

Case Management Redesign

Initial Public Comment Period Summary for the State Plan Amendment

As part of the 2021 case management redesign legislative language, the Minnesota Department of Human Services (DHS) committed to publishing the draft state plan amendment (SPA) for the statewide targeted case management (TCM) subcontracted rate methodology prior to the CMS-required public comment period. As part of this year's legislative language regarding case management redesign, DHS committed to publishing state plan amendment language before submission to CMS. This allowed stakeholders to submit comments and DHS to formally respond to them. While individual responses were sent to each person or organization that submitted comments, DHS also created this summary so partners and stakeholders can see the range of comments.

On June 14, 2021, DHS published the draft SPA on the case management redesign webpage. This initiated the 30-day initial public comment period, during which DHS received nine public comments. There were many common themes.

DHS will continue to work internally and with external partners and stakeholders to complete any necessary revisions to the SPA. DHS will be making changes to the SPA in response to some of the comments provided. Some of those changes are described in this document. DHS looks forward to continued collaboration ahead of formally submitting the SPA to CMS.

Concerns about rate exceptions

Three commenters discussed the rate exceptions process, requesting clarity around when exceptions could be granted and a potential appeals process for when a provider and county do not agree that a caseload exception is appropriate.

DHS response

DHS is currently working across the agency and with counties to create standards and processes that operationalize the statutory requirements for rate exceptions. DHS is responsible for having control and oversight of the TCM subcontracted rate methodology, including any rate exceptions. Counties have a key role in implementing consistency in access to rate exceptions as they do broader planning of TCM initiatives and programs for their geographic area.

DHS is working with county representatives to finalize rate exception eligibility, monitoring and compliance standards. These standards will be released to all stakeholders as soon as they are ready. DHS has encouraged counties to work with their providers to review proposed standards and develop a plan for rate exception

requests. The process will require counties to submit the rate exception request; providers are encouraged to work with counties when they feel a rate exception is the right fit for their services. DHS recognizes that this year's process may teach us important lessons about what's needed in the process moving forward.

In regards to a potential process for a provider to initiate a rate exception request, DHS would note that TCM services continue to be offered in Minnesota under a federally approved waiver of the requirement for choice of provider. This waiver puts significant infrastructure responsibilities onto the county, and must be considered in relation to subcontracted services. While DHS will continue to assist in facilitating open communication between parties, a county that truly opposed a rate exception could make the choice to discontinue subcontracting the affected services. The design and structure of our system requires that we have agreement from the provider and the county to effectively move forward with a rate exception.

Transparency behind rate setting

Two commenters, representing provider associations, raised concerns about the level of detail included in the SPA. They recommended that DHS include the full rate methodology formula in the SPA.

DHS response

CMS's concerns about consistency and transparency come from the current system of county negotiated rates. A statewide rate methodology creates the transparency and consistency to the point that DHS can easily describe how each rate was calculated and prove consistency in calculations across all TCM subcontracted rates. Based on previous interactions and work with CMS, both Guidehouse, Inc., and DHS's federal relations division do not advise including the rate values and formula in the SPA. It is standard practice not to include that level of detail in the SPA for rates with a standardized fee schedule.

For these reasons, DHS does not plan to add this information to the SPA itself. However, we do share the value of transparency, and will continue to make the underlying information available. For reference, DHS provided a rate calculation worksheet, which included the full rate methodology formula, on April 15, 2021. We expect that we would provide an updated version of this to stakeholders prior to the time of state plan submission.

Frequency of service for VA/DD-TCM

Two commenters spoke to concerns around contractual caps on the number of months of service that subcontracted Vulnerable Adult/Developmental Disability TCM (VA/DD-TCM) providers can bill for services. These providers expressed interest in clarifying the ability to bill every month when TCM services are provided every month.

DHS response

DHS is aware of some counties limiting the number of TCM claims per year for subcontracted VA/DD-TCM. DHS met with counties to learn more about these practices and to discuss utilization management. Some counties shared that they subcontract out lower-intensity cases and they found that providers did not need to meet with the person every month. CMS issues guidance on when service limitation is allowable as utilization

management, and when it is not allowable as a fiscal management tool. DHS and counties have discussed these differences and have committed to working together to ensure utilization management is properly used. This includes discontinuing any hard cap on utilization without a straightforward way to authorize more services when necessary.

There may be times when a person receiving VA/DD-TCM needs more services than usual. In those cases, limits on billed months in a year should not impede the person’s access to more services. If a person needs services, and a case manager fulfills the contact requirements, the provider should be able to bill for the service. Billing more frequently should be based on the person’s need for services and not because the provider needs or wants to increase revenue.

Sustainability of AMH-TCM rates

One county commented about their concern that, in their county, the Adult Mental Health TCM (AMH-TCM) rates will be decreased, and that lower rates may result in less availability of subcontracted providers. They proposed that Minnesota request to phase in the new rates as a way to mitigate some concerns, and look more into developing regional or provider-specific rate structures.

DHS response

DHS acknowledges the concerns about sustainability of rates. DHS will continue to collaborate with counties and providers to find ways to update the rate methodology in order to improve how it reflects the cost of providing the service, but for now we are confident that the rate methodology reflects the data provided through the cost survey and additional data collection after draft rates were first released.

Guidehouse’s analysis of the cost survey data found that costs were consistent enough across the state to warrant a statewide rate. If the range of costs had been greater, creating regional rates or setting different values within the rate methodology for each TCM service area would have been warranted.

Other themes

Additional themes that came up are included in the following table.

Comment or Concern	DHS Response
Needs of the clients can vary, and the reimbursement may not cover the cost.	<p>Difficulty directly paying for the varied needs of clients is a known challenge with a monthly rate. People do have months in which they need more support than usual, but they also have quieter months too. The payment is intended to align to an average month.</p> <p>Going forward, DHS remains open to consideration of a 15-minute billing structure, which has its own strengths and weaknesses.</p>

Comment or Concern	DHS Response
<p>Do the rate structures or exceptions process apply to TCM services paid by MCOs?</p>	<p>This rate methodology is limited to Medical Assistance fee-for-service (FFS) rates paid when a county subcontracts targeted case management services to a vendor. Managed Care Organizations (MCOs) have a different rate setting process and are not obliged to follow FFS rates. However, DHS acknowledges that there is a dynamic relationship between FFS rates and MCO rates, and FFS rates may be used to inform managed care rate negotiations.</p>
<p>Can a single provider organization have services performed at the default rate, as well as services performed with a rate exception?</p>	<p>Yes. DHS has spoken about “programs” among the TCM services provided within an organization. This would be a specialized team serving a specific population that has needs for a TCM service that is different than what is assumed in the default rate. It will be important to show that caseload size exceptions result in the intended change in service intensity to fit the needs of the population. This will include clarifying which activities take more or less time to serve people in the program, as compared to the average or default service intensity. One organization could have multiple rates for one TCM service area (such as AMH-TCM), which could include the default rate and other rates based on rate exceptions.</p>
<p>In the rate setting formula, benefits should not be fixed as a percentage of wages.</p>	<p>While DHS received only one formal comment on this topic during the public comment period, this concern arose frequently in other conversations.</p> <p>Overall, DHS understands that a number of providers hope for a more aggressive benefits cost adjustment built into the rate methodology. At this point, DHS does not have the data to support modeling a different way to update benefits costs. One issue is that providers are experiencing a wide range of increases to benefits costs; some providers are experiencing significantly bigger increases than others. DHS is confident that the rate methodology reflects the entirety of the data provided through the cost survey and additional data collected after draft rates were first released. If DHS selected another method for calculating benefit costs at this point, we would need to explain that divergence from the data. Existing law and the proposed state plan are flexible enough for DHS and stakeholders to continue work on updating the methodology in the future, if the data supports a different means of calculating benefits costs.</p>
<p>DHS should commit to a regular rebasing schedule, no more than every three years.</p>	<p>DHS plans to determine this need in the near future, but DHS needs to complete more engagement with providers and counties before developing a mechanism to rebase rates. There are at least two options for completing a rebase in the future, both of which would require a</p>

Comment or Concern	DHS Response
	<p>large amount of resources and investment from providers, counties, and DHS.</p> <p>The first option would be to do another comprehensive cost survey, similar to what was completed in 2020. Providers expressed concern about the level of complexity and effort required to complete that survey. The second option would be to set up data systems to track time, much like what is currently done for county-provided TCM services. Creating a time tracking system for subcontracted providers would take time.</p> <p>In either case, DHS believes that we must first complete the work of meeting federal requirements for reconciling TCM costs between counties and the State so that further rebasing or time study work occurs on a solid foundation.</p>
<p>TCM rates should be rounded to the nearest whole dollar to ease in administration and billing.</p>	<p>DHS will modify the state plan to include rounding the rate calculated by the methodology to the nearest whole dollar.</p>