

## Contract & Financial Issues Committee, March 17, 2022, 1:00pm

### Updates

EDIT Update – Donna Nieman

No report – Next EDIT meeting scheduled for April 2022

GF Negotiations – Lisa Morse

John Obermesik reported that Kendra Binkley had been the negotiations group lead since John Duvendeck retired, but Jackie Sproat is now Contracts Lead in the division which is lead by Jeff Wieferrich. Children's Bureau contract negotiations Lead will be Kim Batsche-McKenzie. Amendment #1 has been sent to the EGrAMS office. The Department will need to publish it, but they are unsure how long this will take. MDHHS & CFI topics list includes:

- I. Compliance examination edits,
- II. Admin Cost requirements (no longer needed),
- III. Ability to pay needs to be removed from contract as well,
- IV. mediation option for consumers to file a dispute with 3rd party,
- V. Local funding obligation [SB 714 ties allocation of \$15 Million in local funding to passage of SB 597 & 598],
- VI. Medical bills for state facilities,
- VII. NHSC (ability to pay guidelines [SB5165]),
  - A. John stated that this legislation is in the Senate and needs to pass soon for agencies to come into compliance by the end of May for them to be able to offer the loan forgiveness. Bob Sheehan stated that the Association is working with Senator VanderWaal to get this on the Senate agenda for a vote.
- VIII. Universal Credentialing
  - A. Budget boilerplate called for PIHP and CMH participation in the credentialing workgroup as well as with CMH Association consultation. Bob Sheehan stated that there has been no invitation to attend meetings on this topic. John reported that Audra Parsons may be the contact person at the Department for this issue.
- IX. FY22 CMH Contract signature page contains links to all attachments. Statement of work attachment (part 2) contains discrepancies that need to be addressed and cleaned up.

Legislative Update – Alan Bolter (enc)

Alan was not available to join the meeting. Group reviewed the handouts included in the packet from Alan. Bob Sheehan gave details by line item, of the Governor's proposed budget for FY23. He stated that the House and Senate will still need to propose their versions of a budget for the FY before a final version is agreed upon. He spoke about 3 different sections of the Governor's proposals – supplemental proposals, one-time funding proposals, and ongoing funding proposals – giving details on proposed amounts of funding for different initiatives/services. Bob then reviewed key changes to the most recent revisions in SBs 597 & 598, such as one PIHP would be created to cover the 10-year period of phasing in this legislation, the Behavioral Health Accountability Council would be dissolved, language would add "single point of entry for crisis center intake services" to remain with CMHs, and the first phase would focus on children. Other changes included requiring GF money be distributed to CMHs, SIPs must contract with CMHs, adding language that there would be sanctions for CMHs and PIHPs if they fail to maintain contractual agreements or reduce provider choice, and add the term SIP (Specialty Integrated Plan) 49 times into the Mental Health Code using either "and" or "or" along with CMHs.

Funding Issues – Bruce Bridges

Year to Date Funding vs. Actuary Expectations

Bruce reviewed the projected funding vs. actual funding with the group. He stated that the population percentages match somewhat, but there is a large variance for SUD. For 2022, we are starting to see that DABs are higher, but dollars coming in are lower. When looking at the certification, Milliman's certification is actually higher. Group wondered if the certification was higher for all populations. Bruce stated yes, it was. Bruce continued with his report, stating that CCBHC was not significantly different, but as a new population on this report, variances will need to be watched moving forward.

Discussion of Key Issues – Bruce Bridges - No items were moved to this section.

Other

MLR/SCA sub-delegation (added by Bob Sheehan for Chip Johnston)

Bob Sheehan stated that the Department began a series of financial reporting in past years (Standard Cost Allocation / Medical Loss Ratio / EQI / Behavioral Fee Screen) which are based on a premise of fee for service, but the system does not work that way. Over the last couple of years, the CMH system has worked to remove these reporting requirements. In the last couple of months, the Association has gone on record to say that the CMHs were withdrawing from any workgroups on this issue until resolution was reached. The lack of cost accounting knowledge by Milliman and the Department causes gap

standard violations. This has been pointed out to the Department, but no response has been received from them on this issue. The Association has learned that workgroups have continued, without their involvement. CMHs are paid on a capitated payment unless manage care functions are delegated, so we are hoping that the Department will go back to CMS for better guidance. Donna Nieman reported that a survey was distributed from the Department, asking how far along the CMHs are with instituting the Standard Cost Allocation reporting, and many are confused as to how to respond to this inquiry from the Department.

The next meeting of the Contract & Financial Issues Committee is scheduled for Thursday, April 21, 2022, 1:00pm. This meeting will be held in-person and via Zoom.

Meeting adjourned at 1:51pm.