Burns & Associates
A Division of
Health Management Associates

Behavioral Health Services Overview of Draft Rate Models

- on behalf of -

Maine Department of Health and Human Services

September 21, 2022

Presentation Summary

- In alignment with legislation (P.L. 2022, Ch. 635, Part JJJ), the Department of Health and Human Services is conducting a rate study for targeted case management and behavioral health services covered by Sections 13, 17, 28, 65, and 92 of the MaineCare Benefits Manual
  - DHHS contracted with Burns & Associates to assist with this study
- Burns is using the same approach as for previous MaineCare rate studies
  - Developing detailed, transparent rate models showing the specific assumptions used to establish the total rates
  - Relies on data from multiple sources rather than any single source
  - Multiple opportunities for stakeholder involvement
- Presentation covers draft rates for comments, which will be considered prior to finalizing the recommendations
  - Overall, the draft rates represent meaningful increases for most services
  - In some cases, recommendations include changes to billing policies and units; in others, changes may be made in the future, but more policy work is needed
- Note that rates for services meeting the definition of home and community based services in the federal American Rescue Plan Act cannot be reduced until the state expends all funds from Section 9817 of ARPA

Agenda

- Project Background
- Rate Study Process
- Draft Rates
- Service Specific Information
- Public Comment Process

PROJECT BACKGROUND

Background on MaineCare Rate-Setting

- As part of its commitment to ensuring reasonable provider payment rates to support MaineCare's provider network, DHHS has conducted a number of rate studies in recent years
  - The Legislature has approved funding to implement many of the recommendations from these rate studies and to otherwise increase rates
- In 2019, DHHS launched a comprehensive rate system analysis to guide rate-setting through benchmarking (as appropriate), conducting regular updates, transitioning from cost settlement, and holding providers accountable for cost and quality
- In 2022, the Legislature established several requirements for rate studies, including regular reviews; benchmarking; and consideration of service standards, provider costs, best practices, and potential alternative payment approaches (P.L. 2022, Ch. 639)
  - The legislation requires DHHS to collect and respond to comments prior to the rule-making process
  - Although this rate study commenced prior to these requirements, it incorporates the Ch. 639 principles
- Separate legislation requires rate models to fund the labor portion of any rate for an "essential support worker" at 125 percent of the state's minimum wage

Scope of Targeted Case Management and Behavioral Health Rate Study

- Case Management and Care Coordination Services
  - Targeted Case Management (Section 13)
  - Community Integration (Section 17)
  - Behavioral Health Homes (Section 92)

- Adult/ Children Outpatient, School Health-Related Services, Specialized Group Services, Evidence-based Services (Section 65)

- Community-Based Mental Health and Substance Use Services
  - Community Rehabilitation Services, Daily Living Support Services, Skills Development, Day Support, Adult Assertive Community Treatment (Section 17)
  - Rehabilitation and Community Support for Children with Cognitive Impairments and Functional Limitations (Section 28)
  - Clubhouse, Children's Assertive Community Treatment , Home and Community Based Treatment, Therapies for Disruptive Behavior Disorders (Section 65)

Overview of Burns & Associates

- Health policy consultants specializing in assisting state Medicaid agencies and related departments (developmental disabilities and behavioral health authorities)
  - Consulted in approximately 30 states since its founding in 2006
  - Acquired by Health Management Associates in September 2020

- Have led dozens of providers rate studies across more than 20 states, covering a variety of Medicaid and human services programs
  - Home and community-based services, particularly for 1915(c) waivers
  - Behavioral health services
  - Hospitals and other facilities
  - Child welfare and child care

Burns & Associates' Previous Work in Maine

- Health policy consultants specializing in assisting state Medicaid agencies and related departments (developmental disabilities and behavioral health authorities)
- I/DD HCBS (Sections 21 / 29) in 2014-15 – rates not implemented
- Personal Care (Sections 12 / 19 / 96) in 2015-16 – rates implemented
- **Crisis Services (Section 65) in 2015 – rates not implemented**
- **Behavioral Health Homes (Section 92) in 2015 – rates implemented**
- **TCM/ Behavioral Health (Sections 13 / 17 / 28 / 65) in 2016-17 – Section 28 rates implemented**
- Home Health (Section 40) in 2016-17 – rates not implemented
- **Evidence-Based Treatments (Section 65) 2019-20 – rates implemented**
- Sections 18 / 20 / 21 / 29 (select services) 2019-20 – rates implemented
- Intensive Outpatient (IOP) services – select rates implemented
- Private Non-Medical Institutions (App. B and D of Section 97) – rates implemented

RATE STUDY PROCESS

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Summary and Goals of Independent Rate Model Approach

- Consider data from multiple sources rather than depending on any single source
  - Policies, rules, and standards
  - Provider and stakeholder input (e.g., provider survey, public comments)
  - Published sources (e.g., BLS wage data, IRS mileage rates)
  - Special studies (e.g., analysis of regional differences in transportation-related costs)

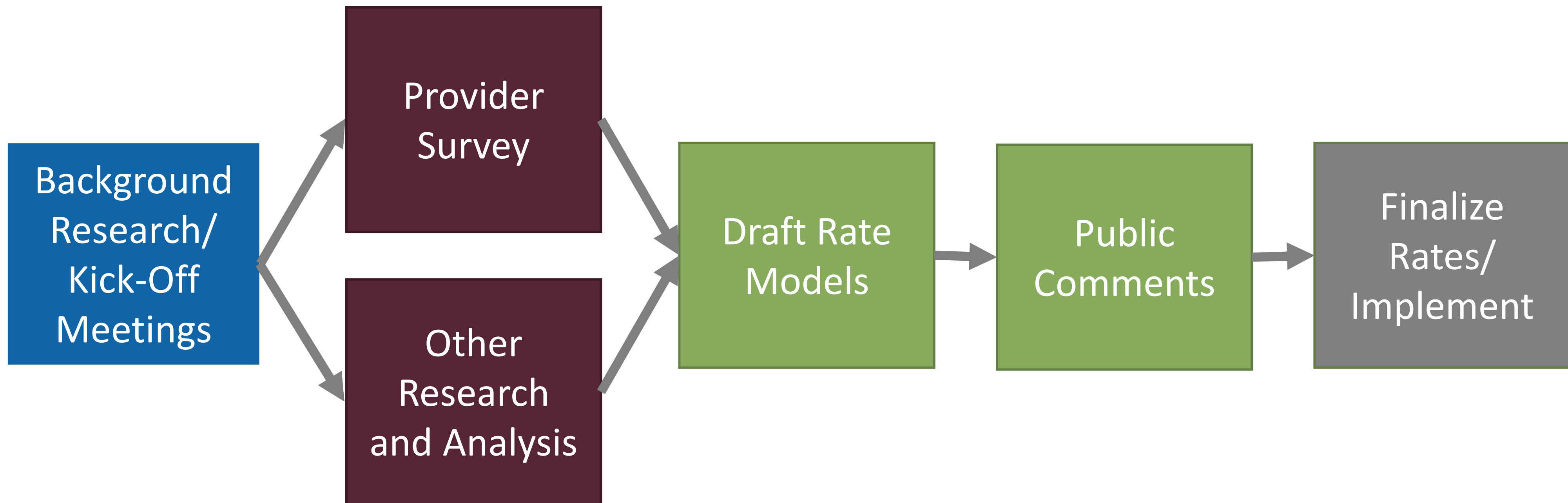
- Rate models should reflect the reasonable costs providers incur to deliver services consistent with the state's requirements and individuals' service plans

- Rates developed independent of budgetary considerations (budgetary impact will be considered as part of implementation planning)

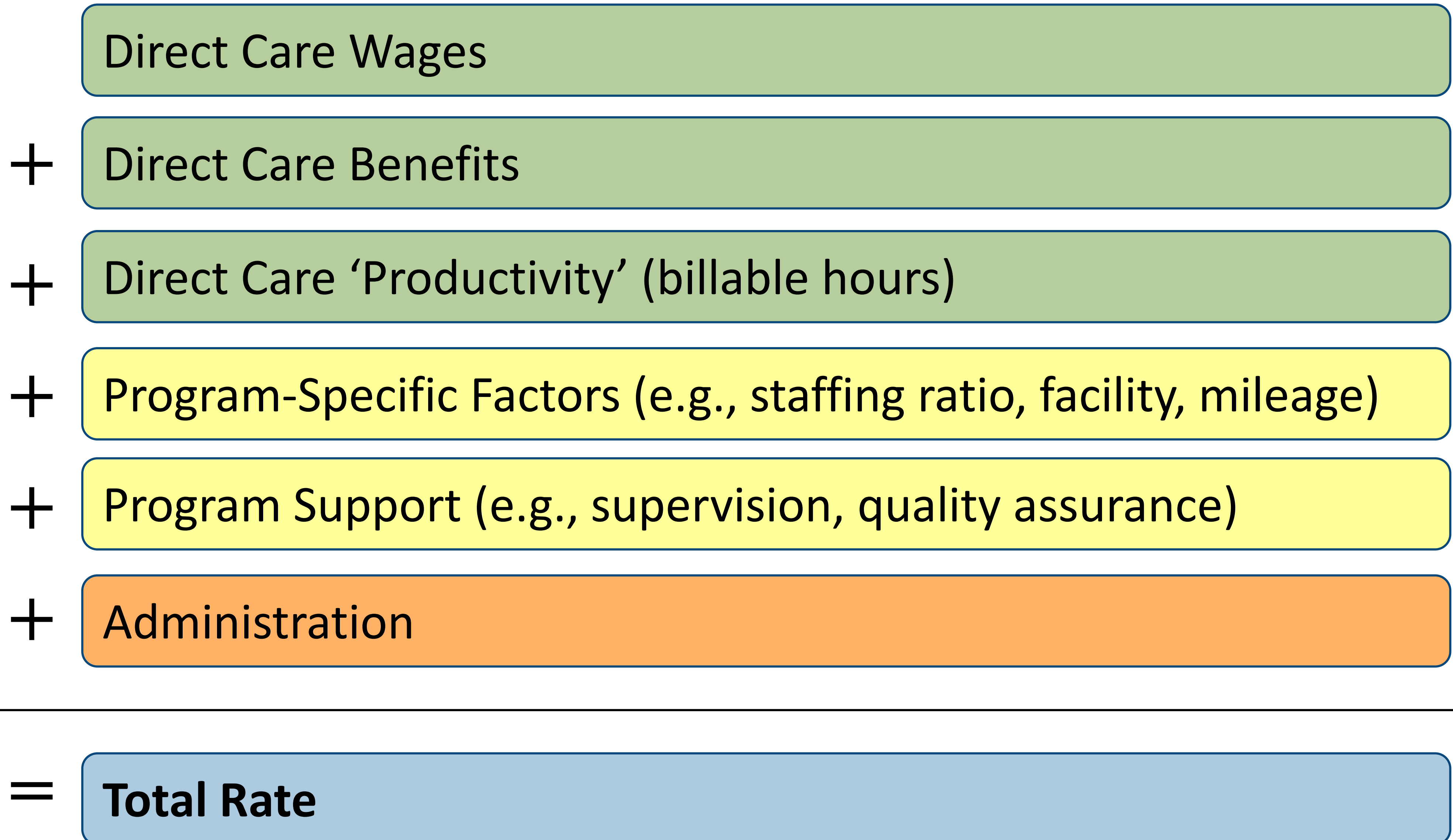
Benefits of Independent Rate Model Approach

- Transparency
  - Models detail the factors, values, and calculations that produce the final rate
- Ability to advance policy goals/objectives
  - For example, improving direct care staff salaries or benefits, reducing staff-to-client ratios, incentivizing community-based services, etc.
- Efficiency in maintaining rates
  - Models can be scaled and adjusted for inflation or specific cost factors (e.g., IRS mileage rate) or to meet budget targets

Rate Study Process



Draft Rate Model Structure



DRAFT RATES

Wage Assumptions – Bureau of Labor Statistics Data

- Appendix A of the rate model packet

- Maine wage data published by the Bureau of Labor Statistics used as the starting point for establishing market-based wage assumptions
  - *Comprehensive*. Wage levels are published for more than 800 occupations based on data from 1.2 million establishments representing 57% of the employment in the United States
  - *Cross-industry*. It is not limited to a single industry so estimates for a given occupation are representative of the overall labor market
  - *Regularly updated*. Released once per year – in late March for the previous May (so most recent data published in March 2022 reflects May 2021 survey data)
  - *State- (and local-) specific*. Data is published for individual states and sub-state regions ('metropolitan statistical areas')

Wage Assumptions – Accounting for Wage Growth

- BLS wage data is inflated to July 2023 (the end of the potential first fiscal year of implementation)
  - Based on Maine-specific data from the Bureau of Economic Analysis for net earnings growth
  - Assume 13.59 percent based on 12 months at 9.0 percent (most recent annual figure) and remaining months at 3.6 percent (ten-year average)

- Per legislated requirement, any wage assumption less than 125 percent of the state's minimum wage would be increased to that amount
  - The 2023 minimum wage has not yet been set, but it is assumed the 125 percent requirement will be equal to $17.30 per hour
  - None of the draft rate models include a wage assumption of less than $20 per hour so there is no impact of this requirement

Assumptions – Crosswalking BLS Occupations to Individual Services

- For each service, BLS occupations are chosen based on comparing BLS data on educational requirements and typical responsibilities to service requirements
- For most services, there is a direct match or a single best-fit between the staff providing services and a specific BLS occupation (e.g., the BLS has a classification for registered nurses that can be used for nursing services)
- For other services, there is not a one-to-one match
  - For example, the BLS combines direct support professionals with staff in other industries in the home health and personal care aide classification
  - This classification may not represent the varied roles of DSPs so the rate models construct a weighted average of multiple BLS classifications
- In general, rate models for different services use the same wage assumption when the staffing requirement is the same (e.g., most services provided by MHRT/C's include the same wage assumption)

Assumptions – Crosswalking BLS Occupations to Individual Services (cont.)

- Children's Behavioral Health Day Treatment
  - BHP – 40 percent substance use/ behavioral disorder/ mental health counselor, 40 percent community health workers, and 20 percent psychiatric technician
  - Master's – average of substance use/ behavioral disorder/ mental health counselor and special education teacher in kindergarten/ elementary
  - BCBA – clinical and counseling psychologist

- Outpatient Therapy
  - Psychologist/ Psychiatrist – clinical and counseling psychologist
  - LCSW/ LCPC/ LMFT/ APRN – mental health/ substance use social worker
  - LADC – substance use/ behavioral disorder/ mental health counselor
  - CADC – average of substance use/ behavioral disorder/ mental health counselor and psychiatric aide

Assumptions – Crosswalking BLS Occupations to Individual Services (cont.)

- Medication Management
  - Physician – psychiatrist
  - Physician Asst./ Nurse Practitioner – physician assistants
- Neuropsychological/ Psychological Testing
  - Psychologist/ Psychiatrist – clinical and counseling psychologists
  - Psych. Examiner – substance use/ behavioral disorder/ mental health counselor
- Adaptive Assessments – mental health/ substance use social worker
- Specialized Group Services – peer and other qualified staff - psychiatric aides
- Evidence-based practices (MST, FFT, and TF CBT)
  - Clinician – mental health/ substance use social worker
  - Supervisor – mental health/ substance use social worker (75th percentile)

Assumptions – Wage Values

- The rate models use the median wage value reported by the BLS for the selected occupation(s) for each service, adjusted for inflation as described

Service	Provider Survey (weighted average with number of responses)	Rate Model Assumption
Children's Behavioral Health Day – BHP	$18.58[1] (7)	$24.41
Children's Behav. Health Day – Master's	$24.35 (7)	$31.16
Children's Behavioral Health Day – BCBA	$32.57 (3)	$41.32
Outpatient – Psychologist	$40.79 (2)	$41.32
Outpatient – LCSW/ LCPC/ LMFT/ APRN	$29.73 (34)	$32.43
Outpatient – LADC	$21.89 (8)	$26.74
Outpatient – CADC	$22.62 (7)	$23.57

[1]Represents bachelor's-level staff (the majority of reported BHP hours); the average reported wage for non-bachelor's BHPs was $39.36

Assumptions – Wage Values (cont.)

- The rate models use the median wage value reported by the BLS for the selected occupation(s) for each service, adjusted for inflation as described

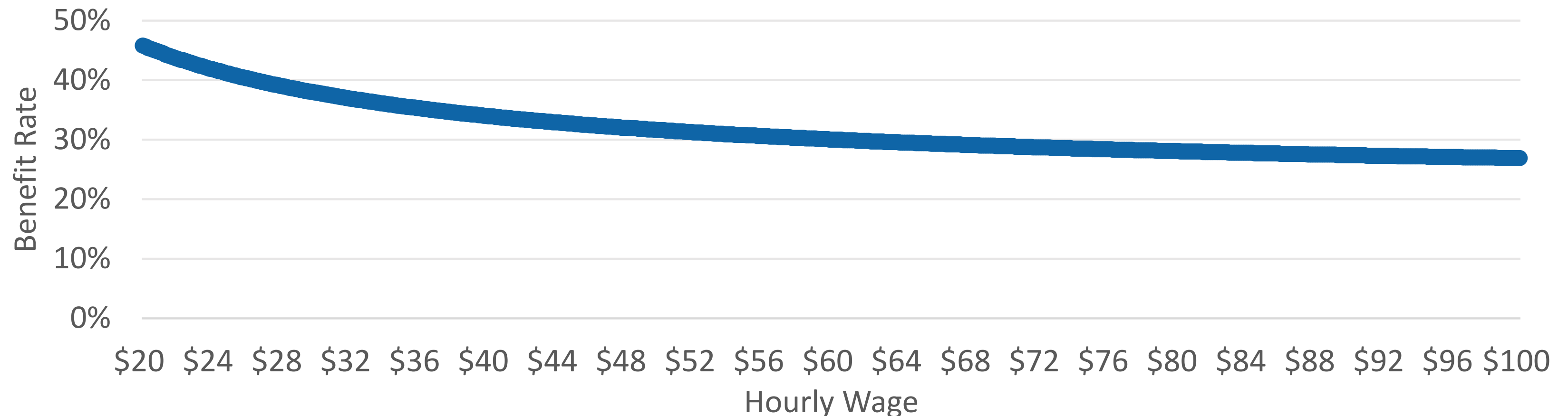
Service	Provider Survey (weighted average with number of responses)	Rate Model Assumption
Medication Management – Physician	$116.94 (4)	$177.06
Med. Mgmt. Physician Asst./ Nurse Prac.	$55.12 (1)	$71.04
Neuro./ Psych. Testing – Psychologist	No Responses	$41.32
Neuro./ Psych. Testing – Psych. Examiner	No Responses	$26.74
Adaptive Assessments	No Responses	$32.43
Specialized Group Services – various	$17.80 (4)	$20.40
Evidence-Based Clinician	No survey (set in 2020)	$32.43
Evidence-Based Supervisor	No survey (set in 2020)	$34.67

Payroll Tax and Fringe Benefit Assumptions

- Benefit assumptions for direct care staff
  - Paid days off per year (holiday, vacation, and sick leave) – 30 days for "professional" level staff and 25 days for paraprofessionals
  - $591 per month for health insurance for employer share of premiums
    - Based on Maine-specific data from U.S. DHHS' Medical Expenditure Panel Survey for take-up rates and costs for a mix of employee only, employee plus-one, and family coverage options
  - $200 per month for other benefits (e.g., retirement, dental, etc.)
- Payroll taxes
  - 7.65 percent Social Security and Medicare payroll
  - Unemployment Insurance
    - Federal tax at 0.60 percent on first $7,000 in wages
    - State tax at 2.45 percent (new employer rate in 2022) on first $12,000 in wages (inclusive of the 0.07 percent CSSF assessment and the 0.14 percent for the Unemployment Administrative Fund assessment)
- Workers' compensation rate of 3.00 percent

Payroll Tax and Fringe Benefit Assumptions (cont.)

- Benefit assumptions are translated to benefit rates by wage level
  - Rate models include the same benefit assumptions for all direct care staff
  - Paid time off is treated as a productivity adjustment (reduction in billable hours) rather than calculated as part of the benefit rate
  - Since certain benefit assumptions are fixed, the benefit rate declines as the wage increases
    - For example, the $591 assumed for monthly health insurance represents a larger percentage of the wage of someone making $20.00 per hour than for someone earning $50.00 per hour
  - Benefit rate assumed in rate models, by wage level (excludes paid time off)



Productivity Assumptions

- For rate models based on hourly billing, 'productivity adjustments' are intended to recognize costs associated with direct care workers' non-billable responsibilities such as time spent in training or traveling between service encounters
  - Example
    - An employee earning $15 per hour (wages and benefits) and working 40 hours per week earns $600 per week
    - However, if the employer can only bill for 30 hours per week, a productivity adjustment of 1.33 is required (work hours divided by billable hours)
    - Thus, the agency must be able to bill $20 per service hour ($15 multiplied by 1.33) to cover the cost of wages and benefits

- In general, for rate models based on caseload standards, assumptions are intended to reflect a caseload that a staff person can carry based on both direct service and non-service tasks

Productivity Assumptions (cont.)

- Assumptions vary by service as detailed in Appendix C of the rate model packet
- General standards
  - All services include 200/240 annual hours for paid time off (25/30 days as noted in the benefits assumptions section, an average of 3.85/4.62 hours per 40-hour week)
  - All rate models include 50 annual hours for training (an average of 0.96 hours per week)
  - All rate models include 1.50 hour per week for supervision and other employer time
- The other productivity adjustments (e.g., travel time, recordkeeping, etc.) included in the rate models and the assumed amount of time spent on each are more variable across services
- Several rate models assume that direct service staff work fewer than 40 hours per week, on average, based on provider survey results
  - Results in larger productivity adjustment to account for fixed assumptions (e.g., training) being allocated across fewer overall work hours

Administration, Program Support, and Service Provider Tax Assumptions

- Rate models include 15 percent funding for agency administration expenses
  - Administration funds activities that are not program-specific such as executive management, accounting, human resources
- Rate models include 15 percent funding for program operations expenses (group services are funded 20 percent)
  - Program operations funds activities that are program-specific, but not direct support and/or billable such as supervision; training (excluding time of the employee being trained); program development and oversight; quality monitoring; and coordination of care activities
- Total administration and program support of 30 percent (and 35 percent for group services) is higher than the 23 to 25 percent in recent rate studies
  - Generally consistent with provider survey results after accounting for overall rate increases (e.g., 15 percent of $120 is equal to 18 percent of $100)
- Service provider tax calculated as 6 percent of all other costs
  - Applies to all Section 17 services, Section 28 services not provided by schools/ exempt providers, and Section 65 Clubhouse

Children's Behavioral Health Day Treatment

- No changes to billing units or rules proposed at this time
- One-to-one BHP rate model assumes 27.8 billable hours per 36-hour workweek (77 percent billable) before accounting for training and paid time off (24.3 hours after training and PTO adjustments)
  - Provider survey reported 74 percent billable
- Propose to add a new billable rate for supports provided by a BCBA

Children's Behavioral Health Day Treatment (cont.)

Service	Billing Unit	Current Rate	Draft Rate	% Change
BHP - One-to-One	Hour	$62.72	$67.88	8%
BHP - Group of 2	Hour	$31.37	$37.53	20%
BHP - Group of 3	Hour	$20.90	$26.49	27%
BHP - Group of 4	Hour	$15.68	$21.09	35%
Master’s - One-to-One	Hour	$101.69	$94.88	(7%)
Master’s - Group of 2	Hour	$50.84	$51.40	1%
Master’s - Group of 3	Hour	$33.83	$36.27	7%
Master’s - Group of 4	Hour	$25.43	$28.86	13%
BCBA	15 Min.		$32.75	

Outpatient Therapy

- Propose to eliminate distinction between rates for independent practitioners and agencies as there are no differences in service requirements
- Propose higher rates for agency services provided by psychologists
- Propose separate rates for community-based and office-based services
  - Community-based rates would be higher due to travel requirements
- Propose to eliminate separate rate for services for individuals who are deaf
  - Expectation is that interpreter services would be billed in combination with Outpatient service when needed
- Rate model for office-based services assumes 27.3 billable hours per week before accounting for training and paid time off (23.5 hours after training and PTO adjustments)
  - Provider survey reported 26.3 billable hours

Outpatient Therapy (cont.)

Service		Billing Unit	Current Rate	Draft Rate	% Change
Psychologist, One-to-One	Office	15 Min.	$22.48	$31.75	41%
	Community			$38.37	71%
Psychologist, Group, Office		15 Min.	$5.62	$10.34	84%
LCSW/ LCPC/ LMFT/ APRN, One-to-One	Office	15 Min.	$22.48	$25.73	14%
	Community			$31.26	39%
LCSW/ LCPC/ LMFT/ APRN, Group, Office		15 Min.	$5.62	$8.41	50%
LADC, One-to-One	Office	15 Min.	$22.48	$21.89	(3%)
	Community			$26.73	19%
LADC, Group, Office		15 Min.	$9.63	$9.57	(1%)
CADC, One-to-One	Office	15 Min.	$15.52	$19.75	27%
	Community			$24.20	56%
CADC, Group, Office		15 Min.	$7.49	$8.65	15%

Outpatient Therapy (cont.)

Service		Billing Unit	Current Rate	Draft Rate	% Change
Independent Psychologist, One-to-One	Office	15 Min.	$23.55	$31.75	35%
	Community			$38.37	63%
Psychologist, Group, Office		15 Min.	$5.89	$10.34	76%
Ind. LCSW/ LCPC/ LMFT, One-to-One	Office	15 Min.	$14.72	$25.73	75%
	Community			$31.26	112%
LCSW/ LCPC/ LMFT/ APRN, Group, Office		15 Min.	$3.68	$8.41	129%

Medication Management

- Propose separate rates for services provided by physicians to account for much higher wages paid to physicians
- Propose same rates for services to children and adults
  - Provider survey results did not demonstrate differences in non-billable time or missed appointment across populations
- Rate model assumes 25.0 billable hours per week before accounting for training and paid time off (21.5 hours after training and PTO adjustments)
  - Provider survey reported 24.3 billable hours

Service		Billing Unit	Current Rate	Draft Rate	% Change
Adult	Physician	15 min.	$82.64	$130.40	58%
	Phys. Asst./ Nurse Prac.			$56.38	(32%)*
Child	Physician	15 min.	$94.46	$130.40	38%
	Phys. Asst./ Nurse Prac.			$56.38	(40%)*

** Rates cannot be decreased at this time due to Maintenance of Effort requirements from Section 9817 of the American Rescue Plan on Home and Community Based Services.*

Medication Assisted Treatment (MAT) with Methadone

- Recommend benchmarking to Medicare's rate for the comparable service
  - Medicare definition (for HCPCS G2067) is "medication assisted treatment, methadone; weekly bundle including dispensing and/or administration, substance use counseling, individual and group therapy, and toxicology testing, if performed (provision of the services by a Medicare-enrolled Opioid Treatment Program"
  - DHHS continues to compare Medicare and MaineCare requirements and welcomes input on differences in requirements impacting the appropriateness of using Medicare's rate as the benchmark
  - Consistent with the benchmark percentage used in other sections of the MaineCare Benefits Manual, the MaineCare rate would be set at 72.4 percent of the current year Medicare rate ($204.79 in 2022)
- Rates would be the same for children and adults

Service	Billing Unit	Current Rate	Draft Rate	% Change
MAT with Methadone	Week	$115.43	$148.27	28%

Neuropsychological and Psychological Testing, and Adaptive Assessments

+ No changes to billing units or rules proposed at this time

Service	Billing Unit	Current Rate	Draft Rate	% Change
Testing, Psychologist	Hour	$84.77	$112.32	32%
Testing, Psychological Examiner	Hour	$53.76	$73.46	37%
Adaptive Assessment	Hour	$88.87	$85.41	(4%)

Specialized Group Services

- Propose billing by session rather than 15-minute units
  - Rates vary by curriculum based on differences in staffing requirements and length of session
  - Assumed staff hours per session include set-up/clean-up and recordkeeping time in addition to instruction
  - Assumes five attendees per session for all services
- Draft rates
  - Wellness Recovery Action Planning (WRAP) – $106.49
  - Recovery Workbook Group – $106.49
  - Trauma Recovery and Empowerment Grp. (TREM) – $87.91
  - Dialectical Behavior Therapy (DBT) – $118.89

Evidence-based Services

- Rates for MST, MST-PSB, FFT, and TF-CBT were revised in 2020
  - Draft rates update wage, benefit, training, space, milage, compliance, and overhead costs

Service	Billing Unit	Current Rate	Draft Rate	% Change
Multisystemic Therapy	Week	$601.05	$671.23	12%
MST - Problem Sexualized Behavior	Week	$776.61	$853.98	10%
Functional Family Therapy	Week	$302.26	$347.68	15%
Trauma-Focused Cognitive Behavioral Therapy	15 min.	$27.21	$31.81	17%

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Public Comment Process

+ Rate models and the supporting documentation will be available on the project website: https://www.burnshealthpolicy.com/MaineCareBH/
+ Written comments will be accepted until October 14th and should be submitted to kmatzinger@healthmanagement.com
+ All comments will be reviewed and summarized
  + Consolidated document of comments and responses will be published
+ Revise rate models based on public comments as warranted

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