



DHCS Behavioral Health Forum Fiscal Forum

**April 6, 2015
3:45 p.m. to 4:45 p.m.**

Fiscal Forum Chairs

Chairs

Chuck Anders, Chief

Fiscal Management and Reporting Outcomes
Mental Health Services Division

Marco Zolow, PhD, Health Program Specialist I
Prevention Treatment and Recovery Services
Substance Use Disorders Division



Agenda

- I. Welcome and Introductions
- II. Presentation
- III. Discussion
- IV. Updates and Next Steps
 - a. Charter FY 15 – 16



PRESENTATION



Introduction

- Issue Grid – Item # 50: Standardize MH and SUD fiscal systems, including budgeting, cost reporting, and billing formats and requirements. This should be done within the broader context of reducing and simplifying state-imposed administrative burdens.

- Both SMHS and SUD have worked separately to develop a web-based application for cost reporting. Currently both projects have been on hold and we would like to use this opportunity to consider integrating the cost report onto a single platform that will service both SMHS and SUD needs. As we are in the early stages of analyzing the necessary actions to implement the cost report for both programs, we think this is an opportunity to hear from stakeholders who have experience with cost reporting in both the SMHS and SUD programs.



Current Cost Report Data Collection Technology

- MH: Excel workbooks are used to capture the cost data.
- SUD: Excel workbooks and the Paradox application are used to capture the data.



Distribution to Counties/Providers

- MH: Post Templates (Excel workbooks) to ITWS for users.
- SUD: Cost Report Settlement Forms (Excel workbooks) are mailed out with all supporting documentation on a CD. The Paradox application will also be mailed out on a CD.



Submission by Counties/Providers

- MH: Completed workbooks are returned through ITWS.
- SUD: Completed workbooks and Paradox files are returned via email.



Data Validation

- MH: Validation is processed at time of submission.
 - An editor completes a check for errors.
 - An error report is produced.
 - State/County engages in cleanup process.
- SUD: Paradox application validates the data entry as it is entered.



Reconciliation

- MH: Reconciliation is transmitted through ITWS.
 - State locks the workbook and reposts to ITWS for reconciliation of units.
 - County resubmits the reconciled version through ITWS.

- SUD: The FMAB analyst communicates any need for changes with the assigned county. Email is used to verify and confirm changes to the cost report.



Settlement

- MH: DHCS manually enters payment data and calculates the settlement.
- SUD: The FMAB analyst uses Excel workbooks and Oracle queries to complete the settlement process.
 - A preliminary settlement is completed using the data in the Paradox application for the SAPT Block Grant expenditures.
 - An interim settlement is completed using the data in the Paradox application and data from the SMART payment system for the Drug Medi-Cal expenditures.
 - Direct Contract Providers use a separate Settlement Form (Excel) to report cost and units. This results in the interim settlement only since the Direct Contract Providers are not using SAPT Block Grant dollars.



Medicaid Information Technology Architecture

Carrie Moore, MITA Team Lead
Office of HIPAA Compliance

MITA Overview

- **Medicaid Information Technology Architecture**
- MITA is both an initiative and a framework
 - Began with the concept of moving the design and development of Medicaid information systems away from the siloed, sub-system components that comprise a typical MMIS
 - Consolidation of principles, models, and guidelines that combine to form a template for the States to use to develop their own enterprise solutions
- MITA supports Enterprise Architecture
 - “EA defines the **business**, the information necessary to operate the **business** of an organization, the technologies necessary to support the **business** operations, and the transitional processes necessary for implementing new technologies in response to the changing **business** needs.” - CMS

MITA Guiding Principles

- **Business-Driven Enterprise Transformation** – established principles that describe business transformation and a transition strategy to achieve that transformation.
- **Commonalities and Differences** – defines processes, data, and technical solutions that are common to each state yet flexible enough to meet state-specific needs.
- **Standards First** – promotes the use of data and technical standards.
- **Built-in Security and Privacy** – includes security and privacy goals and capabilities throughout the architectures.
- **Data Consistency Across the Enterprise** – ensures, to the greatest extent possible, that copies of data elements are minimal, synchronization of multiple copies (when necessary), and the official data of record is always available.

The MITA Framework

Describes a structure for the Medicaid Enterprise that includes business operations, information exchange, and technological services. Includes:

- **Business Architecture (BA)** - Describes the current and future business operations of a state Medicaid enterprise
- **Information Architecture (IA)** - Describes the current and future data needs to support the business of a state Medicaid enterprise
- **Technical Architecture (TA)** - Defines a set of technical services and standards that can be used to plan and specify future systems



The business capabilities from BA define the data strategy of IA and design the business and technical services of TA

MITA State Self-Assessment

- The purpose of conducting the State Self-Assessment (SS-A) is to identify the As-Is operations and To-Be target environment across the Medicaid enterprise
- Enables DHCS to use defined levels of business maturity to help shape the future vision of the Medicaid program
- It is now required by CMS for all requests for enhanced federal funding (submitted with Advanced Planning Documents)
 - Referenced in the CMS Seven Standard's and Conditions for enhanced federal funding
- Initial California SS-A completed in 2008, annual updates began in 2013

MITA Redefines the Scope of the MMIS

- The CMS MITA Framework redefines the understood boundaries of the MMIS and includes all the business processes that support a state Medicaid program
- In addition to traditional MMIS claims, provider and member management processes, the MITA Framework extends the MMIS to those functions that support the administration of the Medicaid program such as policy and plan management, case management, program integrity and vendor contracting
- The MITA Initiative provides an opportunity for states to receive enhanced federal matching funds to support improvements across the Medicaid program

MITA Maturity Levels Defined

"As-Is"		Near Future		"To-Be"
Level 1	Level 2	Level 3	Level 4	Level 5
<ul style="list-style-type: none"> – Labor intensive, manual, paper based – Focus is on compliance – State-specific standards – Little collaboration – Information is stored in disparate systems 	<ul style="list-style-type: none"> – Mix of manual and automated processes – HIPAA and state-specific standards – Collaboration with other agencies – Electronic Data Interchange (EDI) transactions – Information is stored in disparate systems – Standardized business rules definitions 	<ul style="list-style-type: none"> – Automated to the fullest extent possible within the intrastate – Intrastate exchange of information – Collaboration with other intrastate agencies and entities – Develop and share reusable business services – Regional information exchange hubs – Automation of information collection – Automated decision making based on intrastate standardized business rules 	<ul style="list-style-type: none"> – Clinical and interstate exchange of information – Collaboration with other interstate agencies and entities – Develop and share reusable processes including clinical information – Information is available in near real time – Processes that use clinical information result in immediate action, response, and results – Interstate interoperability – Automated decision making based on regionally standardized business rules 	<ul style="list-style-type: none"> – National (and international) interoperability – Information is available in real time. – Most processes execute at the point of service – Information exchange with national agencies – Automated decision making based on nationally standardized business rules

CMS expects state agencies to be at an appropriate level based on federal initiative deadlines. Federal initiatives are directing the State Medicaid Agency to achieve Level 3 or, in some processes, Level 4 and 5 maturity.

Manage Cost Reports Settlement

Financial
Management

Accounts
Receivable Mgmt

- Manage Provider Overpayment Recoupment
- Manage TPL Recovery
- Manage Estate Recovery
- Manage Drug Rebate
- **Manage Cost Reports Settlement**
- Manage Medi-Cal Accounts Receivable Information
- Manage Medi-Cal Accounts Receivable Funds
- Manage Dental Accounts Receivable Information
- Manage Dental Accounts Receivable Funds

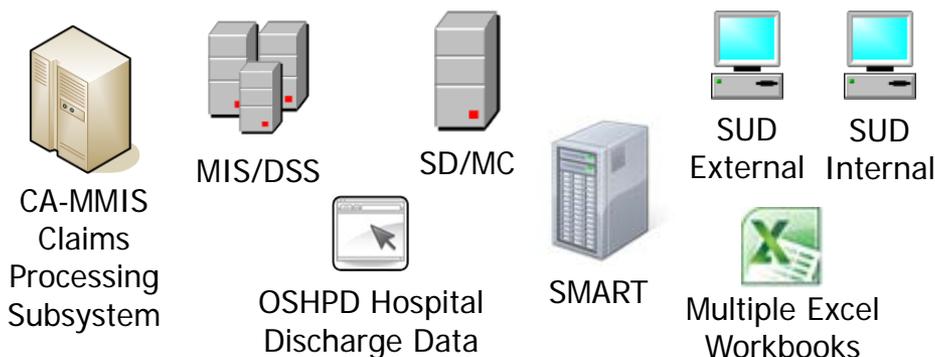
- Annual cost report settlement based upon Medicare cost reports (or provider standard)
- Managing Disproportionate Share Hospital (DSH) payments
- Audits & Investigations (A&I)
- Safety Net Financing (SNFD)
- Mental Health Services (MHSD)
- Substance Use Disorder (SUD)
- EHR Provider Incentive Program (OHIT)

Cost Reports Settlement– “As-Is”

Manage Cost Reports Settlement

- Activities are labor-intensive
- Cost report submissions from providers and internal tracking systems are paper-based
- No regular electronic data exchanges
- Inconsistent rules due to multiple responsible organizations
- Silos of data used to calculate hospital payments
- Manual calculation of payments and reconciliation; manual validation by auditor

Systems



- The business process includes:
 - Reviewing provider costs and establishing a basis for cost settlements or compliance reviews.
 - Receiving audited Medicare Cost Report from intermediaries.
 - Capturing the necessary provider cost settlement information.
 - Calculating the final annual cost settlement based on the Medicare Cost Report.
 - Generating the information for notification to the provider.
 - Verifying the information is correct.
 - Producing the notifications to providers.
 - Establishing interim reimbursement rates.

NOTE: Cost settlements may be made through the Apply Mass Adjustment business process.

Level 3 “To-Be” Target Goals

- **Enterprise solution**
- **Automate** process to the full extent possible within the intrastate.
- Adopt MITA Framework, industry standards, and other nationally recognized standards for **intrastate exchange of information for cost settlement coordination**:
 - Improving cost effectiveness ratio
 - Efficiency to 95% or higher
 - Data Accuracy to 99% or higher
 - Accuracy of results to 90% or higher
 - Stakeholder satisfaction to 90% or higher
- **Decision-making is automatic** using **standardized business rules** definitions.
- **Collaborate** with other intrastate agencies and entities to **adopt national standards**, and to develop and share **reusable business services**.
- Timeliness improves via state and federal collaboration, use of **information sharing, standards, and regional information exchange hubs**:
 - Cost Reports Settlement – Process requires ten (10) or fewer business days
- Obtain information easily and **exchange with intrastate agencies** and entities based on MITA Framework and **industry standards**.

Proposed “To-Be” Plan

- Phased approach to an enterprise solution
- Initiate a business process improvement effort to standardize processes across the program areas
- Leverage work already done for Mental Health Services and Substance Use Disorder for phase 1
- Other program areas will be addressed in future phases
- Define data needs for activities other than cost settlement (data mining, rate setting, EHR provider incentive payments etc.)
- Fully automated, web-based solution with direct data entry and file import capabilities
- Reconciliation with Federal Cost Reporting
- Collaborate and establish participation in statewide Health Information Exchange (HIE) for cost settlement coordination activities
- Implementation of performance measures
- Seeking input from stakeholders

Proposed Cost Report Data Collection Technology

- Web-based platform with user interface for data entry and reporting.
 - Replacing the Excel workbooks and Paradox database application for cost reporting.



Distribution to Counties/Providers

- User Login for access to cost report application with password protection and restricted data access permission for privacy and data integrity.



Submission by Counties/Providers

- User completes cost data entry on the web-based form.
 - The data is collected online in real-time.
 - Allows multiple user entry to improve the timeline for submitting data.



Data Validation

- Each data entry form in the cost report will validate data as it is entered.
 - The business rules for validation will be running in the background and error messages will be generated by the system.
 - No form will be saved until the errors are all cleared.



Reconciliation

- The online cost reporting application will communicate with the Short Doyle payment system and provide the up to date units of service for each provider and program.



Settlement

- Once all the data has been entered and validated, the cost report application will calculate the settlement and provide reporting. The settlement will be administered by the department and filed with the necessary parties.



DISCUSSION



Fiscal Forum Discussion

Considering your experience in cost reporting for either mental health or substance use disorder services, can you suggest the features that you would like to see in a web-based application?



NEXT STEPS



Fiscal Forum Charter

- Priorities FY 15-16:
 - Improve Fiscal Policies / Statute / Regulations
 - Improve Reimbursement Methodologies
 - Improve the Billing System / Process



Contact Information

Behavioral Health Forum Stakeholder
Website:

[http://www.dhcs.ca.gov/provgovpart/Pages/MH-SUD-
UpcomingMeetings.aspx](http://www.dhcs.ca.gov/provgovpart/Pages/MH-SUD-UpcomingMeetings.aspx)

*Please e-mail questions, comments or
concerns to:*

MHSUDStakeholderInput@dhcs.ca.gov



BEHAVIORAL HEALTH FORUM NEXT STEPS



Future Meeting Dates

Behavioral Health Forum Forums will be meeting on:

- **July 6, 2015**
- **October 5, 2015**

