

Contract & Financial Issues Committee, September 20, 2018, 1:00pm

Updates

EDIT Update – Carol Mills

Carol reviewed BHTEDS stating it is at 95% compliance rate. You are required to use this for a crisis service. State will work on a Q-record for next year. ABA codes are being changed by January 1 but will likely be later in 2019. Going back to 15-minute units for Autism. Telepractice memo that was issued will be effective October 1. Intense Crisis Stabilization for children code is changing as of October 1 as well. It will be in 15-minute units as well but needs to have a minimum of 2 units (1/2 hour). Carol stated that the State is likely switching from the 1115 Waiver to 1915(i) Waiver. Children's Mental Health Professionals can have Bachelor's in Human Services and still serve in that capacity. This will be effective October 1. No reason was given as to why the change. Kathy Haines will find out if we can do this for adults as well. Next meeting is in October.

GF Negotiations – Lisa Morse

Lisa stated that the last Contract Negotiations meeting was on August 27. Lisa asked if anyone had received Amendment 1 yet, and the room indicated they had not. Lisa stated that the SED Waiver has been taken off the table. COFR meeting was cancelled this past Monday. PASSAR agreement was approved. John Duvendeck sent out memo regarding GF Allocations to the Negotiations group to review. The Association is advocating that the formula should be in the contract. John Duvendeck has passed this request to the Budget Dept. and is awaiting a reply. State facility attachment – Lisa will type up a summary of this discussion to send to the group. School to community transition – still waiting on data from Joe Longcor. Local dispute resolution – still waiting for DHHS to review these changes. Recipient Rights Guidelines – put on a parking lot list. Egrams topic – Dan Russell sent email to John Duvendeck in August for details. Dan stated that John's response to the field explained how to negotiate the system. Q&A from the Focus session in January of 2018 is still on the "want" list for the Negotiations Group.

Legislative Update – Bob Sheehan

Bob Sheehan spoke about the election highlights provide in the packet from Alan Bolter. He reported that the Association is keeping in contact with both the Schuette campaign and the Whitmer campaign. He stated that a newly created workgroup regarding visions for the future, will be meeting tomorrow. Bob went on to speak about potential actions that may take place during the Lame Duck session. He stated that the Health Plans may take advantage of changes that could be proposed during that time, such as changing the County governance, or changes to the Mental Health Code or Social Welfare Act. Sara Lurie asked for talking points regarding this. Bob stated that County Commissioners would have no input or say if changes to the MHC or SWA took place. Selling your governance rights is what the counties would be doing, and this is detrimental. It would bring back county match, and that is what makes it so alluring. Counties may be tempted by this to get that match back. He stated that of our members need to stay in touch with local legislators. The Association will be welcoming new, incoming administration, and will be setting meetings with allies such as the Sheriff's Association and Beacon. Bob reported that they are expecting a supplemental of \$2 Billion, to be spent prior to a NEW incoming administration. This could be used to take care of FY18 problems. There are some CMHs that would need a FY19 Supplemental with an FY18 tail to it. Bob then spoke about the 1115 Waiver, and the fact that the State will likely withdraw it and submit a 1915(i). He stated that the 1915(i) would raise the requirement to 150% of poverty, which helps our system. More to follow from the Department as it unfolds. Bob spoke about AOT (Assisted Outpatient Treatment) bills. He stated that the language stated that any added costs will be covered by the Department.

Funding Issues – Bruce Bridges

Bruce spoke about rate setting. He stated that originally, the actuary used FY16/17 data to make the calculations for the funding adjustment. The Department told them to go back and use FY15/16 to re-do the rates. Bruce stated that by the end of the year the system will be about \$40 Million under what should be advanced, but this is better than how it could have worked out. Bruce spoke about actuarial soundness and gave some examples of how the rates were not sound. Bob Sheehan stated that he and Bruce will put together a document focusing on actuarial soundness, to be brought to the House and Senate leadership as well as the Rate Setting meetings. Group discussed HRA payments as a negotiation point.

Bruce stated that in January, the rates are going to be based on what took place in FY16/17. If the PIHPs have not changed their diagnostic information this will stay the same. Group wondered how to plan for the other ¾ of the Fiscal Year. Bob explained that the diagnostics need to NOT be truncated, so that the most important diagnoses are submitted.

Bob spoke about Autism services. Milliman set up a fee schedule, looked at services being provided, then used the fee schedule to determine rates. They are using the rates to set funding in the system, but agencies are allowed to charge every dollar spent on Autism to Medicaid. Milliman is using the growth rate of 90 new cases per month in the state.

Other updates on funding:

- HRA funding is going from \$45 Million to \$60 Million.
- Still using 3.8% calculation on Medical Consumer Price Index. Most PIHPs experience higher costs.
- Fee Screen Discussion – Carol Mills reported that Milliman is working to build a fee for service base that underlies the capitation system. They want to come to an understanding of the codes; how CMHs do their costing. They are going to send out a survey, and then they will visit CMHs in January, February and March. Milliman states that visits will be qualitative, not quantitative. Surveys will be used to find out the cost variances in recent years. They will meet again in October. This process will likely take about a year and a half. Group wondered if this would be helpful to the Health Plans in the future. Most agreed that this information would be beneficial and may be an underlying reason for this process.

Bob Sheehan reported that the Direct Care Wage alone was a 7% increase, which shoots over the 3.8% cap. He stated that there is money to be put into the ISF. The amount they put in is .75%. The Association is responding that the Health Plans get 2% - We should get 2%. The Association does not agree that diagnosis should be used at all for the Fee Screening process. This is not a good measure, and discussions need to continue with Milliman and the Association. Bob reported that if 90 new autism cases don't show up every month, the rates will be lowered and adjusted, therefore this needs to be kept in discussions as well.

Group discussed 6-month MUNC rates, and how it was obtained. Bob asked that a document be created asking that the 6-month time period for gathering this data be closer to the time it is requested, not data from 18 months prior. Donna Nieman will create this, to be brought to the Rate Setting meeting.

Carol Mills suggested that the October Supplemental meeting be cancelled. Group agreed by consensus.

Meeting adjourned at 2:25pm.