

Reimbursement Practices and Maximizing Funding - Youth and Family Mental Health Services

Hearing information for Supervisor Melgar

Presentation to:

PUBLIC SAFETY AND NEIGHBORHOOD SERVICES COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

March 25, 2021

Medi-Cal administrative costs not being fully reimbursed in SF, other counties

- Most counties in California not claiming against Medi-Cal Mental Health Administrative Activities (MH MAA), likely due to burden of keeping detailed staff time records (time studying).
- FY 2018-19: only 12/58 California counties filed claims.
 - SF Behavioral Health Services discontinued claiming against MH MAA in FY 2015-16.
- But Alameda County began claiming against MH MAA and received \$3 - \$17 million annually between 2004 and 2014.
- Other counties have also increased their Medi-Cal reimbursements through implementing new time study requirements for staff and contractors.

Behavioral Health Services Budget/FTEs

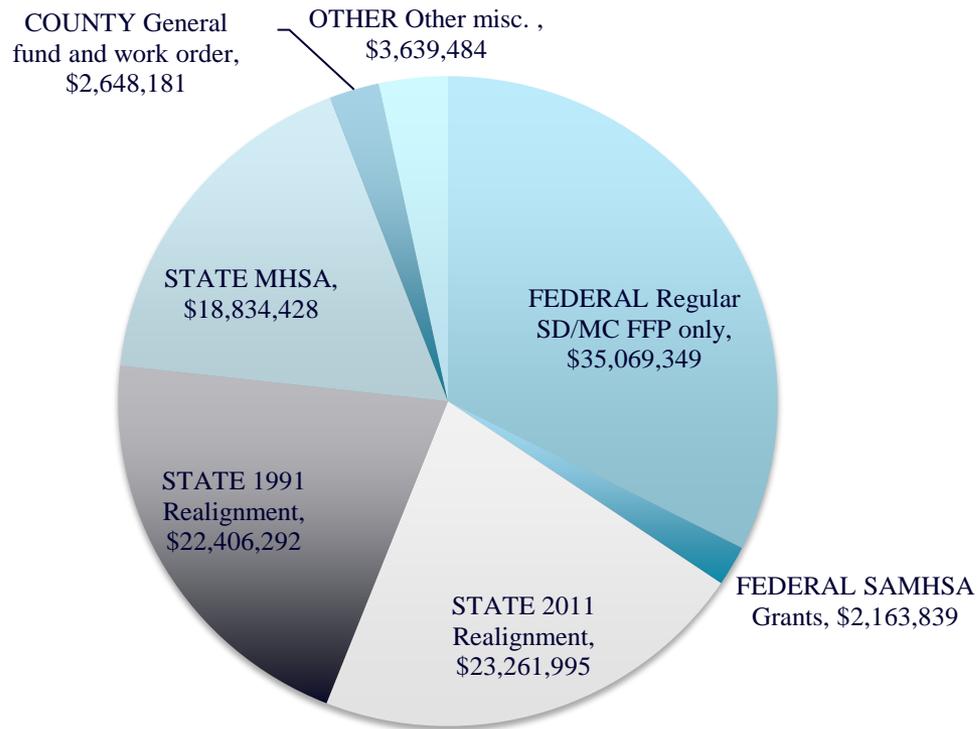
FTE Behavioral Health Positions and Expenditure Budgets			
FY	FTEs	Behavioral Health (includes SUD)	Mental Health only (no SUD)
2017-18	643	\$367,389,006	\$302,448,608
2018-19	663	\$393,831,948	\$316,970,652
2019-20	669	\$446,435,136	---

← Our focus

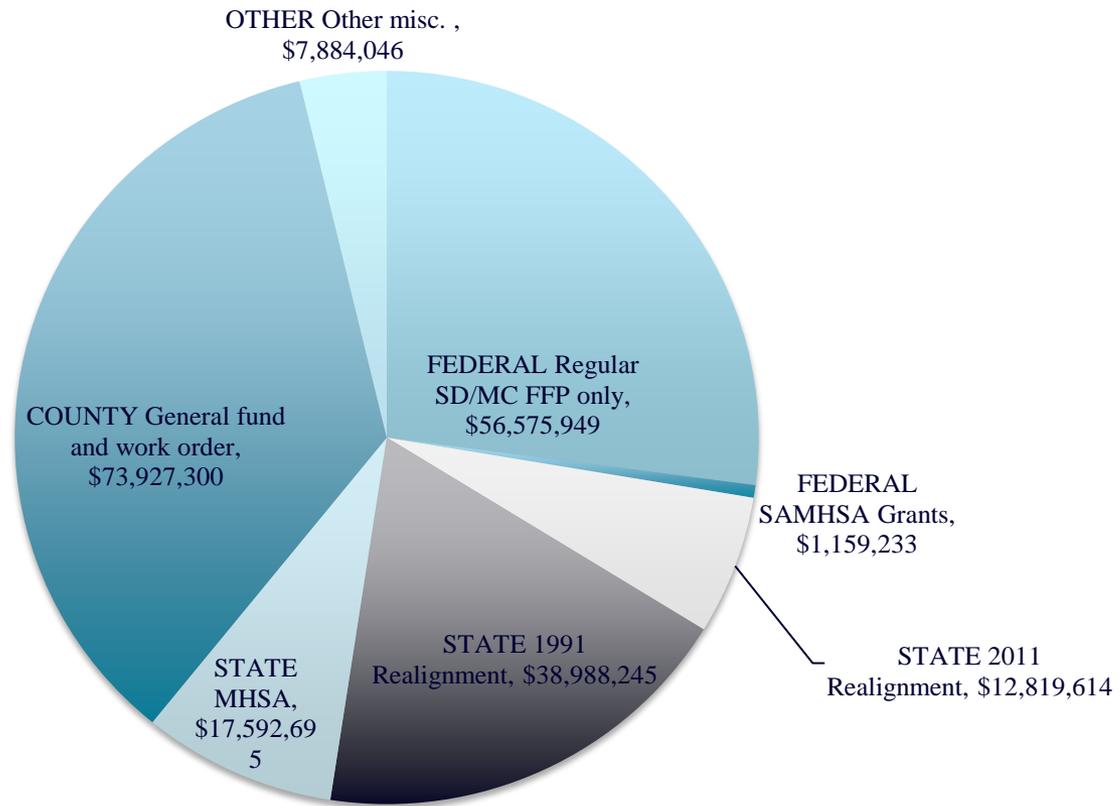
Behavioral Health Services Revenue Sources, FY 2018-19

	SFGH/CBOs	County/PPN	Total
Realignment 1991	\$38,988,245	\$22,406,292	\$61,394,537
Realignment 2011	\$12,819,614	\$23,261,995	\$36,081,609
MHSA	\$17,592,695	\$18,834,428	\$36,427,122
<i>Federal Financial Participation (M-C)</i>			
	\$56,575,949	\$35,069,349	\$91,645,298
County General Fund	\$73,927,300	\$2,648,181	\$76,575,481
Federal grants	\$1,159,233	\$2,163,839	\$3,323,072
Other	\$7,884,046	\$3,639,484	\$11,523,530
Total	\$208,947,083	\$108,023,568	316,970,652

San Francisco Mental Health Funding by Source: SF County and PPN, FY 18-19



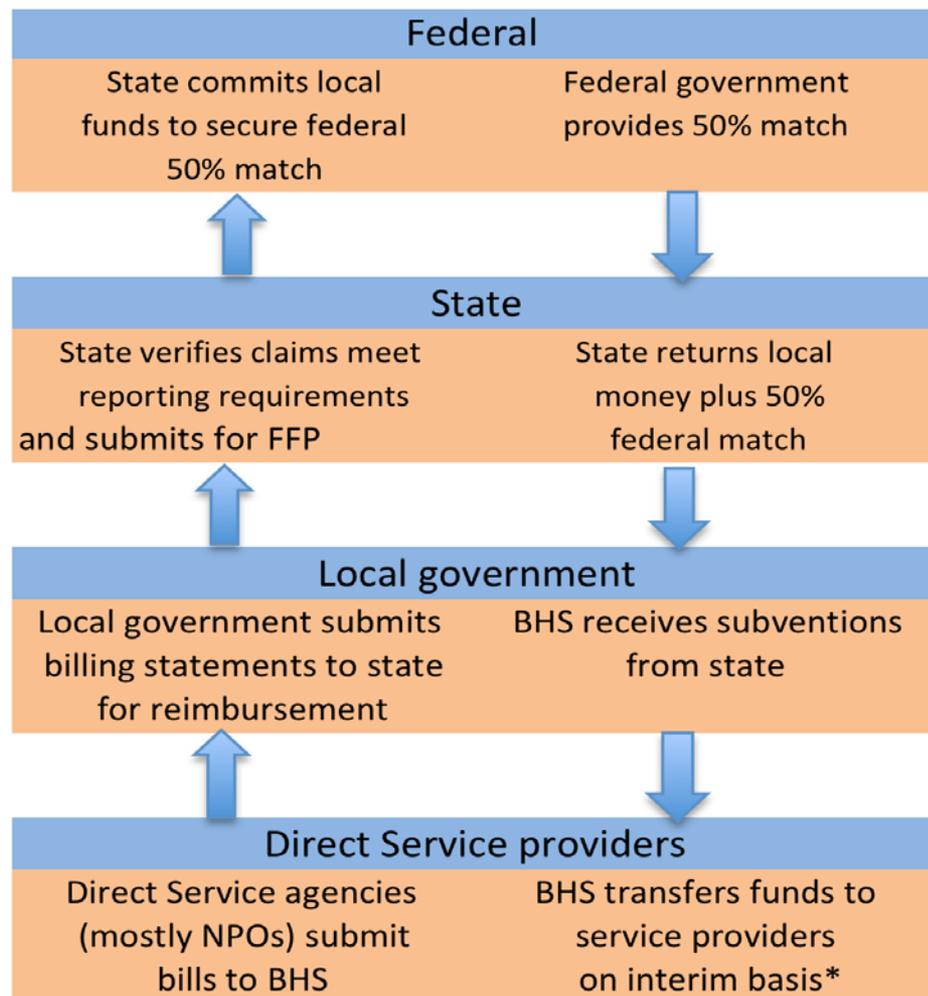
San Francisco Mental Health Funding by Source – San Francisco General Hospital and CBOs, FY 18-19



Medicaid/Medi-Cal Overview

- Joint federal and state program provides medical assistance to individuals and families with limited income and resources. From Title XIX of Social Security Act.
- Administered by U.S. Centers for Medicare and Medicaid. In California, it's Medi-Cal, administered by Department of Health Care Services.
- Federal government typically pays 50% of local Medi-Cal mental health reimbursement; states provide 1:1 match.
- Different federal contribution mechanism by type of Medi-Cal beneficiary: lower impaired = capitated rates or fees for service, higher impaired = reimbursed based on certified public expenditures.

Reimbursement through Certified Public Expenditures



* Funds are interim, pending final reconciliation.

Typically takes 2-4 years to determine final federal and state match that covers cost of MediCal

BHS can claim their mental health plan costs for Medi-Cal reimbursement through 4 mechanisms

1) Direct Services	2) General Administration	3) Quality Assurance/Utilization Review	4) Mental Health Medi-Cal Administrative Activities (MH MAA)
Cost of direct clinical and treatments are covered through 50% federal reimbursement and 50% state match.	Major source of reimbursement, DPH can claim an automatic 15% administrative reimbursement on 50% federal subvention for direct services.	Long-term potential: BHS will need to implement time-study to claim additional reimbursement.	Currently not used, designates various administrative activities that can be claimed in addition to 15% federal payment for general administrative. Requires time study.

- BHS **Cost Report** is key to claiming FFP, or Medi-Cal reimbursement for majority of BHS costs (tracks claiming modes & activities).
- BHS-claimed General Administrative costs currently exceed Medi-Cal's 15% cap but no costs are being claimed to MH MAA.
- Quality Assurance/Utilization Review: some reimbursement at present but likely more costs could be claimed.

Potential additional funding for Behavioral Health Services?

Besides reimbursement for direct service costs, Behavioral Health Services can claim reimbursement for administrative activity costs for activities such as:

- Outreach
- Eligibility intake
- Contract administration
- Program planning & policy development
- Quality assurance/utilization review
- Other

Strategies for increasing reimbursements

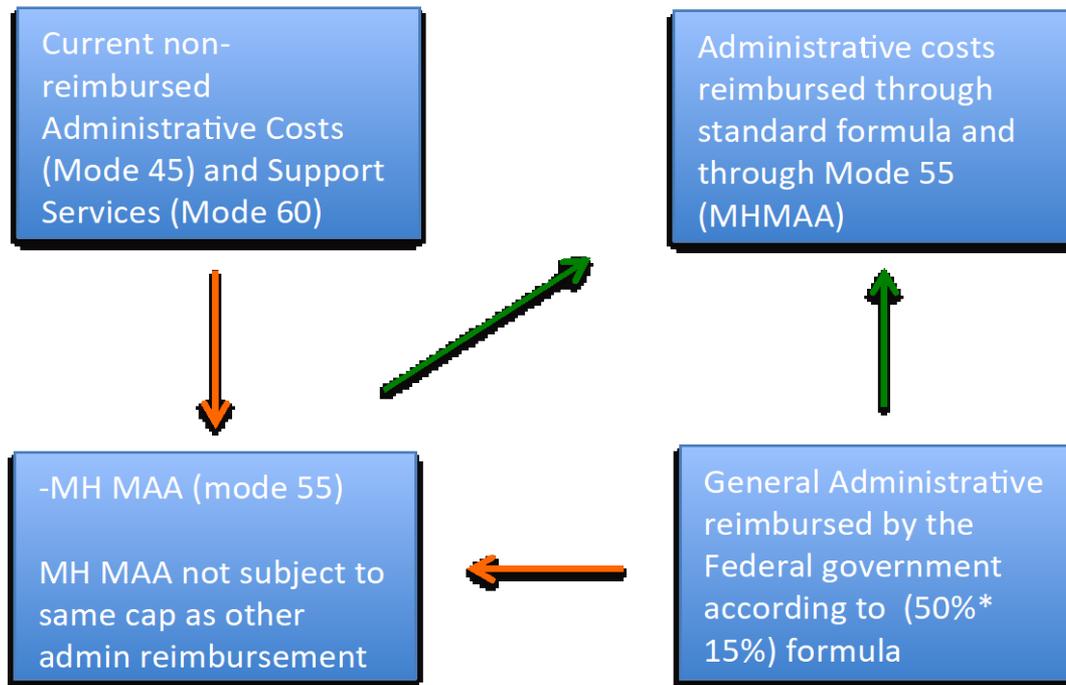
Major administrative activity categories

- ~ Mode 45 - Non-reimbursable Outreach - not eligible for FFP.
- ~ Mode 55 – Medi-Cal Outreach - eligible for FFP under MH MAA.
- ~ Mode 60 - Support Services- eligible under MH MAA.

Strategy to increase reimbursement through FFP

- ~ Shift eligible non-reimbursable administrative activities to MH MAA claiming (Mode 55).
- ~ CBOs claim qualifying administrative activities under MH MAA.
- ~ Identify Support Services (Mode 60) that can be claimed under MH MAA.

Strategies for increasing reimbursements



Identify activities currently included in the reimbursed amount that can be shifted in Mode 55

Identify non-reimbursed activities that can be reimbursed through Mode 55

Potential fiscal impact: increasing Medi-Cal reimbursements to BHS & CBO providers for administrative costs

- 2 key approaches:
 1. Transfer identified allowable costs from General Administration claim in excess of the 15% cap to separate MH MAA claiming.
 - Up to **\$3.2 mn.** could be claimed from FY 2015-16, likely more that is being identified in the Cost Report (e.g., more clinician non-treatment time).
 2. Identify more staff and contractor administrative time not being claimed now that could be claimed under MH MAA or Quality Assurance/Utilization Review claiming channels (*initially as direct charge for contractors; eventually with time-studying*)
 - If 5% of contractor costs are covering currently unclaimed administrative time, approx. **\$7 million** could be reimbursed through MH MAA (\$286 mn. total contractor budgets FY 20).

BHS administrative costs reimbursed mostly from General Admin claim, capped at 15% of other Medi-Cal costs. *FY 2015-16 unreimbursed = \$3.2 mn.*

FY	Total MC Other Costs	Total Admin Other Costs	Federal reimbursement for General Admin	Federal reimbursement if all Admin reimbursed at standard rate	Revenue capture at standard rate (15%)
14-15	\$131,983,983	\$23,953,425	\$9,898,799	\$11,976,712.49	\$2,077,913
15-16	\$129,269,625	\$25,765,151	\$9,695,222	\$12,882,575.57	\$3,187,353

Latest final reconciliation completed through FY 15-16

Some details: increasing Medi-Cal reimbursements for BHS and CBO administrative costs

- Staff and contractor hours currently charged to Modes 45 & 60 are not eligible for federal reimbursement under 15% allowable General Administration.
- BHS can submit a contract amendment to allow CBOs to submit reimbursement under MH MAA (mode 55) as Direct Charges for one or two selected MH MAA eligible activities.
 - Does not require time study but won't capture all administrative costs.
- To get reimbursed for all eligible administrative costs, staff at BHS and CBOs will be required to comply with detailed time study reporting requirements.

On the horizon

- Federal waiver will allow for a one time increase in the coming year in allowable General Administrative costs from 15% to 30% of allowable total mental health costs.
- BHS has initiated a detailed analysis of its Cost Reports and claiming processes, with a goal of increasing Medi-Cal reimbursements. This should cover:
 - Increased Medi-Cal reimbursement generated by requiring time studying system-wide (staff and contractors)
 - Potential increases in Quality Assurance/Utilization Review
- Change in Medi-Cal claiming requirements simplifying reporting of qualified expenditures for matching reimbursement (CalAIM).

Recommendations

1. The Board of Supervisors could request that BHS report back every six months on results of claiming analysis now underway and changes implemented by the department to maximize Medi-Cal reimbursement (e.g., time study requirements).
2. The Board of Supervisors could request that BHS track and report back on increased Medi-Cal reimbursements on at least an annual basis.
3. The Board of Supervisors request that BHS/DPH report back on any resources that could be provided to facilitate time study by staff and contractors (e.g. electronic tools).

Questions and comments

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