

Fee for Service Rate Methodology Workgroup

MEETING NOTES

Date: September 20, 2005 (Tuesday)

Time: 10:00 a.m. – 12:00 p.m.

Where: Capitol Common - Conference Room E
400 S. Pine
Lansing, MI 48933

Attendees: Michael DeVault (Macomb), Bruce Elkins (Detroit), Bud Ferguson (Ottawa), Linda Garvin (Oakland), Toni Hornberger (MDCH), Sean Huse (PCG), Amy Jarboe (PCG), Ed Kemp (MDCH), Thomas Koepke (Macomb), Terry Latimer (Macomb), Maryann Lorkowski (St. Clair), Deb Marshall (Genesee), Helen McNamara (Ingham), Kathy Merry (Wayne), Pam O'Farrell (MDCH), Liz Patrick (Ingham), Robert Readler (Oakland), Jane Reagan (MDE), John Shaughnessy (PCG), Jeff Siegel (Berrien), Linda Sowle (MDCH), Dave Stirdivant (MDCH)

Handouts: PCG Presentation

Highlighted areas are tasks to be completed prior to next meeting.

- Payment Option #3 & #4 – Time Based Rates
 - Develops a clinician specific rate for a 15 minute unit of time.
 - Utilizes the Administrative Outreach time study results and billable units stratified by discipline.
 - Cost per FTE + Administrative and Operating costs X clinician specific time study results and billable units factor = fully loaded rates. Calculates a per 15 minute rate from this.
 - Strengths:
 - ◆ A consistent unit of measure for all service except Targeted Case Management.
 - ◆ Applies time study results to the specific clinician.
 - ◆ Eliminates the intensity versus duration issue that the ISDs and MDE have with the Relative Value Unit (RVU) approach.
 - ◆ In the modeling example the rate appears to be more comparable to the current fee screen levels.
 - Weaknesses:
 - ◆ ISDs/Billing agencies would have to track time on all services. Staff would need to be trained to record time on all billable procedures.
 - ◆ SE-4096 or a separate cost report would have to be done to get cost data.
 - ◆ The Medicaid Invoice Processing system can not currently process and pay claims this way because:
 - On our Medicaid invoice it is the ISD that is the enrolled Medicaid provider, not the individual clinician, thus no clinician information is displayed on the invoice. In order to pay a clinician specific rate we will have to find a way to recognize the clinician on the invoice or choose a different payment option.
 - ◆ Billing agencies may need to make system updates.
 - ◆ A survey would need to be done to establish service unit limitations.
- Targeted Case Management
 - Review of current payment methodology developed by Deloitte and Touche in 1996.
 - Can this methodology be continued, since the payment methodology is more recent than that for the other services?

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➤ Next Steps

- PCG
 - ◆ Review TCM methodology and units of service.
 - ◆ Develop Transportation and Personal Care Services rates.
 - ◆ Develop methodology for assessments and evaluations.
 - ◆ Group rates.
 - ◆ Document rate calculation process and procedures.
 - ◆ Submit Final Michigan SBS Rate Methodology to CMS for approval
 - ◆ Calculate SBS rates for FY2006.
 - ◆ Give workgroup random moment activity code examples of what services are coded to Activity Codes 2, 4, 6, 9, 12, 115, & 17.
 - ◆ Per Helen McNamara's request, look at the examples under activity codes 2,4,6,9,12,15 & 17, determine which ones (i.e. training costs) we can provide a strong argument for including as part of the total cost calculation and then include that in the methodology we present to CMS.
 - MDCH
 - ◆ Medicaid invoice processing systems analysis to the workgroup and PCG.
 - ◆ Send PCG the coding comparison from various states done for the 2004 N.A.M.E convention.
 - Sent to PCG 9/21/05.
 - ◆ Document the current payment process and what changes might be needed to process using Option #3.
 - ◆ Document how the Community Mental Health area established their payment rates for Targeted Case Management.
 - ◆ Send a listing of codes and rates for the Wisconsin SBS program.
 - Sent to PCG and the workgroup 9/21/05.
- Per Member Per Month Methodology
- MDCH will investigate to see if this is a viable methodology alternative. This method would create a monthly payment based on number of Medicaid eligible children.

Next meeting October 11, 2005