

County of San Diego Behavioral Health Services

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

Updated on 6/7/24

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 |
| Phase 5: MH Outpatient programs | 3/22/24 | Rates developed, implementation on schedule for 7/1/24 |
| Phase 2: (Update) MH Residential and Crisis Residential Rates | 3/22/24 | Rates updated |
| Phase 4: (Update) SUD Op Rates | 3/22/24 | MD rate added |
| All Levels of Care: (Update) FY 2024-25 State Rates | 6/7/24 | Baseline rate percentage will remain, rates will increase on 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>Medi-Cal Transformation 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 Transitioned to Rate-Based (FFS) Payment Structure* | By July 1, 2024 |
| <u>Department of Health Care Services Publishes Updated Fiscal Year 2024-25 FFS Rates (5/20/24)</u> | 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 most 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 be utilized for future incentives and capacity building
- 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

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
- State rates updated for FY 2024-25 (+3.08% Increase over FY 2023-24)

| Service | State Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|---------------------|------------------------|------------------------------------|-------------|---|
| Outpatient Services | \$78.32 | 70% of State Rate | Per 15 mins | <ul style="list-style-type: none"> • Special Populations: Perinatal |
| Dosing Methadone | \$21.98 | 85% of State Rate | Per Dose | |
| Dosing – Other | Depends on dosing type | 100% of State Rate | Per Dose | |
| | | | | * Subject to change |

FY 2024-25 Rates: <https://www.dhcs.ca.gov/Documents/DMC-ODS-NTP-Rates-24-25.xlsx>

Substance Use Residential Services

Implemented – Phase 2

- November 1, 2023
- Impact to 22 contracted SUD Residential programs
- Analyzed rate impact across all services within SUD Residential
- Establish Baseline Rate + Modifiers, where applicable
- States rate updated for FY 2024-25 (+3.08% Increase over FY 2023-24)



| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|----------------------------------|--------------------|------------------------------------|------------|--|
| Residential 3.1 | \$227.52 | 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 | \$295.78 | 70% of State Rate | Per Day | |
| Residential 3.5 | \$269.09 | 70% of State Rate | Per Day | |
| Withdrawal Management 3.2 | \$298.99 | 70% of State Rate | Per Day | |
| Outpatient Services (Individual) | \$5.33 | 70% of State Rate | Per Minute | |
| Outpatient Services (Group) | \$1.18 | 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

FY2024-25 Rates: <https://www.dhcs.ca.gov/Documents/DMC-ODS-24-Hour-Day-Services-Rates-24-25.xlsx>

MH Residential and Crisis Residential Services



Implemented – 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
- State rates updated for FY 2024-25 (+3.08% Increase over FY 2023-24)

| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|--|--------------------|------------------------------------|---------|--|
| Adult Residential | \$276.52 | 130% | Per Day | <ul style="list-style-type: none"> • Program Size: Small • Location: County-owned facility |
| Adult Crisis Residential | \$558.30 | 95% | Per Day | |
| Licensed Physician (MD – Med Support Svcs) | \$24.19 | 55% | Per Min | |
| Med Support (Other Credentials) | Various | 85% | Per Min | |
| Room and Board | \$75.00 | 100% | Per Day | |

* Subject to change

FY2024-25 Rates: <https://www.dhcs.ca.gov/Documents/SMHS-24-Hour-Services-24-25.xlsx>

FY2024-25 Rates: <https://www.dhcs.ca.gov/Documents/SMHS-Outpatient-Rates-24-25.xlsx>

Mental Health Crisis Stabilization Services*



Implemented – Phase 3

- April 1, 2024
- Impact to 5 contracted MH Crisis Stabilization Units
- Establish Baseline Rate + Modifiers, where applicable
- State rates updated for FY 2024-25 (+3.08% Increase over FY 2023-24)

| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|--|--------------------|------------------------------------|----------|---|
| Crisis Stabilization Services (Adults) | \$369.22 | 65% of State Rate | Per Hour | • Location: Hospital-based facility, County-owned facility |
| Overstay Rate (Adults) | N/A | 45% of State Rate | Per Hour | • Location: Hospital-based facility, County-owned facility |
| Crisis Stabilization Services (Children) | \$369.22 | 65% of State Rate | Per Hour | • Location: County-owned Facility |
| Overstay Rate (Children) | N/A | 45% of State Rate | Per Hour | • None |

* Subject to change

FY2024-25 Rates: <https://www.dhcs.ca.gov/Documents/SMHS-Day-Services-Rates-24-25.xlsx>

Day Treatment Services*



Implemented – 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
- State rates updated for FY 2024-25 (+3.08% Increase over FY 2023-24)

| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|------------------------------------|--------------------|------------------------------------|--------------|--|
| Day Treatment Intensive (Full Day) | \$781.80 | 70% of State Rate | >= 4.0 hours | <ul style="list-style-type: none"> • Special Populations: Age served |
| Day Treatment Intensive (1/2 day) | \$521.20 | 70% of State Rate | < 4.0 hours | |
| Day Rehab (Full Day) | \$357.18 | 70% of State Rate | >= 4.0 hours | |
| Day Rehab (1/2 Day) | \$238.11 | 70% of State Rate | < 4.0 hours | |

* Subject to change

FY2024-25 Rates: <https://www.dhcs.ca.gov/Documents/SMHS-Day-Services-Rates-24-25.xlsx>

Substance Use Outpatient Services*



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
- State rates updated for FY 2024-25 (+3.08% Increase over FY 2023-24)

| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|---------------------|----------------------|------------------------------------|---------------------|--|
| Various | Varies by credential | 75% | Per Billable Minute | • Special Populations: Teen, Perinatal, Justice |
| MD | \$24.19 | 45% | Per Billable Minute | |
| * Subject to change | | | | |

FY2024-25 Rates: <https://www.dhcs.ca.gov/Documents/DMC-ODS-Outpatient-Rates-24-25.xlsx>

Mental Health Outpatient Services*



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
- State rates updated for FY 2024-25 (+3.08% Increase over FY 2023-24)

| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|---------|----------------------|------------------------------------|---------------------|--|
| Various | Varies by credential | 75% | Various | • Special Populations: ACT, BPSR, SBCM, Other Adult, Children/Youth |
| MD | \$24.19 | 45% | Per billable Minute | |

* Subject to change

FY2024-25 Rates: <https://www.dhcs.ca.gov/Documents/SMHS-Outpatient-Rates-24-25.xlsx>

Mobile Crisis Response Teams*



Anticipated Implementation – Phase 6

- [Planning underway](#)
- Impact to 2 Mobile Crisis Response Team programs
- Establish Baseline Rate + Modifiers, where applicable
- [State rates updated for FY 2024-25 \(+3.08% Increase over FY 2023-24\)](#)

| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|---|--------------------|------------------------------------|----------------|-----------------|
| Mobile Crisis | \$3,425.83 | TBD | Per Encounter | • TBD |
| Mobile Crisis Transportation (Mileage) | \$0.67 | TBD | Per Mile | |
| Mobile Crisis Transportation (Staff Time) | \$82.72 | TBD | Per 15 minutes | |
| * Subject to change | | | | |

FY2024-25 Rates: <https://www.dhcs.ca.gov/Documents/DMC-ODS-Mobile-Crisis-Rates-24-25.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 support a collaborative process
- To be successful, operations and service models will need to shift (it's not just about maintaining status quo)
- Dates are subject to change due to unforeseen challenges
- It is 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!