



Minnesota Health Care Programs Fee-for-Service Community-Based Services Rate Study

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Background

- Medical Assistance's fee-for-service rate methodologies for:
 - Community-based physical health
 - Community-based behavioral health
- Contracted with Burns & Associates, a division of Health Management Associates (HMA-Burns).
- Preliminary report published August 2023
- Second report published January 2024



Community engagement

Workgroups:

- Community-based mental health services
- Community-based substance use disorder services (includes residential services)
- Psychiatric residential treatment facilities for children and adolescents
- Behavioral health home services
- Physical health services

Broad input through surveys, workgroups and individual interviews



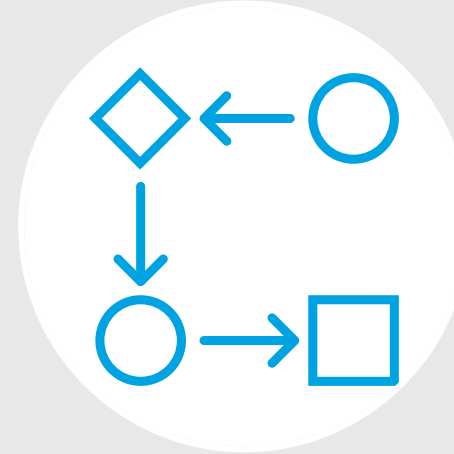
Understanding the problem



Cost coverage



Static methodologies



Inconsistency



Lack of transparency

In scope for this study:

- Community-based physical health services
- Community-based mental health services
- Community-based substance use disorder services
- Early intensive developmental and behavioral intervention (EIDBI) services

Not in scope for this study:

- Inpatient hospital services
- Services with an established cost-based rate (e.g., Federally Qualified Health Centers, Certified Community Behavioral Health Clinics)
- Home- and community-based waiver services

Rate methodology basics

Resource-based relative value scale (RBRVS) rate setting

- Weighs procedures against each other, paying more for those with greater complexity
- Removes inconsistency in reimbursement based on charges providers submit
- Centers for Medicare & Medicaid develops and updates annually
- Minnesota adopts RBRVS in 2011, however it is done budget neutral



Components of the relative value unit



Provider work



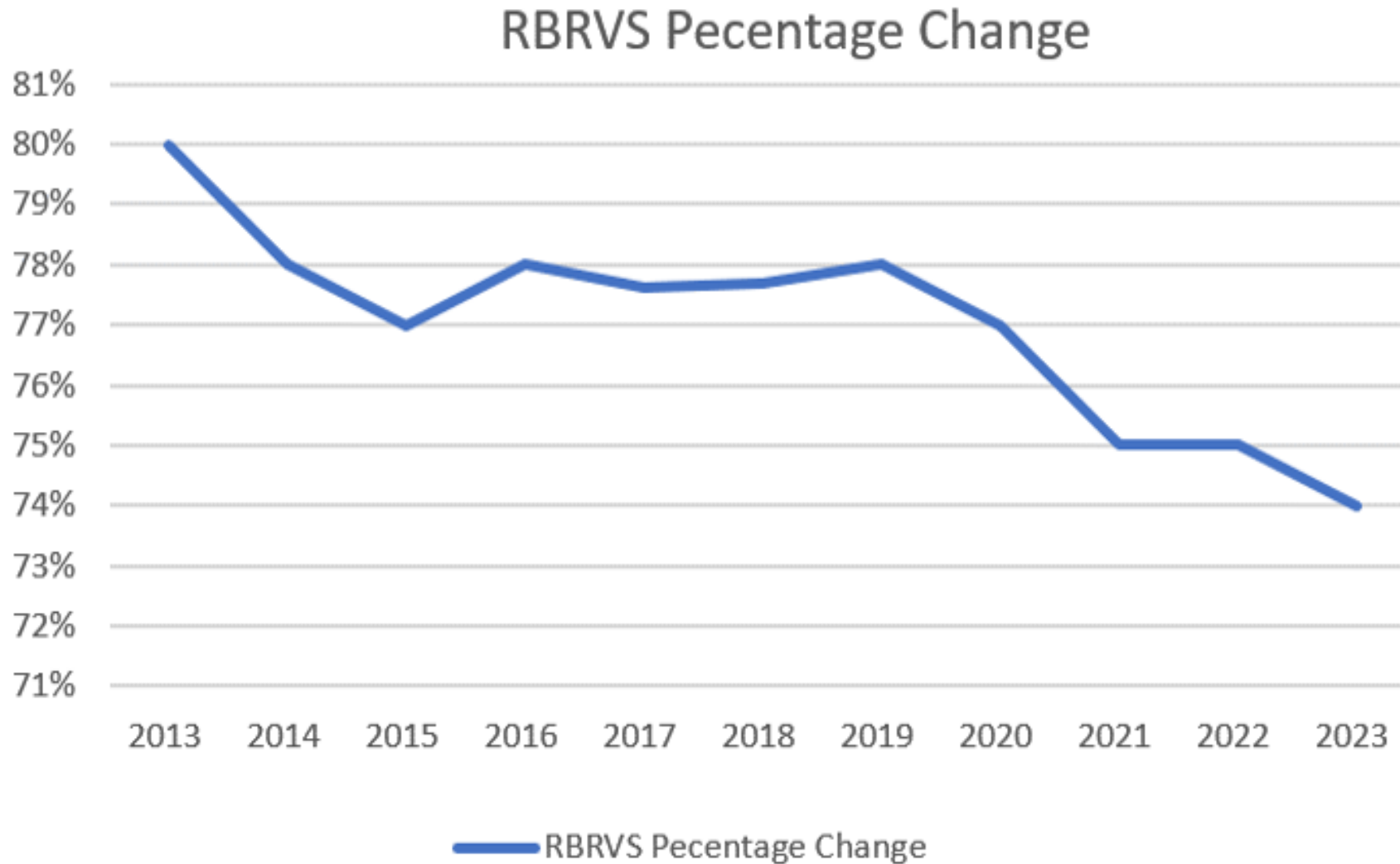
Practice expense

- Nonfacility
- Facility



Malpractice expense

RBRVS over time



Impact of Medicare payment methodology

Top 10 RBRVS codes

CPT code	Service description	Units	Medicaid as a percent of Medicare
90837	Psychotherapy, 60 min	1,224,525	85%
99214	Office visit, established patient	1,184,779	82%
99213	Office visit, established patient	1,219,814	75%
90834	Psychotherapy, 45 min	438,926	92%
99215	Office visit, established patient	199,463	81%
99233	Inpatient hosp care, 35 min	255,870	71%
99285	Emergency department visit	156,728	79%
99284	Emergency department visit	221,935	79%
99204	Office visit, new patient	167,100	76%
97530	Therapeutic activity	712,398	71%

Transparency

Increases and decreases:

- 3% increase for some professional services
- 20% reduction for master's-prepared mental health providers
- 12% reduction for some professional services
- 5% increase for some professional services
- 1.8% MinnesotaCare tax



Recommendations

1) Adopt Medicare RBRVS rates

2) Follow annual updates

3) Eliminate increases and decreases

Market-based rates for behavioral health services



Many mental health services along with substance use disorder and other behavioral health services are not included in the Medicare (RBRVS) methodology



Payment rates for most of these services were established at the time the service was created and have only been updated periodically, if at all, based on legislative action



Many services are only covered under Medical Assistance



Recommendation: Establish market-based rates based on provider cost factors, independent data, and index regular increases to account for changes in cost of delivery care

Market-based rate setting components



Scope of market-based payment methodology

- One-to-one and group mental health services not covered by RBRVS (e.g., ARMHS, CTSS)
- Adult and children's mental health day treatment
- Outpatient and residential substance use disorder services
- Mental health provider travel time
- Mobile crisis services
- Behavioral health home services
- Early Intensive Developmental and Behavioral Intervention (EIDBI)

Mental health recommended rates: Snapshot

Service description	Unit of service	Rate as of 1/2024	Recommended rate	% difference
ARMHS community intervention	Per session	\$51.11	\$91.39	78.8%
ARMHS individual medication education	15 min	\$17.82	\$37.68	111.5%
Children's day treatment (CTSS)	Per hour	\$65.24	\$73.74	13%
Adult day treatment	Per hour	\$21.43	\$44.46	107%
Peer services	15 min	\$7.92	\$9.92	25.2%
Adult crisis assessment, intervention, stabilization	15 min	\$19.51	\$24.01	23.1%
Child crisis assessment, intervention, stabilization	15 min	\$27.33	\$28.08	2.7%

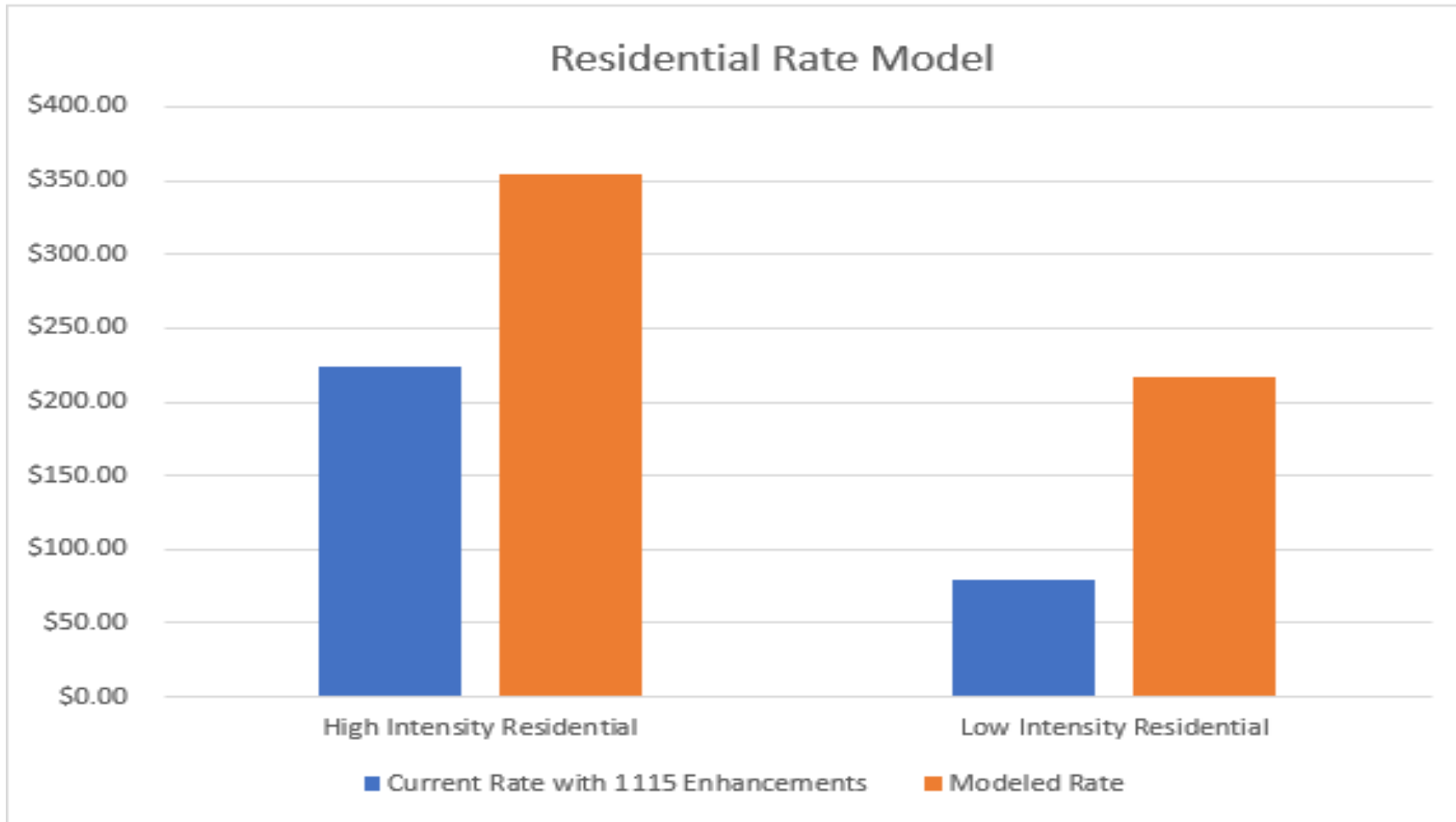
Behavioral Health Home recommended rates

Service description	Unit of service	Current rate	Recommended rate	% difference
BHH services care engagement, initial plan	Monthly (limit of six engagement payments in a member's lifetime)	\$350	\$408.76	15.5%
BHH services ongoing standard care maintenance of plan	Monthly	\$250		48.2%

Substance use disorder recommended rates

Service description	Unit of service	Current rate (as of 1/2024)	Recommended rate	% difference
Comprehensive SUD assessment	Per Session	\$162.24	\$234.06	44.3%
Treatment coordination	15 min	\$15.02	\$37.13	147.2%
Individual therapy	60 min	\$86.53	\$140.27	62.1%
Group therapy	60 min	\$42.02	\$42.97	2.3%
Peer recovery support	15 min	\$15.02	\$28.43	89.3%
High-intensity residential	Per Diem	\$224.06	\$355.02	58.4%
Low-intensity residential	Per Diem	\$79.84	\$216.90	171.7%
WM clinically managed	Per Diem	\$400.00	\$375.91	-6.0%
WM medically managed	Per Diem	\$515.00	\$576.18	11.9%

Residential SUD: cost vs. current rate





Thank you! Questions?