



MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES

SFY 2025 Behavioral Health Comparison Rates Meeting

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*Putting people first, with the goal of helping all Michiganders lead healthier
and more productive lives, no matter their stage in life.*

Agenda

Background

SFY 2025 BH Comparison Rates Updates

Upcoming Workgroups and Stakeholder Engagement

Next Steps

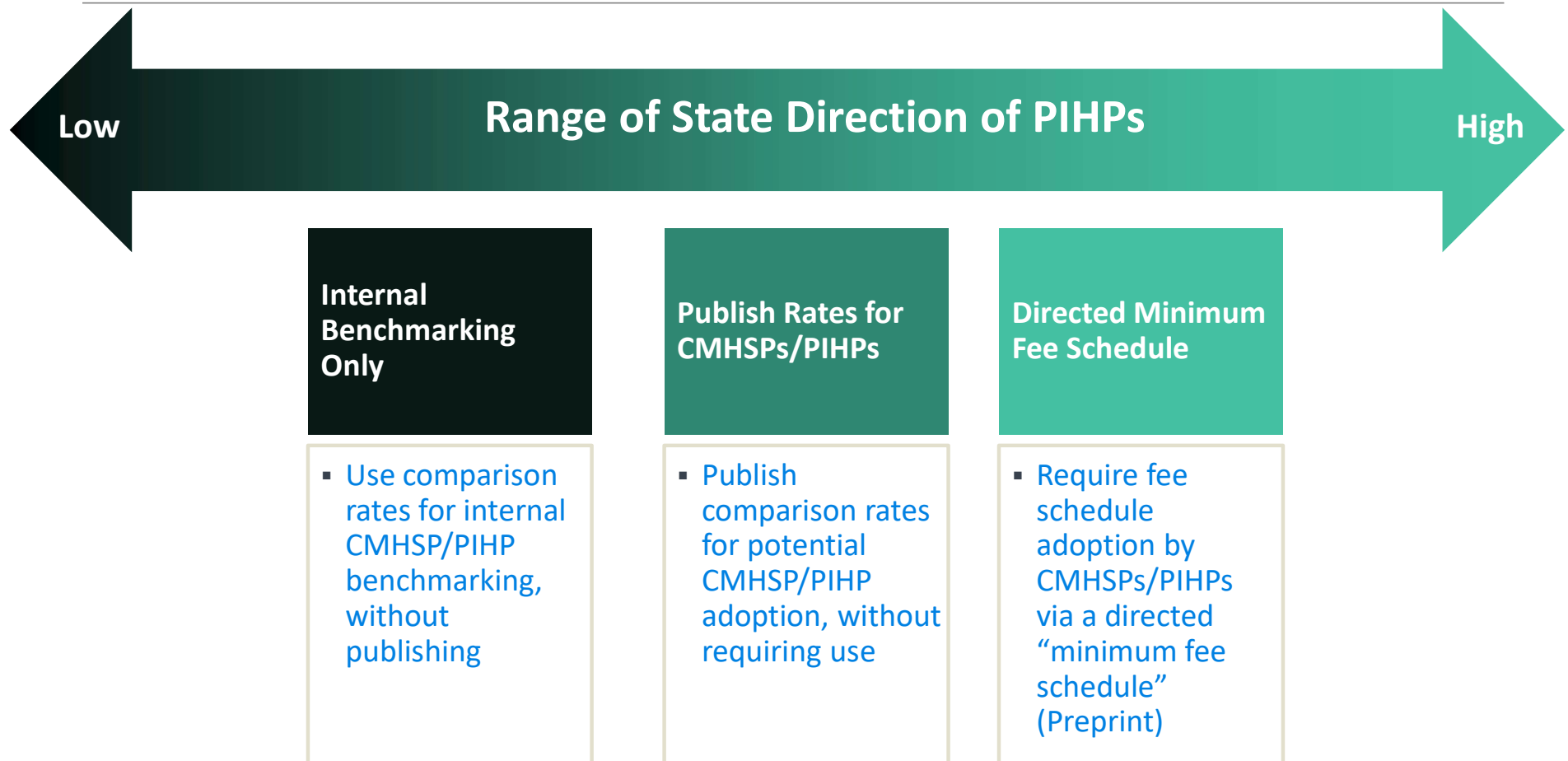
Background

Behavioral Health Comparison Rate Development

The primary goal of this project is to develop a fee schedule that is based on the costs associated with the delivery of behavioral health services covered under the managed care contract. This project will also provide better insight into the current administrative costs incurred across the system. The long-term goal of this project is to develop a process to better understand future cost changes in the behavioral health system and to allow for potential updates to the fee schedule as needed. MDHHS has three key objectives for this project:

- **Clarity** - MDHHS would like key stakeholders to have complete and detailed information to make the most informed decisions possible
- **Accountability** - MDHHS would like to maintain the accountability of those managing and providing services in the behavioral health system
- **Sustainability** - MDHHS is invested in the beneficiaries receiving health care services from its Medicaid program, especially those receiving behavioral health treatment. MDHHS wants to provide continued access and care to those in need of behavioral health services while maintaining sustainable costs into the future.

State Direction Approaches



Purpose and Intended Use of Comparison Rates

Purpose

Develop and publish Medicaid **behavioral health comparison rates** that are consistent with efficiency, economy, quality of care, and access to care.

The term “**comparison rates**” is used in this project for the following reasons:

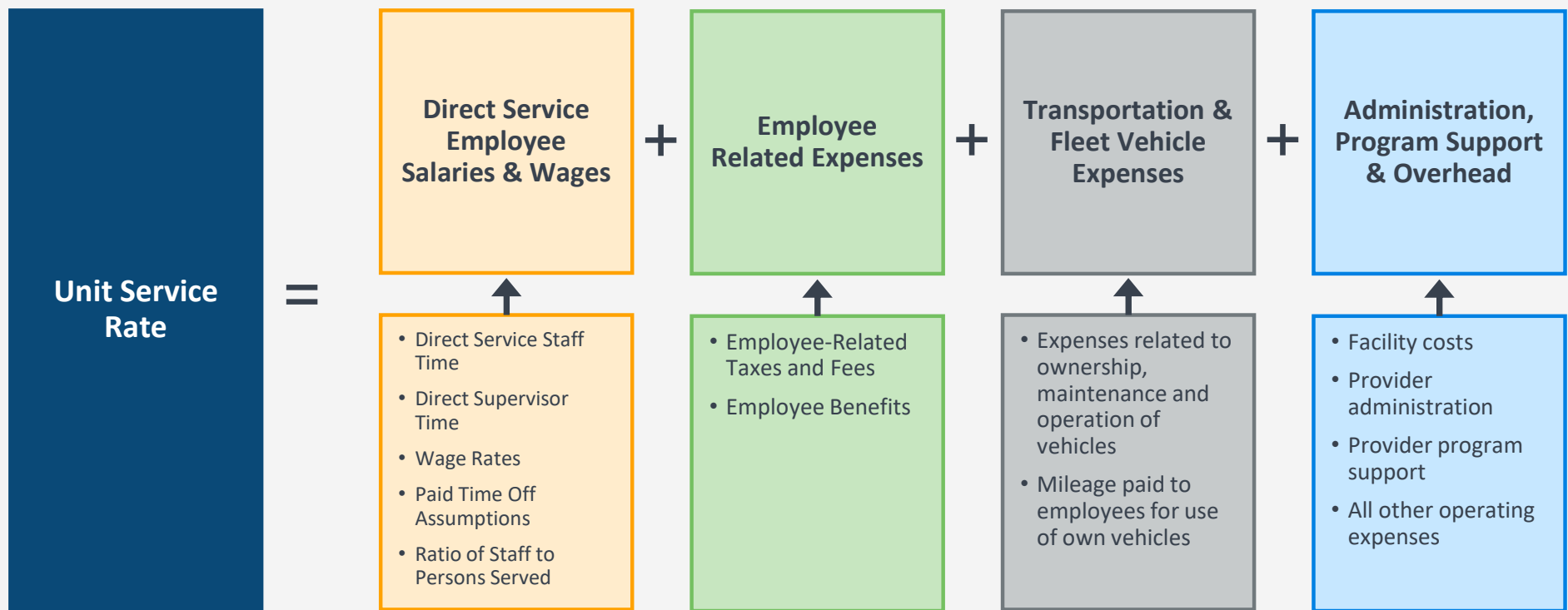
- MDHHS is not currently considering the broad adoption of comparison rates developed under this project as a state fee-for-service fee schedule or a state-directed payment under managed care.
- Absent future state policy changes, the comparison rates will not be directly incorporated into the behavioral health managed care capitation rate calculations.

Intended Use

- Evaluate variation in provider payments by comparing actual payment rates to comparison benchmark rates.
- Improve transparency in analysis and communication between MDHHS, their contracted providers, and other stakeholders.
- Provide better insight into the administrative costs associated with related services incurred across the system.
- The long-term goal of this project is to develop a process to better understand future cost changes in the behavioral health system and to allow for potential updates to the comparison rates as needed.

SFY 2025 BH Comparison Rates Updates

Independent Rate Model Review



Independent Rate Model Framework

Rate Model Type	Example Procedure
Per unit rate model - One clinical staff person providing care on a per unit basis (e.g., 15 minutes) with support from a supervisor	Comprehensive Community Support Services - H2015
Caseload rate model - Determine costs on a monthly basis, then convert to service unit based on assumptions related to the average number of individuals served and/or units provided during the month	Assertive Community Treatment (ACT) – H0039
Shift-based rate model - Used for services when more than one individual is served, typically in a residential setting, where clinical staff are expected to be on-site for scheduled periods or shifts, set up to provide service coverage over an extended period of time, or on a 24/7 basis.	Alcohol and/or drug services; short term residential – ASAM 3.5 – H0018W5

Key Model Updates from SFY 2024 to SFY 2025

Category	SFY 2024 Assumption	SFY 2025 Assumption
Wages	March 2023 Salary and Wage Survey Data and 2023 BLS Data	2024 Provider Salary and Expense Survey Data and BLS Data published in May 2024
Providers Reflected in Wage Development	Network providers excluding CMHSPs ¹	Network providers excluding CMHSPs ¹
Administrative Load	February 2023 Provider Expense Template Data	2024 Provider Salary and Expense Survey Data

¹CMHSPs were excluded from the development of SFY 2025 comparison rates to better reflect the entities delivering these services (providers contracting with PIHPs or CMHSPs)

Note: BH Comparison Rates have been developed since SFY 2021 using the data collected and required by Policy 21-39

Provider Salary and Expense Survey Overview

Q4 2023

- Collaborate with MMDHS to consolidate surveys
- Work with key stakeholders to refine combined survey

Q1 2024

- Administer updated survey
- Provide instruction and training materials for combined survey
- Respond to provider questions (FAQs, email, phone calls)

Q2 2024

- Review survey responses
- Update rate model according to new year of data and survey responses
- Develop comparison rate report and documentation of results

July 2024

- Present comparison rate and survey results to providers
- Collect MDHHS and provider feedback on the comparison rate report
- Deliver final comparison rate report with incorporated feedback

2024 Provider Survey Response Overview

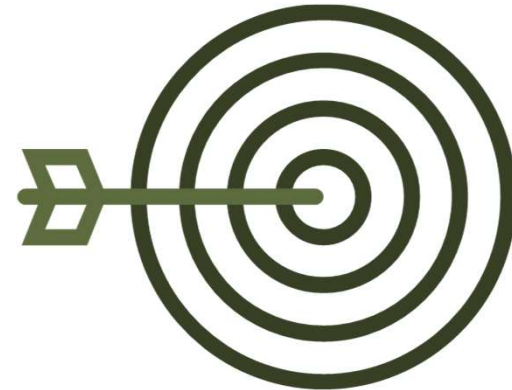
Total Responses			Total Staff	
2023 Salary and Wage Survey	2024 Provider Survey		2023 Salary and Wage Survey	2024 Provider Survey
514	558	Non-CMHSPs	29,310	38,073
30	28	CMHSPs	3,851	3,271

Incomplete surveys are not included in the reported values. Provider expense template results provided by entities not required to complete the survey (fiduciary intermediaries or hospitals) were also excluded

Wage Analysis Approach

Goal: Use Provider Reported Wages to the Greatest Extent Possible

- **Compile Surveys** - Aggregate all provider submitted surveys
- **Identify ABA Staff** – behavioral technician, BCBA, BCBA-D, BCaBA, licensed behavior analyst, QBHP: BACB Approved Degree, licensed psychologist, limited licensed psychologist
- **Outlier Analysis** - Responses that were two standard deviations above/below the median were not included
- **Credibility Analysis** - Used Classical Credibility Theory to determine number of responses needed for full credibility
- **Wage Compilation** - Blended provider survey wages with BLS wages using credibility weights



Only surveys where respondents listed both the number of FTEs and the average wage were used in the wage analysis.

Wages Overview – Median Wage Example

Provider Grouping	Description	Survey Credibility	Median Provider Survey	Median Wages from BLS	Median Credibility Weighted Wages
AH	Clinical Psychologist	81.8%	\$ 38.25	\$ 39.96	\$ 38.56
HM	Less Than Bachelor's Level - ABA	100.0%	19.55	18.99	19.55
HM	Less Than Bachelor's Level	100.0%	17.05	17.19	17.05
HN	Bachelor's Level - ABA	45.5%	32.82	27.96	30.17
HN	Bachelor's Level	100.0%	24.88	30.35	24.88
HO	Master's Level - ABA	100.0%	38.29	31.84	38.29
HO	Master's Level	100.0%	30.80	31.69	30.80
TD	Registered Nurse	100.0%	38.01	42.54	38.01
TE	Licensed Practical Nurse	100.0%	31.47	31.76	31.47
WR	Peer Recovery Coach	100.0%	19.26	16.08	19.26
WS	Certified Peer Specialist	67.5%	19.05	16.08	18.09

BLS wage information retrieved from: <https://www.bls.gov/news.release/pdf/ecec.pdf>

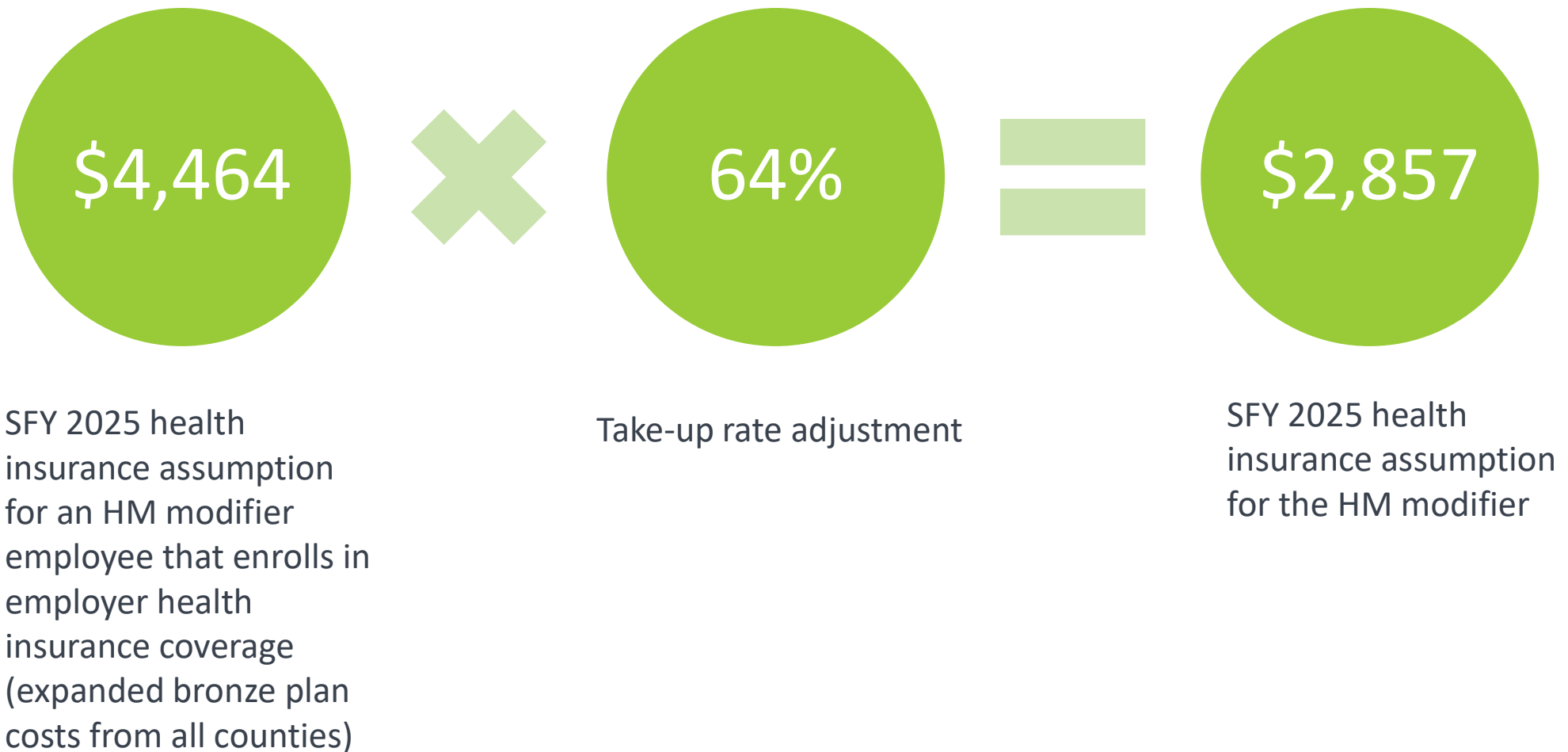
Median wages for other provider groupings are can be found in Appendix A

Health Insurance Assumption for the HM Modifier

- **Utilization of BLS data from all counties** – utilize BLS data from all Michigan counties and weigh health insurance amounts reported by county population
- **Assumption of expanded bronze coverage** – utilize health insurance costs from expanded bronze plans only to better reflect the coverage assumed to be provided to HM modifier employees and trend using the Milliman Medical Index
- **Reflect enrolment frequency** – utilize Provider Survey of non-HM modifier workers to assume 64% of direct care workers utilize employer sponsored insurance

*Health plan cost information retrieved from: <https://www.healthcare.gov/health-plan-information-2024/>
The take-up percentage observed from 2024 Provider Survey results was 32% for the HM provider modifier MDHHS has assumed a higher take-up rate value to promote providers offering health insurance benefits to their direct care staff*

Update to Health Insurance Assumption for the HM Modifier



Administration / Program Support / Overhead

- The median administrative loading (administrative costs divided by overall costs) for each of the lines of business were developed using 2024 Provider Survey submissions for providers with over \$5M in Medicaid behavioral health expenditures (i.e., revenues received from CMHSPs/PIHPs)
- Procedure codes have been updated to use one of the below line of business assumptions based on which line of business MDHHS sees as most suitable (see Appendix B)

Line of business	Survey responses	Selected administrative loading
Support services	51	15.6%
Other services	19	21.7%
Licensed residential per diem	26	12.1%
MH/SUD (residential)/detox per diem	6	27.1%
MH and SUD services (clinical)	30	23.0%
ABA services	18	23.7%
Inpatient facility	6	15.9%
Composite		19.6%

Example Per Unit Rate Model – H2015

(Comprehensive Community Support Services)

Ref.	Description	DCW	Supervisor	Total	Notes
A	Average minutes of direct time per unit	15.00			6 hours and 47 minutes of direct time per 8 hours
B	Average minutes of indirect time per unit	1.50			41 indirect minutes per 8 hours
C	Average minutes of transportation time per unit	1.20			33 transportation minutes per 8 hours 2 trips spread over 34.55 units per day
D	Total minutes per unit	17.70			$D = A + B + C$
E	Staffing ratio	1.00			
F	Supervisor span of control		10.00		10 employees assumed to be managed by 1 supervisor
G	Supervisor time per unit		1.77		$G = D / E / F$
H	PTO/training/conference time adjustment factor	16.9%	16.9%		Based on separate PTO build
I	Adjusted total minutes per unit	20.68	2.07		Supervisor: $I = G / E * (1 + H)$ Clinician: $I = D / E * (1 + H)$
J	Hourly wage	\$ 17.05	\$ 18.65		Based on separate wage build
K	Total wages expense per unit	\$ 5.88	\$ 0.64	\$ 6.52	$K = I * J / 60$
L	Employee related expense (ERE) percentage	24.7%	23.8%		Based on separate ERE build
M	Total ERE expense per unit	\$ 1.45	\$ 0.15	\$ 1.60	$M = K * L$
N	Estimated average MPH			32.94	Urban 30 MPH Rural 40 MPH Frontier 50 MPH
O	Estimated miles driven per unit			0.66	$O = N * C / 60 / E$
P	Federal reimbursement rate			\$0.67	
Q	Mileage reimbursement or vehicle costs per unit			\$0.44	$Q = O * P$
R	On-call expenses			\$ 0.00	No on-call expenses
S	Drug cost			\$ 0.00	No drug expenses
T	Drug administration			\$ 0.00	No drug administration expenses
U	Administration / program support / overhead			12.1%	Portion of total rate
V	Administration expenses			\$ 1.18	$V = U * (K + M + Q + R + S + T) / (1 - U)$
W	Rate per 15 minutes			\$9.75	$W = (K + M + Q + R + S + T + V)$

The DCW worker has been assigned the HM provider modifier (less than bachelor's level) and receives the 50th percentile wage level within the grouping. The supervisor has also been assigned the HM provider modifier and receives the 75th percentile wage level in the grouping

Example Caseload Rate Model – H0039 (Assertive Community Treatment)

Ref.	Description	Psychiatrist	Registered Nurse	Team Leader	QMHP	Peer Specialist	Para-professional	Total	Notes
A	Hourly wage	\$ 143.86	\$ 38.01	\$ 30.80	\$ 24.88	\$ 18.09	\$ 17.05		Based on separate wage build
B	Number of employees	0.33	1.00	1.00	2.00	1.00	1.00		Based on information from provider manual
C	Total wages expense per month	\$ 8,229	\$ 6,588	\$ 5,339	\$ 8,627	\$ 3,135	\$ 2,955	\$ 34,873	$C = A * B * 2080 / 12$
D	Employee related expense (ERE) percentage	14.2%	25.1%	27.7%	31.0%	37.4%	24.7%		Based on separate ERE build
E	Total ERE expense per month	\$ 1,166	\$ 1,653	\$ 1,479	\$ 2,673	\$ 1,173	\$ 730	\$ 8,874	$E = C * D$
F	Federal reimbursement rate							\$ 0.67	
G	Average miles driven per month							8,200	Based on separate transportation build (assumes 6 visits per beneficiary per month)
H	Monthly mileage reimbursement or vehicle costs							\$ 5,494	$H = F * G$
I	Administration / program support / overhead							21.7%	Portion of total rate
J	Monthly administration expenses							\$ 13,625	$J = I * (C + E + H) / (1 - I)$
K	Monthly costs							\$ 62,865	$K = C + E + H + J$
L	Average number of recipients per team							60	Based on information from provider manual
M	Monthly cost per beneficiary							\$1,047.75	
N	Average units per month per beneficiary							17	Based on data analysis
O	Total rate							\$61.63	$O = M / N$

Team members shown include a variety of provider modifiers ranging from Paraprofessional at HM (less than bachelor's level) to the Psychiatrist at AF (Specialty Physician)

Example Per Unit Rate Model – H0018 (Alcohol and/or drug services; short term residential)

Ref.	Description	DCW	Therapists - Bachelor's	Therapists - Master's	Nurses	Doctor On-Call	Physicians	Director	Total	Notes
A	First shift workers	1.50	1.00	1.00	1.00	-	0.25	1.00		
B	Second shift workers	1.00	0.50	0.50	0.50	1.00	-	-		
C	Third shift workers	1.00	0.50	0.50	0.50	1.00	-	-		
D	Weekend first shift workers	1.00	0.50	0.50	0.50	1.00	-	-		
E	Weekend second shift workers	1.00	0.25	0.25	0.25	1.00	-	-		
F	Weekend third shift workers	1.00	0.50	0.50	0.50	1.00	-	-		
G	Total weekly hours	188.00	100.00	100.00	100.00	128.00	10.00	40.00		$G = \{[(A + B + C) * 5] + [(D + E + F) * 2]\} * 8$
H	Number of individuals served								20	The assumed number of clients in the home
I	PTO/training/conference time adjustment factor	16.9%	15.6%	16.9%	16.9%	16.9%	16.9%	16.9%		Based on separate PTO build
J	Adjusted total hours of time per week	219.69	115.56	116.85	116.85	149.57	11.69	46.74		$J = G * (1 + I)$
K	Hourly wage	\$ 17.05	\$ 24.88	\$ 30.80	\$ 38.01	\$ 3.00	\$ 143.86	\$ 34.43		Based on separate wage build
L	Total wages expense per week	\$ 3,745	\$ 2,876	\$ 3,599	\$ 4,441	\$ 449	\$ 1,681	\$ 1,610		$L = J * K$
M	Holidays worked	10	-	0	0	0	0	0		10 holidays per year
N	Percent of non-holiday hours paid at time and a half	7.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		Based on assumptions
O	Percent of total hours paid at time and a half	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		$O = (365.25 * N + M) / 365.25$
P	Direct care wage adjusted for overtime and holidays per week	\$ 3,932.43	\$ 2,875.60	\$ 3,599.04	\$ 4,441.39	\$ 448.72	\$ 1,681.06	\$ 1,609.53	\$ 18,587.77	$P = L * (1 - O) + L * O * 1.5$
Q	Employee related expense (ERE) percentage	24.7%	31.0%	27.7%	25.1%	24.9%	14.2%	26.3%		Based on separate ERE build
R	Total ERE expense per week	\$ 971.26	\$ 891.09	\$ 997.31	\$ 1,114.56	\$ 111.89	\$ 238.14	\$ 422.57	\$ 4,746.80	$R = P * Q$
S	Mileage reimbursement or vehicle costs costs per week								\$ 211.76	Based on van build-up estimates
T	Administration / program support / overhead								27.1%	Portion of total rate
U	Administration expenses per week								\$8,772.16	$U = T * (P + R + S) / (1 - T)$
V	Medication costs								\$ 0.00	No medication expenses
W	Caseload efficiency								100.0%	No caseload efficiency factor
X	Units per week								7.00	
Y	Rate per Diem								\$230.85	$Y = (((P + R + S + U) / W) + V) / X$

Next Steps

Report Distribution and Feedback

- PIHPs and behavioral health providers are encouraged to read the SFY 2025 BH Comparison Rates Report on the MDHHS website once it's released
- The report will be added to the website alongside the prior reports: [Reporting Requirements \(michigan.gov\)](#) under the “Policy 21-39 Reporting Requirements” dropdown
- Stakeholders will be notified once the report is released
- PIHPs and behavioral health providers can submit questions and comments about the SFY 2025 BH Comparison Rates by emailing feedback to the bh.provider.survey@milliman.com inbox
- **Comments and questions will be due two weeks after distribution of the report**
- Any questions or comments can be sent to the bh.provider.survey@milliman.com inbox

Appendices

Appendix A – Median Wages (All Provider Groupings)

Provider Grouping	Description	Survey Credibility	Median Provider Survey	Median Wages from BLS	Median Credibility Weighted Wages
AE	Dietician	28.4%	\$ 31.00	\$ 36.49	\$ 34.93
AF	Specialty Physician	87.0%	143.86	-	\$ 143.86
AG	Physician	45.3%	114.45	103.10	\$ 108.25
AH	Clinical Psychologist	81.8%	38.25	39.96	\$ 38.56
AH	Clinical Psychologist - ABA	81.8%	38.25	39.96	\$ 38.56
CO	Occupational Therapist Assistant	61.4%	28.49	32.24	\$ 29.94
CQ	Physical Therapist Assistant	47.5%	31.28	31.39	\$ 31.34
HM	Less Than Bachelor's Level - ABA	100.0%	19.55	18.99	\$ 19.55
HM	Less Than Bachelor's Level	100.0%	17.05	17.19	\$ 17.05
HN	Bachelor's Level - ABA	45.5%	32.82	27.96	\$ 30.17
HN	Bachelor's Level	100.0%	24.88	30.35	\$ 24.88

Appendix A – Median Wages (All Provider Groupings) cont.

HO	Master's Level - ABA	100.0%	38.29	31.84	\$ 38.29
HO	Master's Level	100.0%	30.80	31.69	\$ 30.80
HP	Doctoral Level - ABA	25.0%	64.03	39.96	\$ 45.98
HP	Doctoral Level	25.8%	40.43	39.96	\$ 40.08
SA	Physician Assistant	100.0%	62.46	63.40	\$ 62.46
TD	Registered Nurse	100.0%	38.01	42.54	\$ 38.01
TE	Licensed Practical Nurse	100.0%	31.47	31.76	\$ 31.47
WP	Trained Parent	39.8%	18.29	16.08	\$ 16.96
WQ	Independent Facilitator	0.0%	-	16.08	\$ 16.08
WR	Peer Recovery Coach	100.0%	19.26	16.08	\$ 19.26
WS	Certified Peer Specialist	67.5%	19.05	16.08	\$ 18.09
WT	Youth Peer Specialist	100.0%	18.31	16.08	\$ 18.31
WU	DD Peer Mentor	54.8%	19.10	16.08	\$ 17.74

Benefits information retrieved from: https://www.bls.gov/current/oes_mi.htm

Provider Grouping AF utilized Provider Survey wages only despite results not being fully credible due to the selected BLS job title not having data for Michigan

Appendix B - Line of Business to Service Category Mapping

Service Category	HCPCS	Assigned Line of Business	Selected Administrative Loading
Additional Support Services	H0036, H0038, H0045, H2030, H2033, S5150, S5151, T1005	Support Services	15.6%
Applied Behavior Analysis Services	0373T, 97153, 97154, 97155, 97156, 97157, 97158	Applied Behavioral Analysis/Autism Services	23.7%
Assertive Community Treatment (ACT)	H0039	Other Services	21.7%
Assessments and Testing	0362T, 97151, H0001, H0002, H0031, T1001	Applied Behavioral Analysis/Autism Services	23.7%
Case Management / Treatment Planning	H0032, H2021, T1017	Support Services	15.6%
Community Living Supports	H2015, H2016+T1020, T2027	Licensed Residential Per Diem (Procedure Codes H2016/T1020)	12.1%
Evaluation and Management	99205, 99211, 99213, 99214, 99215	Mental Health and SUD Services (Clinical)	23.0%
Medication Administration	96372	Other Services	21.7%
Medication Assisted Treatment	G2076, G2077, G2078, H0020	Mental Health and SUD Services (Clinical)	23.0%
Other	S5110, S5111, T1002	Other Services	21.7%
Outpatient Services	H2019	Other Services	21.7%
Psychiatric diagnostic evaluation	90791, 90792	Mental Health and SUD Services (Clinical)	23.0%
Psychotherapy	90832, 90834, 90837, 90846, 90847, 90849, 90853	Mental Health and SUD Services (Clinical)	23.0%
Residential Services	H0018, H0019	MH / SUD (Residential) / Detox Per Diem	27.1%
Skill Building	H2014	Support Services	15.6%
Vocational Supports	H2023, T2015	Support Services	15.6%
Withdrawal Management	H0010, H0012	Mental Health and SUD Services (Clinical)	23.0%

Thank you!

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Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

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