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Children's Integrated Services Medicaid Reimbursement Methodology Frequently Asked Questions

Below are FAQs in response to public comments received for GCR 17-034, a Medicaid reimbursement methodology change for Children's Integrated Services (CIS) effective July 1, 2017.

1) **Why does the methodology not account for the total caseload numbers that providers see?**

   The methodology described in this policy is specific to reimbursement for Medicaid beneficiaries. As such, the rate analysis focused on Medicaid encounter data only; not encounter data for clients not covered by Medicaid.

2) **Why is a fee-for-service (FFS) methodology being used to structure payments for a per member per month, bundled rate model? The use of a restrictive FFS methodology limits the ability to be innovative in the future.**

   A fee-for service analysis was used to validate the reasonableness and appropriateness of the case rate methodology; it was not used to set the case rates. A monthly case rate payment approach fosters flexibility and innovation at the local level. Moving forward, DCF would like to explore alternative approaches for validating the reasonableness of payment rates, such as collection of metrics indicative of quality and outcomes in conjunction with collection of provider financial data. However, transitioning to this approach will impact the level of funding each provider receives, with some providers receiving additional funding and some providers receiving less funding. The State intends to work with the provider community to develop an approach that recognizes quality and community need, but also recognizes the potential impact such an approach could have on providers' current operations and budgets.

3) **Not all communities are listed in the analysis for the revised reimbursement methodology. How will this formula be applied to all communities?**

   The State relied on providers with the most complete utilization data for State Fiscal Year 2015. This data was used to calculate the average fee-for-service equivalent monthly rate, equal to $602.33. The purpose of this exercise was to validate that total payments under the case rate methodology are reasonable. The average case rate payment amount is $586.75, which equates to 97.4% of the fee-for-service equivalent monthly rate.

4) **Why is the State using encounter data to justify workload and participant service rather than measuring program performance through measures of participant well-being?**

The State agrees that performance-based measures are important for monitoring quality. The State also believes that its program monitoring obligations require access to encounter data in order to understand the level of services program participants are receiving.

5) **What is the definition of care coordination?**

In the context of CIS, care coordination refers to case management services to assist eligible individuals in gaining access to needed medical, social, educational, and other needed services. It can include assessment and periodic reassessment of individual needs, development of a care plan, referral and other activities to help individuals obtain needed services, and monitoring and follow-up to ensure the care plan is implemented and addresses the needs of individuals.

6) **CIS provides services that are not listed in the summary of services delivered within each domain. To understand and appropriately measure our bundled services, all of the appropriate codes should be included and appropriately allocated.**

The purpose of this exercise was to validate the reasonableness of the case rates. Utilization data as reported were distributed across procedure codes with current Medicaid payment rates.

7) **CIS Child Care Consultation and Education encounters is not included in the analysis. Consultation and Education is one of the services provided through the CIS bundle.**

Availability of this data was limited. The State acknowledges that the Child Care Consultation and Education is an important service within CIS. The State was able to validate the reasonableness of the case rates using the data available.

8) **Why are Integrating Family Services providers not included in this methodology change?**

Integrating Family Services (IFS) providers are reimbursed through a different payment methodology than CIS providers. The IFS payment methodology addresses a different array of services and performance standards.

9) **The rate formula is based on historical Medicaid use and does not necessarily reflect the actual needs of the community. Does the State plan to modify the payment structure based on community need and performance?**

The State agrees that the rate methodology ideally would be based on community need and performance rather than volume and/or historical funding levels. The Department for Children and Families (DCF) intends to work with the provider community in order to identify potential approaches and the data needed to transition to a more value-based purchasing model.