



# **Whole Person Care (WPC) Pilot Program Budget Webinar**

**Department of Health Care Services**  
**June 3, 2016**



# Agenda

1. Welcome and Overview

2. Budget Development

3. Budget Guidelines

4. Budget Categories

5. Budget Narrative

6. Budget Template

7. Questions and Answers

8. Discussion



# Budget Development

There are three components to the Budget submissions:

Section 5 Financing Structure

Budget Model

Budget Narrative



# Budget Development

- Budget requirements are stated in the Special Terms and Conditions (STCs), FAQ, and Application.
- Additional guidance regarding the level of detail needed is provided in the **Budget Instructions** document.
- Applicant shall use the **Budget Narrative** as an additional opportunity to describe why certain elements are included and valued in the proposal.



# Budget Guidelines



# Budget Guidelines

## Budget requests should include:

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Annual proposed budget, which should be the same for each of the five pilot years

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Information on deliverables related to infrastructure, interventions, bundled services, pay-for-reporting/outcomes, and incentives for providers

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Associated payment amounts requested for each individual deliverable for which funding is proposed

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Justification of estimated costs or value associated with each deliverable

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Details regarding all components of the requested budget to ensure costs adhere to State guidelines and requirements



# Budget Guidelines

## Budget requests should:

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Include annual total funds requested over the five years (both federal funds and non-federal share)

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Be based on a 60-month budget broken down into five 12-month periods, starting January 1, 2016

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Show Year 1 amount to be the same as the annual budget requested in years 2-5

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Show Year 2-5 funding is directly related to activities described in the Application and Budget Narrative

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Not include costs for services reimbursable through Medi-Cal

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# Budget Guidelines

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**Payment:** Will be based on completed deliverables – actual services provided, metrics reported, and metric outcomes achieved, as reported in the mid-year and annual reports

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Year 1 funding will be based on the approved application and complete, timely, accurate submission of baseline data in the annual report

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# Budget Categories



# Budget Categories

## Infrastructure

Administrative

Delivery

## Services and Interventions

Services

Bundled PMPM services

## Reporting and Quality

Pay for metric reporting

Pay for metric outcome achievement



# Administrative Infrastructure

Description	Examples	Level of Detail
<ul style="list-style-type: none"><li>• To build the programmatic supports necessary to plan, build and run the pilot</li></ul>	<ul style="list-style-type: none"><li>• Core program development and support</li><li>• <b>Staffing</b></li><li>• IT infrastructure</li><li>• Program governance</li><li>• Training</li><li>• Ongoing data collection</li><li>• Marketing materials</li></ul>	<ul style="list-style-type: none"><li>• <b>E.g. Staffing:</b><ul style="list-style-type: none"><li>• Number of FTEs</li><li>• Roles and responsibilities of the staffing model for administrative infrastructure</li></ul></li></ul>



# Delivery Infrastructure

Description	Examples	Level of Detail
<ul style="list-style-type: none"><li>• To support the non-administrative infrastructure needed to implement the pilot</li></ul>	<ul style="list-style-type: none"><li>• Advanced medical home</li><li>• <b>Mobile street team infrastructure</b></li><li>• Community paramedicine team</li><li>• Community resource database</li><li>• IT workgroup</li><li>• Care management tracking and reporting portal</li></ul>	<ul style="list-style-type: none"><li>• <b>E.g. Mobile street team</b></li><li>• Cost for related components (e.g. vehicle cost, staffing, training, consulting, amortized use, etc.)</li></ul>



# Services and Interventions – FFS Services

Description	Examples	Level of Detail
<ul style="list-style-type: none"><li>• New services provided in the pilot to support the whole person care provided to eligible beneficiaries</li><li>• FFS Services are single per-encounter payments for a discrete service</li></ul>	<ul style="list-style-type: none"><li>• Mobile clinical visit</li><li>• Housing transition services</li><li>• Medical respite</li><li>• Transportation</li><li>• Sobering center</li><li>• Care coordination</li></ul>	<ul style="list-style-type: none"><li>• Services to be reimbursed on a per-encounter or unit basis</li><li>• Costs used to determine proposed service rate</li><li>• Total projected cost based on the number of projected encounters</li></ul>



# Services and Interventions

## PMPM Bundle

Description	Examples	Level of Detail
<ul style="list-style-type: none"><li>• PMPM Bundled Services, one or more services and/or activities that would be delivered as a set value to a defined population</li></ul>	<ul style="list-style-type: none"><li>• Comprehensive complex care management</li><li>• Housing support services</li><li>• Mobile outreach and engagement bundle</li><li>• Long-term care diversion bundle</li></ul>	<ul style="list-style-type: none"><li>• Total allocated costs used to determine proposed PMPM value (i.e. salaries, services, overhead, equipment, contracted services, etc.)</li><li>• Total projected cost based on the number of projected member months</li></ul>



# Reporting

Description	Examples	Level of Detail
<ul style="list-style-type: none"><li>Pilots are encouraged to propose the pay for metric reporting structure that they believe provides the most incentive, both to pilot lead organization as well as to downstream providers</li></ul>	<ul style="list-style-type: none"><li>Reporting number of ED visits</li><li>Reporting percentage of avoided hospitalizations</li><li>Individuals with follow up after hospitalization</li></ul>	<ul style="list-style-type: none"><li>Incentive payments made to the lead entity for reporting the specific metric, including downstream provider incentive payments</li><li>Breakdown of the incentive payment on a per year/per metric basis</li><li>Attachments GG and MM requirements</li></ul>



# Quality

Description	Examples	Level of detail
<ul style="list-style-type: none"><li>• Pay-for-Metric Outcomes Achievement</li><li>• Pilots must include at least one pay-for-metric outcome achievement item in their application</li></ul>	<ul style="list-style-type: none"><li>• Decreased number of ED visits by set %</li><li>• Decreased number of avoidable hospitalizations by a set %</li><li>• <b>Percentage of individuals who have a follow up after hospitalization</b></li></ul>	<ul style="list-style-type: none"><li>• <b>E.g. 90% of beneficiaries will have a follow up after hospitalization for mental illness:</b><ul style="list-style-type: none"><li>• Incentive payments made to the lead entity for achieving specific outcomes metrics</li><li>• Breakdown of the incentive payment on a per year/per metric basis</li><li>• Attachment MM requirements</li></ul></li></ul>



# Budget Narrative



# Budget Narrative

## Provides

- an opportunity for the applicant to describe the budget approach (e.g. incentive payments)
- additional information to explain and provide the rationale for an applicant's budget model, including proposed rates and/or PMPM values

## Must include

- a description of the funds requested and how their use will support the proposal



# Budget Narrative

The Budget Narrative should include the following categories (when applicable):

Administrative Infrastructure

Delivery Infrastructure

Incentive Payments for Downstream Providers

Services

Bundled PMPM Services

Pay for Metric Reporting

Pay for Metric Outcomes Achievement

Other



# **Budget Template**



WPC Budget Template: Summary and Top Sheet			
WPC Applicant Name:	APPLICANT NAME		
	Federal Funds <i>(Not to exceed 90M)</i>	IGT	Total Funds
Annual Budget Amount Requested	15,000,000	15,000,000	30,000,000
PY 1 Budget Allocation (Note PY 1 Allocation is predetermined)			
PY 1 Total Budget	30,000,000		
Approved Application (75%)	22,500,000		
Submission of Baseline Data (25%)	7,500,000		
PY 1 Total Check	OK		
PY 2 Budget Allocation			
PY 2 Total Budget	30,000,000		
Administrative Infrastructure	1,475,000		
Delivery Infrastructure	3,310,000		
Incentive Payments	9,500,000		
FFS Services	4,375,000		
PMPM Bundle	8,740,000		
Pay For Reporting	1,500,000		
Pay for Outcomes	1,100,000		
PY 2 Total Check	OK		
PY 3 Budget Allocation			
PY 3 Total Budget	30,000,000		
Administrative Infrastructure	0		
Delivery Infrastructure	0		
Incentive Payments	0		
FFS Services	0		
PMPM Bundle	0		
Pay For Reporting	0		
Pay for Outcomes	0		

The total funds should reflect the equal split of Federal Fund and IGT

Budget for each year is the same amount for each of the pilot years



Detail needed for each budget category should be provided in budget narrative

PY 2 Budget Detail			
		PY Error Check	
		Total Check	30,000,000 OK
Administrative Infrastructure			
<u>Item</u>	<u>Max Amount Per Unit</u>	<u>Max Units</u>	<u>Max WPC Fund Amount</u>
Nurse Case Manager	200,000	2	400,000
Community Outreach Worker	65,000	10	650,000
Data Analyst	85,000	5	425,000
Delivery Infrastructure			
<u>Item</u>	<u>Max Amount Per Unit</u>	<u>Max Units</u>	<u>Max WPC Fund Amount</u>
Community Resource Database	1,250,000	1	1,250,000
Mobile Street Team	500,000	1	500,000
Nurse Advice Line	750,000	1	750,000
Enhanced interpretation	810,000	1	810,000
Incentive Payments			
<u>Item</u>	<u>Max Amount Per Unit</u>	<u>Max Units</u>	<u>Max WPC Fund Amount</u>
Hospital incentives	100,000	20	2,000,000
Physician/Clinic incentives	40,000	75	3,000,000
Community Health Workers	25,000	100	2,500,000
MCO	1,000,000	2	2,000,000



# Questions & Answers



# Questions and Answers

**Question 1:** If a pilot chooses a PMPM payment structure, and enrollment exceeds expectations, will payments be capped at the budgeted amount?

**Answer:** Yes, payments will be made up to the pilot's maximum budgeted amount for each identified PMPM item. If you have more than one PMPM item in your budget, each will have its own maximum budget amount.



# Questions and Answers

**Question 2:** Did you state the funding level request should be similar for all five years?

**Answer:** Yes, the budget total submitted should be the same for each of the five pilot years. Year 1 (January 1, 2016 – December 31, 2016) payment is for the pilot's approved application and complete, timely, and accurate submission of baseline data. Expenditure of Year 1 funding is at the discretion of the pilot. Year 2-5 funding, assuming a start date of January 1, 2017, should relate directly to activities described in the application and budget narrative.



# Questions and Answers

**Question 3:** Do we have to include a costs recovery model for the reinvestment of saving in the proposal?

**Answer:** Only for savings that the pilot will reinvest in the Flexible Housing Pool.



# Questions and Answers

**Question 4:** Can the target population grow over time?

**Answer:** Yes; however, payments will not exceed the pilot's annual budgeted amount per budget item. Pilots can allow for a phased-in enrollment over budget years to accommodate growth over time.



# Questions and Answers

**Question 5:** Attachment GG (B)(iv) articulates, “payment in an amount proportional to the progress toward achievement of the WPC Pilot Goals based on the approved WPC Pilot application shall be paid to the WPC Pilot lead Entity...” Does that mean that funding will fluctuate with outcomes from year to year?

**Answer:** Yes. The pilot will be paid based on completed deliverables (such as services actually provided, metric reported, or metric outcome achieved). The payment for any deliverable will not exceed the DHCS-approved budget amount for that item, for that budget year.



# Questions and Answers

**Question 6:** What are the supplementation rules regarding funding uses for pre-existing services that could be rolled into the pilot?

**Answer:** A goal of the WPC pilots is to address a current gap or need in the community. Items noted in the Application Selection Criteria reflect pilot priorities, including:

- Demonstrates the community need for the pilot and how the pilot will address the need
- Scope is ambitious but realistic/achievable
- Tests new interventions and strategies

Also, see the FAQ for more information on the exclusion for Medi-Cal funded services, other federally funded services, and current local responsibilities for health care or social services.



# Questions and Answers

**Question 7:** Which outcome metrics need to be tied to incentive financing?

**Answer:** DHCS requires that pilots include at least one “pay-for-metric outcome achievement” item in their application. Other than this requirement, pilots have flexibility to design their funding requests and deliverables, as approved by DHCS in the application. See the Budget Instructions document for more information.



# Questions and Answers

**Question 8:** Can funds be used to purchase a Health Care Center for the WPC?

**Answer:** WPC funds may not be used to purchase, or build, a building, but WPC pilot funds can support capital infrastructure expenses when they are:

1. For items such as minor rehabilitation or maintenance;
2. Allocated to the WPC enrollees during the program year in which the expense was incurred;
3. One component of a service; and/or
4. Proportional to the utility for one individual during the single encounter or PMPM payment timeframe.



# Questions and Answers

**Question 9:** Can you clarify if the match for the IGT will be sent up each year or if we are expected to send the entire 5-year amount at one time?

**Answer:** Year 2-5 IGT and State payments will be made semi-annually and are based on the pilot's reported deliverables completed, such as actual services provided, metrics reported, and metric outcomes achieved. Year 1 IGT and State payments are a single payment made early in 2017 for the application and baseline data deliverables.



# Questions and Answers

**Question 10:** Do the federal funds matched to the County dollars need to be used for the same purpose as the matching funds?

**Answer:** DHCS will not advise pilots on what the pilot is allowed to do under the specific rules associated with various types of local funding. If the pilot has allowable IGT match that meets the general rules described in the FAQ, and the pilot completes the allowable WPC-funded deliverable, then the pilot will receive the WPC funding associated with the deliverable.



# Questions and Answers

**Question 11:** May a managed care plan (MCP) divert savings resulting from reduced ER and Inpatient Care for the WPC population to a County Housing Pool, and how would this impact their rate-setting?

**Answer:** The WPC pilot program does not have any specific rules for what a MCP can do with its savings. The MCP's future rates will be developed based on the usual actuarial process based on actual utilization – with no added calculation for MCP savings allocated to the housing pool. There is no DHCS/MCP savings sharing arrangement built into the WPC.



# Discussion



E-mail  
questions to:

- [1115wholepersoncare@dhcs.ca.gov](mailto:1115wholepersoncare@dhcs.ca.gov)

Visit our  
website:

- <http://www.dhcs.ca.gov/services/Pages/WholePersonCarePilots.aspx>

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