

SUD Rate Study Project – Meeting with Providers

April 20, 2022

BURNS & ASSOCIATES, INC.

A DIVISION OF HEALTH MANAGEMENT ASSOCIATES

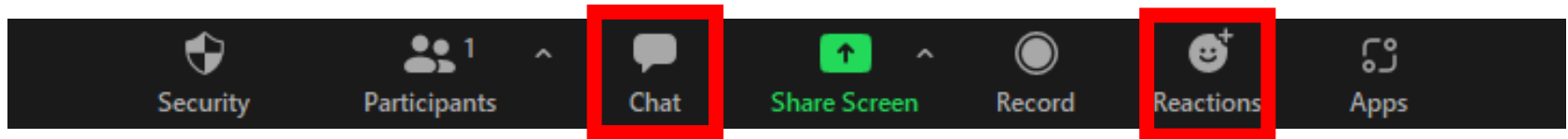
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■ AGENDA ITEMS

- 1. Project Milestone Dates**
- 2. Review Burns & Associates Approach to Constructing Rate Models**
- 3. Walk Through Individual Rate Models**
- 4. Describe Option for Additional Provider Feedback**

HOW TO ASK A QUESTION / MAKE A COMMENT



Type in a **comment** in the
chat box

Click here to **raise your**
hand

PROJECT MILESTONE DATES

Provider Meeting Today

Review the construction of the draft rate models.

By May 11

Providers are invited to provide feedback on the components of the rate models in an effort to refine the assumptions in each model.

By May 27

HMA-Burns team synthesizes any additional feedback received from providers during the informal feedback process.

Early June

Review feedback received from providers in a follow-up meeting. Review the revised construction of the rate models that will be released for the formal public comment process. DMMA initiates public comment period.

End of June or Early July


Public comment period ends.

End of July

DMMA releases its responses to formal public comments and the final rates.

January 1, 2023

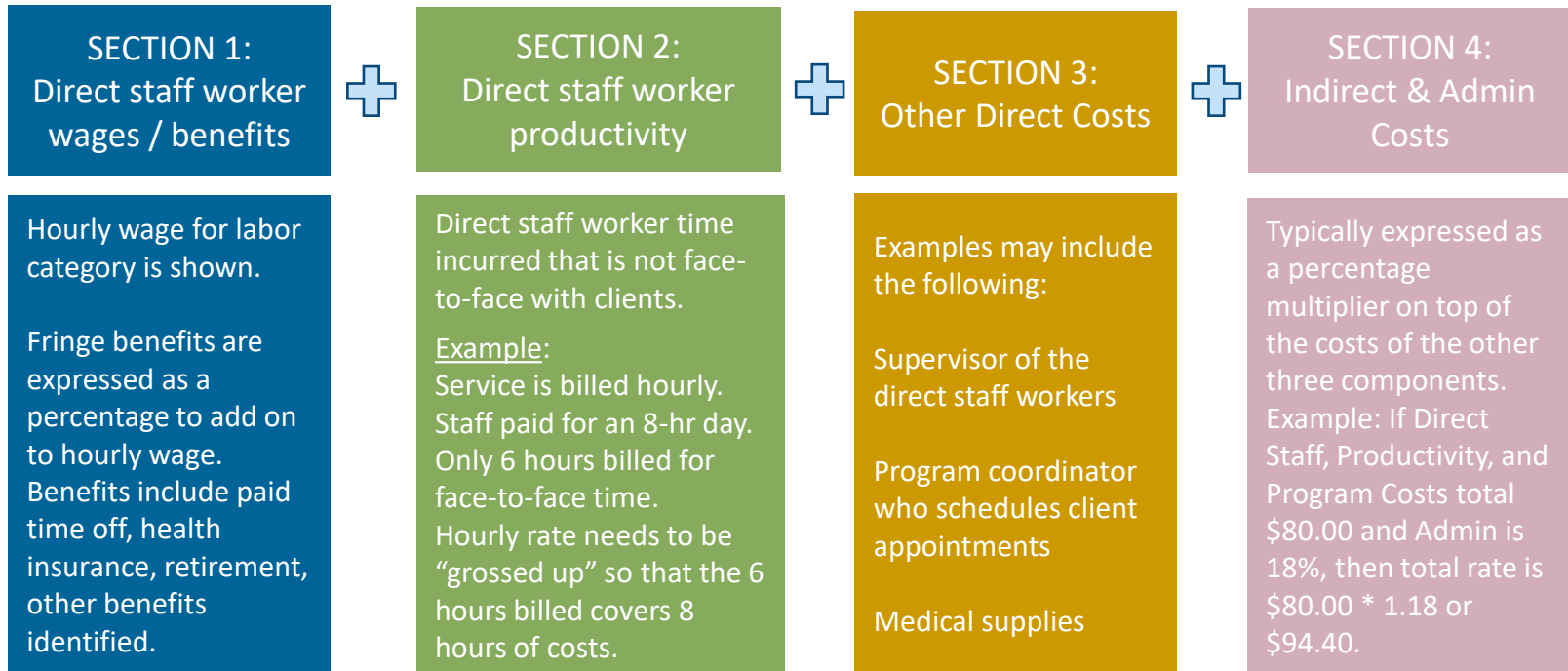
Proposal for new SUD rates to go into effect.



APPROACH TO CONSTRUCTING RATE MODELS

COMPONENTS OF RATE VALUATION MODELS DEVELOPED BY HMA-BURNS

All Rate Models contain the following components:



Other factors may be added to the model but are service-specific:

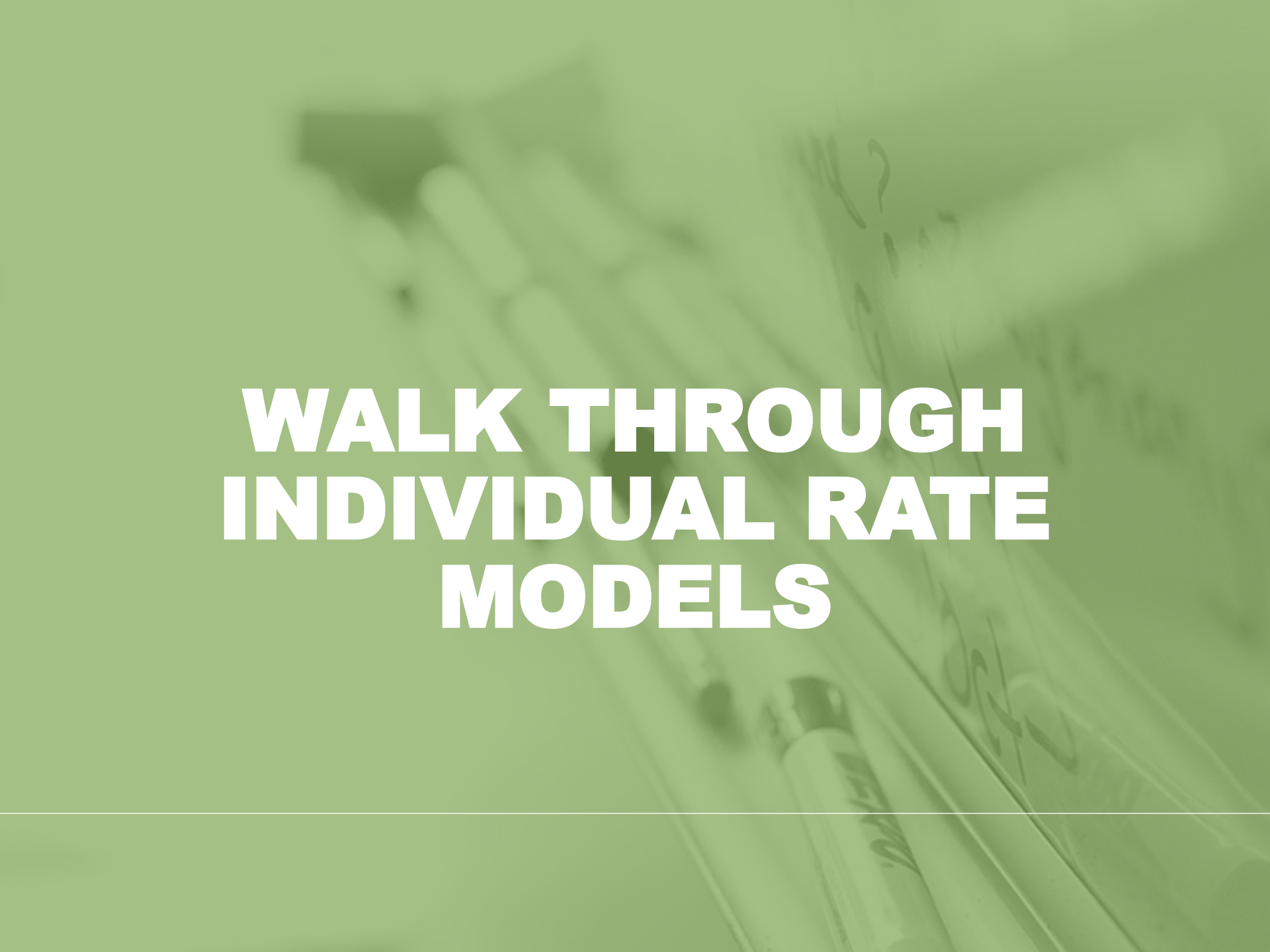


■ PRINCIPLES OF RATE MODEL DEVELOPMENT

- Build rate models that are easily understood and transparent
- Where possible, build rates using component pieces common to all services, such as the four components shown on previous slide
 - This allows for streamlined approach in both initial rate development and in updates.
- Show the buildup of rate models in a side-by-side manner where only one component varies across the options. This allows for easy view of the reason for different rates.
 - Example: A service could be delivered by personnel at different licensure levels. Side-by-side models will show the difference in the valuation of the service if the inputs to the rate model are the same except for the annual salary of the practitioner.
 - Example: A service is usually delivered by the same type of practitioner, but the labor costs for this practitioner level varies across the state. Side-by-side models can show the difference in the valuation of the service by region when using different annual salary assumptions by region.
 - Example: Side-by-side models can show the same or similar inputs into the valuation models for different ASAM residential levels. Increased staffing levels and credentials of personnel at the treatment centers are shown side-by-side to view how the rationale for the increase in the per diem rate as you go up the ASAM Level 3 scale.

HMA-BURNS INDEPENDENT RATE MODELS

- Rate models are constructed from alignment of multiple sources of data where possible.
- Data to inform rate models typically includes
 - Primary data collected directly from the providers who deliver the service
 - Secondary data sources to benchmark provider feedback, such as Bureau of Labor Statistics wages by labor category within the state, regional commercial real estate rent/costs
 - Secondary data sources that directly input into the model that are easily updateable (e.g., IRS per mile rate updated annually)
- Specific model assumptions are detailed (e.g., staff wages and benefits, staffing levels), but the assumptions are not mandates.
 - Example: A rate model may assume annual salary for the labor category of \$70,000 per year and fringe benefits at 30% of annual salary.
 - There is no expectation that each provider will follow this pattern. One provider may pay \$80,000 per year but provide fewer benefits, another provider may pay less in salary but offer more generous benefits.

The background of the slide is a light green color with a blurred image of a hand holding a pen over a document with handwritten notes. The text is centered and reads:

WALK THROUGH INDIVIDUAL RATE MODELS

■ SERVICES FOR WHICH RATES WERE DEVELOPED

- **ASAM Level 1**
 - AOD Assessment, Counseling (individual), Counseling (Group), Peer Supports
- **ASAM Level 2**
 - Ambulatory Detoxification, Intensive Outpatient, Partial Hospitalization
- **ASAM Level 3**
 - 3.1, 3.3, 3.5 and 3.7
- Rates were not set for national CPT code services for psychotherapy (e.g. 90785-90899). DMMA will continue to default to Medicare's RBRVS fee schedule (or some percentage of this) for annual updates to these codes.

■ WALK THROUGH OF INDIVIDUAL MODELS

- The rate model construction for ASAM Levels 1 and 2 are similar
 - We will walk through a few models in depth and briefly review others.
- The rate model construction for ASAM Level 3 residential varies from ASAM 1 and 2, but is similar across the 3.1, 3.3, 3.5 and 3.7
 - We will walk through each of these models in a side-by-side manner.



OPTION FOR ADDITIONAL FEEDBACK

■ NEXT STEPS

- 1. Review the Excel file that will be distributed after this meeting.**
 - This is the file for the rate models shared today.
 - There are five rate model tabs. Please review the inputs in each model.
- 2. Provide feedback by May 11, 2022. Feedback is Voluntary.**
 - To the right of the models in each of the five tabs, there are spaces where you can enter information in green cells.
 - If you have feedback on a specific rate model assumption, enter in the green cell.
 - You can enter feedback on some rate model elements and not others.
 - You can enter feedback on some ASAM Level rate models and not other models.
 - There is also a tab named 'Qualitative Feedback' where you can provide qualitative feedback or additional information about your quantitative feedback.
- 3. Please send your feedback in the same Excel file to Mark Podrazik directly.**

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