

Drug Medi-Cal ODS Rate Setting in San Mateo County

County Behavioral Health Fiscal Leadership

December 13, 2016

SMC ODS Rate Setting Process

- Determined approach and general methodology to approach rate setting
- Invited small group of providers to partner with the county in developing a uniform budget template to use with all providers for rate setting process
- Rolled out template to all providers, with lots of T/A and back and forth to arrive upon final budget document.
- Combined all provider budget and units for proposed rolled-up county interim rate

Rate Setting Considerations

- Residential Analysis – used floor plan and treatment schedules to determine room and board vs. treatment costs by provider (2/3 R&B)
- Established productivity expectations – using SAH $1787 * 70\% = 24$ hours per week.
- Using productivity, identified budgets where staff had “bandwidth” to do additional work for new services such as case management and recovery services
- Used current MH rate for MD time for MAT and physician consultation.

Provider ODS Budget Analysis

- Cost analysis
 - FTE and position classification for each provider
 - Ensure costs belong to DMC not other payers
- Revenue analysis
 - include of all private pay, non-AOD funded services and anticipated SUD Tx funding for existing non-DMC sources
- Analysis of client mix and services
 - Understand Medi-Cal clients by type (original, expansion, by aid code) and anticipated UOS.

ODS Budget Analysis

- Calculate projected FFP revenue
 - By Medi-Cal aid code for accuracy
- Combine provider and county budget analysis for countywide DMC projections of overall costs, revenues, and match requirements.

Interim Rates

- Expect cost shift overtime with implementation of new services
 - Example, UOS may shift from Outpatient to Case Management or Recovery Services
- Ensure contractors understand/contracts delineate implication of interim rates
 - Plan for cost reconciliation at year
 - New state cost report format is a good starting point

Additional Thoughts

- Some providers may have low UOS and high costs, others have lower costs and higher UOS.
- Cash flow issues for providers and/or county depending on local payment structure
- County challenge: how track these costs? If have one global interim rate, must track each agency for overpayment and underpayment based on cost.
- Cost reimbursement (total cost divided by total units) ensure DHCS will reimburse counties if costs higher than interim rate

Thank You...and Questions?

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