

County of San Diego Behavioral Health Services

California Advancing and Innovating Medi-Cal (CAAIM) - Behavioral Health Payment Reform Overview

Updated on 2/22/23

Behavioral Health Payment Reform - Updates



For more provider information go to the Optum San Diego website: [Payment Reform section](#) (click link)

Update	Date of Update	Status
Phase 1: Opioid Treatment Program Rates	9/1/23	Implemented mid-July 2023
Phase 2: Substance Use Residential Rates	11/1/23	Implemented 11/1/23
Phase 2: Mental Health Residential & Crisis Residential Rates	11/21/23	Shifted to 1/1/24 implementation
Added several additional rates to Phase 2 SUD Residential programs	11/21/23	Implemented 11/1/23
Phase 3: (Update) Crisis Stabilization and Day Treatment programs	11/21/23	Shifted Phase 3 from 12/1/23 to 1/1/24 implementation date
Phases 4 and 5: (Update) SUD and Mental Health Outpatient programs	11/21/23	Shifts Phases 4 and 5, inclusive of SUD outpatient and MH Outpatient services, to 7/1/24 implementation
Phase 2: (Update) MH Residential and Crisis Residential Rates	2/22/24	Rates updated, implementation shifted to 4/1/24
Phase 3 (Update) Crisis Stabilization programs	2/22/24	Rates updated, implementation shifted to 4/1/24
Phase 4: SUD Outpatient programs	2/22/24	Rates developed, implementation on schedule for 7/1/24

Overview



California Advancing and Innovating Medi-Cal (CalAIM)

- State initiative designed to improve the quality of life and health outcomes of Californians through delivery system, program, and payment reform across Medi-Cal
- Originally scheduled to begin in January 2021, but was delayed by the State due to COVID-19
- Implementation of the first reforms began in January 2022, and will continue through 2027

Anticipated Outcomes

- Identifying and managing the risk and needs of Medi-Cal beneficiaries through **whole-person-care** approaches and **addressing social determinants of health**.
- Transitioning and transforming the Medi-Cal program to a more consistent and seamless system by **reducing complexity and increasing flexibility**.
- Improving quality outcomes, reducing health disparities, and driving delivery system transformation and innovation through **value-based initiatives, modernization of systems, and payment reform**.

Behavioral Health Payment Reform



Key Transitions

- Shift from cost-reimbursement methodology to a fee for service (FFS) payment structure
- Shift to Intergovernmental Transfers (IGTs)
- Shift from Healthcare Common Procedure Coding System (HCPCS) to a combination of HCPCS and Common Procedural Terminology (CPT) coding

Positive Impacts

- Shifts toward value-based payments that incentivize outcomes and quality over volume and cost
- Enables counties and providers to deliver value-based care and simplifies payment structures by eliminating cost reports, burdensome administrative practices, and complex audits
- Aligns with other healthcare delivery systems and complies with CMS requirement to adopt CPT codes

Anticipated Opportunities

- Adapt operational and administrative practices that maximize billing
- Establish outcomes and utilize data more meaningfully to support client success
- Shift toward incentives that drive improved client care and support meaningful outcomes
- Achieve sustainability through FFS rates to reinvest into behavioral health system

County BHS Payment Reform Priorities



Rates

- FFS rates are equitable and sustain costs of providing quality behavioral health care
- FFS rates support capacity-building across services, including expanding the behavioral health workforce
- Continue advocacy for growth in rates that reflect increased costs of providing quality healthcare

Incentive Payments

- Develop future incentives that drive improved care and system outcomes

CPT Coding

- Improve reporting and data utilization through disaggregated data on specialty BH services

Ongoing Priorities

- Cultivate open communication and build trust with providers as we navigate through BH Payment Reform
- Support continuity of existing behavioral health services and capacity growth that is sustainable

Anticipated Timeline



<u>Key Action/Milestone</u>	<u>Date</u>
<u>CalAIM Framework: Executive Summary and Summary of Changes</u>	Feb 2021
State Development of Criteria and Guidance	Jan 2022
<u>BHIN 23-017 Specialty Mental Health Services and Drug Medi-Cal Services Rates</u>	Apr 2023
BHS Rate Development and System Impact Analysis to Inform Implementation Plan	Mar – Dec 2023
<u>San Diego County Board of Supervisors: Authorize Intergovernmental Transfer Agreement and Amendments to Medi-Cal Contracts for BH Payment Reform (5/13/23 MO# 6)</u>	May 2023
Behavioral Health Payment Reform Begins	Jul 2023
San Diego County <u>Eligible</u> BHS Contractors Transition to Rate-Based (FFS) Model*	By July 1, 2024
ALL San Diego County <u>Eligible</u> BHS Contractors are Transitioned to Rate-Based (FFS) Model	July 1, 2024
*Subject to change	

Implementation Plan



Scale of Transformation

- BH Payment Reform will impact nearly **200 contracted programs** and County-operated services
- Phased approach in Fiscal Year 2023-24 will support the transition and minimize disruption
- Anticipate that all eligible providers will be transitioned to FFS model by 7/1/24

Rate Development

- The service rates were developed by the State **and may be adjusted by the State.**
- San Diego County will establish **baseline rates** for providers, which will be **a portion** of State rates
- Modifiers will be established in addition to baseline rates depending on size of the program, location, specialized services/populations, and other key factors
- Remaining revenue will cover incentives and capacity building costs
- **Rates may adjust as the system matures, as contractors optimize services and significantly increase billable units of service, and based on adjustments to rates made by the State**
- **Rates for new RFPs may be adjusted to align with new billing expectations for services, and therefore may not align with rates established during the initial FFS transition**

Alternative Transition Payment

- A one-time payment may be available to *qualifying* contractors to support readiness as programs transition from a cost reimbursement contract structure to an FFS contract structure

Substance Use Residential Services



Implementation – Phase 2

- October 1, 2023
- Impact to 22 contracted SUD Residential programs
- Analyzed rate impact across all services within SUD Residential
- Establish Baseline Rate + Modifiers, where applicable

Service	State / Base Rate*	County of San Diego Baseline Rate*	Unit	Rate Modifiers*
Residential 3.1	\$220.72	70% of State Rate	Per Day	<ul style="list-style-type: none"> • Program Size: Large, Medium, Small • Special Populations: Teens, Perinatal, Incidental Medical Services (IMS), other • Location: County-owned facility, Rural
Residential 3.3	\$286.94	70% of State Rate	Per Day	
Residential 3.5	\$261.05	70% of State Rate	Per Day	
Withdrawal Management 3.2	\$290.06	70% of State Rate	Per Day	
Outpatient Services (Individual)	\$5.17	70% of State Rate	Per Minute	
Outpatient Services (Group)	\$1.15	70% of State Rate	Per Minute	
MAT Add-On Services	Various	70% of State Rate	Per Minute	
Room and Board	\$75.00	\$55.00	Per Day	

* Subject to change

<https://www.dhcs.ca.gov/Documents/DMC-ODS-24-Hour-Day-Services.xlsx>

Opioid Treatment Programs (OTPs)



Implemented – Phase 1

- Began mid-July 2023
- Impact to 9 contracted OTP programs
- Analyzed rate impact across all services within OTPs
- Established Baseline rate + Modifiers, where applicable

Service	State Rate*	County of San Diego Baseline Rate*	Unit	Rate Modifiers*
Outpatient Services	\$75.98	70% of State Rate	Per 15 mins	<ul style="list-style-type: none"> • Special Populations: Perinatal
Dosing Methadone	\$21.32	85% of State Rate	Per Dose	
Dosing – Other	Depends on dosing type	100% of State Rate	Per Dose	
				* Subject to change

<https://www.dhcs.ca.gov/Documents/DMC-ODS-NTP-Rates.xlsx>

MH Residential and Crisis Residential Services



Implementation – Phase 2

- April 1, 2024
- Impact to 1 contracted MH Residential + 7 Crisis Residential programs
- Rates apply to children and adult programs
- Establish Baseline Rate + Modifiers, where applicable

Service	State / Base Rate*	County of San Diego Baseline Rate*	Unit	Rate Modifiers*
Adult Residential	\$268.26	100%	Per Day	<ul style="list-style-type: none"> • Program Size: Small • Location: County-owned facility
Adult Crisis Residential	\$541.62	90%	Per Day	
Licensed Physician (MD – Med Support Svcs)	\$23.46	45%	Per Min	
Med Support (Other Credentials)	Various	75%	Per Min	
Room and Board	\$75.00	90%	Per Day	

* Subject to change

<https://www.dhcs.ca.gov/provgovpart/Documents/SMHS-24-Hour-Services.xlsx>

<https://www.dhcs.ca.gov/Documents/DMH-Outpatient-Rates.xlsx>

Mental Health Crisis Stabilization Services*



Anticipated Implementation – Phase 3

- April 1, 2024
- Impact to 5 contracted MH Crisis Stabilization Units
- Establish Baseline Rate + Modifiers, where applicable

Service	State / Base Rate*	County of San Diego Baseline Rate*	Unit	Rate Modifiers*
Crisis Stabilization Services (Adults)	\$358.19	65% of State Rate	Per Hour	<ul style="list-style-type: none"> • Hospital-Based Facility • County-owned Facility
Overstay Rate (Adults)	N/A	45% of State Rate	Per Hour	<ul style="list-style-type: none"> • Hospital-Based Facility • County-owned Facility
Crisis Stabilization Services (Children)	\$358.19	65% of State Rate	Per Hour	<ul style="list-style-type: none"> • County-owned Facility
Overstay Rate (Children)	N/A	45% of State Rate	Per Hour	<ul style="list-style-type: none"> • None

* Subject to change

<https://www.dhcs.ca.gov/provgovpart/Documents/SMHS-Day-Services-Rates.xlsx>

Day Treatment Services*



Anticipated Implementation – Phase 3

- January 1, 2024
- Impact to 2 contracted day and half day treatment programs, including PHP and IOT
- Establish Baseline Rate + Modifiers, where applicable

Service	State / Base Rate*	County of San Diego Baseline Rate*	Unit	Rate Modifiers*
Day Treatment Intensive (Full Day)	\$758.44	70% of State Rate	>= 4.0 hours	<ul style="list-style-type: none"> • Special Populations: Age served
Day Treatment Intensive (1/2 day)	\$505.63	70% of State Rate	< 4.0 hours	
Day Rehab (Full Day)	\$346.51	70% of State Rate	>= 4.0 hours	
Day Rehab (1/2 Day)	\$231.00	70% of State Rate	< 4.0 hours	
* Subject to change				

<https://www.dhcs.ca.gov/provgovpart/Documents/SMHS-Day-Services-Rates.xlsx>

Substance Use Outpatient Services*



Anticipated Implementation – Phase 4

- July 1, 2024
- Impact to 35 contracted SUD outpatient programs
- Analyzed rate impact across all credentialing types within SUD Outpatient services
- Establish Baseline Rate + Modifiers, where applicable

Service	State / Base Rate*	County of San Diego Baseline Rate*	Unit	Rate Modifiers*
Various	Varies by credential	75%	Various	• Special Populations: Teen, Perinatal, Justice

* Subject to change

<https://www.dhcs.ca.gov/Documents/DMC-ODS-Outpatient.xlsx>

Mental Health Outpatient Services*



Anticipated Implementation – Phase 5

- July 1, 2024
- Impact to 90 contracted MH Outpatient programs
- Analyzed rate impact across all credentialing types within MH Outpatient services
- Establish Baseline Rate + Modifiers, where applicable

Service	State / Base Rate*	County of San Diego Baseline Rate*	Unit	Rate Modifiers*
Various	Varies by credential	TBD	TBD	• TBD

* Subject to change

<https://www.dhcs.ca.gov/Documents/DMH-Outpatient-Rates.xlsx>

Mobile Crisis Response Teams*



Anticipated Implementation – Phase 6

- July 1, 2024
- Impact to 2 Mobile Crisis Response Team programs
- Establish Baseline Rate + Modifiers, where applicable

Service	State / Base Rate*	County of San Diego Baseline Rate*	Unit	Rate Modifiers*
Mobile Crisis	\$3,323.47	TBD	Per Encounter	• TBD
Mobile Crisis Transportation (Mileage)	\$0.65	TBD	Per Mile	
Mobile Crisis Transportation (Staff Time)	\$80.25	TBD	Per 15 minutes	
* Subject to change				

<https://www.dhcs.ca.gov/provgovpart/Documents/SMHS-Mobile-Crisis-Rates.xlsx>

Partners Through Transition



BHS Expectations

- The transition will be rapid due to delayed dissemination of State rates
- Providers should have open and regular communication with CORs
- BHS will work with providers, as needed
- To be successful operations, and service models may shift (it's not just about maintaining status quo)
- Dates are subject to change due to unforeseen challenges
- **It remains essential for providers to ramp up billing to support viability under the new payment reform FFS payment structure.**

Measures of Success

- MH and SUD providers successfully transition toward value-based care that is sustainable, improves client care and outcomes, and expands network capacity to improve access to care for those in need
- Administrative burdens are reduced allowing the workforce to focus on direct care
- Rates bolster the Behavioral Health Continuum of Care

Thank you for your patience as we navigate this process together!