



Behavioral Health Payment Reform Workgroup 12.13.19 Meeting Summary

The Department of Health Care Services (DHCS) held the first of three Behavioral Health (BH) Payment Reform workgroup meetings on December 13. The BH Payment Reform workgroup convenes separate from the BH workgroup to ensure that the appropriate level of fiscal expertise is included in payment reform discussions.

The meeting was attended by DHCS staff, [workgroup members](#) and members of the public. Molly Brassil from Harbage Consulting facilitated the meeting and Lindy Harrington and Chuck Anders were the DHCS lead presenters.

This meeting focused on the following topics. A full agenda can be found [here](#).

- An overview of the CalAIM goals and workgroup expectations;
- A presentation of the current payment methodologies and the goals of payment reform;
- A presentation of Healthcare Common Procedures Coding System (HCPCS) and requirements;
- Workgroup discussion on the above topics; and
- Public comment on the above topics.

Discussion Summary

- The meeting began with a presentation from DHCS providing an overview of the CalAIM proposal, an overview of the payment reform proposal and how it fits into CalAIM, and an overview of the objectives of the behavioral health payment reform workgroup. See slides [here](#) (2-7). Below are additional comments from workgroup members:
 - Ensure that the conversation on payment reform addresses making it easier to encourage integration between counties and health plans.
 - Keep in mind how these proposals impact children with complex medical problems.
- Next DHCS presented an overview of the current payment process and how the phases of the current process would change under the new proposal. See slides [here](#) (8-15).
- After the overview of the current payment methodologies, workgroup members were invited to have a discussion about the strengths and

weaknesses of the current payment methodologies and processes. Below is a summary of the key themes from the workgroup discussion:

- The proposal should consider lessons learned from payment reform on the physical health side and lessons learned from other states.
 - The current audit process is administratively burdensome. It difficult for counties to budget and manage resources when they have liabilities across fiscal years. This is compounded by the current audit and reconciliation process.
 - The risks created by the audit process can result in misaligned priorities. Some counties feel that they must make certain decisions to avoid audit risk instead of improving systems.
 - Calls to ensure that rates are set appropriately. Many members agreed that the rate setting should occur more frequently in the first year in the new payment reform proposal.
 - The current payment process is burdensome on providers. The cost report process requires providers to have specialized staff and the audit process can also lead to providers carrying additional risk.
 - Concern that beneficiaries are not the driver of the discussion when the focus is on reducing administrative burden.
 - Calls to ensure that the new payment methodology and rates allow for innovation. The rates should be flexible enough to allow counties to better address populations with special needs.
 - Some counties may need to be treated uniquely given their current structure and the maturity of their existing programs.
 - Counties that have already started DMC-ODS may not have enough information to anticipate the impact of this change for SUD treatment programs.
 - Many members echoed that the timeline should be extended for the implementation of any payment reform.
 - Many members agreed that counties and providers would need a lot of technical assistance and training. Calls to ensure that DHCS is adequately resourced to provide that assistance to counties and providers early and often.
- Next, DHCS presented an overview of Healthcare Common Procedure Coding System (HCPCS) and requirements. See slides [here](#) (16-20). After DHCS presented on HCPCS and the related federal requirements, the workgroup discussed the challenges and opportunities of the transition to HCPCS Level I Coding. Below is a summary of the key themes from the workgroup discussion:
 - There is a steep learning curve with CPT. Technical assistance from DHCS should include webinars, side-by-side charts, crosswalks necessary for IT staff making modifications to EHR, and in-depth case studies that provide real-world examples.

- Providers may need technical assistance to understand the CPT codes from a clinical perspective so they can match the service they're providing and the intensity of that service to code it corresponds to.
 - Calls for DHCS to focus on having as much standardization around trainings and guidance related to the coding transition as possible.
 - Calls for an extended testing period to examine the accuracy of the data. Members agreed that a few months would not be enough time.
 - It is important to allow providers who are traveling into communities or doing multiple services at once to appropriately code that work. This is especially crucial in rural counties where beneficiaries are spread out.
 - There should be consideration given to agencies that contract with multiple counties. Under the current system, every county has different requirements for coding and documentation.
 - EHR incompatibility issues between providers and counties should be evaluated. Both counties and providers have different capabilities with their EHR systems.
 - Providers often must enter codes into the county's system using that county's internal codes and then enter those codes again into their own EHR system. The new methodology should focus on simplification and not adding to the provider's workload.
 - Multiple calls for a statewide billing manual that is descriptive.
 - Smaller counties may not have the resources to have a coder on staff and may need additional technical assistance.
 - Multiple members agreed that it would be helpful to have greater consistency when interpreting clinical documentation standards.
- Next, DHCS presented on the workgroup objectives, expected deliverables for the workgroup, an overview of the focus questions, and future meetings for the workgroup. See slides [here](#) (21-24). Below is a summary of the key theme from members:
 - It would be helpful to go through a case study using a complex case to understand what the payment methodology might look like as a result of this proposal. Having some real-world examples will help members better understand how things will change under the proposal.
- Finally, members of the public were invited to comment. Three members of the public shared their comments. Below is a summary.
 - It would be helpful to understand how this proposal gets us closer to goal of value-based payments.
 - We must ensure that moving to a more granular level of detail by using CPT codes will not take us away from our end goal. This group should also explore how to make it easier for patients to use Medi-Cal across county lines.
 - As much as possible, the coding should be thought through in advance and not continually changing over short period of time. If changes are made to the codes along the way, this has a lot of system implications.

Next Steps for DHCS:

The BH Payment Reform sub-workgroup will convene again on January 10, 2020. A Behavioral Health Stakeholder Advisory Committee with a CalAIM focus will take place on January 6, 2020.

In preparation for the next BH Payment Reform workgroup meeting, DHCS committed to reaching out to several counties to better understand how their payment processes currently work.