

Behavioral Health Payment Reform Workgroup

Examples of Cash Flow Impact for Shift from CPE to IGT

MONTHLY IGT'S - REIMBURSED

CPE or IGT	CPE	CPE	CPE	CPE	IGT	IGT	IGT	IGT	IGT	IGT	IGT	IGT
Month	A	B	C	D	E	F	G	H	I	J	K	L
expenditures for services	10	10	10	10	10	10	10	10	10	10	10	10
Expenditure for IGT E									6			
Expenditure for IGT F										6		
Expenditure for IGT G											6	
Expenditure for IGT H												6
Expenditure for IGT I												
Total expenditures	10	10	10	10	10	10	10	10	16	16	16	16
FFP earned 4 mo's prior to A	-5											
FFP earned 4 mo's prior to B		-5										
FFP earned 4 mo's prior to C			-5									
FFP earned 4 mo's prior to D				-5								
FFP for A					-5							
FFP for B						-5						
FFP for C							-5					
FFP for D								-5				
IGT revenue for E									-12			
IGT revenue for F										-12		
IGT revenue for G											-12	
IGT revenue for H												-12
IGT revenue for I												
Total revenue	-5	-5	-5	-5	-5	-5	-5	-5	-12	-12	-12	-12
Net County Cost	5	5	5	5	5	5	5	5	4	4	4	4
Variance from "steady-state"					0	0	0	0	-1	-1	-1	-1

Timing on reimbursement of initial IGT payment is critical to impact on cashflow - impact could be days/weeks or month

Counties funding and cashflow improve from "steady-state"

This model assumes:

- IGT can be claimed and processed by State in same time frame as CPEs

- Return of IGT revenue occurs within same month as incurring IGT expenditure

- Monthly IGT processing

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Month	A	B	C	D	E	F	G	H	I	J	K	L
expenditures for services	10	10	10	10	10	10	10	10	10	10	10	10
Expenditure for IGT E										6		
Expenditure for IGT F											6	
Expenditure for IGT G												6
Expenditure for IGT H												
Expenditure for IGT I												
Total expenditures	10	10	10	10	10	10	10	10	10	10	16	16
FFP earned 4 mo's prior to A	-5											
FFP earned 4 mo's prior to B		-5										
FFP earned 4 mo's prior to C			-5									
FFP earned 4 mo's prior to D				-5								
FFP for A					-5							
FFP for B						-5						
FFP for C							-5					
FFP for D								-5				
IGT revenue for E										-12		
IGT revenue for F											-12	
IGT revenue for G												-12
IGT revenue for H												
IGT revenue for I												
Total revenue	-5	-5	-5	-5	-5	-5	-5	-5	0	-12	-12	-12
Net County Cost	5	5	5	5	5	5	5	5	10	4	4	4
Variance from "steady-state"					0	0	0	0	5	-1	-1	-1

Timing on reimbursement of initial IGT payment is critical to impact on cashflow - impact could be days/weeks or month

There could be an initial month of a cashflow issue then eventual gain

This model assumes:

- An extra month on IGT claiming and processing as compared to CPE - which delays IGT payment & reimbursement by 1 month

- State does not require IGT payment until they can process and remit IGT revenue timely

- Assumes monthly IGT processing

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MONTHLY IGT'S - REIMBURSED

CPE or IGT	CPE	CPE	CPE	CPE	IGT	IGT	IGT	IGT	IGT	IGT	IGT	IGT	
Month	A	B	C	D	E	F	G	H	I	J	K	L	
expenditures for services	10	10	10	10	10	10	10	10	10	10	10	10	
Expenditure for IGT E										6			
Expenditure for IGT F											6		
Expenditure for IGT G												6	
Expenditure for IGT H													
Expenditure for IGT I													
Total expenditures	10	10	10	10	10	10	10	10	10	16	16	16	
FFP earned 4 mo's prior to A	-5												
FFP earned 4 mo's prior to B		-5											
FFP earned 4 mo's prior to C			-5										
FFP earned 4 mo's prior to D				-5									
FFP for A					-5								
FFP for B						-5							
FFP for C							-5						
FFP for D								-5					
IGT revenue for E											-12		
IGT revenue for F												-12	
IGT revenue for G													
IGT revenue for H													
IGT revenue for I													
Total revenue	-5	-5	-5	-5	-5	-5	-5	-5	-5	0	0	-12	-12
Net County Cost	5	5	5	5	5	5	5	5	5	10	16	4	4
Variance from "steady-state"					0	0	0	0	0	5	11	-1	-1

Timing on reimbursement of initial IGT payment is critical to impact on cashflow - impact could be days/weeks or month

There could be two months of cashflow issues then eventual gain over extended time

This model assumes:

- An extra month on IGT claiming and processing as compared to CPE - which delays IGT payment & reimbursement by 1 month

- Return of IGT revenue occurs one month after incurring IGT expenditure

- Return of IGT revenue occurs one month after incurring IGT expenditure

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Examples of Cash Flow Impact for Shift from CPE to IGT

OBSERVATIONS

Timeliness of claims is critical - if it takes longer to process/submit the IGT claim compared to CPE then there is impact to cash flow; processed faster has positive gain

Timeliness of IGT reimbursement is critical - it can negate a cashflow issue (or minimize it) or it could create at least an initial month cashflow issue