



Georgia CBHRS Rate Study Provider Engagement Session

May 25, 2023

Welcome & Agenda

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Welcome & Rate Study Background (10 minutes)

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Rate Study Overview (10 minutes)

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Cost Reporting Tool Update (5 minutes)

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Rate Development Approach (25 minutes)

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Open Discussion & Questions (15 minutes)



How to Ask Questions

All lines are muted.

Please submit questions through the Q&A feature.

We will save time for Q&A at the end of the presentation.

Welcome and Rate Study Background

Rate Study Drivers	History:
<ol style="list-style-type: none">1. Address requirements set forth in Georgia Legislative Act No. 865 - House Bill 911 to conduct a behavioral health rate study;2. Meet CMS expectations related to rate study and methodology as defined in Georgia Department of Community Health American Rescue Plan Act (ARPA) Initial Spending Plan Conditional Approval Memorandum, General Conditions;3. Meet the obligation to the federal Medicaid authority for periodic service cost analysis for rate setting.	<ul style="list-style-type: none">• Many rates have not been updated since 2008 (and were based on 2007 wage/labor statistics)• Last study was completed in 2012, but did not result in rate changes• Meanwhile, behavioral health workforce difficulties have persisted for several years

Welcome and Rate Study Background

DCH and DBHDD – Governance with Deloitte

Provides Executive Steering to the Overarching Contract Project

Consists of DBHDD Leadership and Deloitte (DCH ad hoc)

DBHDD Leadership Group

Provider-populated Steering Workgroup (marketplace representation)

Will shape and inform standard rate setting processes and procedures

Provider perspectives regarding rate, rate structure, and leading drivers of costs

Will provide feedback on methodologies and approaches to the survey to assure relevance and efficiency for collecting necessary data

Core Rate Workgroup

Broader group which will be the surveyed body of provider agencies

Will convene at key points in the project

Understand the data they currently have available, and utilize their feedback to improve clarity & completeness of the cost reports

Stakeholder Engagement

Meet the Deloitte Team...



Tom Steiner ASA, MAAA
BH Project Executive



Tom Carlson FSA, MAAA
Senior Project Lead



**Penny Brierley-Bowers,
Ed.D, PMP**
Specialist Psychologist



Will Iacobucci
Task Lead



Michaela Holt, ASA
Project Team



Connor Schmitt
Project Team



Alyssa Pappas
Project Team

Rate Study Overview

Overall Approach

- ✓ For each service, identify a rate methodology that reflects the reasonable and appropriate costs incurred by providers, consistent with the state's requirements and operational considerations
- ✓ For each cost component, consider data from *multiple* sources

Background Information (for stage-setting and fine-tuning assumptions):

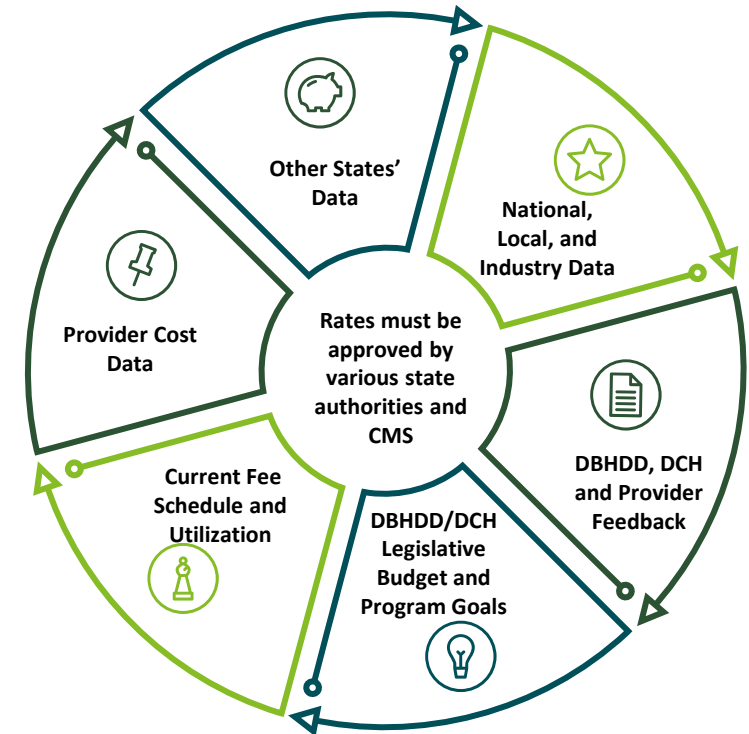
- Policies, provider manuals, and rules
- Rate Scan (other states' fee schedule rates and methodologies)
- DBHDD/DCH input, and CBHRS provider qualitative data

Primary Data Sources:

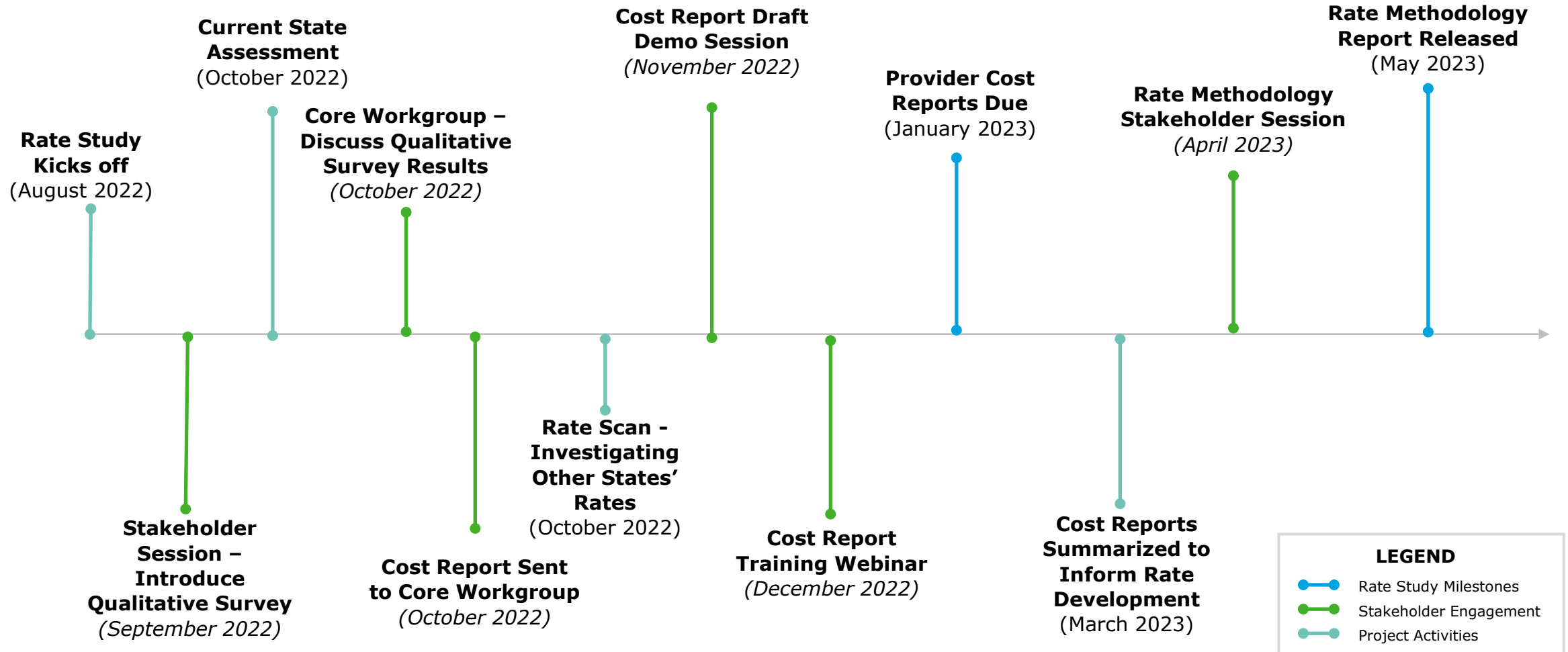
- Provider cost reports
- Published sources (Bureau of Labor Statistics and Social Security Administration)

- ✓ Develop draft assumptions and rates
- ✓ Consult with DBHDD/DCH and revise assumptions or modeling based on input

Rate Development Considerations



Rate Study Overview – Timeline to Date



Rate Study Overview – CBHRS Included in the Study

Community Behavioral Health Rehabilitation Services Included in the Rate Study

Non-Intensive Outpatient Services	Specialty Services
Addictive Diseases Support Services	Addictive Diseases Peer Support Program
Behavioral Health Assessment	Addictive Diseases Peer Support Services (Individual)
Behavioral Health Clinical Consultation	Ambulatory Substance Abuse Detoxification
Case Management	Assertive Community Treatment (ACT)
Community Support	Community Support Team
Crisis Intervention	Crisis Stabilization Unit Services (less than or equal to 16 beds)
Diagnostic Assessment	Intensive Case Management
Family Outpatient Services - Family Counseling	Intensive Customized Care Coordination
Family Outpatient Services - Family Training	Intensive Family Intervention
Group Outpatient Services - Group Counseling	Mental Health Peer Support Program
Group Outpatient Services - Group Training	Mental Health Peer Support Services (Individual)
Individual Counseling	Opioid Treatment
Medication Administration	Parent Peer Support (Group)
Nursing Assessment and Health Services	Parent Peer Support (Individual)
Psychiatric Treatment	Peer Support, Whole Health & Wellness (Group)
Psychological Testing	Peer Support, Whole Health & Wellness (Individual)
Psychosocial Rehabilitation - Individual	Psychosocial Rehabilitation - Program
Service Plan Development (Individual Recovery Plan)	Substance Abuse Intensive Outpatient Program
	Task-Oriented Rehabilitation Services (TORS)
	Youth Peer Support (Group)
	Youth Peer Support (Individual)

Services Excluded

- Community Residential Rehabilitation services excluded given they had low/no utilization
- CSUs over 16 beds were not included – given Medicaid billing requirements

Cost Reporting Tool Update – 28 responses were received

High Level Response Summary

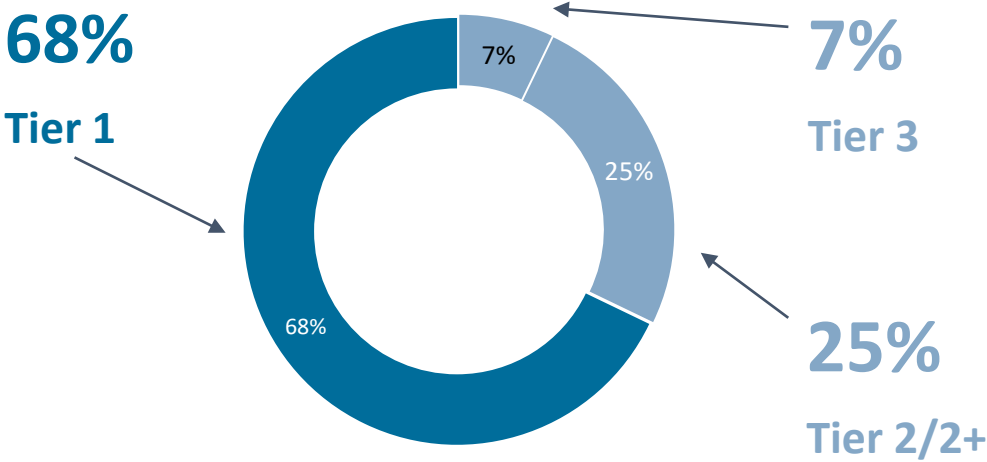
Cost report responses were received for all services included in the study

 **Well-Populated**

 **Difficult to Report**

- Practitioner Wages & Benefits
 - Practitioner Leave Time
 - Staffing Ratios for Group Services
- Non-Billable Practitioner Hours
 - Hours Allocation Across Services
 - Cost Allocation Across Facility Types

Responses by Tier



Respondents’ “Market Share”¹

39%



Cost Reporting Tool - Provider Responses			
Provider Type	Number Responding	Number in Sample	% Responding
Tier 1	19	22	86%
Tier 2/2+	7	29	24%
Tier 3	2	9	22%
Total	28	60	47%

¹Percent of total SFY22 FFS Claims Dollars / Payments (approximately) accounted for by responding providers

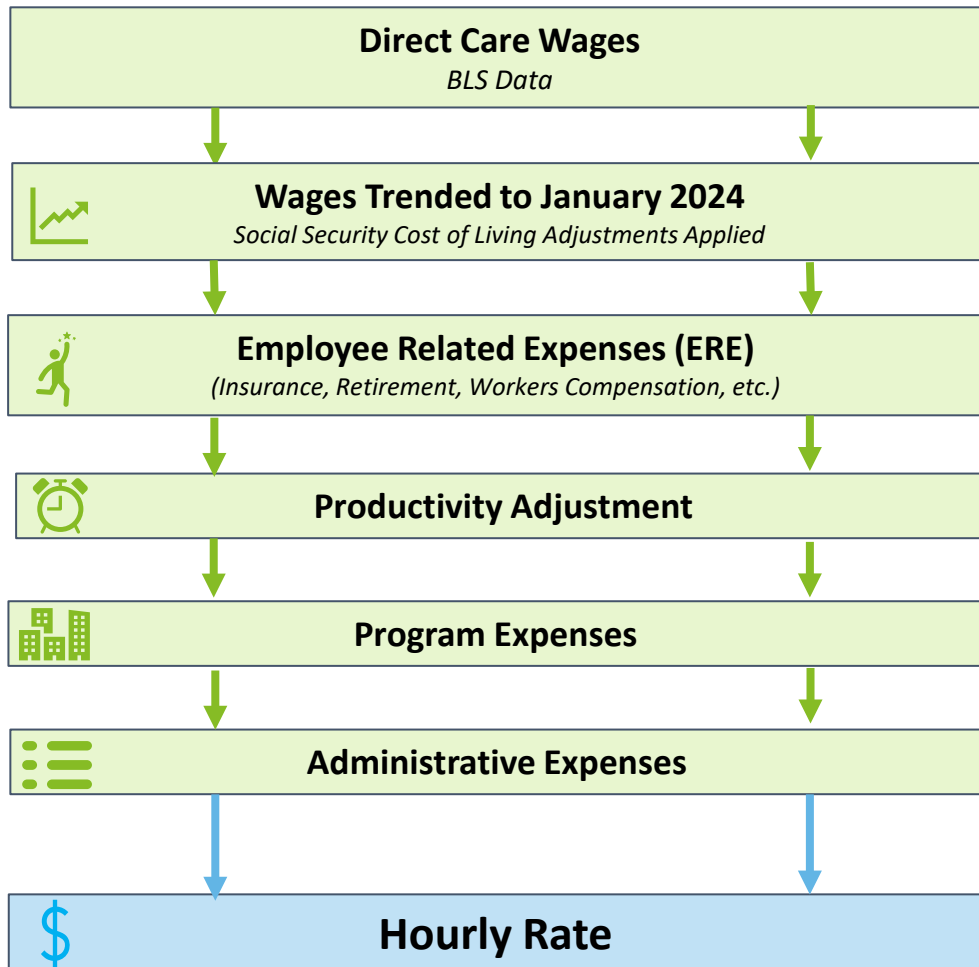
Rate Development Approach – Rate Methodology

The approach used throughout the rate study was tailored to Georgia’s CBHRS program and includes a review of the existing rate methodology as well as national best practices.

Decision Points	Study Component	Rate Development Decisions
Determination of the High-Level Rate Methodology	Current State Assessment	<ul style="list-style-type: none"> Rate methodology used in this study is consistent with the rate methodology used to set the current rates. Some service-specific adjustments were applied based on service requirements and service delivery considerations.
	Rate Scan (Analysis of Rates & Methodologies from Other States)	<ul style="list-style-type: none"> Rates are <u>tiered by practitioner Levels 1 to 5</u>. Practitioner level definitions used are consistent with the current definitions
	Provider Input	<ul style="list-style-type: none"> Rates <u>differ by facility type</u> (in clinic, out of clinic, telehealth). Telehealth rates were set equal to in clinic rates
	DBHDD/DCH Input, Priorities, and Goals	<ul style="list-style-type: none"> Some service-specific adjustments were applied where deemed necessary For select services (e.g., ACT, IC3, CSU) alternative methodologies were applied
Special Review Areas	Analysis of CSB vs. Non-CSB Cost Differences	<ul style="list-style-type: none"> Cost differences between CSBs and Non-CSBs were assessed and were used to help inform some rate setting decisions
	Analysis of Service Bundling/Un-Bundling	<ul style="list-style-type: none"> While it was determined that no “bundled” or “un-bundled” status changes will be made for any services in the rate development, it will be beneficial to monitor the bundling/un-bundling criteria in the future
	Analysis of Telehealth Cost Differentials	<ul style="list-style-type: none"> Analysis of telehealth trends and cost differentials suggested that setting the telehealth rates to in clinic rates is still an appropriate assumption

Rate Development Approach – Rate Build Up

Rate Development



Standard Rate Development Formula¹

$\text{Trended Salary} = \text{Salary by Practitioner Level} * (1 + \text{Wage Trend})$

$\text{Salary} + \text{ERE} = \text{Trended Salary} * (1 + \text{ERE \% of Salary})$

$(\text{Trended Wages} + \text{Employee Related Expenses}) / \text{Productivity Factor}$

$\text{Updated Rate} = \text{Productivity Adjusted Wages} * (1 + \text{Program Percentage Factor})$

$\text{Updated Rate} = \text{Wages with Program Expenses} / (1 - \text{Admin \%})$

$\text{Hourly Rate} = \text{Wages with Admin} / \text{Standard Hours in a Work Year}$

¹ The standard rate development formula was used for most services. For select services (e.g., ACT, IC3, CSU) alternative formulas were used.

Rate Development Approach – Cost Components

Key Cost Component	Approach	Examples	Primary Data Source(s)
Base Wages + Inflation	A profile of practitioner and supervisor staffing requirements were developed by practitioner level; wages were adjusted for inflation	<ul style="list-style-type: none"> Practitioner salary Supervisor Salary Cost of Living Adjustment 	<ul style="list-style-type: none"> Bureau of Labor Statistics (BLS) salary information was analyzed for each practitioner level Cost report data was measured against BLS to inform target salary assumption Salary was trended to January 2024 (Social Security Admin. [SSA] Cost of Living Adjustment data)
Employee Related Expenses (ERE)	ERE cost components were identified and priced based on cost reports and industry benchmark data (does not include PTO)	<ul style="list-style-type: none"> Employer taxes Workers' Compensation Health Insurance Other benefits 	<ul style="list-style-type: none"> Industry benchmarks were developed across ERE categories (based on data from BLS, SSA, IRS, GA Dept. of Labor, etc.) Cost report ERE was compared to industry benchmarks when selecting ERE assumptions
Productivity	Assumptions were developed for workers' billable and non-billable time so that the rates account for non-revenue generating activities	<ul style="list-style-type: none"> Travel Time Leave Time (PTO, holidays, sick days) Charting Time Supervisory Time 	<ul style="list-style-type: none"> Baseline productivity assumptions were informed by the cost reports and current rate productivity DBHDD/DCH and SME knowledge of services were used to adjust assumptions in some cases
Administrative and Program Costs	Activities, costs, and resources that are program-specific, but not billable, are identified and priced	<ul style="list-style-type: none"> Travel costs Rent Depreciation Software 	<ul style="list-style-type: none"> Cost reports were used to develop admin and program cost assumptions Cost report results were compared to and aligned with industry standards
Staffing Ratios (for Group Services)	An assumed ratio of the number of clients to practitioners (for group services) was developed and applied as an adjustment to develop group rates	<ul style="list-style-type: none"> Operational expectations based on DBHDD/DCH input and provider manuals 	<ul style="list-style-type: none"> Cost reports showed ratios that were higher than those used to develop current rates Primary drivers of the rate assumptions were provider sustainability and workforce considerations

High Level Rate Impacts from Rates Developed in the Rate Study

CY2019 Utilization

Percent Impact

Weighted Average Rate Impact (Based on Historical Utilization)

33%

SFY2022 Utilization

Percent Impact

31%

Rate Impact for Practitioner Level Rates

Practitioner Level	Rate Difference from Current Rates*
Level 1	16-27%
Level 2	33-38%
Level 3	17-38%
Level 4	23-37%
Level 5	45-51%

Other Rates

Service	Rate Difference from Current Rates
ACT (Individual)	56%
CSU	320%
IC3	36%

Key Takeaways

- Overall, the developed rates represent an increase of approximately 31%-33% when weighted on SFY22 and CY19 utilization. Rates for some of the specific services may have increased by more or less than this depending on the specific assumptions that may have changed since the rates were last set.
- The CSU rate was updated less recently than most of the other rates, which helps explain why the rate increase is so much larger than others.
- *Generally, the rate ranges provided represent the percentage change for each level across In Clinic and Out of Clinic, as well as across services whose rate change differed due to productivity differences. A small number of procedure codes fell out of the noted ranges due service-specific methodological changes relative to the assumptions used to set the previous rates.

Target Rates Developed in the Rate Study – Select Services

Below is a comparison of the target rates developed during the rate study to the currently established rates, for select services. The full summary of target rates developed during the rate study will be available within the rate methodology report posted to the DBHDD website after this call.

			Established Rates (In Use Today)		Rate Study: Developed Target Rates	
Service	Practitioner Level	Units	In-Clinic/Telehealth	Out-of-Clinic	In-Clinic/Telehealth	Out-of-Clinic
Case Management						
Case Management	Level 4	15 minutes	\$20.30	\$24.36	\$25.61	\$30.27
Case Management	Level 5	15 minutes	\$15.13	\$18.15	\$22.55	\$26.65
Behavioral Health (BH) Assessment						
BH Assessment	Level 2	15 minutes	\$38.97	\$46.76	\$53.06	\$62.71
BH Assessment	Level 3	15 minutes	\$30.01	\$36.68	\$36.24	\$43.49
BH Assessment	Level 4	15 minutes	\$20.30	\$24.36	\$25.61	\$30.27
BH Assessment	Level 5	15 minutes	\$15.13	\$18.15	\$22.55	\$26.65
Group Services						
Group Services	Level 2	15 minutes	\$8.50	\$10.39	\$11.49	\$13.79
Group Services	Level 3	15 minutes	\$6.60	\$8.25	\$7.91	\$9.66
Group Services	Level 4	15 minutes	\$4.43	\$5.41	\$5.55	\$6.66
Group Services	Level 5	15 minutes	\$3.30	\$4.03	\$4.88	\$5.86
Diagnostic Assessment (90792)*						
Diagnostic Assessment*	Level 1	1 Encounter	\$174.63	\$222.26	\$221.88	\$258.83

*For the purposes of illustrating the target rates developed for Level 1 practitioners, only Level 1 practitioner rates for Diagnostic Assessment (procedure code 90792) are shown here.

Next Steps – Rate Study Comments

Rate Methodology Report will be available online as of 5/25/2023 after this call at <https://dbhdd.georgia.gov/bh-rate-study>



CBHRS Rate Methodology Report Released

May 25, 2023

- The report documents the rate study approach and target assumptions that went into rate development
- Target rates that were developed based on the assumptions described will be included in the appendix



Provider Review and Comment Period

May 25 – June 14, 2023

- Providers may review and submit comments related to the CHBRS rate methodology report



End of Provider Comment Period

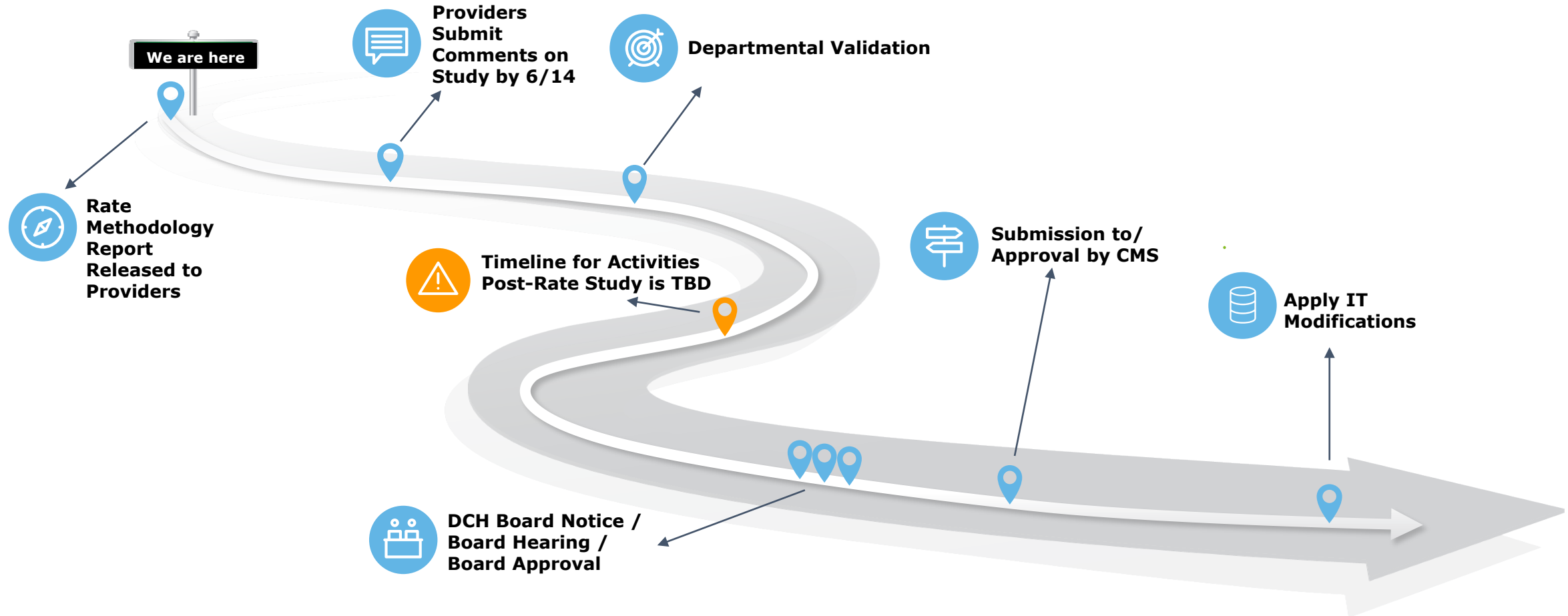
June 14, 2023

- Final date to submit comments or questions related to the CBHRS Rate Methodology Report

Please Submit Comments about the Rate Study to:

<https://deloittesurvey.deloitte.com/Community/se/3FC11B264E02F08B> by **June 14, 2023.**

Next Steps



Open Discussion & Questions



QUESTIONS?

THANK YOU!

Please Submit Comments about the Rate Study to:

<https://deloittesurvey.deloitte.com/Community/se/3FC11B264E02F08B> by **June 14, 2023.**