

MENTAL HEALTH OUTPATIENT CLINIC MANAGED CARE PLAN - REGULATORY & REIMBURSEMENT REVIEW

MAY 2012

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Training & Discussion Agenda

1. Introductions
2. Statute & History of Clinic Reimbursement
3. Clinic APG Implementation & “Government Rate”
Overview
4. Clinic Regulatory & Reimbursement Review
5. APG Reimbursement as it Applies to MCOs
6. Review Questions & Answers concerning
Implementation of “Government Rates”
7. Outstanding Issues & Next Steps

OMH “Government Rates” Statute Part H of Chapter 11 of the Laws of 2010

...the commissioner of mental health is authorized, subject to the approval of the director of the budget, to transfer to the commissioner of health state funds to be utilized as the state share for the purpose of increasing payments under the Medicaid program to managed care organizations licensed under article 44 of the public health law or under article 43 of the insurance law. Such managed care organizations shall utilize such funds for the purpose of reimbursing hospital-based and free-standing clinics licensed pursuant to article 28 of the public health law, pursuant to article 31 of the mental hygiene law or pursuant to both such provisions of law for outpatient mental health services, as determined by the commissioner of health in consultation with the commissioner of mental health, provided to Medicaid eligible patients. **Such reimbursement shall be in the form of fees for such services which are equivalent to the payments established for such services under the ambulatory patient group (APG) rate-setting methodology** as utilized by the department of health or by the office of mental health for rate-setting purposes; provided, however, that the increase to such fees that shall result from the provisions of this section shall not, in the aggregate and as determined by the commissioner of health in consultation with the commissioner of mental health, be greater than the increased funds made available pursuant to this section. The commissioner of health may, in consultation with the commissioner of mental health, promulgate regulations, including emergency regulations, as are necessary to implement the provisions of this section. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2010.

Brief History of Clinic Reimbursement

- Historical public financing to support community based services for individuals with serious mental illness:
 - OMH “Aid to Localities” to support MH in the community as a “public health” service became significant in 1970s, rationalized as adjunct to deinstitutionalization
- Medicaid support for MH treatment services extended in early 1980s
- To offset budget crises through 1990s, MH increased Medicaid fees to support services to uninsured and low payment from Medicaid Managed Care plans
 - Significant clinic rate supplements under the ‘Comprehensive Outpatient Program’ (COPs)
- NYS APG initiative response to Federal concern with OMH’s clinic fees/rates above average cost. Required OMH develop 4 year transition to common payments for procedures in like providers

MCO APG Implementation

- Beginning July 1, 2012, MCOs will “mirror” FFS APG payment for both free-standing and hospital-based Article 31 mental health clinics.
- OMH refers to this as MCO payment of “government rates”.
- Payment of government rates applies to:
 - Medicaid Managed Care
 - Family Health Plus (FHP)
- Plans **not** included:
 - Child Health Plus (CHP)

Proposed Timeline for “Government Rates”

- April – June 2012 – Plans prepare to pay under APGs for mental health clinic services.
 - Stakeholder Workgroup convened to identify issues & extend communications to members
 - OMH provides training on Part 599 to MCOs.
- July 1, 2012 – Plans are required to pay 100% of fee-for-service APG rates.

Valuing the Premium Adjustment

- The resources to finance the increased payment to clinics are the “Comprehensive Outpatient Program services” (COPS) dollars currently billed by OMH clinics under FFS rate codes for each MMC encounter.
- OMH and DOH have jointly determined that the amount of the payment increase available for “government rates” will be 100% of the APG payment (FFS Medicaid rate).
- The state share of the amount has been transferred from OMH’s budget to DOH’s budget.
- Plans will receive an increase to their capitation premiums. This premium adjustment will begin July 2012.

Overview of Fee-for-Service APGs

APG FFS Implementation Timeline

APGs provide FFS reimbursement for facility-based outpatient services (clinics, D&TCs and hospital OPDs):

- Implemented for hospital clinics and ambulatory surgery on 12/1/08 and emergency rooms on 1/1/09.
- Implemented for free-standing Article 28 (DOH) clinics and free-standing ambulatory surgery on 9/1/09.
- Implemented for free-standing and hospital-based Article 31 mental health clinics (OMH) effective 10/1/10.
 - Actual implementation of APG Billing :
 - All free-standing and hospital-based Article 31s have been billing APGs since January 1, 2012. The non-APG rate codes have been eliminated for dates of service on or after 1/1/12.

APG FFS Transition Time Frame

- Hospitals have already fully transitioned to full APG reimbursement.
 - Full phase-in as of January 1, 2012
- Non-Hospital transition:
 - Phase 1 - Oct 2010-Sept 2011 - 25% APG, 75% Blend Rate
 - Phase 2 - Oct 2011-Sept 2012 - 50% APG, 50% Blend Rate
 - Phase 3 - Oct 2012-Sept 2013 - 75% APG, 25% Blend Rate
 - Phase 4 - Oct 2013 – 100% APG

Mental Health Clinic Part 599 FFS APG Basics -

- ❑ Transition from 6 Clinic services, 3 rates, COPS add-ons to...
- ❑ Medicaid APGs for Mental Health Clinics:
 - +30 CPT defined Clinic services
 - Services weighted for resource intensity
 - Reflecting time and staffing expertise
 - Modifiers for select services
 - Provide payment incentives
 - Multiple same day services
 - Promote flexibility
 - Discounting applied for multiple same day services
 - Presumed operating efficiencies
 - Phased-In timeline

OMH Outpatient Clinic – APG Services, CPT Codes, Weights

CPT SERVICES

Blend/ Full Pay	APG	CPT Procedure - OMH Regulatory Name	CPT Codes	Service Weight
Blend	323	Initial Assessment Diagnostic & Treatment Plan	90801	1.0344
Blend	315	Psychiatric Assessment - 30 mins	90805	1.0344
Blend	316	Psychiatric Assessment - 45-50 mins	90807	1.2413
Full	820-831	Psych Assessm - Alt Codes - New/Estab Patient	Code Range	0.8293
Full	820-831	Psychiatric Consultation - New/Estab Patient	Code Range	0.8293
Full	321	Crisis Intervention - 15 min	H2011	0.4000
Full	321	Crisis Intervention - per hour	S9484	2.4136
Full	312	Crisis Intervention - per diem	S9485	5.7927
Full	490	Injectable Med Admin with Monit & Edu	H2010	0.4138
Full	426	Psychotropic Medication Treatment	90862	0.6620
Blend	315	Psychotherapy - Indiv 30 mins	90804	0.6206
Blend	316	Psychotherapy - Indiv 45 mins	90806	0.8275
Blend	317	Psychotherapy - Family 30 mins	90846	0.6206
Blend	317	Psychotherapy - Family&Client 1 hr	90847	1.2413
Blend	318	Psychotherapy - Family Group 1hr	90849	0.3207
Blend	318	Psychotherapy - Group 1 hr	90853	0.3207
Full	310	Developmental Testing - limited	96110	0.8275
Full	310	Developmental Testing - extended	96111	1.2413
Full	310	Psychological Testing - Various	96101	1.6551
Full	310	Psychological Testing - Neurobehavioral	96116	1.6551
Full	310	Psychological Testing - Various	96118	1.6551
Full	490	Complex Care Management - 15 mins	90882	0.2896

OMH Outpatient Clinic – APG Services, CPT Codes, Weights

Blend/Full Pay	APG	CPT Procedure - OMH Regulatory Name	CPT Codes	Procedure Weights
Full	820-831	Health Physicals - New/Estab Patient	Code Range	DX BASED
Full	490	Health Monitoring - 15 mins	99401	0.2500
Full	490	Health Monitoring - 30 mins	99402	0.3103
Full	490	Health Monitoring - 45 mins	99403	0.4482
Full	490	Health Monitoring - 60 mins	99404	0.5862
Full	490	Health Monitoring Group - 30 mins	99411	0.1379
Full	490	Health Monitoring Group - 60 mins	99412	0.2414
Full	451	Smoking Cessation Treatment - 3-10 mins; requires Dx code 305.1	99406	0.1267
Full	451	Smoking Cessation Treatment - >10 mins; requires Dx code 305.1	99407	0.1267
Full	451	Smoking Cessation Treatment (Group) - >10 mins; requires Dx code 305.1 (req HQ modifier)	99407-HQ	APROX \$8.50 PER CLIENT
Full	324	Alcohol and/or Drug Screening	H0049	0.2803
Full	324	Alcohol and/or Drug, brief intervention, per 15 mins	H0050	0.2803

OMH Outpatient Clinic—APG Services, CPT Codes, Weights

APG	CPT Procedure - OMH Regulatory Name		Procedure Weights
APGS for Psych Assessments, Consultations & Health Physicals are dependent on diagnostic categories as they appear below:			
820	Schizophrenia		0.8969
821	Major Depressive Disorders & Other Psychoses		0.9476
822	Disorders of Personality & Impulse Control		0.8945
823	Bipolar Disorders		0.8574
824	Depression Except Major Depressive Disorder		0.6982
825	Adjustment Disorders & Neuroses		0.8061
826	Acute Anxiety & Delirium States		0.6352
827	Organic Mental Health Disturbances		0.7817
828	Mental Retardation		0.7149
829	Childhood Behavioral Disorders		0.6982
830	Eating Disorders		0.9135
831	Other Mental Health Disorders		0.7248

APG Payment Elements

http://www.omh.ny.gov/omhweb/medicaid_reimbursement/

- APG Government Payment Rate – Basic Formula;
 - *APG Procedure Weight X Peer Group Base Rate (+ Modifiers – Multiple Same Day Service Discount if any) = Payment Value*
- During the 4-year transition period, services are divided into 2 payment groups:
 - *Full Services* paid at 100% of APG from Year 1
 - New services and services we wanted to encourage as a second same-day procedure
 - *Blend Services (traditional assessment & therapy services)* paid in two components -
 - *APG Component* - Phased-In at 25/50/75/100% years 1-4
 - *Existing Operating Component (EOC) Blend* – Phased-Out at 75/50/25/0% years 1-4

APG Payment Elements

- *Existing Operating Component (EOC)/Blend* –
 - Provider Specific Blend Rate
http://www.omh.ny.gov/omhweb/medicaid_reimbursement/
 - Based on Medicaid FFS average adjusted payment, including COPS supplement
 - Historical period July 2008 – June 2009
 - Will be adjusted for existing rate appeals yet to be approved
 - Declines on 75/50/25/0% basis over transition time frame
- Payment Features -
 - EOC Blend component limited to *one payment per day*
 - EOC Blend not discounted for multiple same day services
 - Rate for new Non-Hospital Clinics at lowest value in peer group

Clinic Base Rates

Ambulatory Patient Groups (APG) Peer Group Base Rates for all Office of Mental Health (OMH)-Licensed Mental Health Clinics - Effective 1/1/2012

Peer Group	Base Rate
Hospital-based Mental Health Clinics:	
Hospital-based clinics - Upstate	\$138.06
Hospital-based clinics - Downstate	\$179.61
Diagnostic and Treatment Center (D&TC), Private Freestanding and Public Freestanding Clinics Without Quality Improvement Supplement:*	
Upstate D&TC affiliated clinics	\$133.83
Downstate D&TC affiliated clinics	\$145.47
Upstate privately operated, freestanding clinics	\$133.83
Downstate privately operated, freestanding clinics	\$145.47
Freestanding mental health clinics operated by a county's designated local governmental unit	\$186.21
D&TC, Private Freestanding and Public Freestanding Clinics Including Quality Improvement Supplement:*	
Upstate D&TC affiliated clinics	\$138.97
Downstate D&TC affiliated clinics	\$151.05
Upstate privately operated, freestanding clinics	\$138.97
Downstate privately operated, freestanding clinics	\$151.05
Freestanding mental health clinics operated by a county's designated local governmental unit	\$193.35
State operated mental health clinics	Rates to be determined

APG Billing Basics – OMH Rate Codes

- All FFS claims require OMH Clinic Rate Code & CPT Code(s)
- In APGs, rate codes indicate types of services groupings (shown below)

OMH Clinic Rate Codes			
	Non hospital*	Hospital	FQHC
Base Rate	1504	1516	4301
Off-site Base Rate (available for select children's services and crisis-brief for both adults and children)	1507	1519	N/A
SED Child Base Rate	1510	1522	4601
SED Child Off-site Base Rate (Not Active)	1513	1525	N/A
Health Services (e.g., Health Monitoring, Health Physicals)	1474	1588	N/A
SED Child Health Services (e.g., Health Monitoring, Health Physicals)	1477	1591	N/A
Crisis Intervention	1579	1576	N/A
SED Child Crisis Intervention	1585	1582	N/A

***Non hospital includes D&TCs, LGUs, freestanding Art 31s, and state operated Injections may be claimed using either the Health Services rate codes or the Clinic rate codes
SED Rate codes not applicable to Managed Care "Government Rates"**

APG FFS Billing Rules

- *Same Day Services*
 - **All services** provided to an individual on the **same day**, using the **same rate code**, must be transmitted to Medicaid on one claim.
 - This includes services provided by different clinicians
 - All services must have appropriate Modifier codes
- *Separate Claims*
 - Separate claims must be submitted for **Health, Crisis and Off-site** services when they are provided on the same day as psychiatric services
- Billing rules enable accurate claim counting against FFS utilization thresholds – not applicable to Medicaid Managed Care plans

APG Reimbursement – Modifiers

- *Physician, Psychiatric Nurse Practitioner Add-On*
 - Modifier rather than separate claim
 - Individual Assessment & Therapy services add 45% to APG weight
 - Group services add 20% to APG weight for **all** group members
 - Modifier Codes; AF (Psychiatrist), AG Physician, SA (Nurse Practitioner)
 - No separate professional claim (837P) required
- *School-Based Group Session <1 hr*
 - Applicable to CPT 90853
 - School-based Multi-Recipient Group may be minimum of 40 minutes
 - -30% of calculated payment value for a 60 minute multi-recipient group session
 - Reduced with U5 modifier

APG Reimbursement – Modifiers

- *Language Other than English*
 - U4 Modifier: +10% of APG portion of payment
 - On all procedures except:
 - Psychotropic Medication Administration (no time limit)
 - Smoking Cessation Counseling and SBIRT
 - E&M codes for Psych Assess and Psych Consult services
- *After-Hours*
 - CPT code 99051: +.0759 of APG Peer Group Base Rate
 - Limited to one procedure per-day

APG FFS Reimbursement – Modifier Summary

MODIFIER CODE & VALUE SUMMARY		
Payment Modifiers	CODE	VALUE
Language Other than English	U4	+10% of APG Value
After Hours	CPT 99051	.0759 x Peer Group Base Rate
Physician/Psych Nurse Practitioner	AF,AG,SA	+45% of APG for Assessment & Individual Therapy +20% of APG for Group Therapy (All Clients)
School-Based Group < 1 hr	U5	-30% of APG Value
Off-Site	Use Off-Site Rate Codes	+150% of APG Value for Select Services, limit 1 service per day
National Correct Coding (NCCI) *	59	For Hospital-Based, Multiple Same Day Services
Fee Schedule Injection Only J Code *	FB	Indicates clinic did not pay for the medication
Smoking Cessation Treatment-Group	HQ	Indicates Group service for CPT 99407
* Not applicable to Medicaid Managed Care		

Multiple Same Day Service Guidelines for Mental Health Services

- Multiple same day service discount
 - Discount of 10%
 - Applied to **all** lower weighted services claimed using the same rate code
 - Discount applied to the APG portion of the claim
- Payment guidelines for multiple same day service
 - Maximum of 3 services per client, per-day, not including Crisis
 - Maximum of 2 Psychiatric or 2 Health services per-day
 - Injections may be claimed using either the Health services or the Clinic services rate codes
- Limitation of 1 Health Physical in one year
 - No modifiers available
 - MCOs are not required to pay for a physical if the client has already had a physical provided by their primary care physician in the last year.

APG Billing Example – Full Implementation & Year 2 Examples

RATE ASSUMPTIONS

Rate Code	1504	Downstate Article 31 Peer Group Base Rate-QI		\$ 151.05
		EOC Blend Rate (\$75 FFS + \$75 COPS)		\$ 150.00

Blend/ Full Pay	APG	CPT Procedure - OMH Regulatory Name	CPT Codes	Service Weight	Full Implm	50/50% Phase-In
Blend	316	Psychotherapy - Individ 45 mins	90806	0.8275	\$ 125.00	\$ 62.50
Blend	318	Psychotherapy - Group 1 hr	90853	0.3207	\$ 48.44	\$ 24.22
		LOE Modifier		10%	\$ 17.34	\$ 8.67
		Discount - lower weighted service/modifier value		10%	\$ (5.33)	\$ (2.66)
		EOC Blend Payment			\$ -	\$ 75.00
				APG Total	\$ 185.45	\$ 167.73
				Total Payment	\$ 185.45	\$ 167.73

Excel Based Clinic Projection Tools – OMH Website

http://www.omh.ny.gov/omhweb/clinic_restructuring/projection_tools.html

- *APG Weight & Rate Schedule*
 - Services, Weights, Peer Group Base Rates
 - Calculated value of individual services
 - Modifier terms recap
- *CPT Revenue Calculator*
 - Flexible one schedule revenue projection calculator
 - APG Phase-In transition schedule
 - Can be adapted to validate impact projections

OMH Web-site Clinic Resources

- The OMH Clinic Website contains the Part 599 Regulations and Guidance Document, Clinic Projection Tools and FAQs:
http://www.omh.ny.gov/omhweb/clinic_restructuring/index.html
- Medicaid provider specific blend rates and APG peer group base rates can be found at:
http://www.omh.ny.gov/omhweb/medicaid_reimbursement/
- December 2011 Training Materials including presentation slides and recorded webinar:
http://www.omh.ny.gov/omhweb/clinic_restructuring/resources.html
- The DOH APG webpage provides a wealth of information on APGs:
http://www.health.ny.gov/health_care/medicaid/rates/apg/

APG Reimbursement Elements as they apply to MCOs

- APG Payment Components:
 - Peer Group Base Rates, CPT codes, Provider-Specific Blend Rates, Rate Codes
 - APG Payment Calculation
 - Capital Add-on for Hospital based clinics
- Required Payment Modifiers:
 - MD/NPP eligible services
 - Reduced payment for school-based group service (less than 60 minutes)
 - After Hours Service (OMH license indicates approval for services provided after-hours)
- Required if initially authorized (MCO will authorize for entire course of treatment):
 - Language Other than English

APG Reimbursement Elements as they apply to MCOs

- Payment for multiple same day services
 - Discounting - 10% for all lower weighted services claimed using the same rate code
- Required Payment for Off-Site services
 - For select clinic services (same services allowed as fee-for-service – listed on following slide) provided off-site at 150% of the APG rate without modifiers

Required Offsite Services for MCO Reimbursement

Approved for Adults & Children:		
APG	SERVICE	CPT
321	<u>Crisis Intervention - 15 min</u>	H2011
Approved for Children:		
APG	SERVICE	CPT
323	<u>Initial Assessment Diagnostic & Treatment Plan</u>	90801
315	<u>Psychiatric Assessment - 30 mins</u>	90805
316	<u>Psychiatric Assessment - 45-50 mins</u>	90807
490	<u>Injectable Psychotropic Medication Admin with Monitoring & Education</u>	H2010
426	<u>Psychotropic Medication Treatment</u>	90862
315	<u>Psychotherapy - Indiv 30 mins</u>	90804
316	<u>Psychotherapy - Indiv 45 mins</u>	90806
317	<u>Psychotherapy - Family 30 mins</u>	90846
317	<u>Psychotherapy - Family&Client 1 hr</u>	90847

Reimbursement for Injections under FFS APGs

- *Injections – 3 Types*

- Routine service is:

Injectable Med Admin with Monitoring & Education - CPT H2010

- 15 Minute Minimum
- Not reimbursable for LPN staff
- Injection Only - when medication is **obtained without cost** to clinic
 - J Code for drug with FB Modifier on **APG claim**, payment value \$13.23 for Injection Only. The FB modifier indicates that the drug was administered but the clinic did not pay for the drug.
 - No time limit, no changes in staff requirements
 - Language other than English modifier (U4) not available.
- Injection Only - when medication **obtained with cost** to clinic
 - Medicaid fee schedule claim, J Code, CPT 96372
 - Payment for drug cost and \$13.23 for Injection
 - No modifiers available
- Medicaid managed care: how do the plans reimburse for injections?

MENTAL HEALTH OUTPATIENT CLINIC REVIEW

QUESTIONS & DISCUSSION..