
Behavioral Health Rate Increase Update (HB 5202)

House Behavioral Health Committee

December 8, 2022

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**Sustainable, long-term investment
that focuses on access,
accountability, workforce and
advancing health equity in
Behavioral Health**

HB 5202 Appropriated \$42.5M to Increase Behavioral Health Reimbursement Rates

- Legislature specified different effective dates for rate increases:
 - FFS/Open Card providers – Effective July 1, 2022
 - CCO network providers – Effective January 1, 2023

2021-2023	General Fund	Federal Funds	Total Funds
CCO	18,500,000	56,000,000	74,500,000
FFS/Open Card	24,000,000	56,000,000	80,000,000
	\$42,500,000	\$112,000,000	\$154,500,000

- OHA received the appropriation in June 2022 from the Emergency Board to implement these increases

Implementation Progress and Status

Open Card – Fee-For-Service (FFS)

- ✓ Distributed funds to FFS rates based on workforce, parity and access
- ✓ Proposed updated FFS rate schedule and gathered feedback
- ✓ Submitted and received approval from CMS (Nov 2022)
- Retroactively adjust payments back to July 1, 2022

Coordinated Care Organizations

- ✓ Gathered feedback on increases needed in CCO provider network
- ✓ Developed and submitted Directed Payment application to CMS
- ✓ Submitted CCO capitation rates with increased funding to CMS
- Waiting on Directed Payment application approval

CCO Program Highlights

- CCOs are required to increase Behavioral Health reimbursement for the majority of services based on the Directed Payment mechanism as follows:
 - Providers with **over** 50% Medicaid service revenue: **30% Increase**
 - Providers with **under** 50% Medicaid service revenue: **15% Increase**
- CCOs are also required to pay a higher differential on top of these base increases when a service and provider meet the definition of:
 - Co-occurring disorder (Substance Use Disorder and Mental Health), or
 - Culturally and Linguistically Specific Services

Note: These differentials will be consistent for FFS as well

FFS Program Highlights

- OHA evaluated Behavioral Health rates from a health equity, workforce, parity and access perspective, which resulted in:
 - Historic increases in adult residential treatment programs, services for mental health and substance use disorder (SUD), and intensive psychiatric treatment programs for children
 - Creation of new provider eligibility criteria to encourage Culturally and Linguistically Specific Services with an additional 22% (non-rural) and 27% (rural) differential for out-patient services
 - Increases to support higher wages for peer support specialists and peer delivered services
 - Larger increases for services that have not had an increase in 5-10+ years
 - Rate increases for screening, assessment and evaluation services appropriate to service complexity and providers qualified to deliver them

Upcoming Events

Implementation Update Webinar: December 14, 2022 (12:00-1:30 pm)

- CCO behavioral health directed payments, effective January 1, 2023
- Fee For Service increases retro-effective July 1, 2022, as approved by CMS
- Eligibility and enhanced payments for Culturally and Linguistically Specific Services and Integrated Co-Occurring Disorders treatment

Questions?