

Behavioral Health Rate Increase Update (HB 5202)

Joint Ways & Means Human Services Subcommittee

January 30, 2023

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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:
 1. FFS/Open Card providers – Effective July 1, 2022
 2. 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)

- ✓ 30% rate increases based on highest workforce, parity and access needs
- ✓ Proposed updated FFS rate schedule and gathered feedback
- ✓ Submitted and received approval from CMS (Nov 2022)
- Retroactively adjust payments back to July 1, 2022—going on now

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
- ✓ Directed Payment application approval received

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

Current status

All FFS and CCO behavioral health increases have been approved by CMS

- CCO behavioral health directed payments, effective January 1, 2023
 - OHA sent out [guidance to CCOs](#) with a simple reporting template needed and other helpful information
 - CCOs have until March 31, 2023, for these increases to go into effect
- FFS increases are retroactive to July 1, 2022, as approved by CMS
 - OHA currently paying these retroactive increases to providers
- OHA finalizing enhanced payments for Culturally and Linguistically Specific Services and Integrated Co-Occurring Disorders treatment this month
 - Also retroactive to July 1, 2022

Questions?