Network Office
Changes to BHCS Contracting for FY 2017/18

Provider Contract Payment Redesign:
Preparing for the Future with a Focus on Access and Quality

February 2017
Purpose of Discussion

• Discuss upcoming contract payment changes which are designed to:
  ✓ Improve beneficiary access to care
  ✓ Improve quality of service
  ✓ Maximize federal Medicaid revenue
  ✓ Move to one rate across contract per mode of service
  ✓ Opportunities for performance-based payments

• Summarize new forms and processes to operationalize
  ✓ Cost Estimation Worksheet
  ✓ Budget Planning Workbook
  ✓ Cost Settlement
Goal: Preparing for the Future with a Focus on Access and Quality

CMS:
Triple Aim - Improving Quality of Care, Reducing Costs, Supporting Population Health

California:
Medi-Cal Initiatives - Delivery System and Payment Transformation

ACBHCS:
Values - Improving Access, Clinical Excellence, Revenue Enhancement
Accountability and Risk Sharing

- Performance Based
  - Fee-for-Service (FFS)
  - Incentive Payments
  - Pay for Performance
  - Bundled Payments
  - Shared Savings
  - Shared Risk
  - Partial Capitation
  - Full Capitation

- Episodic

Provider Accountability and Integrations

Provider Financial Risk

Cost-based contracts
Contract Payment Redesign: Fee-for-Service (FFS) Transition

**Background:** Providers are currently settling to cost with their contracts.

**Approach:** Transition contracts with cost-based structures to a fee-for-service rate consistent with federal guidelines.

**Impact:** Incentivize providers to generate and report service consistent with a fee-for-service model to improve federal reimbursement and access to care.
Contract Payment Redesign: Benefits

**Enhanced Federal Revenue**
BHCS Value: Business Excellence through Revenue Maximization

**Improving Consumer Access**
BHCS Value: Access “Every door is the right door.”

**Improving Quality of Service**
BHCS Value: Clinical Excellence
Contract Payment Redesign: Programs

- FFS Reimbursement Structure
- Results Based Accountability

Improved:
- Federal Revenue Access
- Quality of Care
Contract Payment Redesign: Pilot Group

• **Goal of a Pilot:** The pilot is intended to serve as an opportunity to work closely with providers to improve the current methodology and support providers in having a successful transition.

Participants in the Pilot Group Includes:

• Providers that have both cost-reimbursement and rate reimbursed contracts.

• Includes all current adult providers that have Full Service Partnership (FSP) programs.

• Includes Seneca, the largest Children’s provider.

• These providers represent many of the largest contracts that have some cost-based reimbursement programs.
Contract Payment Redesign: Pilot Group – Cont’d

• Who is in the Pilot Group?
  ✓ Abode Services
  ✓ Bay Area Community Services
  ✓ Bonita House
  ✓ City of Berkeley
  ✓ East Bay Community Recovery Project
  ✓ Family Services Agency
  ✓ Fred Finch Youth Center
  ✓ Seneca Family of Agencies
  ✓ Telecare Corporation
Contract Payment Redesign: FFS Transitions

- Transition to FFS beginning July 1, 2017.
- Complete Cost Estimation Worksheet (new) and Budget Planning Workbook (revised BHCS).
- Establish 1 rate per Medi-Cal mode of service across legal entity based on FY 17-18 Budget Planning Workbook and negotiation with BHCS.
- Monthly invoices will be paid by calculating contracted rate x units of service.
- Contracts will be settled to lower of cost or contracted rate.

FFS – Pilot Group
Contract Payment Redesign: FFS Transition – Cont’d

- Transition to FFS beginning July 1, 2018.
- Complete Cost Estimation Worksheet (new) and Budget Planning Workbook (revised BHCS).
- Establish 1 rate per Medi-Cal mode of service across legal entity based on FY 17-18 Budget Planning Workbook and negotiation with BHCS.
- Monthly invoices will be paid by calculating contracted rate x units of service.
- Contracts will be settled to cost for FY 17-18. Contracts will be settled to lower of cost or contracted rate in FY 18-19.
Process Steps

1. Receive Contract Renewal Package, which includes customized Cost Estimation Worksheet (new) and Budget Planning Workbook (revised)

2. Complete and submit to BHCS

3. Negotiate contract with BHCS

4. Execute contract
Process Steps – What’s the same?

• Contracting at same level of service as in the previous fiscal year unless direction or approval from BHCS to do otherwise

• Program-specific allocations will be set
Process Steps – What’s Different?

• New forms

• Direct Service full-time equivalent (FTE) will be in the Exhibit A

• No initial allocations sent for Medi-Cal Programs

• Medi-Cal and Non-Medi-Cal service costs in the same program will be separated

• One rate per mode of service
Pilot Group:

• More negotiation around:
  ✓ Proposed productivity
  ✓ Prior year cost reports

• Cost Settlement
# Cost Estimation Worksheet

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## Budget Planning Workbook

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**PLEASE ENTER WHOLE DOLARS ONLY**
How Will BHCS Provide Technical Assistance (TA)?

For Providers:
• Clear written instructions and glossary for new and revised forms
• Frequently Asked Questions (FAQ) Sheet on the BHCS Website
• Phone and email check-ins with assigned Contract Managers
• Individual provider contract discussions
• Additional group TA discussions with providers if needed
• Collect provider input and incorporate into process for FY 18-19

For Network Office Staff:
• Regular internal meetings to provide TA and support
Feedback