

REPORT TO THE LEGISLATURE

**BHO/Early Adopter Integration of Behavioral Health –
Quarterly Report (April 1, 2016 – May 31, 2016)**

2ESHB 2376 (supplemental operating budget), section 208(21)

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Executive Summary

This report was requested by the 2016 Legislature, 2ESHB 2376 (supplemental operating budget), section 208(21), to examine the integration of Behavioral Health Services. The Washington State Behavioral Health Integration began on April 1, 2016, with Behavioral Health Organizations (BHOs) and Managed Care Organizations (MCOs). The BHOs included Great Rivers, Greater Columbia, King County, North Central, North Sound, Optum Health-Pierce County, Salish, Spokane County Regional, and Thurston-Mason. The MCOs included Clark and Skamania Counties.

(21) Within the amounts appropriated in this section, the department of social and health services and the health care authority must provide quarterly reports to the chairs of the house of representatives health care and wellness committee, the house of representatives early learning and human services committee, the senate health care committee, and the senate human services, mental health, and housing committee on the integration of mental health and chemical dependency treatment purchasing through behavioral health organizations and the southwest Washington early adopter model. These reports must include, but are not limited to, an update on reimbursement rates and contracts for providing residential chemical dependency treatment; the numbers of referrals and length of stay for patients referred to chemical dependency treatment; the timing of authorization and payment to providers; the compatibility of patient electronic medical record data between behavioral health organizations, managed care organizations in the southwest Washington regional service area, and providers; and the status of contracted providers. Behavioral health organizations and managed care organizations in the southwest Washington regional service area must be required to immediately report when notified that a provider is in jeopardy of closure. The department and the health care authority must immediately assess whether and take actions to ensure that the behavioral health organization or managed care plans impacted by the provider closure have an adequate transition plan to maintain an adequate network and provide access to medically necessary treatment services for enrollees. These reports shall begin April 1, 2016, and end on October 31, 2016.

This report has been compiled through various methods including, but not limited to, surveys of the BHOs and MCOs, and consultation with various departments within Behavioral Health Administration (BHA) and Health Care Authority (HCA).

Introduction

In accordance with 2ESHB 2376 (supplemental operating budget), section 208 (21), the Department of Social and Health Services (DSHS) and the Health Care Authority (HCA) present this report on BHO/Early Adopter Integration of Behavioral Health. The report includes all requested information regarding the integration.

Reimbursement Rates

As separate entities, the BHOs/MCOs have set their own Medicaid reimbursement rates. Most of the BHOs have developed their own case rates (the set amount for each Medicaid enrolled member with the BHO). All BHOs/MCOs have been surveyed individually for their particular reimbursement rates. The following is the average of the reimbursement rate for the BHOs who do not pay a case rate:

- Residential Adult:
 - Intensive Inpatient \$191.42/day
 - Long-Term Inpatient \$69.15/day
 - Recovery House \$52.24/day
- Residential Pregnant Parenting Women (PPW):
 - With a child \$196.44/day
 - Without a child \$154.48/day
 - Co-Occurring Disorder (COD) \$259.00/day
- Residential Youth:
 - Level 1 \$194.50/day
 - Level 2 \$251.34/day
 - Recovery House \$163.96/day
- Outpatient Adult Individuals:
 - \$110/hour
 - Six BHOs pay based on case rate
- Outpatient Adult Groups:
 - \$59.75/hour
 - Six BHOs pay based on case rate
- Outpatient Adult Case Management:
 - \$81.67/hour
 - Six BHOs pay based on case rate
- Outpatient PPW Individuals:
 - \$110/hour
 - Six BHOs pay based on case rate
- Outpatient PPW Groups:
 - \$59.75/hour
 - Six BHOs pay based on case rate

- Outpatient PPW Case Management:
 - \$81.67/hour
 - Six BHOs pay based on case rate
- Outpatient Youth Individuals:
 - \$110/hour
 - Six BHOs pay based on case rate
- Outpatient Youth Groups:
 - \$72.67/hour
 - Six BHOs pay based on case rate
- Outpatient Youth Case Management:
 - \$81.67/hour
 - Six BHOs pay based on case rate
- Withdrawal Management:
 - Sub-Acute \$226.49/day
 - Acute \$291.92/day
- Involuntary Treatment:
 - \$160.65/day
- Opiate Substitution Treatment:
 - \$15.79/daily

Reimbursement rates between MCOs and their contracted network of providers are proprietary. Molina Healthcare of Washington (Molina) and Community Health Plan of Washington (CHPW) have been successful in contracting with 100% of the substance use disorder (SUD) providers in the Southwest Washington region and have replicated the network of providers that had contracted with the county or DSHS prior to April 1, 2016. The terms of MCO/provider contracts have been acceptable to all parties and rates are at or above 100% of the Medicaid rate, with contractual requirements and payment methodologies remaining similar to those in place prior to April 1, 2016. These terms meet contractual obligations required by HCA and also create a foundation to move toward value-based purchasing once providers have stabilized following the initial transition.

Contracts for Providing Residential Chemical Dependency Treatment

Prior to April 1, 2016, the BHOs began to negotiate contracts with providers within the state to provide services to residents within their region. BHOs have an average of 23 residential providers within each of their provider networks.

CHPW and Molina successfully replicated the existing SUD provider network that was serving Clark/Skamania Counties prior to April 1, 2016. Molina and CHPW have an average of 8 residential providers within their networks, and are also executing single case agreements with providers across the State when necessary to find a placement for Medicaid clients.

Number of Referrals (Authorization Requests)

All BHOs/MCO have been surveyed individually for how many referrals for substance use treatment they have authorized from April 1, 2016, to May 31, 2016. During this time period, on average, the BHOs authorized these levels of care:

- Residential Adult: 203
- Residential PPW: 18
- Residential Youth: 24
- Outpatient Adult: 1062
- Outpatient PPW: 72
- Outpatient Youth: 173
- Withdrawal Management: 126
- Involuntary Treatment: 18
- Opiate Substitution Treatment: 1389

The following are the number of authorization requests for level of care for CHPW and Molina:

- Residential Adult: 146
- Residential PPW: N/A – this data is included in the youth/adult residential counts.
- Residential Youth: 26
- Outpatient Adult: N/A – no prior authorization required
- Outpatient PPW: N/A – no prior authorization required
- Outpatient Youth: N/A no prior authorization required
- Withdrawal Management: 170
- Involuntary Treatment: 13
- Opiate Substitution Treatment: N/A no prior authorization required

Length of Stay for Patients Referred to Chemical Dependency Treatment

At this time there is no reliable information to report due to the transition to BHOs. Some BHOs were not ready due to system redesign as a result of the BHO implementation. DSHS has been working with BHOs and has developed a plan that would enable all BHOs to submit their data by September 30, 2016.

Timing of Authorization

As separate entities the BHOs/MCOs have their own policies and procedures for their regions. All BHOs/MCOs have been surveyed individually for their particular timing of authorization for treatment. The following is the average for the BHOs:

- All Residential Treatment: 30 minutes to 7 days
- All Outpatient Treatment: same day to 14 days
- Withdrawal Management: not required to 1 business day

- Involuntary Treatment: 6 hours (not including the court process) to 7 days
- Opiate Substitution Treatment: same day to 7 days

The following is the average authorization timing for CHPW and Molina:

- All Residential Treatment: Approval ranges from 19.5 hours to 2 days and 10 hours, depending on whether it is an urgent or routine authorization request.
- All Outpatient Treatment: N/A – no prior authorization required.
- Withdrawal Management: Approval ranges from 19.5 hours to 2 days and 10 hours, depending on whether it is an urgent or routine authorization request.
- Involuntary Treatment: same day
- Opiate Substitution Treatment: N/A – no prior authorization needed

Timing of Payment to Providers

As separate entities, the BHOs/MCOs have their own policies and procedures for their regions. All BHOs/MCOs have been surveyed individually for their particular timing of payments to providers; many have set days during the month that they reimburse providers. The range of payment timing to providers by BHOs is seven to thirty days for all services. In Southwest Washington, CHPW and Molina are both processing 95 percent or more of all claims within 30 days.

The compatibility of patient electronic medical record data between BHOs and MCOs in the Southwest Washington Regional Service Area, and providers

DSHS is implementing a single electronic medical records (EMR) solution provided by Cerner. This solution will support Western State Hospital, Eastern State Hospital, and the Child Study Treatment Center. The EMR will also support pharmacy services in the State’s Residential Habilitation Centers. As a single system, records of clients will be accessible to authorized users within the institutions. Any expansion of this solution would extend this capability to the new locations.

Cerner provides “data hub” type products that would enable data sharing with external systems, though DSHS has not procured these products.

Some behavioral health providers and BHOs have implemented a variety of EMR solutions. HCA sponsored a project in late 2015 that surveyed 21 behavioral health providers of various sizes across the state. Of those 21 providers, 11 had vendor-based EMRs certified for sending electronic clinical transactions, but only one was actually exchanging electronic clinical transactions with other providers. No further work has been done to determine if this small sample is representative of the broader group of behavioral health providers.

Status of Contracted Providers

[RCW 71.24.035\(5\)](#) states that the Division of Behavioral Health and Recovery (DBHR), among other things, shall do the following:

- (i) License service providers who meet state minimum standards;
- (j) Periodically monitor the compliance of behavioral health organizations and their network of licensed service providers for compliance with the contract between the department, the behavioral health organization, and federal and state rules at reasonable times and in a reasonable manner; ...
- (l) Monitor and audit behavioral health organizations and licensed service providers as needed to assure compliance with contractual agreements authorized by this chapter;
- (m) Adopt such rules as are necessary to implement the department's responsibilities under this chapter;
- (n) License or certify crisis stabilization units that meet state minimum standards;
- (o) License or certify clubhouses that meet state minimum standards;
- (p) License or certify triage facilities that meet state minimum standards...

[RCW 71.24.045](#) further provides that the BHOs shall:

- (1) Contract as needed with licensed service providers. The behavioral health organization may, in the absence of a licensed service provider entity, become a licensed service provider entity pursuant to minimum standards required for licensing by the department for the purpose of providing services not available from licensed service providers...

BHOs and MCOs in the Southwest Washington Regional Service Area are required to immediately report when notified that a provider is in jeopardy of closure.

All providers licensed by the state of Washington are required by [WAC 388-877-0300](#) to inform DBHR of closure. Further, according to their contracts, BHOs are required to update DBHR of any changes with providers “within five (5) business days of any changes” (p. 83, PIHP Contract). Likewise, the fully-integrated managed care contracts between HCA and the MCOs require that the MCOs give a minimum of ninety (90) calendar days prior written notice of the loss of a material provider from the network, and provide written notification to enrollees affected by any provider termination within fifteen (15) calendar days after receiving or issuing a provider termination notice.