

DEVELOPMENTAL DISABILITIES PROGRAM MANUAL OF SERVICE REIMBURSEMENT RATES AND PROCEDURES

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SECTION ONE: Rates Of Reimbursement For The Provision Of Developmental Disabilities Case Management Services For Persons with Developmental Disabilities 16 Years Of Age Or Older or Who Reside in a DD Children's Group Home.

Effective: August 1, 2012

STANDARD RATE FOR REIMBURSEMENT OF CASE MANAGEMENT SERVICES

I. Introduction

This section presents the methodology for the calculation of the standard rate of reimbursement by the Montana Department of Public Health and Human Services(DPHHS), Developmental Disabilities Program(DDP) for the provision of case management services to persons with developmental disabilities 16 years of age or older or who reside in a DD children's group home. DDP provides both state-operated and contracted case management services.

II. Availability of Case Management Services Reimbursement and the Maximum Billable Amount

Reimbursement for case management services is available to a TCM provider for any fifteen minute unit in which a case management service is delivered to the person up to the yearly maximum billable amount. At such time as the Contractor has billed for the maximum units equivalent to the total reimbursement performance of the Contractor, the Contractor, having been fully compensated for the delivery of all case management services during the fiscal year under the rate reimbursement methodology, must continue until the close of the current fiscal year to deliver services to all person(s) being served and to be served by the Contractor in service for case management services.

III. Methodology for the Calculation of the Case Management Services Fifteen Minute Reimbursement Rate:

The standard Medicaid rate of reimbursement for the provision of case management services was developed and implemented effective August 1, 2012. The manual has been modified to remove specific provider detail, however, the methodology remains the same.

The Montana Developmental Disabilities Program (DDP) has two types of targeted case managers (TCM) for person(s) with developmental disabilities age 16 and over or who reside in a DD children's group home.

Some case managers are employees of the state of Montana, and the cost of providing state plan TCM services by the state employed case managers are charged at actual cost to Medicaid. The methodology below does not apply to state plan case management provided by state employees.

Most TCM providers are private contracted providers, paid on a fee for services basis. The Department uses the following methodology for initially calculating and then periodically re-basing the 15 minute standardized rate for case management services provided to person(s) with developmental disabilities age 16 and over or who reside in a DD children's group home:

A. General Overview:

1. The Montana DDP rate setting follows the rate setting methodology proposed and or recommended by the Center for Medicaid and Medicare Services (CMS).
2. This methodology will be utilized for the initial rate setting calculation and then utilized periodically for re-basing the rate.
3. DDP requires the contracted TCM providers to give DDP their most recent annual TCM costs (wages, benefits, other TCM costs) which DDP uses to develop the Cost Pool.
4. TCM costs incurred by the contracted case management providers are separated into two major components in the Cost Pool for recovery, which equals the Yearly Cost Per TCM full-time equivalent (FTE).
 - a. TCM Wages and TCM Benefits
 - b. Other TCM Costs (All other costs including direct, indirect, and travel).
 - c. Wages, benefits, and all other cost categories may be increased by an inflation factor intended to cover cost increases consistent with the biennium appropriation.
 - d. These calculated or re-based costs are then converted to a Yearly Wage Cost per FTE, a Yearly Benefit Cost per FTE, and a Yearly Other Costs per FTE.
5. The Cost Pool per FTE is divided by the number of expected billable 15 minute increments per FTE to determine the 15 minute rate.

B. To determine the Expected Number of Billable Units per TMC FTE:

Utilization is the number of billable 15 minute units each full TMC FTE is expected to deliver. Actual billing utilization experience from the previous fiscal year is used to calculate the expected number of billable 15 minute units per each FTE. In order to promote increased utilization by the providers, the provider with the highest utilization number is weighted more heavily than the other providers. The goal is for the highest utilization number to have a calculation weight of about 80% to 85%. The rate is then calculated based on the adjusted weighted average billing units per TCM FTE. This results in the rate being lower, the utilization expectation being higher, and the expectation that providers below the adjusted weighted average calculation will work to increase the number of units billed by their average TCM FTE.

C. The Cost Pool to Be Recovered:

Wages, wage benefits, and other TCM costs make up the cost pool.

1. Wages and Benefits Recoverable Costs:
 - a. DDP analyzes wages and benefits through contractor reports of the actual TCM wages and TCM benefits paid by Montana's DDP TCM contracted agencies for 100% of the case managers that they employ.
 - b. From the list of hourly wage and benefit rates DDP determines the average wage per hour and the average benefit per hour for all TCM case managers.
 - c. The average rate per hour is then increased by an inflation factor from 0% to 5% depending upon inflation documentation and the availability of funding. This inflation adjustment to the average cost does not become part of the base

- unless the provider incurs additional expenses in the next re-basing cycle.
- d. These calculated or re-based hourly rates are then multiplied by the hours per year to determine the Yearly Wage Cost per FTE and the Yearly Benefit Cost per FTE.
2. Other TCM Recoverable Costs:
 - a. DDP analyzes the most current financial expenditure reports provided by TCM providers.
 - b. Volatile cost items will be analyzed closely to see if adjustments need to be made up or down based on reasonable expectations of current and future changes. If necessary, these changes will be incorporated into the costs.
 - c. DDP analyzes non-TCM wage and non-TCM benefit costs (all the other costs of providing TCM services). Each of the provider's 'Other TCM Costs per TCM FTE' is then combined to calculate one weighted average 'Other TCM Costs per TCM FTE'.
 - d. The same inflation adjustment methodology that is used to adjust the wage rate and the benefit rate (C.1.c. above) is applied to the Other TCM Costs per TCM FTE.
 - e. This Yearly Other TCM Costs per FTE is included in the total cost pool.
 3. DDP TCM Rate Setting Final Calculation:
 - a. The Cost Pool per TCM FTE equals the total of the Yearly Wage Cost Per FTE, the Yearly Benefit Cost Per FTE, and the Yearly Other TCM Cost Per FTE.
 - b. The amount of recoverable costs (Cost Pool per TCM FTE) is divided by the number of expected billable 15 minute increments per year per TCM FTE to determine the DDP TCM 15 minute rate.

D. Annual Billable Unit Cap at or less than the caseload cap:

At such time as the Contractor has billed for the maximum units equivalent to the total reimbursement performance of the Contractor, the Contractor, having been fully compensated for the delivery of all case management services during the fiscal year under the rate reimbursement methodology, must continue until the close of the current fiscal year to deliver services to all person(s) being served and to be served by the Contractor in service for case management services. If the average caseload per TCM FTE stays at or below the caseload cap, then the maximum compensation to the Contractor for the full year can not exceed a dollar amount equal to: the expected billable units per year per TCM FTE *TIMES* the number of TCM FTE *TIMES* the 15 minute rate.

E. Annual Billable Cap at Caseloads above the caseload cap:

If the average caseload is greater than the caseload cap as identified in the contract and a provider delivers units of service in excess of the units included in this billing cap then the additional units are to be compensated at the standard rate per unit.

IV. Calculation of Rate Reductions Due to Insufficient Funding

If funding is insufficient to support the above calculated rate, then the rate will be decreased until the rate is at a level that can be funded sufficiently.

V. Reimbursable Targeted Case Management Services

Medicaid Reimbursable Targeted Case Management Services

Case management services delivered in accordance with the federal authorities governing targeted case management services as an optional service under a Medicaid state plan are reimbursable with Medicaid monies. Montana has implemented targeted case management services for persons with developmental disabilities who are 16 years of age or older or who reside in a DD children's group home. A person with developmental disabilities must be Medicaid eligible before the state may use Medicaid monies to reimburse any of the case management services provided to that person.

Those case management services that are reimbursable with Medicaid monies fall within the following core activities: 1) assessment/evaluation of service needs, 2) development of the care plan to address the service needs, 3) referral and linkage to service providers to address the needs identified in the care plan, and 4) monitoring/follow-up to ensure the needs are being met.