

# PMIC Transition Committee: Meeting Three

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bailit  
health  
PURCHASING

# Agenda

- PMIC Administrative Requirements
  - Licensing
  - Credentialing
  - Prior authorization
  - Measurement
- Rates
- Ancillary Services
- Draft report to legislature

# PMIC Administrative Requirements

- Proposal: given upcoming changes to children's mental health system based on larger initiative, move PMICs into the Iowa Plan without major changes
  - Maintain current licensing and credentialing standards
  - Utilize similar prior authorization requirements
    - Through IME, PA done utilizing paper transmissions
    - Magellan typically uses phone process

# Outcomes Measurement

- Next six months – define select measures
  - ALOS
  - Readmission (to any PMIC)
  - Discharge plan in place
  - Family involvement
- Upon transition to Iowa Plan
  - Begin measurement
  - First year, measures to be utilized to develop baseline
  - Recognize that measures will show impact of entire system on child's mental health, not just PMICs impact

# PMIC Rate Setting Methodology

- During first year of transition to the Iowa Plan
  - Maintain current rate structure for privately owned PMICs
    - Based on actual and allowable cost to maximum rate e
    - 103% of statewide average plus inflation
      - Currently at \$189/day
      - Expected to increase to \$192.74/day in July 2011, and \$202.80 from August 2011-June 2012 (not final; awaiting final data from Four Oaks)
    - Facility submits costs reports to state
    - Payment through interim rate based on previous years retrospectively calculated rate
    - Retroactive cost settlement to adjust claims to final rate

# Ancillary Services - Update

- Two calls to date (11/18; 12/6)
  
- Overview of Discussion:
  - Difficult to do but required by CMS
    - At least two states have implemented (OK, MT)
    - IME has asked CMS for a conference call with state and PMICs
  - Develop ancillary rate add on based on data
    - Add rate to per diem
    - Retrospectively reconcile (quarterly)
    - Ability to reconcile sooner if outlier

# Ancillary Services – Update (cont'd)

- Overview of discussion (cont'd)
  - Administrative changes
    - PMICs to require two FTEs each to process
    - Upgrades to system
    - Technical assistance
  - Legislative language
    - Requirement that participating Medicaid providers be required to contract with PMICs and accept Medicaid fee-for-service rates.

# Ancillary Services – Next Steps

- IME working with Milliman to refine data
- Set up call w/ CMS and PMICs
- Outstanding questions (IME system changes; prior authorization)
- Follow up call for ancillary services subgroup

# Draft Legislative Report

- Introduction
  - Description of PMIC Transition Workgroup and Agenda
  - Context within the Children’s Mental Health System transformation
- Transition to Iowa Plan
  - Move without major changes to administrative requirements or rate methodology
  - Develop baseline measures

# Draft Legislative Report (cont'd)

- Ancillary Services payment methodology
  - Progress today
  - Path forward
- Next Steps
  - Continuing meetings of the PMIC

# Next Steps

- Transition Plan due to legislative committee on 12/9 (will be sent to group as draft for quick comment)
- Continued meetings of PMIC Transition Committee and Ancillary Subgroup