MINUTES

Substance Use Disorder Services
Financial Workgroup

September 12, 2018
1-4 pm
Ramkota Hotel
Pierre, SD

In Attendance

Tiffany Wolfgang, Stacy Bruels, Greg Evans, Brendan Smith, Brenda Tidball-Zeltinger, Amy Iversen-Pollreisz, Laurie Mikkonen, Laura Schaeffer, Amy Hartman, Gary Tuschen, Michelle Carpenter, Michelle Spies, Susan Sandgren, Terry Dosch

Not Present: Stacia Nissen

Welcome and Introductions

- Laurie Mikkonen welcomed the group and thanked them for their participation.

Review and finalize minutes from July 11th meeting

- Terry Dosch moved to approve the minutes. Laurie Mikkonen moved to add a statement that some modeled rates may be higher or lower than current rates. Terry Dosch moved to approve the minutes with this addition. Gary Tuschen seconded the motion. Minutes were approved.

Finalize outpatient model

- DSS staff discussed follow up conducted with agencies to verify the accuracy of information provided in the survey regarding outpatient individual counseling. Five agencies made changes to the survey information. The follow up focused on the billable hours component as a result of the July 11 meeting discussion. Laurie Mikkonen provided an overview of the updated model with the updated survey information. The impact to the model was nominal in terms of the changes to the modeled rate. There was discussion around the percentage of billable time. Survey results indicated billable time would be 53.1%. Gary Tuschen summarized some national data that indicated time available for billable hours averages about 50% for

these types of services. Consensus from the workgroup was that billable time and productivity standards at agencies should be 50% based on both the survey responses and adjustments to account for no shows and cancellations to align with the national data; however, this area should be monitored to logic check the model in the future. Also discussed was the need to potentially add some additional questions to capture the impact of no-shows on agencies for future surveys. The consensus of the workgroup was that the model should be updated to reflect the 50% billable time in terms of hours and then the work on this model is complete barring any additional information that comes to light as other service areas are modeled. Laurie Mikkonen walked through the group rate model and explained how it was calculated. The group also discussed the group size results from the survey. To develop the group rate, average group size from the survey were used to develop a rate. There is some follow up in this area regarding the average group size in terms of looking at outliers with group sizes less than 4 or higher than 15.

Review survey results, model methodology and provider information for low intensity residential

- Laurie Mikkonen walked through the survey results for low intensity residential services, including added calculations and information from cost reports. There was discussion regarding how case management services were accounted for within the survey results; however, the group outlined the need to clarify how the survey responses for case management were provided. There was discussion regarding different requirements for the pregnant women and women with dependent children's programs and modeling rates separately from other low intensity residential treatment providers. While the framework for the model will be the same for all providers, differences will include the increased residential staff as a result of the service delivery model including both the pregnant mother, and in some cases, dependent children. Laurie Mikkonen outlined the current reimbursement structure for low intensity residential. Low intensity residential services have a minimum requirement of 5 hours of individual or group counseling. The current reimbursement rate is a daily rate that includes both the counseling costs, room and board, and other administrative costs. In situations where an individual in SLIP/SLOT has an identified need for a higher amount of counseling, those additional hours above 5 are currently billed separately through the outpatient rate. The workgroup discussed a proposal to breakout the treatment component of the rate and bill that as individual or group counseling using the model developed for that service. Nontreatment services would be billed using a daily rate. The workgroup's consensus was to proceed with that approach so that the intensity level of the treatment services can be adjusted to meet the individualized treatment plan and also so that the rate can be developed in a way to leverage Medicaid funding for the treatment portion as the room and board portion would not be reimbursable by Medicaid. Laurie reviewed the results of the survey and how those survey results were used to develop a draft low intensity model for the non-treatment component of the rate. The draft model considers the staffing

costs for residential and other administrative staff, the room and board and other costs, and imputes a minimum 90% occupancy. The group discussed the variance between the survey data occupancy rate and the 90% and also how the 90% was calculated in the rate.

Next Steps

- DSS will follow up on the outpatient model related to researching national data on group rates and sizes.
- DSS will assess the central tendency from cost reports to reconcile the differential in group rates between the cost reports and survey data.
- With consensus to break apart the low intensity rate, follow up will be conducted on the occupancy percentage and case management to ensure these are properly accounted for in the low intensity residential model.
    - A follow up survey may be conducted to gather more insights into the case management services provided.
- Inpatient rates are the next area for review. Additional inpatient providers will be invited to participate for greater representation in this service area.

Copayments

- The workgroup's consensus was that copayments should not be factored into the rate structure because providers will not be charging copayments for these services.
- Copayments are not permitted to be charged to individuals covered by Medicaid and removing copayments for other patients with income less than 185% FPL would create consistency among indigent consumers.

Public Comment

Laurie Mikkonen asked for any public comment, being none the meeting was adjourned.