

## **Contract & Financial Issues Committee, January 21, 2021, 1:00pm**

### Updates

#### EDIT Update – Stacia Chick

Stacia reviewed the minutes from the EDIT meeting held earlier today. Highlights from the meeting were 95 Modifier, UJ Modifier, U7 Modifier and many others. She gave details of those changes. Cost for code chart and a copy of the minutes will be sent to the group along with other documents referred to in the EDIT meeting. Stacia reported on Medicaid coverage for dual Medicaid/Medicare covered individuals. EDIT discussed T2023 and T1017 codes, separate reporting for transportation services, as well as highlights from the FY22 Modifier Changes Subgroup, H2015 in depth discussion (adding UJ modifier). Regarding the H2015 changes, group discussed the burdensome reporting as described by providers implementing these changes. Lisa stated that it is near impossible to have CLS 24/7 when goals must be taken into consideration and this cannot be done while the client is sleeping. Stacia reported that it is likely why the UJ modifier is being used – for when the client is sleeping. This is for non-waiver. Those covered under waiver services use T2027. EDIT discussed the struggles of switching from H0043 to H2015. Many reps from across the state gave examples of how this is an administrative burden as well as examples of how not being able to bill for services is costing them money. Reporting is not correct. Stacia reported that discussion about the number of individuals who reside in a licensed facility, and when this changes, took place. Problems with overlapping services have arose, and guidance is being sought from the Department. Providers are concerned that using the preponderance rule can be considered fraud. Miliman gave a presentation on separate reporting for transportation. Stacia will get this presentation to the group as soon as it becomes available. Screenshots will be sent to the group today. Chip stated that leaving the H0043 and moving to the H2015 code has been frowned upon and discussed for a long time, and the administrative burdens and costs being realized are starting to pile up. Lisa Morse stated that maybe these issues need to be brought to contract negotiations. Group agreed. Group wondered if the same process was being used with the Health Plans. Committee continued discussion on why Miliman wanted separation of reporting of transportation costs; including MLR reporting.

#### GF Negotiations – Lisa Morse

Lisa provided details from the 12/10/20 and 1/14/21 negotiations meetings. She will be submitting new language regarding compliance exam review. The Department determined that Personal Care in residential settings should be in the PIHP contracts not the CMH contracts. Lisa reported that the Self-Directed Service Policy is now being referred to as the Self-Directed Services Technical Requirements. She reported that the Department is negotiating these items with PIHPs and implementing at the CMH level, but with no input from the CMHs. John Obermesik reported that this became effective in October 2020, but information is just coming from PIHPs to the CMHs now. SED Children was discussed regarding having different versions of documents - some with tracked changes (but not complete tracked changes) have been circulated. Lisa gave updates on the Family Driven Youth Policy, which included changes to the title of the document, among other things. Lisa reminded the Department that if guidelines are going to be made into requirements, it must go through negotiations. Lisa stated that ability to pay according to the National Health Service Corp Loan Program has been added to the list of items they would like to discuss with the Department. She stated that Kendra Binkley has indicated that code changes may be needed, but the Association disagrees. Lisa stated that they have requested an EGrAMS flowchart from the Department which Lisa will forward to the group.

#### Legislative Update – Alan Bolter

Alan reported that the Legislative session began on Jan. 13<sup>th</sup>, although it was cancelled for this week with the Presidential inauguration taking place. He stated that the January Revenue Estimating conference took place last week, which is reporting a surplus in the budget of \$2.5 Billion. He stated this is a result of federal stimulus dollars, an upswing in the economy, cost cutting measures, etc. He also reported that the Governor will give her State of the State address, but nothing related to behavioral health is slated to be included in this. Yesterday, the Governor announced a COVID supplemental of \$5.6 Billion that she would like to see pushed through in the budget that will be presented by Feb. 12<sup>th</sup>. All of this would be comprised of federal dollars except for \$575 Million in GF and School dollars. Alan went on to state that House Committee assignments should be announced by early February. Alan reported that Senator Outman from Montcalm County looks to be appointed as the DHHS Budget Committee Chair. Alan stated that the Local Match draw down (Section 928), CCBHC funding match, SUD Block Grant overallocation issue, and Direct Care Wage are included in a list of items that will be discussed with the State Budget Office. Alan stated that previous boilerplate language indicated a 5-year phase out for the Local Match draw down. Funding was not allocated for this, and this is what the Association will be advocating for. Alan stated that the Association will be advocating for not only an extension of the DCW wage increase, but to make this permanent.

## Funding Issues – Bruce Bridges

### Year to Date Funding vs. Actuary Expectations

Bruce reviewed the data contained in the spreadsheet that was issued to the group in the packet. He stated that the spreadsheet issued in November to this committee did not include dollars set aside for hazard pay for DCW. This spreadsheet does include \$51 Million in payments that was advanced to the PIHPs. He stated that the Department would like to cost settle that Hazard Pay separately. Bruce reviewed projected vs. actual dollars advanced for the year to date. He stated that DAB is now increasing in numbers after it had been declining in the last several years. Bob Sheehan stated that with enrollment numbers high, but projected to drop, he wondered if a letter should be crafted and sent out to membership, reminding them that enrollment will likely fall off. Richard Carpenter reported that the 2 PIHPs he works with are seeing higher numbers in enrollment. He stated that the drop in enrollment is likely to happen later than anticipated, but it will probably happen quickly when it does.

### Settlement on Added Wages and Benefits for Direct Care Employees in FY20

Bruce stated that he was unaware how everyone was handling this settlement process. Richard Carpenter stated that the Financial Status Report included a formula to handle the Hazard Pay. A workgroup meeting is taking place next week to address this point, so a solution is not known yet. Donna Nieman stated that part of the problem is that this was set up as a temporary fix, and the reporting has been done differently, but now that it has been used for an extended period of time, one method needs to be found for reporting this. Donna also stated that CMHs are reporting their numbers to their respective PIHPs aggregately. Bob asked if Lisa could raise the point with Kendra that this needs to be added into the contract, not just according to boilerplate requirements. Richard reported that CFOs raised this point previously. He stated that the revenue received by the PIHPs was more than enough to cover the cost, so this is a CMH contract issue with the Department. He does not believe this is a GF contract issue. It is anticipated that whatever is left over after cost settlement will go back to the Department. John Obermesik stated that at the CMH level it is understood that any monies received for Hazard Pay must be passed through to the providers and Direct Care Workers.

### Status of the UNC's, FSRs, and the Standard Cost Allocation Methodology

Leslie Thomas from MSHN stated that the UNC is being replaced by EQI. She stated that the PIHPs are working with the Department on a new deadline for when these will be due – hopefully to the end of March. She reported that there is a template, but still questions on how to complete this report. She went on to report that the FSR workgroup will meet next week. She stated that the Administrative Cost Report will still be due from CMHs, but it is still unclear on the actual instructions for how to complete this report. Bruce wondered if the EQI was included in the contract for CMHs. Lisa stated that EQI has not been on the grid for contract negotiations. Bruce expressed concern for how the GF would be reported through this process.

Discussion of Key Issues – Items from Update section can be moved to this section if there is need or interest for further discussion. No items were moved to this section.

### Other

Follow up on interest from Board Member appointees for Co-Chair position of this committee – Discussion

Monique asked if there were any Board Members interested in filling the Co-Chair position. David Griesing expressed interest in this position. Monique will send David information for these meetings.

Lisa asked the Association to take a stance on EDIT issues, etc. Bob Sheehan asked Lisa to draft language to be sent to the Department on issues identified during this meeting and he will place on letterhead to move forward.

John Obermesik asked Bob about the attorney opinion on non-encounter costs being purchased and labeled as managed care costs. Bob stated that in Michigan, CMHs hold both roles as a provider and as a sub-contractor. He stated that the Adam Falcone letter was sent to the Department in early January, in an effort to convince the Department that their findings may be incorrect.

The next meeting of the Contract & Financial Issues Committee is scheduled for Thursday, March 18, 2021, 1:00pm, and will be held virtually via Zoom.

Meeting adjourned at 2:42pm.