166.70

60-Day Episode with CM: \$10,272* (+38%)



CASE MANAGEMENT
Billed Separately
15 minutes - \$33.83
Projected 8 Units/60 Days

^{*} This is only an example and does not necessarily represent what will actually be paid for services at this LOC and duration. All services delivered must be based on medical necessity.

WITHDRAWAL MANAGEMENT 1-WM 3.2 WM: SUD → DMC



ASSESSMENT



SUB-ACUTE DETOX



AOD SCREENING



CASE MANAGEMENT
Billed Separately
15 minutes - \$33.83

THIS YEAR – SUD CONTRACT WM-1, OUTPATIENT

Day Rate \$0 60-Day Episode with CM: \$0



NEXT YEAR – DMC CONTRACT WM-1, OUTPATIENT

Day Rate \$210.46 3-Day Episode with CM: \$766* THIS YEAR – SUD CONTRACT WM-3.2, RESIDENTIAL

Day Rate \$343.92 Average 7-Day Episode with CM: \$2,477*



NEXT YEAR – DMC CONTRACT WM-3.2, RESIDENTIAL

Day Rate \$381.37 (+13%) 7-Day Episode with CM: \$2,804*



OTHER DMC SERVICES





CASE MANAGEMENT

Available During Treatment \$33.83 (15-minute increment)



RECOVERY SUPPORT

Available Post Treatment \$20.89 (15-minute increment)



BUILDING A MODERN SUD SYSTEM OF CARE:

Allowable Capacity Building Costs



KEY CONTRACT REQUIREMENTS AS OF JULY 1, 2017

See SAPC's START-ODS Implementation Plan

- ASAM Criteria for Placement Decisions
- Standardized Screening and Assessment Tools
- Medical Necessity Determines Placement & Services
- Cognitive Behavioral Therapy & Motivational Interviewing
- Residential Pre- and Re-authorization by SAPC
- Access to Care: Assessment within 15 Business Days
- Medication-Assisted Treatment as Treatment Option
- Transitions in Care (Step-Up/Step-Down)



KEY CONTRACT REQUIREMENTS AS OF JULY 1, 2017

See SAPC's START-ODS Implementation Plan

- Coordination with Physical and Mental Health Services
- Eligible Patients Obtain Medi-Cal or My Health LA
- Compliance with 42 CFR Part 438 (Managed Care)
- Compliance with 42 CFR Part 2 (Confidentiality)
- Operation 2 Evenings and 1 Weekend Day
- Cost Reconciliation: Lower of Costs or Charges
- DMC Eligible Patients Only Served at DMC Sites



ALLOWABLE CAPACITY BUILDING COSTS

See SAPC's Finance and Rates Plan

Network providers will need to evaluate existing management and staffing structures, as well as clinical and operational procedures, to ensure their ability to meet new clinical, data, fiscal, and quality assurance requirements.



Reconfigure and expand staffing structures to align with the new range and complexity of clinical responsibilities and to provide newly reimbursable services.

- Hire additional Licensed Practitioners of the Healing Arts (LPHA)*
 - To conduct family therapy and/or individual counseling
 - Review and approve treatment plans
 - To transition medical necessity determination responsibilities from medical director, as necessary

^{*} LPHA includes Physician, Nurse Practitioners, Physician Assistants, Registered Nurses, Registered Pharmacists, Licensed Clinical Psychologist (LCP), Licensed Clinical Social Worker (LCSW), Licensed Professional Clinical Counselor (LPCC), and Licensed Marriage and Family Therapist (LMFT) and licensed-eligible practitioners working under the supervision of licensed clinicians.



- Expand hours of the medical director or redesign duty statement to provide staff development and clinical training
- Hire staff specifically to provide case management:
 - Obtain Medi-Cal or My Health LA benefits for patients (and to secure reimbursement)
 - Coordinate care with other County Departments
 - Improve patient transition between levels of care
 - Improve health outcomes through linkages to physical health and mental health services



- Expand certified counselor workforce through hiring efforts or support to finish certification requirements
- Hire counselors specifically to provide recovery support services
- Increase staffing pattern to provide services on one weekend day and hours that meet patient needs
- Increase agency competitiveness through higher salaries and better benefits for direct service staff (e.g., livable wage)



- Fund professional trainings for direct service staff on required practices/competencies:
 - American Society of Addiction Medicine (ASAM) Criteria
 - ASAM Assessment Tools
 - Cognitive Behavioral Therapy
 - Motivational Interviewing
 - Culturally and Linguistically Appropriate Services (CLAS)
 - Documentation (e.g., treatment plan, progress notes)
 - Medication-Assisted Treatment as a Treatment Option
 - 42 CFR Part 2 Confidentiality Updates
 - New 42 CFR Part 438 Managed Care



SAMPLE ADMINISTRATIVE WORKFORCE ENHANCEMENTS

- Hire/train staff or consultants to manage accountability-related tasks, such as understanding and following the requirements established within the SAPC Quality Improvement (QI) and Utilization Management (UM) Manual.
- Hire/train finance staff or consultants to accurately project utilization and build budgets accordingly, manage expenditures, and support the transition to cost reconciliation.
- Conduct strategic planning efforts such as organizational and staffing assessments to ensure readiness to fully participate in the system transformation and new service design.



SAMPLE ADMINISTRATIVE/BUSINESS ENHANCEMENTS

- Upgrade technology to enhance capabilities to interface with County automated systems and electronic health record (EHR)
 - Computers for direct service staff that meet minimum technical specifications for software/hardware, as will be determined by County
 - Minimum internet bandwidth
 - Certified EHR, whether through the EHR chosen by the provider or the EHR that the County will be offering to providers at no cost
- Refine/update policies and procedures
- Translate patient materials into primary languages served
- Ensure a patient friendly and 42 CFR Part 438 compliant website



BUILDING A MODERN SUD SYSTEM OF CARE:

Projecting Utilization, Building the Budget and the Cost Reconciliation Process



EXAMPLE: PERSONS SERVED IMPACTS SPENDING/BUDGET

Old OP DMC → New OP DMC

This Year: 90-Day Episode \$798*

Next Year: 90-Day Episode \$4,141* (+419%)

OP SUD → OP DMC

This Year: 90-Day Episode \$2,478*

Next Year: 90-Day Episode \$4,141* (+67%)

Projected Persons Served per Year

100

Projected Budget

\$79,800

\$414,000

100

\$247,800

^{*} This is only an example and does not necessarily represent what will actually be paid for services at this LOC and duration. All services delivered must be based on medical necessity.



WHAT TO CONSIDER WHEN MAKING PATIENT PROJECTIONS Historical Figures

- Total Number of Patients Served?
- Average Length of Stay?
- Average Frequency by Service Type (e.g., groups)?
- Others?

And... an Assessment/Determination of Whether Past Practice is a Reliable Indicator Given New Medical Necessity Requirements and/or Residential Length of Stay Limits



WHAT TO CONSIDER WHEN MAKING PATIENT PROJECTIONS Projected or Actual Growth

- Any expected increase in persons served due to expansion, outreach or health plan referrals?
- Any new services provided given the expanded DMC benefits package (e.g., case management [CM], recovery support services [RSS], family therapy)?
- Any changes to expected length of stay?
 - Increases: Improved engagement/retention due to CM or RSS?
 - Decreases: Improved transitions in care (step-up/step-down)?



DECIDING WHEN TO INVEST

- Does your agency have the capital upfront or does it need to phase-in efforts to allow time to be reimbursed for services delivered at the higher rates?
 - What investments must occur sooner to ensure compliance with new requirements (e.g., EBPs, computers, internet)?
 - What investments could come later to build the program and improve patient care (e.g., hiring various LPHA postions)?



MANAGING FLOW OF FUNDS

Recommendations

- Monitor claims and expenditures on a regular (e.g., monthly) basis and engage finance experts/staff.
- Ensure there is a process to appropriately invest funds if reimbursement exceeds costs.
- Make investments that will ultimately improve patient care and outcomes.



NO PATIENT FEES

- Medi-Cal and My Health LA eligible participants cannot be charged fees. This includes, but is not limited to, sliding scale share of cost, waitlist fees, assessment fees, and room and board costs.
- Sliding scale fees are not allowable for Medi-Cal or My Health LA beneficiaries.



PLAN AHEAD

Avoid Returning Funds at Fiscal Year End Because Claims are Not Supported by Allowable Costs



BUDGETS AND END OF YEAR CLOSE-OUT



COST RECONCILIATION: Settle up to, but not to exceed, the rate for services delivered to patients where allowable costs align with SAPC requirements including business and clinical capacity efforts outlined in the DHCS approved Fiscal and Rates Plan. This process takes effect Fiscal Year 2017-2018.



COST SETTLEMENT: Settle up to the substantiated costs of delivering services to patients which may exceed the established rates. This process ends for all contracts June 30, 2017.



Return to Earlier Example

OP DMC: Now*

\$79,800

OP SUD: Now*

\$247,800

OP: After Waiver Launch*

\$414,000

Potential Investment

\$414,000- \$79,800 = \$334,200

\$414,000- \$247,800 = \$166,200

The potential investment could also mean a potential loss (recoupment) if not expended on allowable costs or for delivering services that do not conform to quality and eligibility requirements.

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ENSURE SUCCESS

Communicate with your agency's assigned contract program auditor or other assigned SAPC representatives early and often to make sure clinical and finance expectations are achieved, and to prevent recoupment.

ASK ANY QUESTIONS!



ENSURE READINESS

- Get current and new patients who are eligible for Medi-Cal or My Health LA enrolled now so you can continue their services after July 1, 2017, if needed.
- Make benefits acquisition (e.g., enrolling eligible patients onto Medi-Cal) a central duty for case management staff now and after launch to ensure payment for delivered DMC services.
- Follow-up with patients to make sure they complete the process and/or are not terminated unnecessarily.



OTHER FINANCE HIGHLIGHTS



COMING SOON!!

- CIBHS Trainings How to translate new finance requirements into practice.
- SAPC Finance Trainings How to complete new budget, budget justification and cost reconciliation reports. How to make budget modifications and request funding amount increases.
- Patient Projection and Budget Tools Resources to help programs build an appropriate budget.



DMC Claims: Same Day Service

See DHCS MHSUDS Notice Number 17-002

- For opt-in Counties like Los Angeles, the Healthcare Common Procedure Coding System (HCPCS) codes will change under DMC-ODS.
- "HA" modifiers are for any claim for individuals under the age of 21. This will indicate EPSDT services.
- "HD" modifiers indicate pregnant/perinatal services.
- "U" codes indicate the level of care.



Physician Consultation

G9008

Methadone

DMC Claims: Same Day Billing

See DHCS MHSUDS Notice Number 16-007

	Outpatient Hosp		Residential	Residential Withdrawal Management 3.2	Ambulatory Withdrawal Management 2	Ambulatory Withdrawal Management 1	Individual Counseling	Group Counseling H0005	Individual Counseling NTP H00042	Group Counseling NTP H0005	Recovery Services - Individual H0004	Recovery Services - Group H0005	Recovery Services - Case Management H0006	Recovery Services - Support T1012	NAL Generic - Naltrexone S5000	NAL Brand - Naltrexone	- MAT Generic - Buprenorphine	
		50201	H0019	H0012	H0014	H0014	H00042											
Physician Consultation	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N	Y	Y	Y	
Case Management	Y	Y	Y	Y	Y	Υ	Υ	Υ	Υ	Y	N	N	N	N	Y	Υ	Y	
Methadone Dosing	Y	Υ	Y	Y	Y	Y	Υ	Υ	Y	Y	N	N	N	N	N	N	N	
MAT Generic - Buprenorphine	Y	Y	Y	Y	Y	Y	Υ	Y	Y	Y	N	N	N	N	N	N	N	Ī
NAL Brand - Naltrexone	Y	Υ	Y	Y	Y	Υ	Υ	Υ	N	N	N	N	N	N	Y	Υ		
NAL Generic - Naltrexone	Y	Y	Y	Y	Y	Υ	Υ	Υ	N	N	N	N	N	N	Y		•	
Recovery Services - Support	N	N	N	N	N	N	N	N	N	N	Y	Y	Y	Y				
Recovery Services - Case Management	N	N	N	N	N	N	N	N	N	N	Y	Y	Y					
Recovery Services - Group	N	N	N	N	N	N	N	N	N	N	Υ	Y						
Recovery Services - Individual	N	N	N	N	N	N	N	N	N	N	Y							
Individual Counseling NTP	N	N	N	N	N	Υ	Y	Y	Y	Y	3	ļ						
Group Counseling NTP	N	N	N	N	N	Y	γ	Y	Y				1	:			_1!_	
Individual Counseling	N	N	N	N	N	Υ	Υ	Υ			LO)D[-	·IN	(()UI	ntie	7
Group Counseling	N	N	N	N	N	Υ	Υ		1				•					
Ambulatory Withdrawal Management 1	N	N	N	N	N	N		ı			٩n	qe	eles	6, (cer	tai	in E	_
Ambulatory Withdrawal Management 2	N	N	N	N	N													
Residential Withdrawal Management 3.2	N	N	N	N		,				(ca	n s	800	n	be	bi	lled	
Residential	N	N	N												1	•		
Partial Hospital	N	N								4	20	MA 6	\	\sim L \sim	100		·	

Intensive

For opt-in Counties like Los Angeles, certain DMC services can soon be billed on the same calendar day.



DHCS DMC Billing Manual

See DHCS Billing Manual Available At: http://www.dhcs.ca.gov/formsandpubs/Documents/DMC_Billing_Manual_2017.pdf

- Updated February 2017
- Chapter 6 outlines DMC-ODS related information



SAPC Panel – Provider Questions

John Connolly

Deputy Director, Policy, Strategic Planning and Communications Branch

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Chief, Contract Services Division

Babatunde Yates

Chief, Finance Services Division



Los Angeles County Department of Public Health Substance Abuse Prevention and Control (SAPC)

WEBSITE: www.publichealth.lacounty.gov/sapc

START-ODS Webpage: http://publichealth.lacounty.gov/sapc/HeathCare/HealthCareReform.htm

START-ODS EMAIL LISTSERV: SUDTransformation@ph.lacounty.gov