Alameda County Behavioral Health

Full Service Partnership Payment Transformation Initiative

Medi-Cal Healthier California for All Behavioral Health Payment Reform Workgroup

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Alameda County Behavioral Health Care Services

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ACBH Payment Transformation Initiative
Topics to Cover

- Introductions
- Alameda County Behavioral Health (ACBH)
- ACBH Payment Transformation Initiative
- Lessons Learned to inform Medi-Cal Healthier California for All payment reform discussion

ACBH Payment Transformation Initiative
Alameda County Behavioral Health

- *ACBH provides services to 30,000 Medi-Cal beneficiaries, and has nearly 700 FTE and over 100 Community-based providers ($400M)*
- *The FY19-20 Final Approved Budget = $532M*

Child and Young Adult System of Care

Adult and Older Adult System of Care

Substance Use Disorder System of Care

Office of the Medical Director

Office of Consumer Empowerment

Office of Family Empowerment

Office of Ethnic Services

ACBH Payment Transformation Initiative
Why Payment Reform?

Status quo: Under the current process, Full Service Partnership (FSP) providers are reimbursed at a provider-specific service rate by modality and are settling at lower than actual cost per unit or contracted rate.

Limitations: This payment structure is limited in critical ways:

- ✓*It focuses solely on covering provider costs and does not reward access to care, quality outcomes, and cost efficiency.*
- ✓*Cost-based reimbursement does not allow for implementation of value-based payment (VBP) model(s) where all providers begin on an equal footing regarding their funding.*
- ✓*Lack of consistency in rate structures is unnecessarily complicated.*

ACBH Payment Transformation Initiative
Phase 1: Incentive Payment Program

Goals:

1. Socialize value-based payment models with FSP providers
2. Lay foundation for incentivizing FSP provider improvements in quality

Approach: ACBH and FSP providers co-identified system transformation measures to be incentivized, including:

- Findings from the FY 16-17 and 17-18 EQRO reports;
- Existing FSP measures;
- National behavioral health quality measures; and
- Alameda County Whole Person Care behavioral health measures.

Implementation:

- Payments available for meeting measures, FY18-19 and FY19-20
- Measure reporting infrastructure developed

ACBH Payment Transformation Initiative
Phase 2: Transition to Fee-For-Service (FFS)

Approach:

Transition FSP provider contracts with cost-based structures to a fee-for-service (FFS) utilization-based payment model over a four-year phase-in period, consistent with federal guidelines

Impact:

The new payment structure will support quality strategies and provider cost efficiencies and will position us to implement the Medi-Cal Healthier California for All proposal to eliminate cost-based reimbursement and settlement

ACBH FSP Payment Transformation Initiative
FFS Rate Setting

Rate setting process:

1. Analyze provider costs as reported on their previous years' cost reports (FY 14-19);

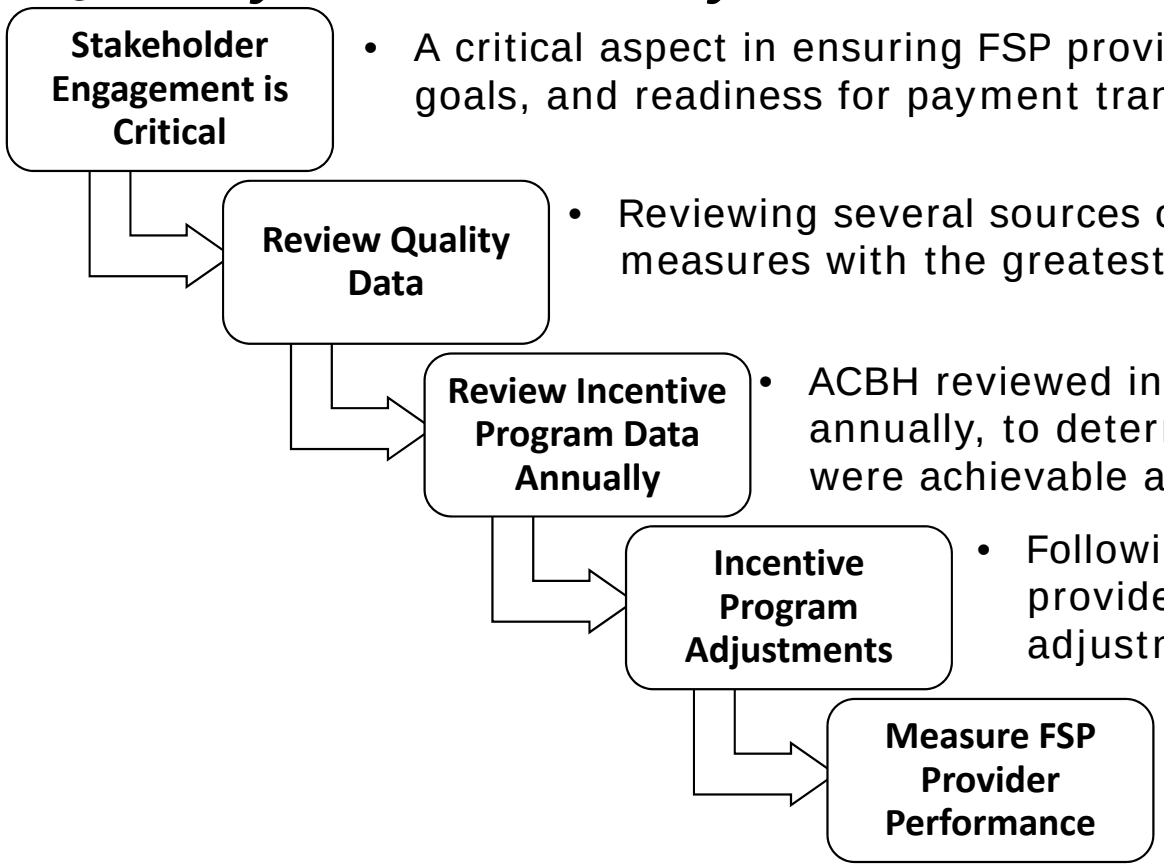
2. Calculate average cost per unit of service for each type of service modality provided by FSPs;

3. Adjust for cost differences that are out of the control of the provider (e.g. provider location, complex populations, etc.) by applying weight considerations.

Planned 4- Year Full FFS Transition

Year 0 = FSP Incentive Design Initiative (FY 18-19)	**Year 1 = Information Only (FY 19-20)-By October**	**Year 2 = Blended Rate (FY 20-21)**	**Year 3 = Full FFS (FY 21-22)**
• ACBH explores the possibility of payment transformation through the development of the FSP incentive design initiative to engage providers to focus on improvements in beneficiary access and quality of care -- initial step of value-based purchasing.	• ACBH calculates rates under both the cost-based and FFS methodologies and shares this information with providers on a regular basis. • This begins a soft transition by giving providers information needed to determine required changes to their business practices and a first nudge to begin developing these changes. • Ultimately, contracts are still settled to the lower of actual cost per unit or contracted rate.	• ACBH calculates rates under both the current cost-based and FFS methodologies and providers are paid the average of these two rates, e.g., a "blended" rate. • This continues the soft transition and gives providers stronger incentives and additional time to modify their business practices.	• ACBH calculates provider rates using the FFS methodology only.

Lessons Learned and Key Takeaways
Quality Incentive Payments



- A critical aspect in ensuring FSP provider buy-in, shared common goals, and readiness for payment transformation.
- Reviewing several sources of quality data allowed us to identify measures with the greatest potential impact to client outcomes.
- ACBH reviewed incentive program measures at least annually, to determine if the measures and benchmarks were achievable and promoted desired outcomes.
- Following review and discussion with FSP providers, ACBH made incentive program adjustments.
- Measuring performance with greater precision improved our ability to remediate access and quality performance issues.

Lessons Learned and Key Takeaways
Fee-for-Service (FFS)

Quality Strategies & Cost Efficiency	• Supported by the new payment structure • Positioning ACBH for Medi-Cal Healthier California for All
Multi-Year Approach	• To allow providers to adjust business practice and prepare for shifts in payments • Leading to better cost efficiency
Review Several Years' FSP Cost Data	• To adjust for variance in cost across providers that a true flat FFS rate methodology does not account for
Add-On Weights	• To help avoid paying providers significantly above or below their cost

ACBH Payment Transformation Initiative
Facilitating Change in the Last 3 Years

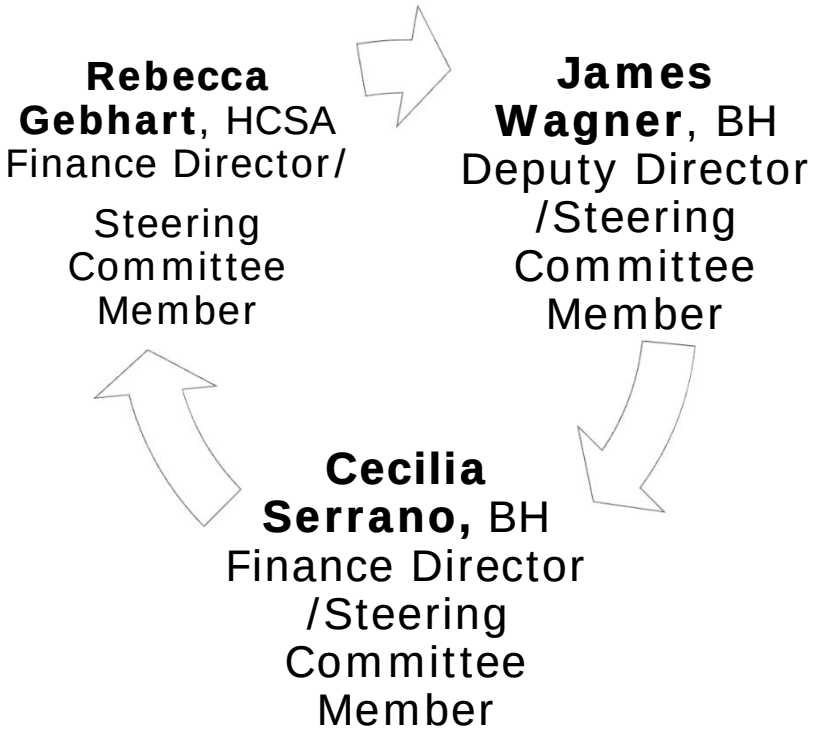
Through ACBH's efforts, there have been several critical elements that were important to facilitate change as part of this initiative:

- ***Agency and Departmental Leadership Engagement***
- ***Increased Capacity - Medicaid Expertise and Consultative Support/Guidance***
- ***ACBH Staff Engagement***
- ***Provider Engagement***
- ***Monthly Meetings/Communication***
- ***Infrastructure Development***

All these factors provided a foundation for the identification of critical program, policy, operational and financial impacts and actions needed to support the rate and cost settlement methodology change.

Payment Transformation Initiative: LESSONS LEARNED
Leadership

- Leadership at multiple levels was essential: Agency, Department and Finance



Payment Transformation Initiative: LESSONS LEARNED
Increased Capacity & Medicaid Expertise

- To enable sufficient capacity to focus on this initiative, we retained a Medicaid consulting firm to spearhead this effort and provide Medicaid expertise.
- Sellers Dorsey is a national firm that specializes in designing and implementing Medicaid financing programs in both FFS and Managed Care since 2000.
- Consultants brought critical state and national expertise, experience, and perspective related to Medicaid payment reform.

Payment Transformation Initiative: LESSONS LEARNED
Staff Resistance and Engagement

Resistance	• Staff already had full workloads • Planning and process changes required additional time, attention, and knowledge
Engagement	• Leadership prioritized this effort • Capacity support and expertise was provided • Organization structure to support ongoing work
Lessons Learned	• Organizational structure to support the ongoing work is critical • Staff resistance reinforces provider resistance and vice versa • Change takes time… and resources • Increased oversight leads to increased accountability and engagement

Organizational Structure to Facilitate Change
Steering Committee and Workgroups

ACBH Steering Committee
Monthly meeting to receive project updates, provide project guidance and make decision on critical issues identified by the workgroups

Policy and Operations Workgroup
Meets monthly and is responsible for the identification and development of program, operations, clinical, enrollment/contracting and quality policies

Payment Methodology and Rate Setting Workgroup
Meets monthly and is responsible refinement of the budget worksheet, identification of provider cost data collection points, rate methodology, incentive payment, and federal claiming

Provider Stakeholder Workgroup
Meets monthly to receive information on the Contract Payment Redesign including:
- *Project Overview*
- *Rationale/ State and Federal Requirements*
- *Program Policy Requirements*
- *Program Expectations*
- *Financing Model/ Incentive Payment*
- *Convey Process and Plan*

Payment Transformation Initiative: LESSONS LEARNED

FSP Provider Resistance and Engagement

Resistance	• Provider resistance has been ongoing; providers are accustomed to having their costs covered without significant focus on increasing quality or access • The idea of sharing the risk is difficult for providers to digest
Engagement	• Monthly Provider Meetings, Education and Training • Information on State and National BH health payment reform • Provide clear guidance on how to make organization change
Lessons Learned	• Stakeholder engagement is critical, including education and dealing directly and honestly with provider issues • Phased-in approach allows providers to manage change

Payment Transformation Initiative: LESSONS LEARNED
Communication Strategy Linked to Organizational Structure

Internal and external communication strategy has been a critical element of our work to help inform, educate, and collaborate with both staff and stakeholders.

Internal Communications

- Board of Supervisors
- Monthly meetings (3) with Steering Committee and Workgroups
- Monthly behavioral health (BH) leadership call
- Trainings/research reports to inform ACBH staff on State and National efforts towards VBP in BH

External Communications

- Monthly FSP provider meetings

Payment Transformation Initiative: LESSONS LEARNED
Infrastructure Support

Payment reform requires changes to infrastructure systems, which require time, financial and technical support, and increased capacity, including testing and review prior to using the new infrastructure.

Incentive Payments

- *Database development*
- *Report design*
- *Report transmission and use of reports by providers*
- *Monitoring and oversight of program performances*

FFS Rate Development

- *Cost report data analysis*

Payment Transformation Initiative: LESSONS LEARNED
Infrastructure Support

Changes to infrastructure for payment reform need to be balanced with ongoing infrastructure development issues which are competing for the staff and consultant time, such as:

- ***Infrastructure Development***
  - ***EHR implementation***
  - ***Billing Claiming System***
  - ***Utilization Management***
- ***Internal Change***
  - ***Transition to Compliance HCPCS Level I Coding***
  - ***Staffing Turnover***

These issues require additional time, testing, support and resources in the area of infrastructure if implementation is to be successful.

ACBH Payment Transformation Initiative
Key Considerations and Next Steps

Medi-Cal Healthier California for All

- Although our program is aligned with the goals of Medi-Cal Healthier California for All from a policy and financing perspective, it differs in the rate setting structure.
- Medi-Cal Healthier California for All payment reform requirements related to HCPCS differs from the ACBH rate setting by modality.

Moving Forward

- We will need to evaluate and adjust our rate setting process to ensure that whatever we implement is here to stay.
- We plan to work closely with DHCS to share our experience and lessons learned as Medi-Cal Healthier California for All moves forward with the implementation of HCPCS codes to ensure compliance.

Thank you