
Update on HB4004 & FFS Behavioral Health Rates

Presented to:

House Interim Committee On Behavioral Health

June 2nd, 2022



HEALTH SYSTEMS DIVISION
Office of Behavioral Health

House Bill 4004

Behavioral Health Workforce Stability grants

HB4004 (2022) - Overview

- \$132 Million to be awarded
- Offers provider flexibility to design and apply compensation strategies, as long as 75% directed toward wages, benefits, bonuses and incentives.
- A qualified entity needed to be licensed or certified by OHA, ODHS, or OYA per the statutory language

Behavioral Health Workforce Stability grants

HB4004 (2022) Overview

- Provider notifications went out in early April and OHA provided a low barrier application through the OHA website per provider feedback
- Two webinars were held on April 21st and April 28th
- Applications were required to have been completed by May 4, 2022
- Approval and denial notifications began to be sent to applicants May 20, 2022

House Bill 4004 Results

- Over 220 applications were received
- 159 separate applications were approved
- We received a wide range resulting in a significant range in awards
 - (\$3,787 is the smallest)
 - (\$7.3M is the largest)
- Disbursements began to be made the week of May 23,2022 to meet the May 31st statutory deadline
- Currently per statute providers must spend these funds by January 2, 2023

Overview of Awardee Information

Top Awardees By \$ Amount

Provider Legal Business Name	Approved Amount
Totals	\$ -
Cascadia Health, ABN Cascadia Behavioral Healthcare	\$ 7.3m
Trillium Family Services	\$ 6.0m
LifeWorks NW	\$ 5.5m
Native American Rehabilitation of the Northwest, Inc.	\$ 5.0m
ColumbiaCare Services, Inc.	\$ 4.4m
Options for Southern Oregon	\$ 4.3m
Central City Concern	\$ 3.8m
Yamhill County Health and Human Services	\$ 3.5m
Deschutes County Health Services	\$ 3.5m
Adapt, Inc	\$ 3.0m

Notable Denials

- Some FQHC's (those not certified)
- Nursing Homes
- Advocacy Organizations
- Individual non-certified BH counselors

All awardees listed at:

<https://www.oregon.gov/oha/HSD/AMH/docs/HB4004-Grantees.pdf>

Behavioral Health Rate Increase

OHA Rate Pricing Considerations

Rates paid under Behavioral Health Fee-For-Service (FFS) include but are not limited to:

- Behavioral Health Outpatient Services
- Peer Delivered Services
- Substance Use Disorder (SUD) Services
- Adult Residential Services
- Youth Residential Services

Increases in FFS rates influence CCO payment rates to providers. CCOs generally need to pay at least as much as FFS; therefore, this consideration is also modeled.

Changes to the fee schedule must be approved by CMS through a State Plan Amendment.

Behavioral Health Rate Increase HB 5202 (2022)

- \$154.5 Million in total funds
 - (requires Emergency Board release of Special Purpose Appropriation funding; decision June 1, 2022)
- Broad increases to existing FFS fee schedule will be effective post-CMS approval retroactive to July 1, 2022.
- CCO capitation rates (effective Jan 1, 2023)
 - (Increase in CCO capitation rates with agreements to assure that funds have direct impact on their BH provider network.)
- Requires federal approval

FFS Behavioral Health Rate Increase: Funding Breakdown

Coordinated Care Organizations (CCO)
 Fee-for-service (FFS)
Total Medicaid HSD without Drugs MH:

30% Rate Increase		
General Fund	Federal Funds	Total Funds
18,500,000	56,000,000	74,500,000
24,000,000	56,000,000	80,000,000
\$42,500,000	\$112,000,000	\$154,500,000

Fee-for-service (FFS)

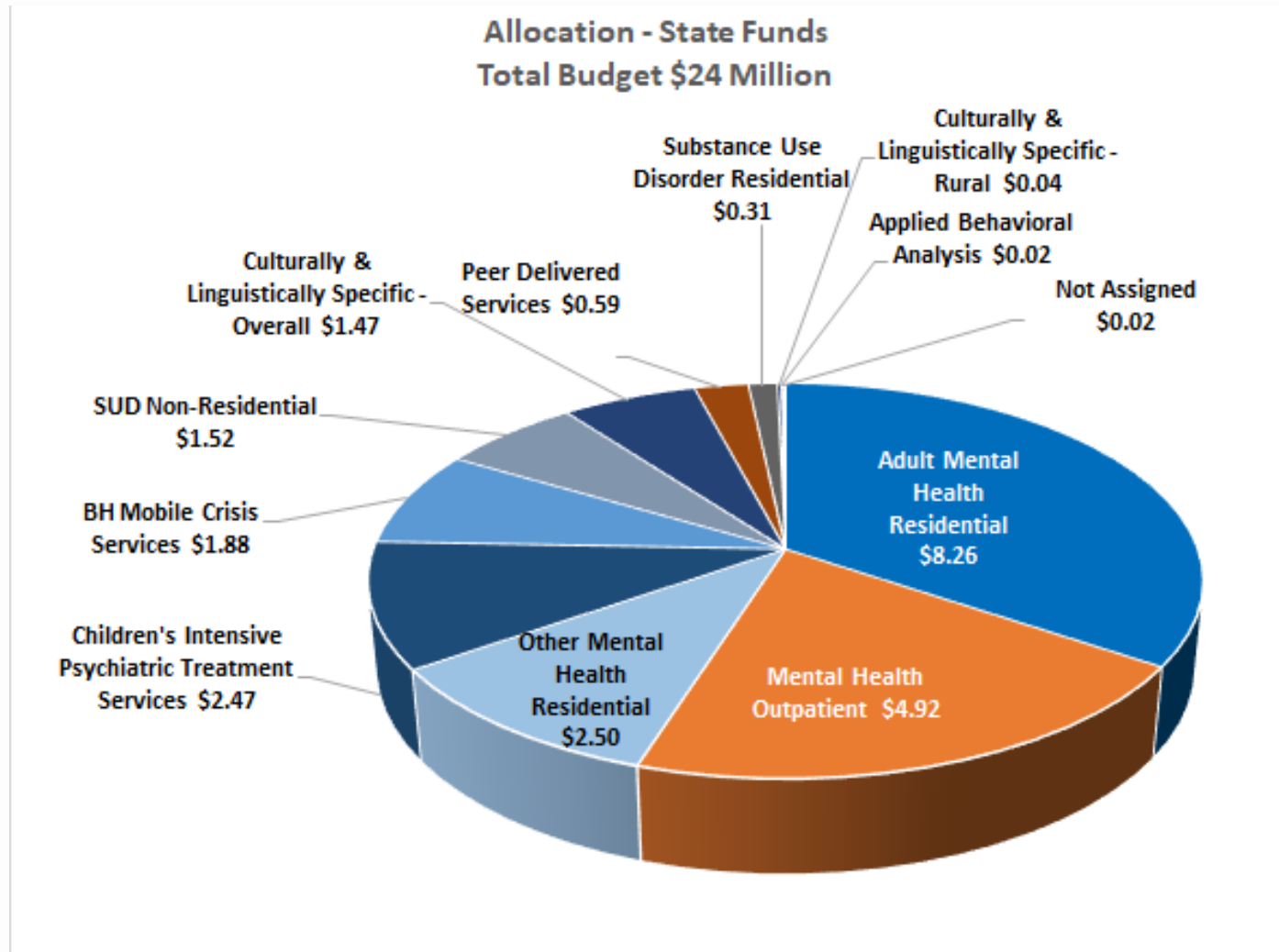
Adult Mental Health Residential
 Substance Use Disorder Residential
 Other Mental Health Residential
 Children's Intensive Psychiatric Treatment Services
 Peer Delivered Services
 Culturally & Linguistically Specific - Overall
 Culturally & Linguistically Specific - Rural
 Mental Health Outpatient
 SUD Non-Residential
 BH Mobile Crisis Services
 Applied Behavioral Analysis

Proposed Rate Increase		
General Fund	Federal Funds	Total Funds
8,260,611	15,631,163	23,891,774
313,505	676,051	989,556
2,496,978	4,314,158	6,811,137
2,467,140	4,175,627	6,642,767
586,837	913,804	1,500,641
1,467,337	6,123,217	7,590,554
41,686	173,955	215,641
4,922,505	8,706,592	13,629,097
1,516,626	7,267,117	8,783,743
1,879,656	14,063,143	15,942,799
24,151	36,323	60,474
\$23,977,033	\$62,081,150	\$86,058,182

* Services Excluded: Personal Service Workers, Adult Foster Homes, CCBHC, and 10% Behavioral Health COVID-19 Relief Increase.



FFS Behavioral Health Rate Increase: Allocation by Service



OHA priorities for FFS rate increase

- Recommending over \$24m of total funds to Mental Health Residential sets of rate codes
 - All with 30% increase with Class 1 Secure Residential Treatment Facilities with 45%; reflect higher intensity of services and ideally incentivize new providers to join
- Working to bring more rate parity between Substance Use Disorder and Mental Health sets of rates
 - Including larger increases in assessment, counseling, and residential services such as a 50% increase in certified SUD treatment code to get in line with mental health treatment
- Providing an at least 22% rate differential to providers that provide culturally and linguistically specific services directly (with 10% additional for rural providers)
- Average of 36% increase for Children’s Intensive Treatment Services
- Increase the self help/peer services FFS rate from \$17.70 to \$24.78 to support increased wages for peer support specialists
- Mental Health outpatient FFS codes getting a 41% average increase
- Other code increases built to bring rate closer to commercial/Medicare rates

CCO Options Under Consideration

- OHA is working now to get CCO rates effective Jan 1, 2023
- Goal is to create a new Directed Payment that will segregate this rate increase out to assure CCOs get necessary increase to compensate behavioral health providers
 - This will allow CCOs to focus on increasing access, incentivize providers, and assure that providers are getting at least the amount of the FFS increases that will be provided in 2022
- Additional accountability for these fund through additional reporting from CCOs
- Subject to CMS approval of new directed payment (expected late fall)

How will the CCO directed payment work

- **Establish a Directed Payment within the capitation rates for 2023**
 - Submit a pre-print(s) to CMS requiring CCOs to pay additional amounts for behavioral health rates
 - Define provider class and services to push for access and health equity
 - Make any needed contractual and Rule changes
 - Increase capitation rates; itemize with and without directed payment
 - CCOs report to OHA how they complied with the directed payment
- **Goal is to have rates ready and included in CCO capitation rates on January 1, 2023, CCOs and providers should be negotiating new contracts to be ready**

FFS Behavioral Health Rate Increase: Next Steps

- OHA has requested \$42,500,000 General Fund from a special purpose appropriation made to the Emergency Board and increase Federal Funds expenditure limitation by \$112,000,000
 - Item 16 at the next E-Board

Thank You

The logo for the Oregon Health Authority is centered within a light blue, curved banner. It features the word "Oregon" in a smaller, orange, serif font positioned above the "Health" portion of the word "Health Authority". The word "Health" is written in a large, blue, serif font, and the word "Authority" is written in a smaller, orange, serif font below it. A thin blue horizontal line is positioned just above the "Authority" text, extending from the left side of the "H" in "Health" to the right side of the "y" in "Authority".

Oregon
Health
Authority