



CPEHN Discussion
Enrolling as a Provider in the
Local Mental Health Plan

12-17-20

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Today's Topics

1. Federal and State Regulations.
2. Managed Care Plan Operations.
3. Managed Care Plan Provider Enrollment.
4. Essential Components for Provider Readiness.
5. General Discussion and Questions.

The Regulatory Background – Federal

- Medicaid came into being in 1965.
- The ACA made changes in 2010.
 - Eligibility Expansion
 - Program Integrity
- There are many thousands of pages of law and regulation governing this program today.
- Waivers to federal regulation are granted to states for demonstration projects and to develop managed care plans.

The Regulatory Background – State

- Each state must file a plan for delivery of Medicaid funded health care services.
 - Compliant with federal regulations.
- States can also request waivers to implement managed care programs or innovative services.
- States are responsible for administration and oversight – regulatory, fiscal, clinical.

State Responsibilities

- Enrolls providers in Medi-Cal
- Pays claims
- Audits providers
 - Financial Audits
 - Service Audits – Post Service Post Payment
- Investigates fraud, waste and abuse.
- Oversees the External Quality Review Organization

County Responsibilities

- Provider relations – enrollment and contracts
- Claim processing
- Program monitoring
- Quality assurance
- Service authorization
- 24/7 Access line
- Client rights
- Ensure network adequacy

Provider Responsibilities

- Provide services as defined in the State Plan or a Waiver.
- Maintain complete clinical documentation.
 - Diagnosis/medical necessity
 - Treatment plan
 - Encounter/progress notes

Provider Responsibilities

- Submit HIPAA compliant claims
 - Use or interface with county billing system
 - Manage revenue cycle
- Ensure compliance with law regulations
 - HIPAA
 - 42 CFR 438 (managed care)
 - CA W&I Code
 - CA Title 22
- Monitor internal quality & performance

Becoming a MH Medi-Cal Provider Requires Enrollment in a County MH Managed Care Plan

1. Enroll as a Medi-Cal provider with the CA Department of Health Care Services.
2. Enroll (via contract) with your county's Specialty Mental Health Services Plan.
3. Use the county's EHR/billing system.

Medi-Cal – The Pros

- Funding is a an ongoing component of federal and state health care budgets. We are not dependent upon the uncertainties of the legislative budget process or grant cycles. Stability.
- The ability to grow your business and expand your caseload is limited only by your own initiative.
- Living wage for staff.

Medi-Cal – The Cons

- Too much paperwork.
- Billing process is too complicated.
- Don't always get paid the amount we claim.
- Have to hire new staff.
- Dependent on County for referrals.

Making the Change

- The complexity of the transition to MC as a primary or supplemental funding source should not be underestimated.
- However, we have assisted many SUD treatment providers make this change successfully.
- Careful planning and preparation is essential.

Changes or Adaptations Necessary in Becoming a Medi-Cal Provider

- The operational landscape for your organization will change in several different dimensions.
 - Administrative
 - Regulatory
 - Finance
 - Clinical

Changes or Adaptations Necessary in Becoming a Medi-Cal Provider

Administrative

- New staffing needs – Billing clerks, compliance manager, QA manager, medical director.
- Need to understand a new revenue and expenditure model.
- Agency management must be able to lead through times of change.

Changes or Adaptations Necessary in Becoming a Medi-Cal Provider

Regulatory

- Operating under new rules
 - Federal: 42 CFR, Part 438
 - State: Medi-Cal Specialty Mental Health Services 1915(b) Medicaid Waiver
 - County: Contractual oversight provisions, Access Line referrals

Changes or Adaptations Necessary in Becoming a Medi-Cal Provider

Fiscal

- Fee for Service Billing – Do the work, get the money.
- Revenue Cycle Management – Making sure you get paid for everything you did.
 - Denials
- Quality Assurance – Avoid Recoupments
- Audits

Changes or Adaptations Necessary in Becoming a Medi-Cal Provider

Clinical

- You will need a medical director
- And appropriately licensed staff
- Clients must meet diagnostic criteria
- Services must be medically necessary
- Clinical documentation is also fiscal documentation

Readiness Assessment

- Fiscal
- Governance
- Workforce
- Partnerships
- Market Research

Readiness Assessment - Fiscal

- No substantial state or federal audit exceptions or violations.
- Required financial reports to the County, State, or IRS are timely and accurate
- Internal financial and other management reports are timely, clear, complete, and accurate.

Readiness Assessment - Fiscal

- Client fee collections are on target
- No material discrepancies between budgeted and actual expenditures.
- No material failure to comply with audit requirements.
- Fund balance is not below target in current fiscal year or declining relative to prior year.

Readiness Assessment - Fiscal

- Your proposed Medi-Cal program not subsidized by other agency operations.
- No/minimal borrowing to cover cash flow needs.
- There is a long-range financial plan.
- Ability to calculate and forecast cash flow.
- No problems in making employee payroll tax or benefit payments.

Readiness Assessment - Fiscal

- You need to build a new budget incorporating new costs – staffing and operational.
- Whether or not your agency succeeds under this new financial framework is up to you.
- Projected revenue, program capacity and staff productivity are all connected.

Readiness Assessment - Governance

- Does the Board have an active, meaningful and effective role in guiding and managing the agency? Strong agencies have strong boards.
- How well does the Board understand Agency financing?
- Is the composition of the Board representative of the community you serve?

Readiness Assessment - Governance

- How frequently does the Board meet?
- Are there problems getting a quorum?
- What is the rate of turnover on the Board?
 - No changes for ten years (stale vs. experienced) or
 - All new in the last six months (fresh vs. inexperienced)?

Readiness Assessment - Workforce

- What are your staffing needs?
- You may need to hire more administrative staff before you add clinicians.
- You will need a medical director.
- What about wages? Your staff will be in a competitive job market.

Readiness Assessment - Partnerships

- Do you have partners in the community?
- Are there opportunities to share costs on back office functions or clinical areas?
- Find strength in numbers.

Readiness Assessment – Market Research

- How many Medi-Cal eligibles are presently in your caseload?
 - How many eligibles are actually enrolled in Medi-Cal?
- What are your county's network adequacy needs?

In Closing . . .

- If you want make the business decision to become a Medi-Cal provider you will need to know exactly where the road ahead starts for you agency.
 - Analyze readiness factors to help develop a road map.
- The most important thing is to take fundamental steps as necessary to strengthen your agency in terms of finances, management & business practices and clinical practice.

Questions?

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