



# Minnesota Health Care Programs Fee-for-Service Community-Based Services Rate Study

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# Background

- Medical Assistance's fee-for-service rate methodologies for:
  - Community-based physical health
  - Community-based behavioral health
- Contracted with Burns & Associates, a division of Health Management Associates (HMA-Burns).
- Preliminary report published August 2023
- Second report published January 2024



# Community engagement

## Workgroups:

- Community-based mental health services
- Community-based substance use disorder services (includes residential services)
- Early intensive developmental and behavioral intervention services
- Psychiatric residential treatment facilities for children and adolescents
- Behavioral health home services
- Physical health services

Broad input through surveys, workgroups and individual interviews



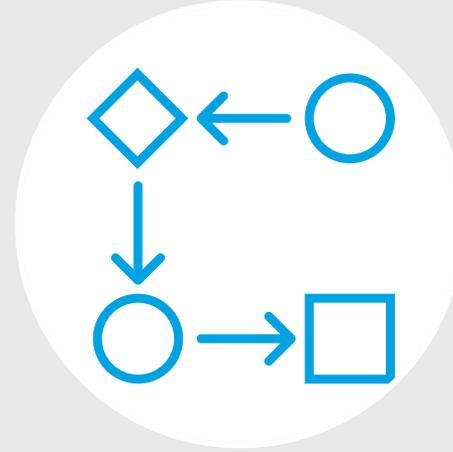
# Understanding the problem



Cost coverage



Static methodologies



Inconsistency



Lack of transparency

## **In scope** for this study:

- Community-based physical health services
- Community-based mental health services
- Community-based substance use disorder services
- Early intensive developmental and behavioral intervention (EIDBI) services

## **Not in scope** for this study:

- Inpatient hospital services
- Services with an established cost-based rate (e.g., Federally Qualified Health Centers, Certified Community Behavioral Health Clinics)
- Home- and community-based waiver services

# Recommendations

1) Update the payment methodology for physical health services and eligible mental health services to mirror Medicare rates

2) Adopt market-based rates for mental health services not covered under RVRBS as well as SUD and EIDBI services, and index these rates to inflation

3) Eliminate historical percentage-based rate adjustments enacted by the Legislature to increase transparency, reduce complexity, and support consistency in the Medicaid payment rate structure

# Resource-based relative value scale

Physician Services include:

- 1) Physicians
- 2) Advanced Practice Registered Nurse
- 3) Physican Assistants
- 4) Physical Therapy
- 5) Chiropractic Care
- 6) Some Behavioral Health Services

# Rate methodology basics

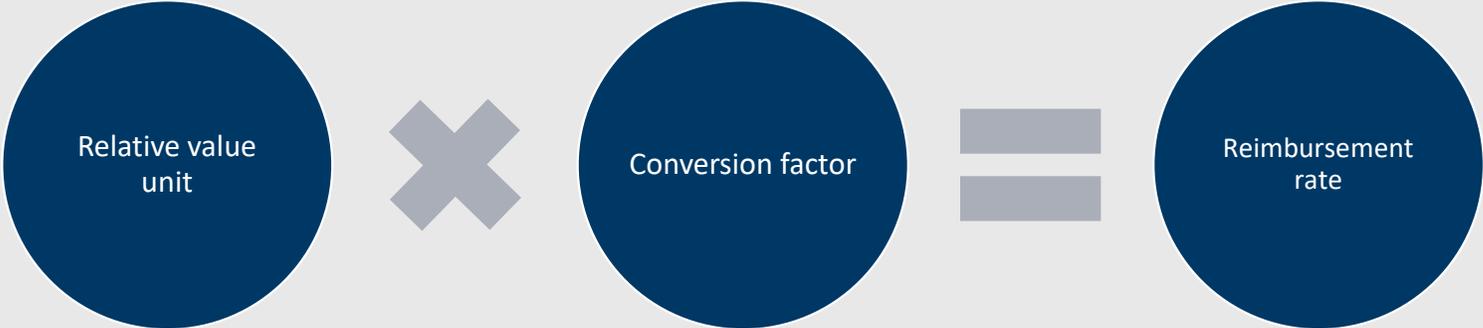
## Resource-based relative value scale (RBRVS) rate setting

- Weighs procedures against each other, paying more for those with greater complexity
- Removes inconsistency in reimbursement based on charges providers submit
- Centers for Medicare & Medicaid develops and updates annually
- Minnesota adopts RBRVS in 2011, however it is done budget neutral



# How it works

- The resource-based relative value scale assigns weighted values (called **relative value units**) to procedure codes
- Payers calculate a **conversion factor** to assign dollar amounts to the relative value unit



# Components of the relative value unit



Provider work



Practice expense

- Nonfacility
- Facility



Malpractice expense

## 99406

Behavior change for smoking cessation  
(3-10 minutes)

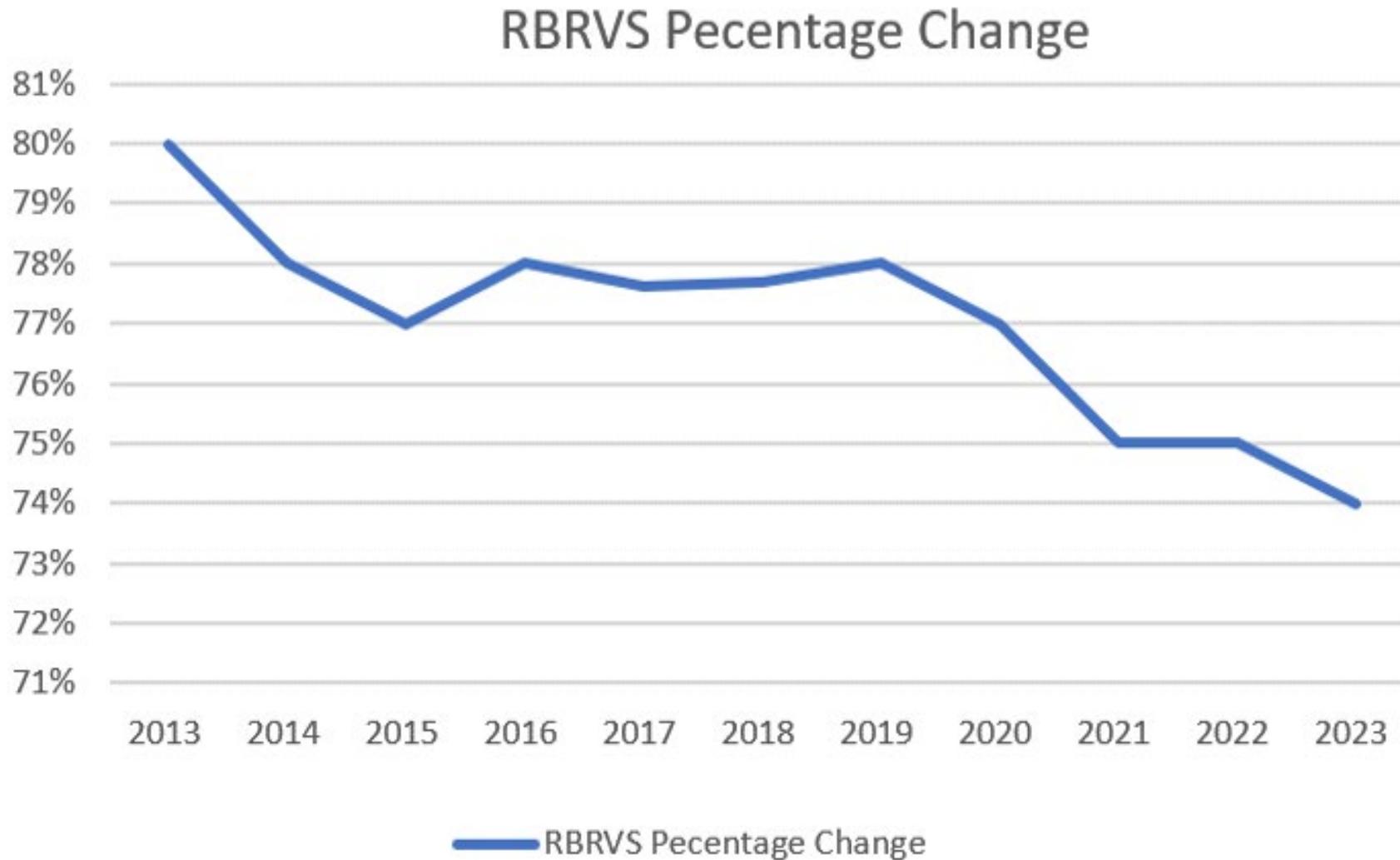


## 99291

First hour critical care



# RBRVS over time



# Impact of Medicare payment methodology

## Top 10 RBRVS codes

CPT code	Service description	Units	Medicaid as a percent of Medicare
90837	Psychotherapy, 60 min	1,224,525	85%
99214	Office visit, established patient	1,184,779	82%
99213	Office visit, established patient	1,219,814	75%
90834	Psychotherapy, 45 min	438,926	92%
99215	Office visit, established patient	199,463	81%
99233	Inpatient hosp care, 35 min	255,870	71%
99285	Emergency department visit	156,728	79%
99284	Emergency department visit	221,935	79%
99204	Office visit, new patient	167,100	76%
97530	Therapeutic activity	712,398	71%

# Additional methodology components



# Transparency

## Increases and decreases:

- 3% increase for some professional services
- 20% reduction for master's-prepared mental health providers
- 12% reduction for some professional services
- 5% increase for some professional services
- 1.8% MinnesotaCare tax



1) Adopt Medicare RBRVS rates

2) Follow annual updates

3) Eliminate increases and decreases

# Market-based rates for behavioral health services

- Many mental health services along with substance use disorder and other behavioral health services are not included in the Medicare (RBRVS) methodology
- Payment rates for most of these services were established at the time the service was created and have only been updated periodically, if at all, based on legislative action
- Many services are only covered under Medical Assistance

# Recommendation

Establish market-based rates based on provider cost factors, independent data, and index regular increases to account for changes in cost of delivery care

# Market-based rate setting components



# Scope of market-based payment methodology

- One-to-one and group mental health services not covered by RBRVS (e.g., ARMHS, CTSS)
- Adult and children's mental health day treatment
- Outpatient and residential substance use disorder services
- Mental health provider travel time
- Mobile crisis services
- Behavioral health home services
- Early Intensive Developmental and Behavioral Intervention (EIDBI)

# Mental health recommended rates: Snapshot

Service description	Unit of service	Current rate	Recommended rate	% difference
ARMHS community intervention	Per session	\$51.11	\$91.39	78.8%
ARMHS individual medication education	15 min	\$17.82	\$37.68	111.5%
Children's day treatment (CTSS)	Per hour	\$65.24	\$73.74	13%
Adult day treatment	Per hour	\$21.43	\$44.46	107%
Peer services	15 min	\$7.92	\$9.92	25.2%
Adult crisis assessment, intervention, stabilization	15 min	\$19.51	\$24.01	23.1%
Child crisis assessment, intervention, stabilization	15 min	\$27.33	\$28.08	2.7%

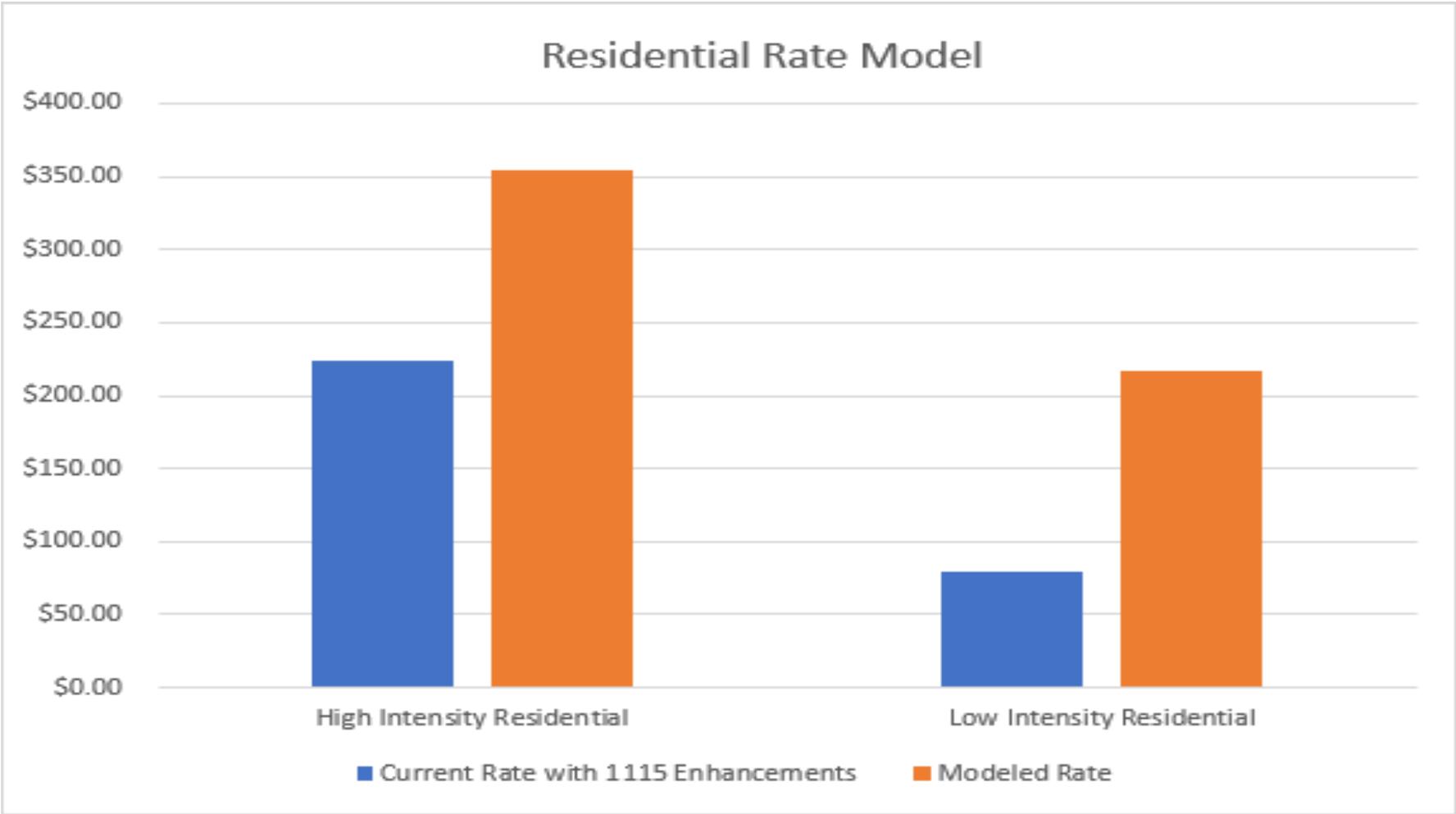
# Behavioral Health Home recommended rates

Service description	Unit of service	Current rate	Recommended rate	% difference
BHH services care engagement, initial plan	Monthly (limit of six engagement payments in a member's lifetime)	\$350	\$408.76	15.5%
BHH services ongoing standard care maintenance of plan	Monthly	\$250		48.2%

# Substance use disorder recommended rates

Service description	Unit of service	Current rate (w/ 1115 base rate)	Recommended rate	% difference
Comprehensive SUD assessment	Per Session	\$162.24	\$156.04	44.3%
Treatment coordination	15 min	\$15.02	\$37.13	147.2%
Individual therapy	60 min	\$86.53	\$140.27	62.1%
Group therapy	60 min	\$42.02	\$42.97	2.3%
Peer recovery support	15 min	\$15.02	\$28.43	89.3%
High-intensity residential	Per Diem	\$224.06	\$355.02	58.4%
Low-intensity residential	Per Diem	\$79.84	\$216.90	171.7%
WM clinically managed	Per Diem	\$400.00	\$375.91	-6.0%
WM medically managed	Per Diem	\$515.00	\$576.18	11.9%

# Residential SUD: cost vs. current rate



# Impact of American Society of Addiction Medicine reforms

- The American Society of Addiction Medicine (ASAM) criteria is the most widely used, evidence-based set of guidelines for substance use disorder (SUD) services
- The implementation of ASAM standards in MN began with DHS's 1115 SUD demonstration waiver and was further codified by the 2021 and 2023 Legislatures.
- ASAM requirements are currently supported by an enhanced base rate.
- The SUD rate recommendations contemplate and incorporate the ASAM requirements. [SUD rate grid](#).
  - Base rate
  - Rate add-ons
- Ongoing work with providers and DHS/vendor will continue to incorporate the most recently published (4<sup>th</sup> edition) ASAM criteria

# EIDBI recommended rates: Snapshot

Service description	Unit of service	Current rate	Proposed rate	% difference
Behavior identification assessment and plan of care	15 min	\$50.11	\$47.98	-4.3%
Behavior treatment by technician	15 min	\$20.17	\$24.89	23.4%
Group behavior treatment by technician, per recipient	15 min	\$6.72	\$8.56	27.5%
Behavior treatment by physician or qualified professional (CMDE provider)	15 min	\$20.17	\$34.46	70.8%
Behavior treatment administered by physician or qualified professional (Level I provider)	15 min	\$20.17	\$26.30	30.4%
Family behavior treatment guidance administered by qualified professional, single family	15 min	\$20.17	\$28.71	42.4%
Individualized treatment plan development and monitoring	Per session	\$94.80	\$99.62	0.9%
Coordinated care conference, medical team conference	Per session	\$112.67	\$99.65	111.6%
Intervention - Higher Intensity	15 min	\$24.19	\$47.55	96.5%



Thank you! Questions?