



**NETWORK OFFICE  
CHANGES TO BHCS CONTRACTING FOR FY 2017/18**

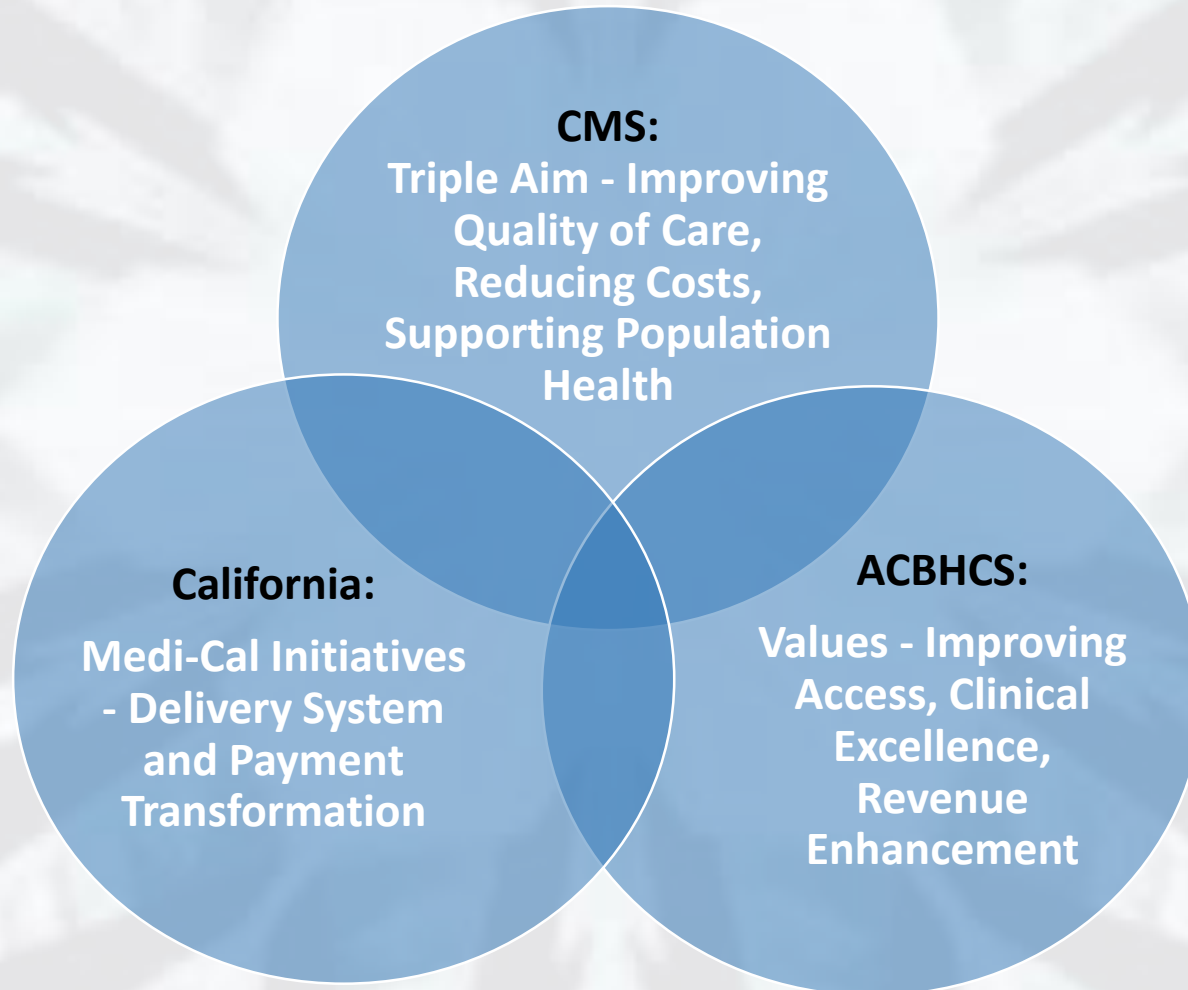
**PROVIDER CONTRACT PAYMENT REDESIGN:  
PREPARING FOR THE FUTURE WITH A FOCUS  
ON ACCESS AND QUALITY**

**February 2017**

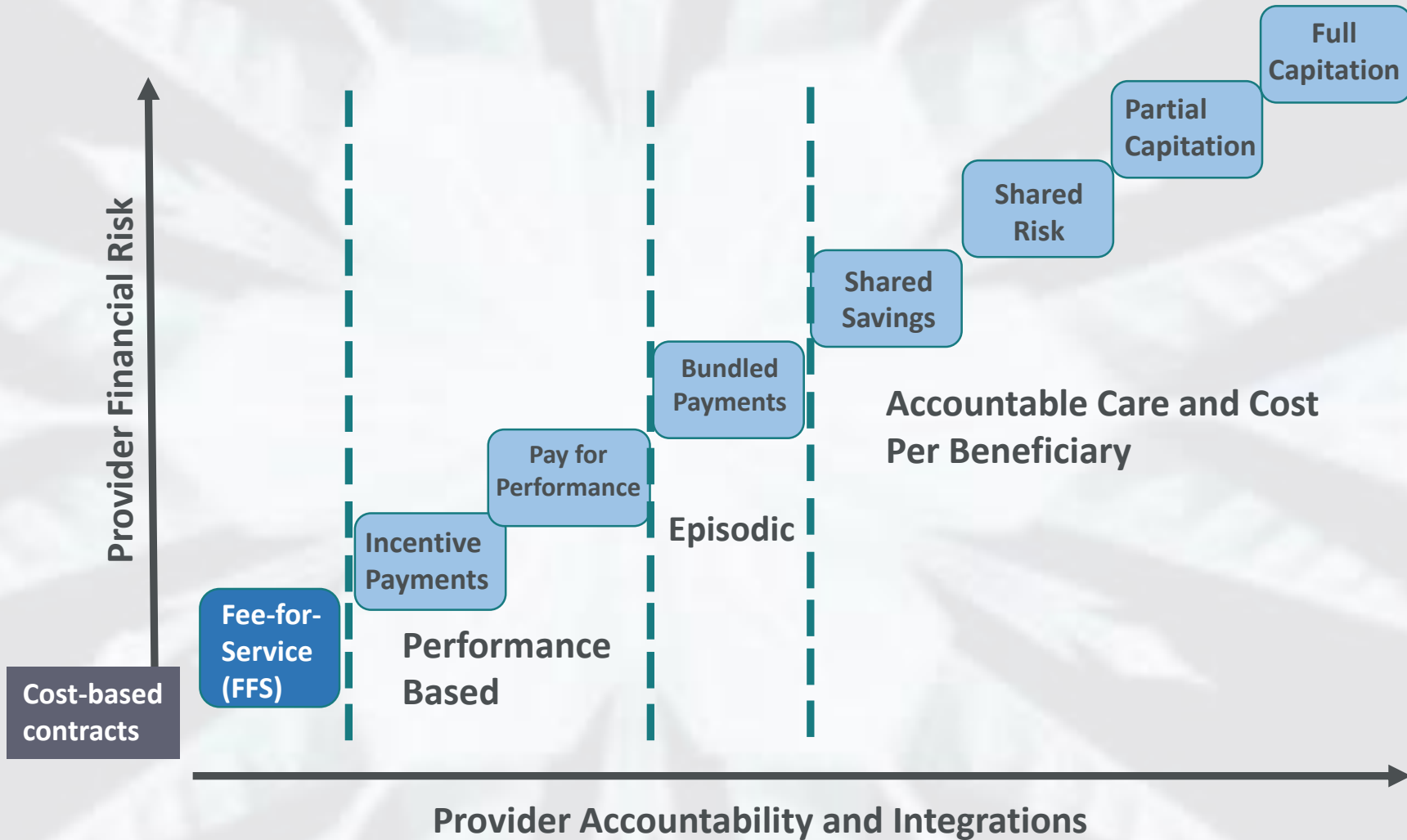
# Purpose of Discussion

- Discuss upcoming contract payment changes which are designed to:
  - ✓ Improve beneficiary access to care
  - ✓ Improve quality of service
  - ✓ Maximize federal Medicaid revenue
  - ✓ Move to one rate across contract per mode of service
  - ✓ Opportunities for performance-based payments
- Summarize new forms and processes to operationalize
  - ✓ Cost Estimation Worksheet
  - ✓ Budget Planning Workbook
  - ✓ Cost Settlement

# Goal: Preparing for the Future with a Focus on Access and Quality



# Accountability and Risk Sharing





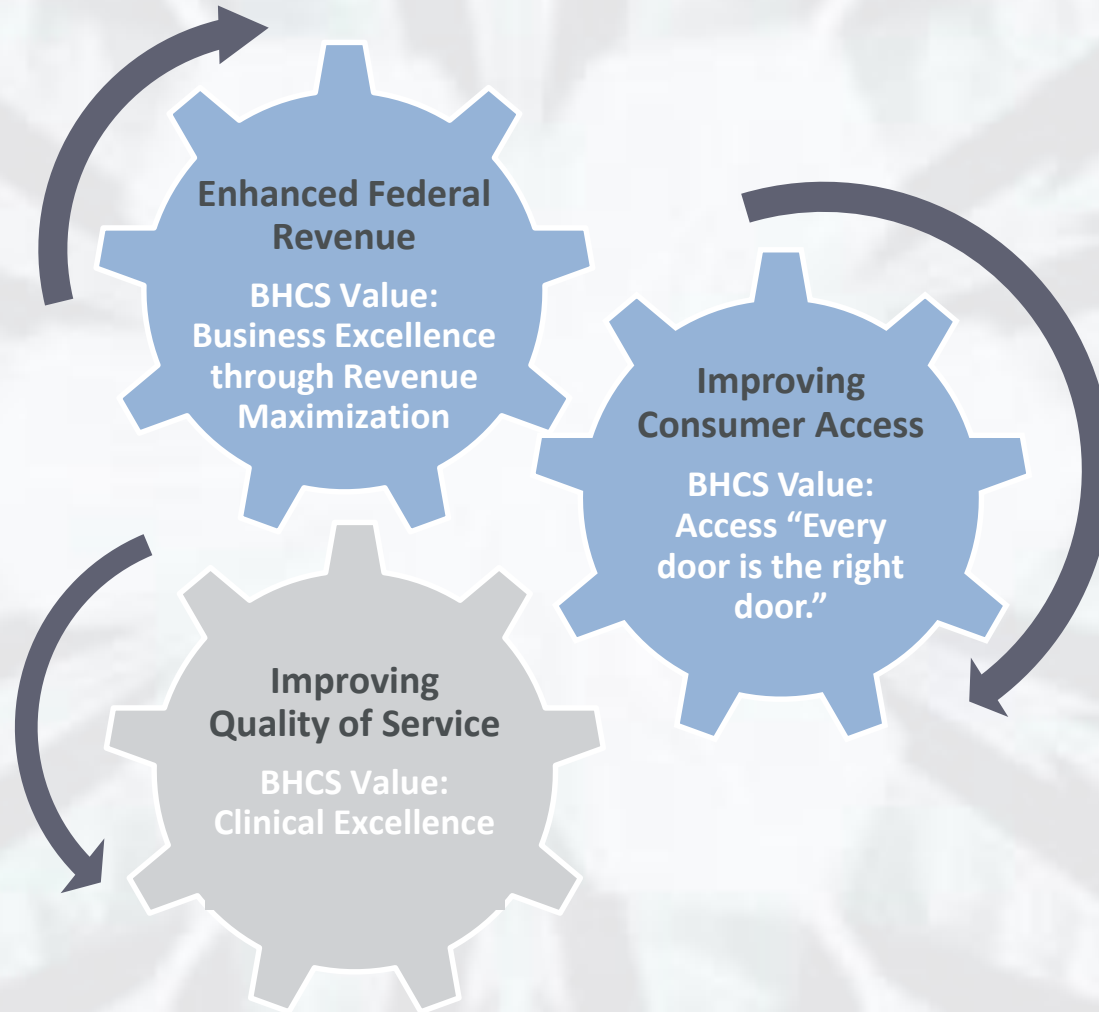
# Contract Payment Redesign: Fee-for-Service (FFS) Transition

**Background:** Providers are currently settling to cost with their contracts.

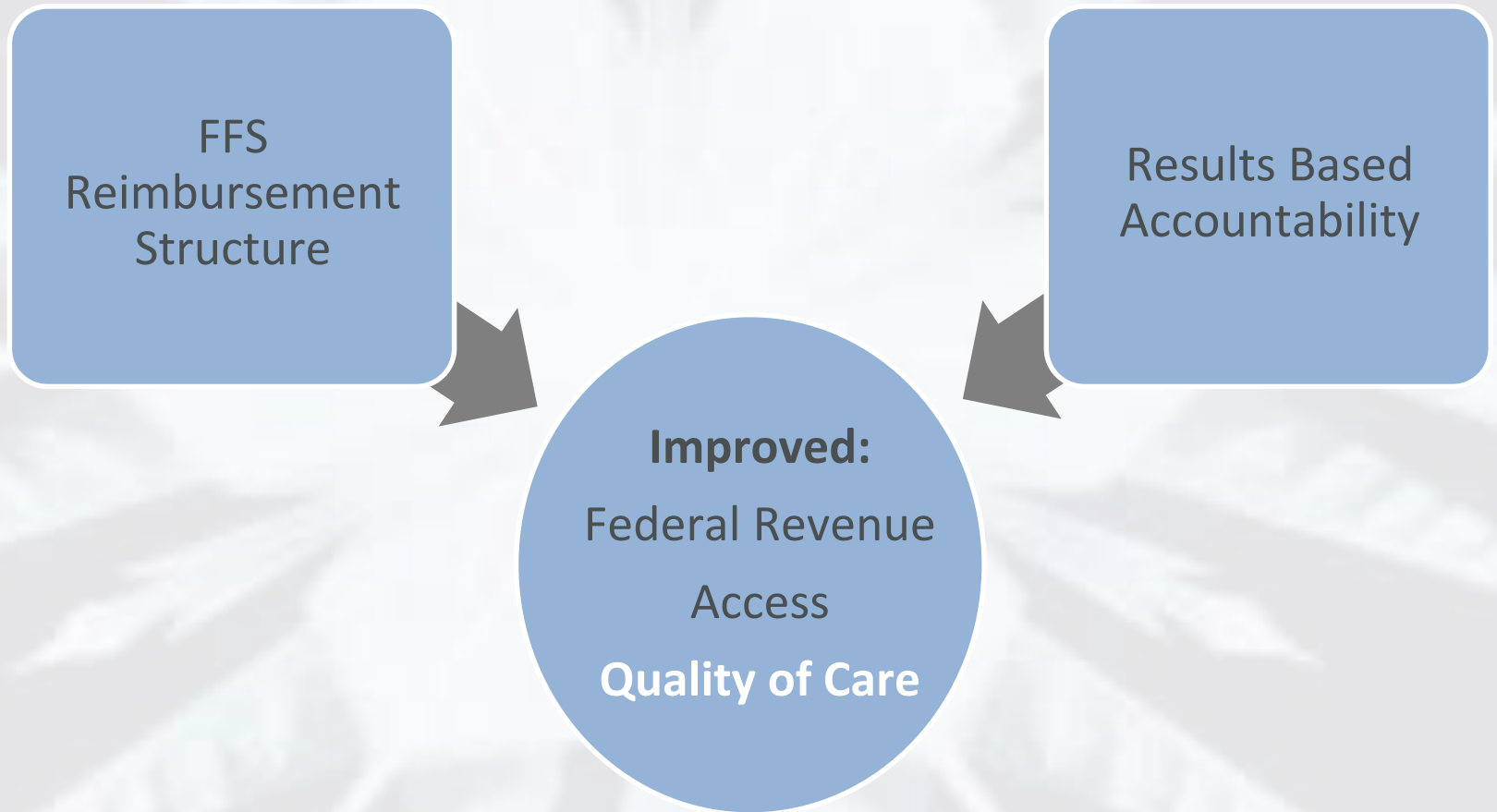
**Approach:** Transition contracts with cost-based structures to a fee-for-service rate consistent with federal guidelines.

**Impact:** Incentivize providers to generate and report service consistent with a fee-for-service model to improve federal reimbursement and access to care.

# Contract Payment Redesign: Benefits



# Contract Payment Redesign: Programs





# Contract Payment Redesign: Pilot Group

- **Goal of a Pilot:** The pilot is intended to serve as an opportunity to work closely with providers to improve the current methodology and support providers in having a successful transition.

## **Participants in the Pilot Group Includes:**

- Providers that have both cost-reimbursement and rate reimbursed contracts.
- Includes all current adult providers that have Full Service Partnership (FSP) programs.
- Includes Seneca, the largest Children's provider.
- These providers represent many of the largest contracts that have some cost-based reimbursement programs.





# Contract Payment Redesign: Pilot Group – Cont'd

- Who is in the Pilot Group?
  - ✓ Abode Services
  - ✓ Bay Area Community Services
  - ✓ Bonita House
  - ✓ City of Berkeley
  - ✓ East Bay Community Recovery Project
  - ✓ Family Services Agency
  - ✓ Fred Finch Youth Center
  - ✓ Seneca Family of Agencies
  - ✓ Telecare Corporation

# Contract Payment Redesign: FFS Transitions

## FFS – Pilot Group

- **Transition to FFS beginning July 1, 2017.**
- Complete Cost Estimation Worksheet (new) and Budget Planning Workbook (revised BHCS).
- Establish 1 rate per Medi-Cal mode of service across legal entity based on FY 17-18 Budget Planning Workbook and negotiation with BHCS.
- Monthly invoices will be paid by calculating contracted rate x units of service.
- **Contracts will be settled to lower of cost or contracted rate.**

# Contract Payment Redesign: FFS Transition – Cont'd

## FFS – Other Medi-Cal Contracts

- **Transition to FFS beginning July 1, 2018.**
- Complete Cost Estimation Worksheet (new) and Budget Planning Workbook (revised BHCS).
- Establish 1 rate per Medi-Cal mode of service across legal entity based on FY 17-18 Budget Planning Workbook and negotiation with BHCS.
- Monthly invoices will be paid by calculating contracted rate x units of service.
- **Contracts will be settled to cost for FY 17-18. Contracts will be settled to lower of cost or contracted rate in FY 18-19.**

# Process Steps

1. Receive Contract Renewal Package, which includes customized Cost Estimation Worksheet (new) and Budget Planning Workbook (revised)
2. Complete and submit to BHCS
3. Negotiate contract with BHCS
4. Execute contract





# Process Steps – What's the same?

- Contracting at same level of service as in the previous fiscal year unless direction or approval from BHCS to do otherwise
- Program-specific allocations will be set

# Process Steps – What's Different?

- New forms
- Direct Service full-time equivalent (FTE) will be in the Exhibit A
- No initial allocations sent for Medi-Cal Programs
- Medi-Cal and Non-Medi-Cal service costs in the same program will be separated
- One rate per mode of service

# Process Steps – What's Different? Cont'd

## Pilot Group:

- More negotiation around:
  - ✓ Proposed productivity
  - ✓ Prior year cost reports
- Cost Settlement

# Cost Estimation Worksheet

Provider Cost Estimation Worksheet					MEDI-CAL DIRECT SERVICE ESTIMATE											
ESTIMATED DIRECT EXPENSES (FTE%)	FTEs	Salaries	Benefits	Total	Total Hours Per Week	Direct Service % Applied (Productivity?)	Total Direct Service Hours Per Week	Annual Hours	Case Management/ Brokerage	Mental Health Services	Medication Support	Crisis Intervention	Total UOS	IMD	MHSA Outreach and Engagement Hours Per Week	
Direct					UNITS OF SERVICE/HOURS											
<b>Medical Providers</b>																
MDs				\$0			0	0					0.00			
DO				\$0			0	0					0.00			
PA				\$0			0	0					0.00			
NP/CNS				\$0			0	0					0.00			
Other: PharmD				\$0			0	0					0.00			
<b>Licensed LPHA</b>																
PhD				\$0			0	0					0.00			
PsyD				\$0			0	0					0.00			
LCSW				\$0			0	0					0.00			
LMFT				\$0			0	0					0.00			
LPCC				\$0			0	0					0.00			
Other:				\$0			0	0					0.00			



# Budget Planning Workbook

PLEASE ENTER WHOLE DOLLARS ONLY		Residential, Day, or Outreach						Residential, Day, or Outreach					
		Enter Program Name						Enter Program Name					
		Reimbursement Type:						Reimbursement Type:					
	Annualized Salary	RU #						RU #					
		BUDGET			ACTUAL			BUDGET			ACTUAL		
SALARIES & WAGES		FTE	P%	Cost	FTE	P%	Cost	FTE	P%	Cost	FTE	P%	Cost
Direct													
<b>Medical Providers</b>													
MDs													
DO													
PA													
NP/CNS													
Other: PharmD													
<b>Licensed LPHA</b>													
PhD													
PsyD													
LCSW													
LMFT													
LPCC													
Other:													
<b>Unlicensed LPHA (Waivered)</b>													
PhD/PsyD													
MFT-Intern													
ASW/PCC Intern													
<b>Nursing (RN, LVN)</b>													
<b>Grad Student (Intern)</b>													
<b>MHRS</b>													
<b>Adjunct Staff</b>													
Family Partner													
Peer Specialist													



# How Will BHCS Provide Technical Assistance (TA)?

## **For Providers:**

- Clear written instructions and glossary for new and revised forms
- Frequently Asked Questions (FAQ) Sheet on the BHCS Website
- Phone and email check-ins with assigned Contract Managers
- Individual provider contract discussions
- Additional group TA discussions with providers if needed
- Collect provider input and incorporate into process for FY 18-19

## **For Network Office Staff:**

- Regular internal meetings to provide TA and support

# Feedback

