



# Mental Health and Disability Services Redesign 2011

## PMIC Ancillary Subcommittee Webinar Notes

Tuesday, December 6, 2011  
9:00 am -10:00 am

### MINUTES

**Facilitator:** Beth Waldman, Bailit Health

**Participants:** Kristen Petty, Orchard Place; Val Saltsgaver, Orchard Place; George Estle, Tanager Place; Jeff Humeston, Tanager Place; Deb Gay, Lutheran Services of Iowa; Amber Rand, Children and Families of Iowa; Kristie Oliver, Coalition of Children and Family Services; Joan Discher, Magellan; Don Gookin, IME; Laura Larkin, DHS-MHDS; Tim Harris, Milliman

#### Beth Waldman Updates from Call on November 18

- There are two states, Oklahoma and Montana, which currently have a process to pay medical and ancillary costs through the PRTF. This reduces the likelihood of CMS being sympathetic to Iowa's issues with meeting the requirement to pay ancillary costs as part of the per diem as other states already doing it.
- Montana has been paying the ancillary costs since 2009. It appears they followed a two step method. First, the providers were told that payment had to go through the PRTF, then made the systems change that stopped PRTFs from submitting claims through the Medicaid system. Initially, PRTF's had to seek prior authorization for ancillary services but it appears that this was changed this year.
- Joan Discher asked, "Does the PMIC prior authorize services by virtue of deciding that the child needs to go to the doctor?"
- Beth asked the question, What about a costly piece of medical equipment, should that still go through Medicaid with the PMIC requesting the prior authorization?
- No definitive answer on this.
- Kristie Oliver asked about Montana adding care coordination as an ancillary service under PRTF and would like more information about this.
- Beth will get more information about this.
- What do the PMIC's think about the prior authorization issue?
- They haven't thought through it yet.

- Beth is going to talk to Massachusetts about their PRTF-type facilities and how they pay for ancillary services. She is also going to speak to Joy Midman at the National Association of Children's Behavioral Health regarding PRTF issues. Through Milliman's work with Iowa and South Carolina, Iowa has also reached out to South Carolina and is waiting to hear back from them on their perspective.
- Don Gookin said that IME is working on scheduling a call with CMS, IME and the PMIC providers per a request from Jennifer Vermeer. He is still waiting for an answer. IME has been working on the review of ancillary data. The previous issue of ancillary service dates not matching PMIC service dates requires a great deal of clean up in order to analyze the data. Milliman has done some work on this with other states, so IME is planning on having them provide assistance on how to do this more efficiently for Iowa data.
- Milliman maintains Iowa fee for service data on a monthly basis and Magellan collects data on an annual basis, and has previously done some analysis so they may already have the data.

#### Discussion About Administrative Costs

- Regarding the previous discussion on PMIC concerns regarding costs of additional PMIC staff and upgraded computer systems to manage increased claims, do PMICs have any additional information on costs or additional staff estimates?
- CFI would need one FTE and an upgrade to the computer system due to higher volume of claims. They do not have definite numbers on cost or time to upgrade.
- For Orchard Place, it is difficult to estimate without the data from IME. It is not clear yet on how the billing will be managed or how prior authorizations will be done. The current estimate is one FTE and an upgrade to the computer system. They do not have enough information to make a strong estimate.
- What was discussed at the last meeting was that legislation would be proposed that would require providers to contract with PMICs and to accept Medicaid rates. The PMICs would get a regular per diem rate and a reconciled rate quarterly. Will it be through Magellan or IME?
- Don Gookin answered that the main question for CMS will be if the Iowa Plan is paying the per diem, can IME pay the ancillary? He is not sure if that would be acceptable to CMS.
- Kristie Oliver asked if it was possible for IME to pay Magellan all of the estimated PMIC and ancillary rates, Magellan would pay the PMIC the rate, then give the ancillary rate to IME. This would make IME the clearinghouse for the ancillary claims.
- Would the ancillary billings go from the PMIC to IME?
- The ancillary providers would bill Magellan.
- Who would bear the financial risk?
- Not answered.
- Joan replied that Magellan would need to see if this process would be consistent with Magellan's licensure as a limited service organization.

- Kristie mentioned that IME already has the structure to be the clearinghouse. It would be less expensive than having each PMIC hire an additional staff person and upgrade the computer system.
- This should be a question for the conversation with CMS.

#### Discussion on Ancillary Costs, Type and Amount

- Joan Discher asked a series of questions regarding ancillary costs and how PMIC providers currently access ancillary service providers and what are the most common ancillary services.
- Discussed current PMIC relationships with primary care providers, which are currently more of an agreement than a contract.
- PMICs stated that they do have these relationships with providers for children who don't have a PCP available. PMICs work with multiple providers as some children already have a primary care doctor and can continue to see that provider if they are local. For PMICs to contract with all of these doctors would be difficult.
- It appears pharmacy costs will be the main issue for ancillary costs and durable medical equipment is not a large item. Magellan is trying to get an idea of the amount and scope of the ancillary costs. Magellan currently pays for the inpatient psychiatric care for children in PMIC. If a PMIC takes a child to the hospital, currently the hospital asks for prior authorization, would the PMIC now do it? Are the costs primarily routine medical, dental and pharmacy?
- Beth replied that the data from IME will tell us the scope and will check with the other states on the prior authorization issues. The key is to make sure children get medically necessary services without placing an undue burden on PMICs.
- We have asked for ancillary data from IME and have not received it.
- Beth responded that IME will work with Milliman to put the appropriate data together. The question of what constitutes a clearinghouse and what amount of claims have to go through it to meet the requirement should also be asked of CMS.
- Jeff Humeston added that it is hard to put a dollar amount on administrative costs without knowing how much work will actually need to be done.
- Beth mentioned that from the last call, there was limited interest in the idea of a clearinghouse. Did any PMICs explore a non-IME clearinghouse since last call?
- Until they receive guidance from CMS on if this would be acceptable or not, they do not want to spend time investigating it.
- George Estle responded that if a PMIC is paying the provider, is it considered a Medicaid payment to the provider or to the PMIC?
- Beth responded that it would be a Medicaid payment to the PMIC and a contractual payment between the PMIC and the ancillary provider. It was not clear what the concern is regarding if the payment is "Medicaid" or not but this will be discussed on the larger call tomorrow.
- PMICs need the data and CMS guidance so that they know that they are going in the right direction.

## Next Steps

1. Update to PMIC Transition Committee December 7.
  - The full group will be updated on the progress of the ancillary costs group and next steps.
2. Include preliminary information recommendation in legislative report.
  - Legislative language requiring Medicaid providers contract with and to accept payment at Medicaid rates from PMICs.
  - Need for technical assistance to PMICs to implement ancillary payment.
3. Schedule follow up discussion.
  - It was decided that the next ancillary group meeting will be scheduled after the call with CMS and the ancillary data is provided to the PMICs. The PMICs will be kept updated on progress on these two tasks.
4. Questions to consider moving forward.
  - Will IME need to change the MMIS system to monitor or restrict ancillary payments for children in PMIC?
  - How will prior authorization work for these ancillary services?

For more information:

Handouts and meeting information for each workgroup will be made available at:  
<http://www.dhs.state.ia.us/Partners/MHDSRedesign.html>

Website information will be updated regularly and meeting agendas, minutes, and handouts for the six redesign workgroups will be posted there.