

1915 (b)/(c) Waiver Training – Finance

January 2012

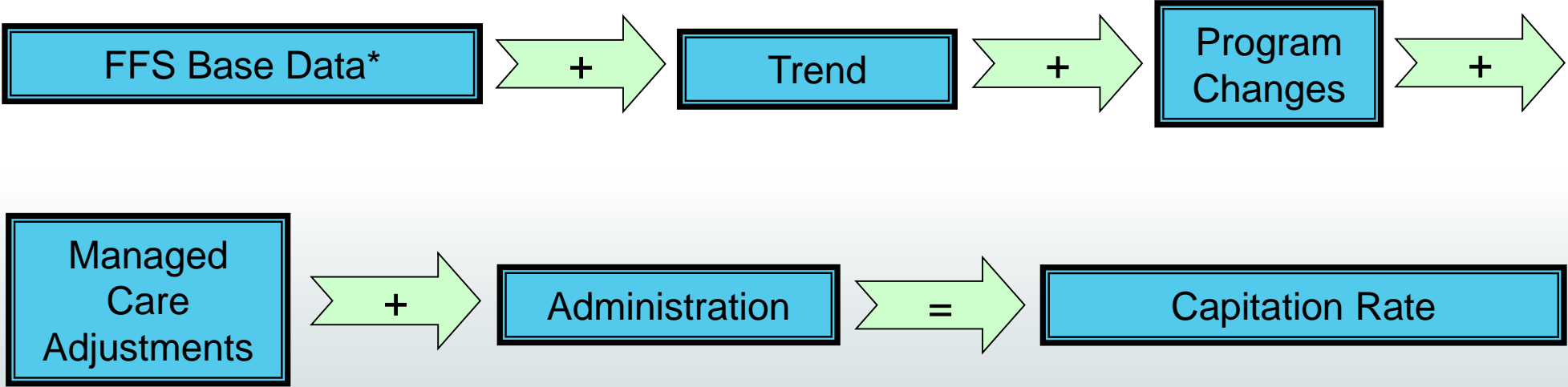
Christal Kelly
Financial Manager, Rate Setting

1915 (b)/(c) Waiver Training – Finance Rate Setting Process

- **Data Book**
 - Historical fee-for-service cost and utilization patterns
 - Completion factors
 - Cost settlement data
- **Capitation Rate Development**
 - Trend
 - Program Changes
 - Managed Care Adjustments
 - Administration
 - 1915 (b)3 services
- **Condensed data summaries**

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Rate Setting Process



* MCO's starting prior to 1/1/13, 2007 and 2008 data will be blended with the 2009 base data.
MCO's starting on/after 1/1/13, 2008 and 2009 data will be blended with the 2010 base data.

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1915(b)(3) services

- **1915(b)(3) services financed out of waiver savings on State Plan services**
- **Based on array of 1915(b)(3) services that will be available**
 - Respite Services
 - Peer Support Services
 - Community Guide Services
- **1915(b)(3) Rate Development**
 - Total 1915(b)(3) PMPM based on PBH historical spending
 - Rates established consistent with average of PBH experience over the last few years to account for potential ramp-up needed for these services



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Offer Rates

State of North Carolina

XYZ PIHP
Offer Rates

Draft & Confidential

July 1, 2012 - June 30, 2013 Offer Rates

Rating Group	Age Group	CY 2009 MMs	July 1, 2012 - June 30, 2013 Offer Rates		
			State Plan Services	1915(b)(3) Services	Total Rate
AFDC	3+	0	\$ -	\$ -	\$ -
Foster Children	3+	0	\$ -	\$ -	\$ -
Aged	65+	0	\$ -	\$ -	\$ -
Blind/Disabled	3 - 20	0	\$ -	\$ -	\$ -
Blind/Disabled	21+	0	\$ -	\$ -	\$ -
Innovations	All Ages	0	\$ -	\$ -	\$ -
Subtotal (w/o Innovations)		0	\$ -	\$ -	\$ -
Total (w/ Innovations)		0	\$ -	\$ -	\$ -

Note: The PMPM includes the following considerations for administrative costs: X% for the Risk Reserve, Y% for DD Treatment Planning, Z% for MH/SA Treatment Planning and 9.0% for general administrative costs.



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Covered services – Schedule of Benefits (Attachment K of Contract)

Service Category	Service Category
Inpatient psychiatric services	Partial hospitalization/day treatment
Community support	Psych rehab
Behavioral health (BH) Long-term Residential	Crisis services
Psychiatric residential treatment facility (PRTF)	ICF-MR services
Case management	CAP-MR/Innovations services
Outpatient	1915(b)(3) services
Assertive community treatment team (ACTT)	Psychiatrist services
Multi-systemic therapy/intensive in-home services (MST/IIHS)	Emergency room services (including ancillary and professional charges) for clients with MH/DD/SA diagnoses

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Emergency Department Claims

- **Who Pays?**
 - Primary diagnosis 290-319...the MCO is responsible for entire claim
- **How Much?**
- **Outpatient Hospital Claims**
 - Billed amount X RCC rate X 80%
- **Radiology and Drugs**
 - Billed amount X RCC rate X 80%
- **Laboratory**
 - Paid the lesser of fee schedule or charges
- **Professional Charges**
 - Paid the lesser of fee schedule or charges



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Sample Claim

RC	Description	HCPCS/CPT	DOS	Units	Charge
270	Med surg Supplies		5/27/2011	10	\$ 83.72
301	Drug Screen Single Class	G0431	5/27/2011	1	\$ 32.25
351	Head Scan wo contrast	70450	5/27/2011	1	\$ 1,397.00
450	Emergency Room		5/27/2011	1	\$ 907.25
730	EKGECG		5/27/2011	2	\$ 192.50
	Total				\$ 2,612.72
Dx	30590				

- Who pays the claim?
 - Revenue Code 450-459
 - Primary Diagnosis between 290-319.99
- What amount should be paid?



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Christal Kelly Regional
Outpatient RCC

0.22 Effective 3/23/2011

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DMA Reimbursement		
Fee Sch 4/1/2011 Amount	RCC Amount	Total Reimb.
	\$ 14.73	\$ 14.73
\$ 93.12		\$ 32.25
	\$ 245.87	\$ 245.87
	\$ 159.68	\$ 159.68
	\$ 33.88	\$ 33.88
		\$ 486.41

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- **MCO negotiates rates with providers**
 - Exception: state established rates for ICF-MRs
- **Cost Settlements**

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Timeliness of Provider Payments

- **90% of all clean claims paid within 30 days of date of approval**
- **99% of above claims are paid within 180 days of the date of receipt**
- **Not responsible for processing or payment of claims submitted 90 days after date of service**
- **Within 18 calendar days after receiving an invoice/claim:**
 - Approve payment of the invoice/claim;
 - Deny payment of the invoice/claim; or
 - Determine that additional information is required for making an approval or denial
- **If approved, claim must be paid within 30 calendar days**
- **Failure to comply: 8% interest beginning the day after payment should have been made**

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Financial Reporting Requirements

- **Enrollment table report**
- **Related Party Transactions and Obligations**
- **Risk Reserve Analysis**
- **Incurred But Not Reported (Claims Lag Report)**
- **Claims Processing Report**
- **Analysis of Revenues and Expenses**
- **Coordination of Benefits**
- **Statement of Financial Position (Balance Sheet)**

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Financial Reporting Requirements, cont'd

- **Statements of Activities**
- **Statement of Activities and Changes in Net Assets**
- **Retained Earnings (Deficit)/Fund Balance**
- **Independent Audit – financial audit and supplemental schedules**
- **Statement of Financial Position Reconciliation**
- **OMB Circular A-133**
- **Annual Disclosure Statement**
- **Cost Allocation Plan**
- **Encounter Data**

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Restricted Risk Reserve Account

- **Monthly deposit: 2% of total rate**
- **Withdrawals**
 - Written approval from DMA
 - Replenish
- **All earning on the account remain in and become part of the account**
- **Report on the status of account quarterly and annually**
- **Failure to make required deposits**
 - Corrective action plan
 - Suspension, Recoupment, Withholding of monthly capitation payments

- **Questions?**