



MICHIGAN DEPARTMENT OF HEALTH & HUMAN SERVICES

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

2023 BH Comparison Rates Updates

Upcoming Workgroups and Stakeholder Engagement

Next Steps

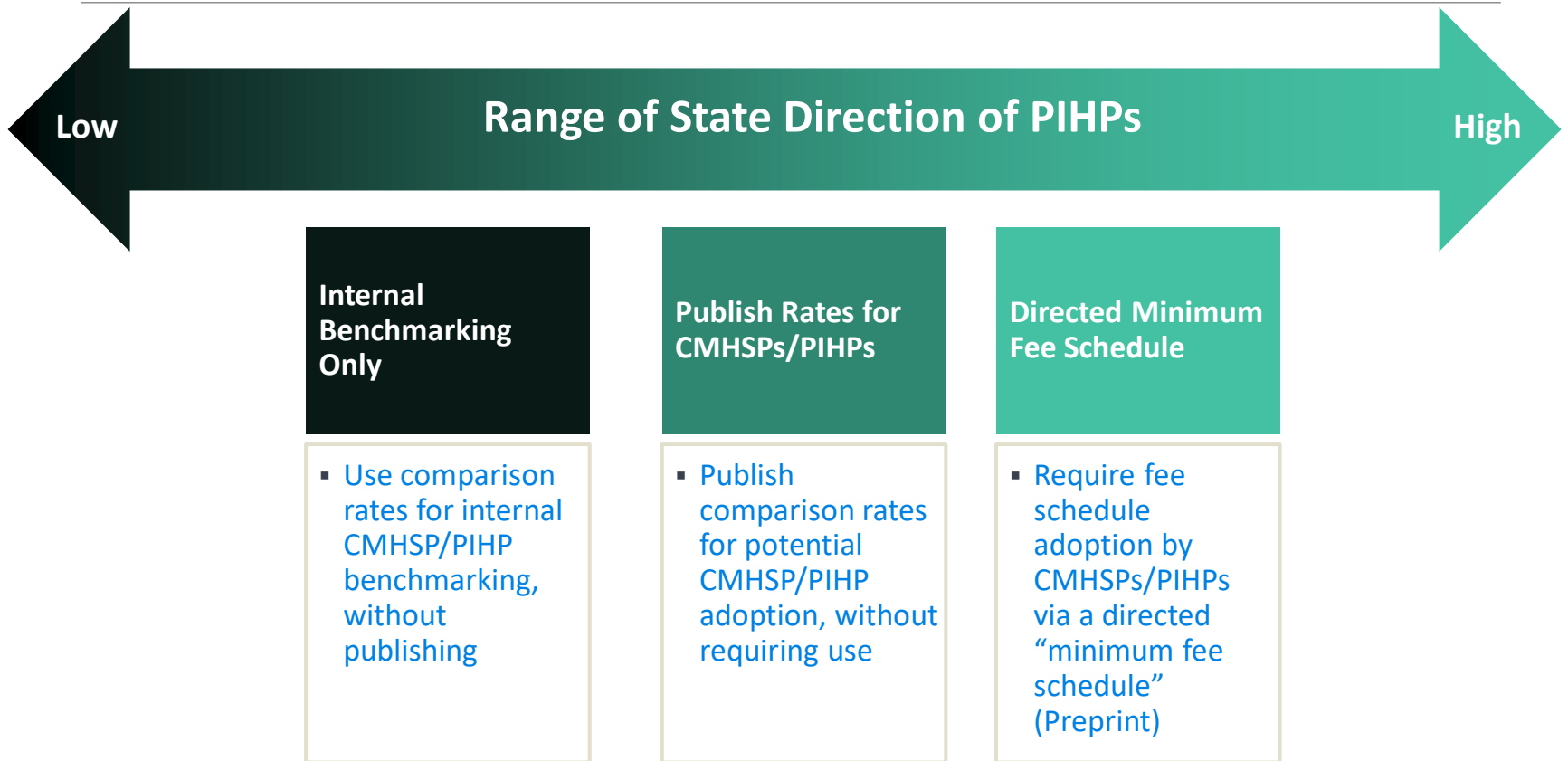
Background

Behavioral Health Fee Schedule 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.

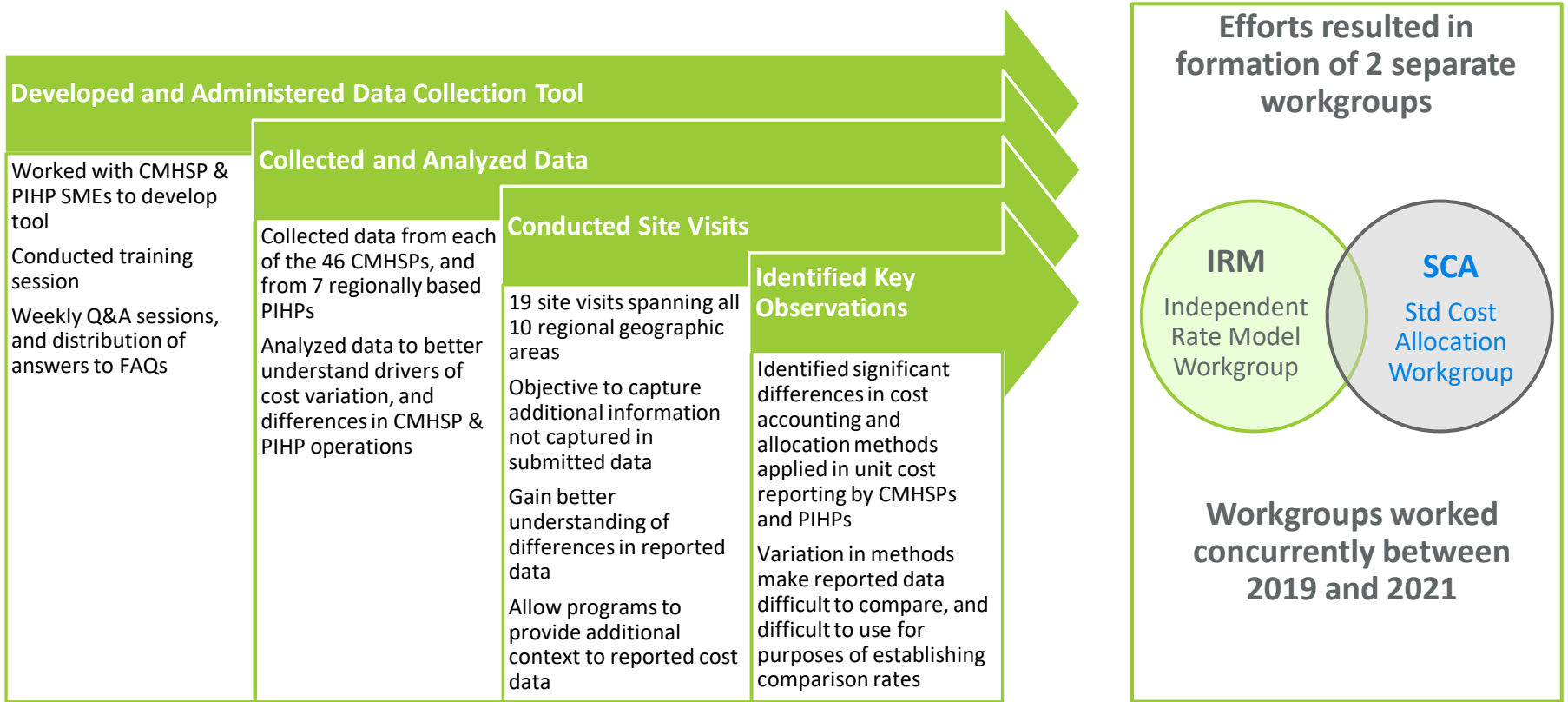
State Direction Approaches



MDHHS is publishing the fee schedule comparison rates for CMHSP/PIHP potential usage

Behavioral Health Fee Schedule Development

Summary of Historical Events



Variation Across the System

Motivated Model Development

SFY 2019 sub-element cost report (SECR) example illustrates the range of variability across Michigan

H2023 – Supported Employment Services

- Average cost (per encounter): \$7
- **Cost per unit range: \$4 to \$357**
- Total cost: \$39,541,080

H2016 – Community Living Supports (daily)

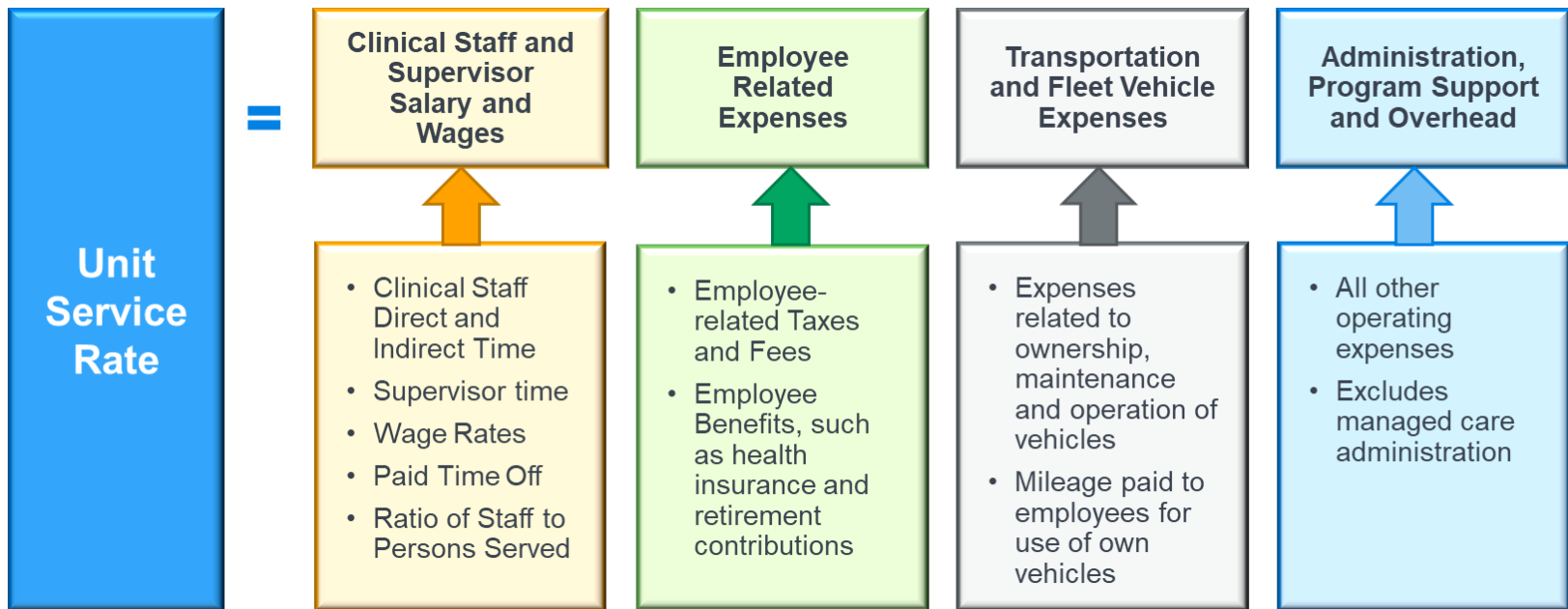
- Average cost (per day): \$113
- **Cost per unit range: \$77 to \$243**
- Total cost: \$431,063,055

H0036 – Home Based Services

- Average cost (per encounter): \$67
- **Cost per unit range: \$29 to \$224**
- Total cost: \$77,652,072

2023 BH Comparison Rates Updates

Independent Rate Model Review



Behavioral Health Comparison Rates Background

2021 Comparison Rate Report

Michigan's first behavioral health comparison rates report

Developed using extensive stakeholder engagement with MH, SUD Residential, and Autism Workgroups

Primarily relied upon publicly available data

Policy 21-39

Reporting initiatives include:

Standard Cost Allocation methodology - CMHSPs

Salary and Wage Survey – all behavioral health providers (contracted and CMHSPs)

Provider expense template – all contracted behavioral health providers with over \$1 million in Medicaid expenditures (excludes CMHSPs and hospitals)

2022 Comparison Rate Report¹

Behavioral health comparison rates report was built upon what was completed in 2021

The Salary and Wage Survey informed some assumptions that are included in the independent rate model (e.g., wages)

2023 Comparison Rate Report

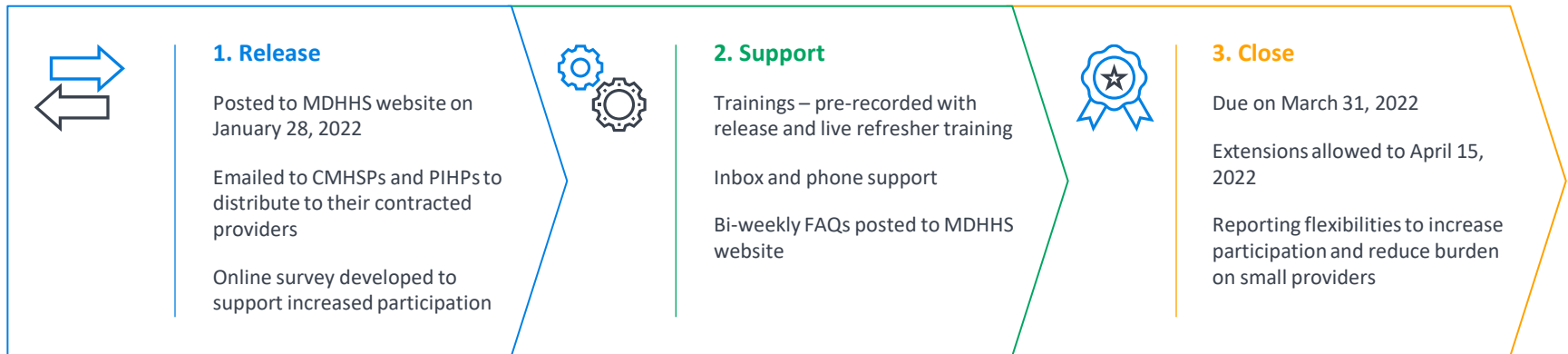
Potential refinements or additional services that may be included within next years report (to be published June 30, 2023)

Both the Salary and Wage Survey and the Provider Service Expense Template Survey will be used to refine assumptions in this report

CTFC and TIP have been added and will be developed in a similar manner as other services

Source: ¹ [MSA_21-39-BHDDA.pdf \(michigan.gov\)](#)

Salary and Wage Survey (Provider Survey) Overview



Provider Survey Response Overview

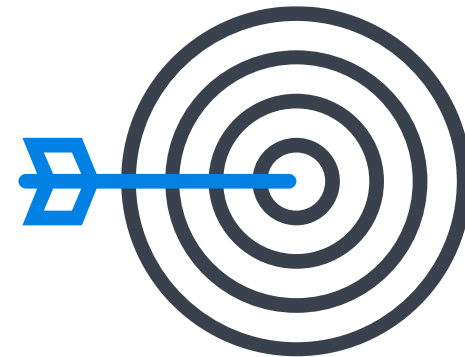
	Total Responses	Reported NPIs	Staff	Supervisors
2021 Surveys	113	162	10,891	1,075
2022 Surveys ¹	480	652	29,183	3,550

1. Surveys that did not contain any information are not included in the reported values

Wage Analysis Approach

Goal: Use Provider Reported Wages to the Greatest Extent Possible

- **Compile Surveys** - Aggregate all provider submitted surveys
- **Identify ABA Staff** - BCBA, BCaBA, and behavior technician
- **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

PROVIDER	DESCRIPTION	ABA Provider	Survey Weight	MEDIAN WAGE		HOURLY WAGE AMOUNTS USED IN RATE MODELS
				PROVIDER SURVEY	BLS	50TH PERCENTILE
AH	Clinical Psychologist	N	63.8%	\$ 37.26	\$ 37.66	\$ 37.40
AE	Registered Dietitian	N	100.0%	29.83	31.95	29.83
AF	Specialty Physician	N	100.0%	133.86	-	133.86
AG	Physician	N	52.1%	130.39	-	130.39
CO	Occupational Therapist Assistant	N	48.9%	26.59	27.85	27.23
CQ	Physical Therapist Assistant	N	52.5%	29.14	27.05	28.15
HM	Less Than Bachelor's Level	Y	100.0%	17.88	15.76	17.88
HM	Less Than Bachelor's Level	N	100.0%	15.56	15.40	15.56
HN	Bachelor's Level	Y	63.9%	25.49	25.84	25.62
HN	Bachelor's Level	N	100.0%	24.42	27.61	24.42
HO	Master's Level	Y	100.0%	37.22	37.66	37.22
HO	Master's Level	N	100.0%	29.80	29.91	29.80

Key Takeaways:

- Wage differentiation for ABA and MH/SUD providers
- Increase use of provider reported wages

Wages Overview (Continued)

HOURLY WAGE AMOUNTS
USED IN RATE MODELS

MEDIAN WAGE

PROVIDER	DESCRIPTION	ABA Provider	Survey Weight	PROVIDER SURVEY	BLS	50TH PERCENTILE
HP	Doctoral Level	N	18.4%	119.56	37.66	52.72
SA	Physician Assistant	N	100.0%	64.50	54.77	64.50
TD	Registered Nurse	N	100.0%	33.83	40.41	33.83
TE	Licensed Practical Nurse	N	100.0%	29.04	28.62	29.04
WP	Trained Parent	N	100.0%	18.37	-	18.37
WQ	Independent Facilitator	N	0.0%	-	-	N/A
WR	Peer Recovery Coach	N	100.0%	18.01	-	18.01
WS	Certified Peer Specialist	N	100.0%	18.09	-	18.09
WT	Youth Peer Specialist	N	100.0%	17.10	-	17.10
WU	DD Peer Mentor	N	100.0%	15.05	-	15.05

Key Takeaway:

Independent facilitator did not have credible wage information; providers and PIHPs are encouraged to use the other rate assumptions for an Independent Facilitator and a different wage to estimate a rate

Other BH Comparison Rates Updates

Employee Related Expenses (ERE) Adjustment

ERE Component	Value	Notes
FICA	7.65% (6.2% social security, 1.45% Medicare)	IRS tax requirements
FUTA	\$420 (6% of first \$7,000 in wages)	IRS tax requirements
SUI	\$545	Stakeholder feedback
Worker's Comp	1.1%	BLS – national compensation survey
Health Insurance	\$7,121 (all non-HM modifiers) and \$4,010 (HM modifier)	BLS – HC and social assistance industry and healthcare exchange average
Retirement	3.6%	BLS – HC and social assistance industry

Turnover Adjustment

2022 BH Comparison Rates assumed a 35% turnover percentage for staff across all providers

- New hire training ranged from 14 to 42 hours

2023 BH Comparison Rates included a 50% turnover percentage for staff across all providers

- New hire training ranged from 20 to 60 hours

Reflects updated SFY 2022 code sets (as of July 1, 2022)

Example 2023 BH Comparison Rate – H2015 Community Living Supports

State of Michigan Department of Health and Human Services					
Behavioral Health Fee Schedule Development					
Example Independent Rate Model					
Service Information					
Service Code:	H2015 (Model 1.1)				
Service Description:	Community Living Supports				
Reporting Description:	Comprehensive Community Support Services				
Reporting Units:	15 Minutes				
National Description:	Comp comm supp svc, 15 min				
Ref.	Description	DCW	Supervisor	Total	Notes
A	Average minutes of direct time per unit	15.00			6 hours and 49 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	1.10			30 transportation minutes per 8 hours 2 trips spread over 38 units per day
D	Total minutes per unit	17.60			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		1.76		G = D / F
H	PTO/training/conference time adjustment factor	16.9%	16.9%		Based on separate PTO build
I	Adjusted total minutes per unit	20.57	2.06		Supervisor: I = G / E * (1 + H) Clinician: I = D / E * (1 + H)
J	Hourly wage	\$ 15.56	\$ 17.56		Based on separate wage build
K	Total wages expense per unit	\$ 5.33	\$ 0.60	\$ 5.94	K = I * J / 60
L	Employee related expense (ERE) percentage	27.7%	26.0%		Based on separate ERE build
M	Total ERE expense per unit	\$ 1.48	\$ 0.16	\$ 1.63	M = K * L
N	Estimated average MPH			32.97	Urban 30 MPH Rural 40 MPH Frontier 50 MPH
O	Estimated miles driven per unit			0.60	O = N * C / 60 / E
P	Federal reimbursement rate			\$0.63	
Q	Mileage reimbursement or vehicle costs per unit			\$0.38	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			10.0%	Portion of total rate
V	Administration expenses			\$ 0.88	V = U * (K + M + Q + R + S + T) / (1 - U)
W	Rate per 15 minutes			\$8.83	W = (K + M + Q + R + S + T + V)

Upcoming Workgroups and Stakeholder Engagement

CTFC and TIP Project Background

- MDHHS has engaged Milliman to support the development of comparison rates for two services that are currently covered via grants or a Medicaid 1915(c) Waiver
 - **Children’s Therapeutic Foster Care (CTFC)**
 - An intensive community-based mental health service alternative to inpatient treatment facilities (acute psychiatric hospitals, Hawthorn Center, and crisis residential centers)
 - “Provided by a team of multiple providers in a therapeutic home two to four times per week, depending on individual need” and “Includes a team of multiple providers available 24/7 while the youth receives daily services in a therapeutic home”
 - Covered only under the Waiver for Children with Serious Emotional Disturbance (SEDW)
 - **Transition to Independence Process (TIP)**
 - A multidisciplinary approach to work with youth and young adults during the challenging transition years into adulthood
 - Transition facilitators providing therapy and case management multiple times a week to 16 through 26-year-olds
 - Service is intended to meet the unique needs of youth and young adults with the ability to be delivered across the child and adult serving systems

CTFC and TIP Project Objectives

Children's Therapeutic Foster Care (CTFC)

Increase treatment options that are alternatives to inpatient care:

- CTFC has been underutilized in the state
- Increase availability and utilization of intensive, community-based CTFC
- Evaluate reimbursement alignment with intensity of the services
- Establish a Medicaid daily rate reflecting encounter-based services, non-encounter based service, and administrative costs

Transition to Independence Process (TIP)

Encourage use of TIP as a meaningful, effective bridge between child and adult mental health services

- Transition Facilitator as a primary service with blended services occurring in the same treatment session
- Develop coding approach that addresses blend of Medicaid services and team-based services for sustainability

CTFC and TIP Stakeholder Engagement Process to Inform Rate Development

Initiate provider stakeholder workgroup for each service

- Current providers
 - Lessons learned
 - Challenges
 - Suggestions
- Future providers
 - Concerns
 - Interests

Rate development participation

- Provide information and supporting data to inform rate development
- Review and provide feedback on draft rates and underlying assumptions

Provider Salary and Wage Survey Updates

MDHHS will hold a meeting in August with Michigan behavioral health provider associations to review the 2022 Salary and Wage Survey and to identify potential changes to the 2023 tool

The meeting will support the following goals:

Improving the usability of the tool

Increasing the response rate of providers submitting the Salary and Wage Survey

Reducing, when possible, administrative burden

Maintaining the quality of data to support its incorporation into the BH Comparison Rates

Next Steps

Next Steps

PIHPs and behavioral health providers are encouraged to read the SFY 2023 BH Comparison Rates Report on the MDHHS website

✕ Policy 21-39 Reporting Requirements

[Overview of BH Fee Schedule Reporting Requirements](#) (updated 03/03/22)

Annual Behavioral Health Comparison Rate Reports

- [SFY 2022 Michigan Behavioral Health Comparison Rate Development Report](#)
- [SFY 2023 Michigan Behavioral Health Comparison Rate Development Report](#)

- The SFY 2023 report can be accessed by going to this [link](#)
- PIHPs and behavioral health providers can submit questions and comments about the SFY 2023 BH Comparison Rates by accessing the following feedback form: <https://publicsector.questionpro.com/2023MIBHComparisonRates>
- Comments and questions are due by **August 31, 2022**

Thank you!
