

The logo for the County of San Diego Behavioral Health Services. It features a dark blue background with a large, lighter blue circle in the center. The text "County of San Diego Behavioral Health Services" is written in white, bold, sans-serif font across the circle.

**County of San Diego
Behavioral Health
Services**

**California Advancing and
Innovating Medi-Cal (CalAIM) -
Behavioral Health Payment
Reform Overview**

Updated on 11/21/23

Behavioral Health Payment Reform - Updates



For more provider information go to the Optum San Diego website: [Payment Reform section](#) (click link)

| Update | Date of Update | Status |
|--|----------------|---|
| Phase 1: Opioid Treatment Program Rates | 9/1/23 | Implemented mid-July 2023 |
| Phase 2: Substance Use Residential Rates | 11/21/23 | Implemented 10/1/23 |
| Phase 2: Mental Health Residential & Crisis Residential Rates | 11/21/23 | Shifted to 1/1/24 implementation |
| Added several additional rates to Phase 2 SUD Residential programs | 9/12/23 | Pending 10/1/23 implementation |
| Phase 3: (Update) Crisis Stabilization and Day Treatment programs | 11/21/23 | Shifted Phase 3 from 12/1/23 to 1/1/24 implementation date |
| Phases 4 and 5: (Update) SUD and Mental Health Outpatient programs | 11/21/23 | Shifts Phases 4 and 5, inclusive of SUD outpatient and MH Outpatient services, to 7/1/24 implementation |

Overview



California Advancing and Innovating Medi-Cal (CalAIM)

- State initiative designed to improve the quality of life and health outcomes of Californians through delivery system, program, and payment reform across Medi-Cal
- Originally scheduled to begin in January 2021, but was delayed by the State due to COVID-19
- Implementation of the first reforms began in January 2022, and will continue through 2027

Anticipated Outcomes

- Identifying and managing the risk and needs of Medi-Cal beneficiaries through **whole-person-care** approaches and **addressing social determinants of health**.
- Transitioning and transforming the Medi-Cal program to a more consistent and seamless system by **reducing complexity and increasing flexibility**.
- Improving quality outcomes, reducing health disparities, and driving delivery system transformation and innovation through **value-based initiatives, modernization of systems, and payment reform**.

Behavioral Health Payment Reform



Key Transitions

- Shift from cost-reimbursement methodology to a fee for service (FFS) payment structure
- Shift to Intergovernmental Transfers (IGTs)
- Shift from Healthcare Common Procedure Coding System (HCPCS) to a combination of HCPCS and Common Procedural Terminology (CPT) coding

Positive Impacts

- Shifts toward value-based payments that incentivize outcomes and quality over volume and cost
- Enables counties and providers to deliver value-based care and simplifies payment structures by eliminating cost reports, burdensome administrative practices, and complex audits
- Aligns with other healthcare delivery systems and complies with CMS requirement to adopt CPT codes

Anticipated Opportunities

- Adapt operational and administrative practices that maximize billing
- Establish outcomes and utilize data more meaningfully to support client success
- Shift toward incentives that drive improved client care and support meaningful outcomes
- Achieve sustainability through FFS rates to reinvest into behavioral health system

County BHS Payment Reform Priorities



Rates

- FFS rates are equitable and sustain costs of providing quality behavioral health care
- FFS rates support capacity-building across services, including expanding the behavioral health workforce
- Continue advocacy for growth in rates that reflect increased costs of providing quality healthcare

Incentive Payments

- Develop future incentives that drive improved care and system outcomes

CPT Coding

- Improve reporting and data utilization through disaggregated data on specialty BH services

Ongoing Priorities

- Cultivate open communication and build trust with providers as we navigate through BH Payment Reform
- Support continuity of existing behavioral health services and capacity growth that is sustainable

Anticipated Timeline



| Key Action/Milestone | Date |
|--|-----------------|
| CalAIM Framework: Executive Summary and Summary of Changes | Feb 2021 |
| State Development of Criteria and Guidance | Jan 2022 |
| BHIN 23-017 Specialty Mental Health Services and Drug Medi-Cal Services Rates | Apr 2023 |
| BHS Rate Development and System Impact Analysis to Inform Implementation Plan | Mar – Dec 2023 |
| San Diego County Board of Supervisors: Authorize Intergovernmental Transfer Agreement and Amendments to Medi-Cal Contracts for BH Payment Reform (5/13/23 MO# 6) | May 2023 |
| Behavioral Health Payment Reform Begins | Jul 2023 |
| San Diego County <u>Eligible</u> BHS Contractors Transition to Rate-Based (FFS) Model* | By July 1, 2024 |
| ALL San Diego County <u>Eligible</u> BHS Contractors are Transitioned to Rate-Based (FFS) Model | July 1, 2024 |
| *Subject to change | |

Implementation Plan



Scale of Transformation

- BH Payment Reform will impact nearly **200 contracted programs** and County-operated services
- Phased approach in Fiscal Year 2023-24 will support the transition and minimize disruption
- Anticipate that all eligible providers will be transitioned to FFS model by 7/1/24

Rate Development

- The service rates were developed by the State
- San Diego County will establish **baseline rates** for providers, which will be **a portion** of State rates
- Modifiers will be established in addition to baseline rates depending on size of the program, location, specialized services/populations, and other key factors
- Remaining revenue will cover incentives and capacity building costs

Alternative Transition Payment

- A one-time payment may be available to *qualifying* contractors to support readiness as programs transition from a cost reimbursement contract structure to a FFS contract structure

Opioid Treatment Programs (OTPs)



Implemented – Phase 1

- Began mid-July 2023
- Impact to 9 contracted OTP programs
- Analyzed rate impact across all services within OTPs
- Established Baseline rate + Modifiers, where applicable

| Service | State Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|---------------------|------------------------|------------------------------------|-------------|----------------------|
| Outpatient Services | \$75.98 | 70% of State Rate | Per 15 mins | • Perinatal Services |
| Dosing Methadone | \$21.32 | 85% of State Rate | Per Dose | |
| Dosing – Other | Depends on dosing type | 100% of State Rate | Per Dose | |

* Subject to change

<https://www.dhcs.ca.gov/Documents/DMC-ODS-NTP-Rates.xlsx>

Substance Use Residential Services

Implementation – Phase 2

- October 1, 2023
- Impact to 22 contracted SUD Residential programs
- Analyzed rate impact across all services within SUD Residential
- Establish Baseline Rate + Modifiers, where applicable



| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|----------------------------------|--------------------|------------------------------------|------------|--|
| Residential 3.1 | \$220.72 | 70% of State Rate | Per Day | <ul style="list-style-type: none"> • Program Size: Large, Medium, Small • Special Populations: Teens, Perinatal, Incidental Medical Services (IMS), other • Location: County-owned facility, Rural |
| Residential 3.3 | \$286.94 | 70% of State Rate | Per Day | |
| Residential 3.5 | \$261.05 | 70% of State Rate | Per Day | |
| Withdrawal Management 3.2 | \$290.06 | 70% of State Rate | Per Day | |
| Outpatient Services (Individual) | \$5.17 | 70% of State Rate | Per Minute | |
| Outpatient Services (Group) | \$1.15 | 70% of State Rate | Per Minute | |
| MAT Add-On Services | Various | 70% of State Rate | Per Minute | |
| Room and Board | \$75.00 | \$55.00 | Per Day | |

* Subject to change

<https://www.dhcs.ca.gov/Documents/DMC-ODS-24-Hour-Day-Services.xlsx>

MH Residential and Crisis Residential Services



Implementation – Phase 2

- January 1, 2024
- Impact to 1 contracted MH Residential + 7 Crisis Residential programs
- Rates apply to children and adult programs
- Establish Baseline Rate + Modifiers, where applicable

| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|--|--------------------|------------------------------------|---------|--|
| Adult Residential | \$268.26 | TBD | Per Day | <ul style="list-style-type: none"> • Program Size: Small • Location: County-owned facility |
| Adult Crisis Residential | \$541.62 | TBD | Per Day | |
| Licensed Physician (MD – Med Support Svcs) | \$23.46 | TBD | Per Min | |
| Room and Board | \$75.00 | TBD | Per Day | |
| | | | | * Subject to change |

<https://www.dhcs.ca.gov/provgovpart/Documents/SMHS-24-Hour-Services.xlsx>

<https://www.dhcs.ca.gov/Documents/DMH-Outpatient-Rates.xlsx>

Mental Health Crisis Stabilization Services*



Anticipated Implementation – Phase 3

- January 1, 2024
- Impact to 5 contracted MH Crisis Stabilization Units
- Establish Baseline Rate + Modifiers, where applicable

| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|--|--------------------|------------------------------------|----------|--|
| Crisis Stabilization Services (Adults) | \$358.19 | 65% of State Rate | Per Hour | <ul style="list-style-type: none"> • Hospital-Based Facility • County-owned Facility |
| Overstay Rate (Adults) | N/A | 45% of State Rate | Per Hour | <ul style="list-style-type: none"> • Hospital-Based Facility • County-owned Facility |
| Crisis Stabilization Services (Children) | \$358.19 | 50% of State Rate | Per Hour | <ul style="list-style-type: none"> • None |
| Overstay Rate (Children) | N/A | 42.5% of State Rate | Per Hour | <ul style="list-style-type: none"> • None |

* Subject to change

<https://www.dhcs.ca.gov/provgovpart/Documents/SMHS-Day-Services-Rates.xlsx>

Day Treatment Services*



Anticipated Implementation – Phase 3

- January 1, 2024
- Impact to 2 contracted day and half day treatment programs, including PHP and IOT
- Establish Baseline Rate + Modifiers, where applicable

| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|------------------------------------|--------------------|------------------------------------|--------------|---------------------|
| Day Treatment Intensive (Full Day) | \$758.44 | 70% of State Rate | >= 4.0 hours | • Age served |
| Day Treatment Intensive (1/2 day) | \$505.63 | 70% of State Rate | < 4.0 hours | |
| Day Rehab (Full Day) | \$346.51 | 70% of State Rate | >= 4.0 hours | |
| Day Rehab (1/2 Day) | \$231.00 | 70% of State Rate | < 4.0 hours | |
| | | | | * Subject to change |

<https://www.dhcs.ca.gov/provgovpart/Documents/SMHS-Day-Services-Rates.xlsx>

Substance Use Outpatient Services*



Anticipated Implementation – Phase 4

- July 1, 2024
- Impact to 35 contracted SUD outpatient programs
- Analyzed rate impact across all credentialing types within SUD Outpatient services
- Establish Baseline Rate + Modifiers, where applicable

| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|---------|----------------------|------------------------------------|------|-----------------|
| Various | Varies by credential | TBD | | • TBD |

* Subject to change

<https://www.dhcs.ca.gov/Documents/DMC-ODS-Outpatient.xlsx>

Mental Health Outpatient Services*



Anticipated Implementation – Phase 5

- July 1, 2024
- Impact to 90 contracted MH Outpatient programs
- Analyzed rate impact across all credentialing types within MH Outpatient services
- Establish Baseline Rate + Modifiers, where applicable

| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|---------|----------------------|------------------------------------|------|-----------------|
| Various | Varies by credential | TBD | TBD | • TBD |

* Subject to change

<https://www.dhcs.ca.gov/Documents/DMH-Outpatient-Rates.xlsx>

Mobile Crisis Response Teams*



Anticipated Implementation – Phase 6

- July 1, 2024
- Impact to 2 Mobile Crisis Response Team programs
- Establish Baseline Rate + Modifiers, where applicable

| Service | State / Base Rate* | County of San Diego Baseline Rate* | Unit | Rate Modifiers* |
|---|--------------------|------------------------------------|----------------|-----------------|
| Mobile Crisis | \$3,323.47 | TBD | Per Encounter | • TBD |
| Mobile Crisis Transportation (Mileage) | \$0.65 | TBD | Per Mile | |
| Mobile Crisis Transportation (Staff Time) | \$80.25 | TBD | Per 15 minutes | |

* Subject to change

<https://www.dhcs.ca.gov/provgovpart/Documents/SMHS-Mobile-Crisis-Rates.xlsx>

Partners Through Transition



BHS Expectations

- The transition will be rapid due to delayed dissemination of State rates
- Providers should have open and regular communication with CORs
- BHS will work with providers, as needed
- To be successful operations, and service models may shift (it's not just about maintaining status quo)
- Dates are subject to change due to unforeseen challenges

Measures of Success

- MH and SUD providers successfully transition toward value-based care that is sustainable, improves client care and outcomes, and expands network capacity to improve access to care for those in need
- Administrative burdens are reduced allowing the workforce to focus on direct care
- Rates bolster the Behavioral Health Continuum of Care

Thank you for your patience as we navigate this process together!