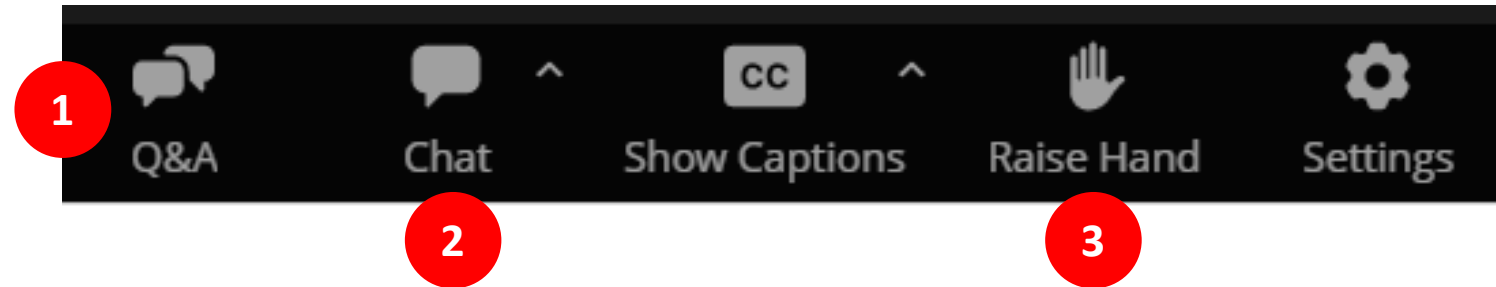
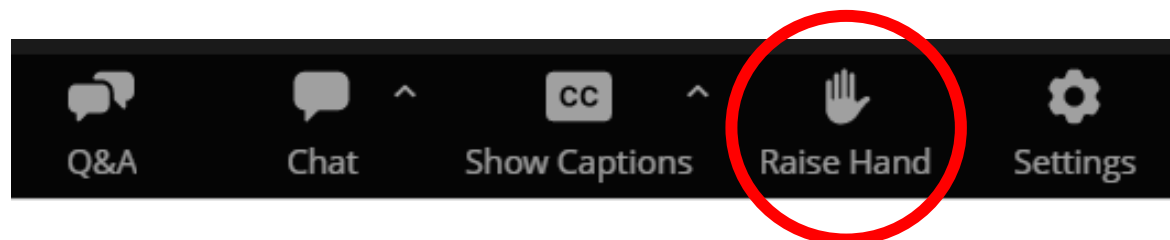


Open / Introduction

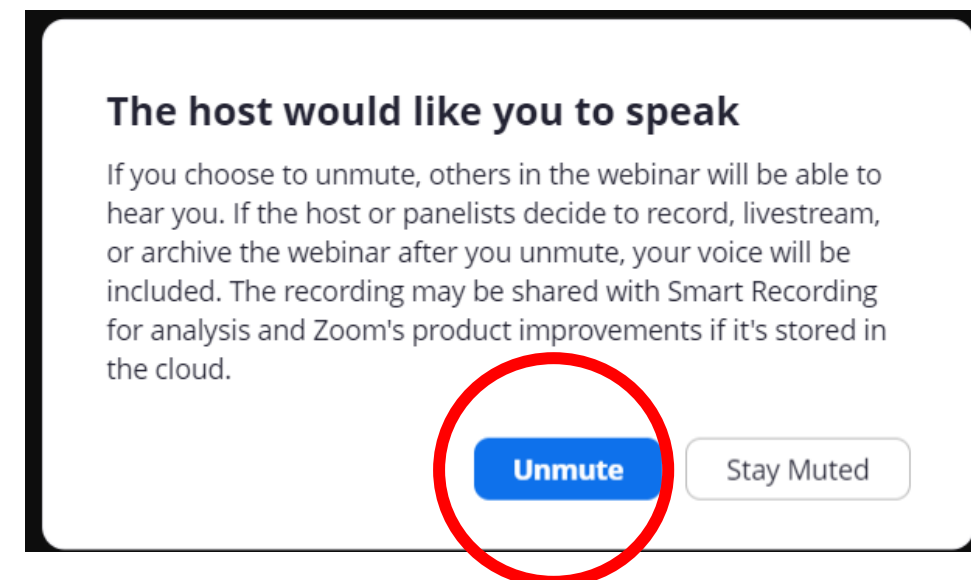


- 1. Q&A** - If you have a question, please type the question in the **Q&A**.
- 2. Chat** – In the Chat box, please submit your comments and feedback about the topics covered and or during the Open discussion session.
- 3. Verbal Response - RAISE Your Hand - During the discussion session** Amy will facilitate using the questions you received in the e-mail message from SAPC **we encourage you to provide “live feedback”**.

Verbal Response - RAISE Your Hand



1. Raise your hand.
2. The host will “allow you to speak” once it is your turn.
3. You will receive the “pop up” message to the right, please click “**unmute**” to speak.





Preparing the Specialty SUD System in Los Angeles County for Payment Reform

December 13, 2022

Division of Substance Abuse Prevention and Control
Los Angeles County Department of Public Health

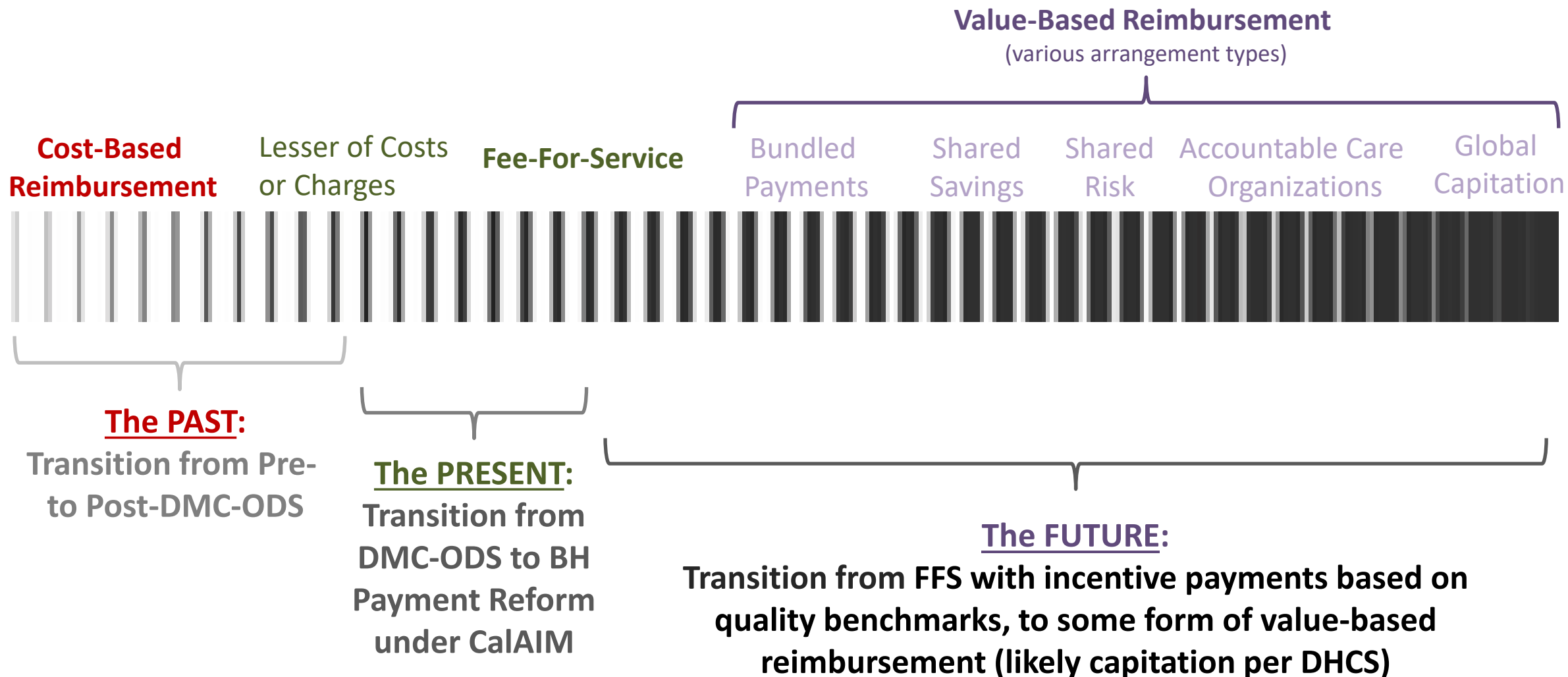


Payment Reform - Where is the Substance Use Disorder (SUD) System Headed?

Changes in 2023 and beyond



Behavioral Health (BH) Payment Reform





PAST: Cost-Based

- July 2017 – June 2023
- Provisional FFS rate
- Volume-based (more services, more compensation)
- Contract reconciled at lesser of allowable costs or State approved claims
- Recoupments if costs are lower than rates paid
- Reinvest in program if rates higher only during current FY or excess recouped

Payment Reform: FFS

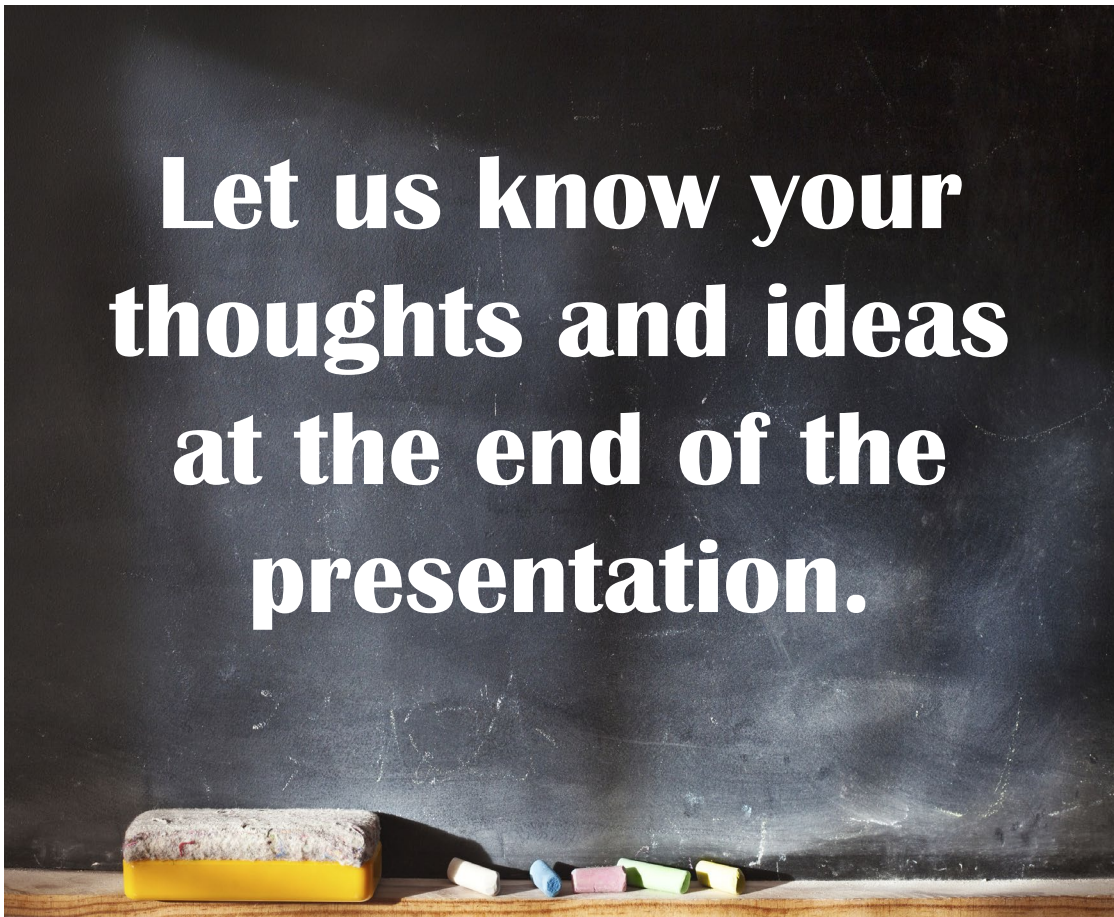
- July 2023 – Approx. 2025
- Fixed FFS rate
- Volume-based (more services, more compensation)
- Contract not cost reconciled as based on State approved claims only
- No recoupments if costs are lower than rates paid
- Reinvest in program if rates higher than current costs during or after current FY

Future: Value-Based

- Approximately 2025+
- Capitation / Value-Based: Bundled rate for all services a patient needs, County and possibly providers
- Outcome-Based: Must provide enough quality-based services at right level of care to show patient improvement
- No additional payments or recoupments for losses or gains
- Invest in organization (staff, trainings, etc) to improve outcomes and avoid losses

PROVIDER DISCUSSION

- What **excites** you or your agency about moving away from volume-based reimbursement to a bundled reimbursement model as early as 2025?
- What **worries** you or your agency about moving away from volume-based reimbursement to a bundled reimbursement model as early as 2025?



Let us know your thoughts and ideas at the end of the presentation.



How Can Fee-for-Service Reimbursement Prepare Us for Value-Based Reimbursement?



Behavioral Health Payment Reform

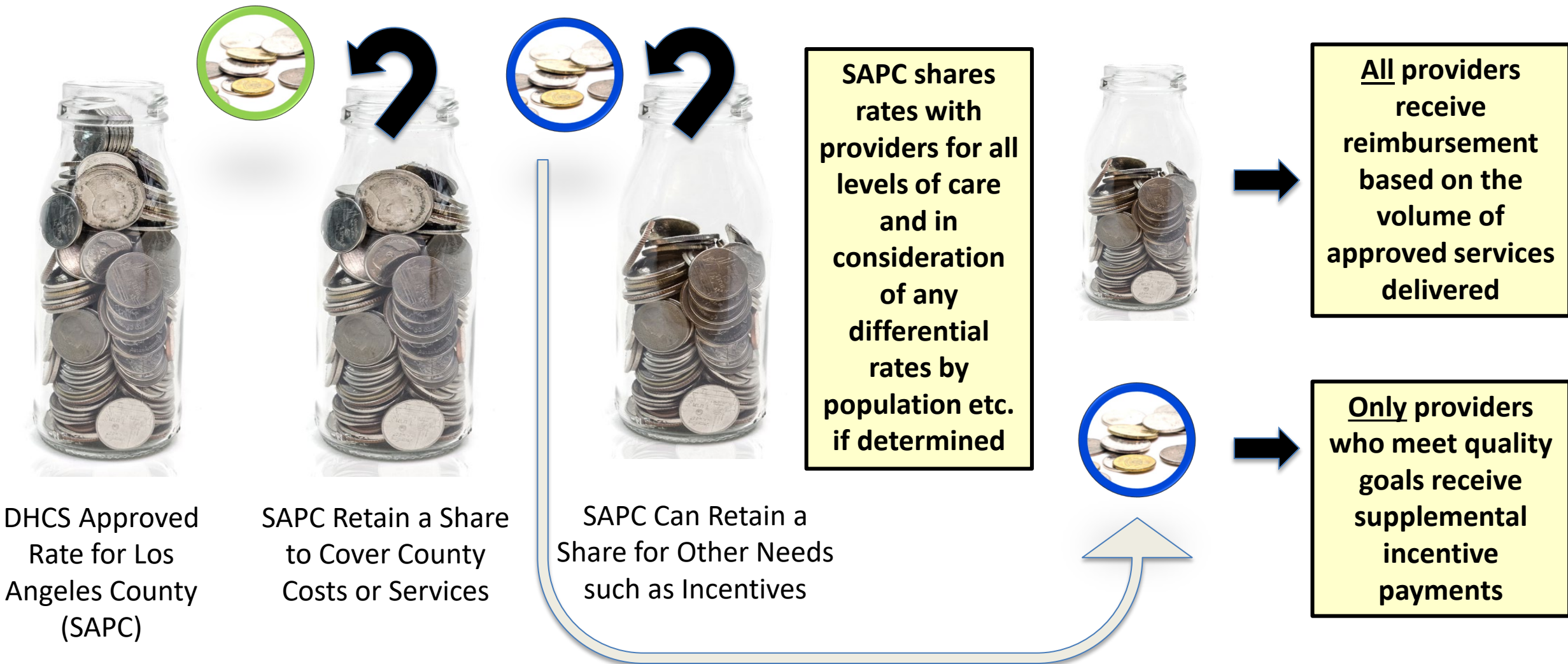
The State (DHCS) sets rates for counties by level of care and practitioner type and counties then set rates for providers based on local methodology

The overall goal of BH payment reform is to fund the system we want in the future, not simply the system we have today.

LOCAL (SAPC) CONSIDERATIONS FOR FY 2023-24 CHANGES:

- Retain a portion to implement incentive payments to support priorities such as workforce development, reaching the 95% who need treatment but don't seek it?
- Implement a multi-tiered rate structure to support providers whose expenditures reflect increased investments or costs associated with quality and outcome-based care?
- End population rate modifiers (youth/perinatal) given potential tiered approach and rely on non-DMC codes for required wrap-around services?
- Set practitioner rates to support quicker certification completion for counselors and expanded use of LPHAs for direct services?

What could this look like if DHCS sets rates sufficiently higher than current rates?



Why do the rates paid to providers matter to the County / SAPC?

For most services and levels of care, Counties are responsible for paying a share of each DMC reimbursed service with non-federal funds.

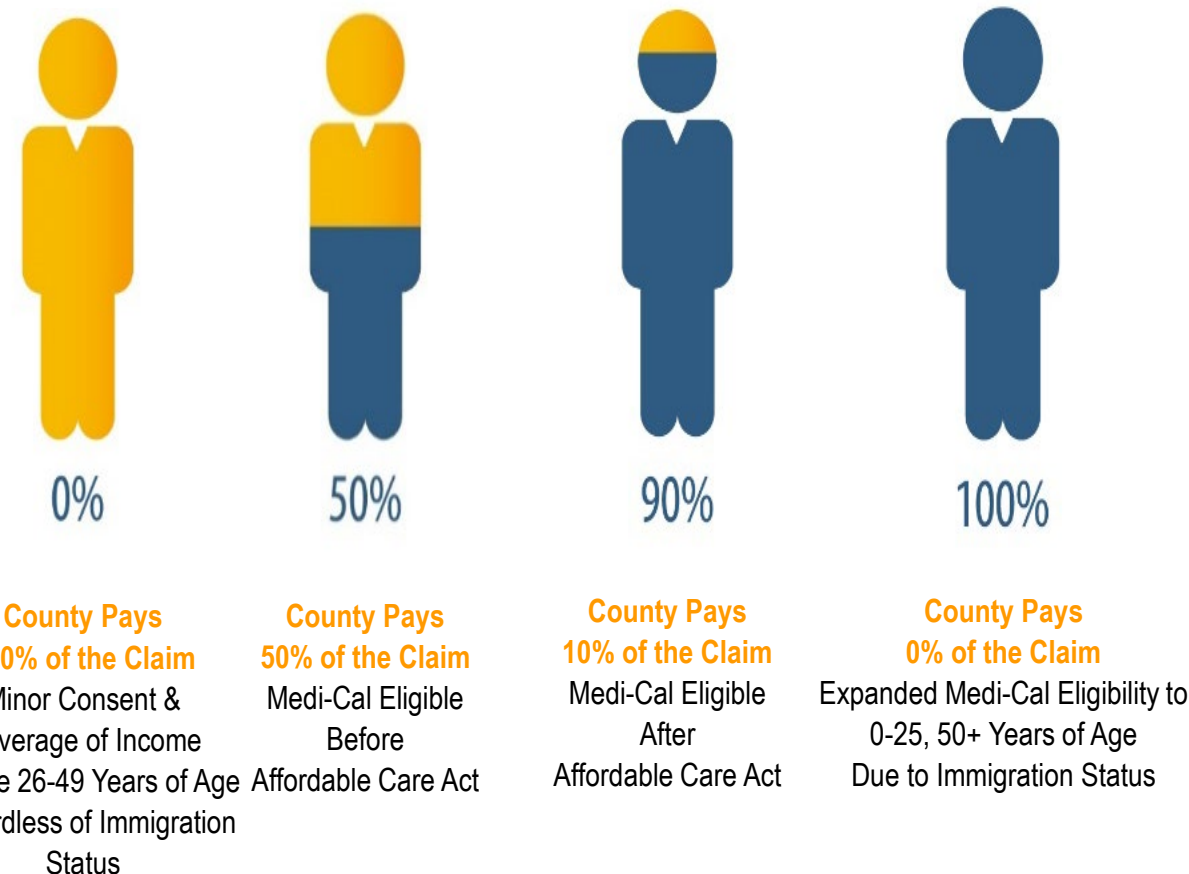
This means Counties need to set rates at a level that move the SUD system forward but are affordable given available matching funds.

Basic Medi-Cal Financing for SUD Treatment Services

Drug Medi-Cal Funding Commitment:

- Federal/State Share
- Local (LAC) Share

State/Federal Share →



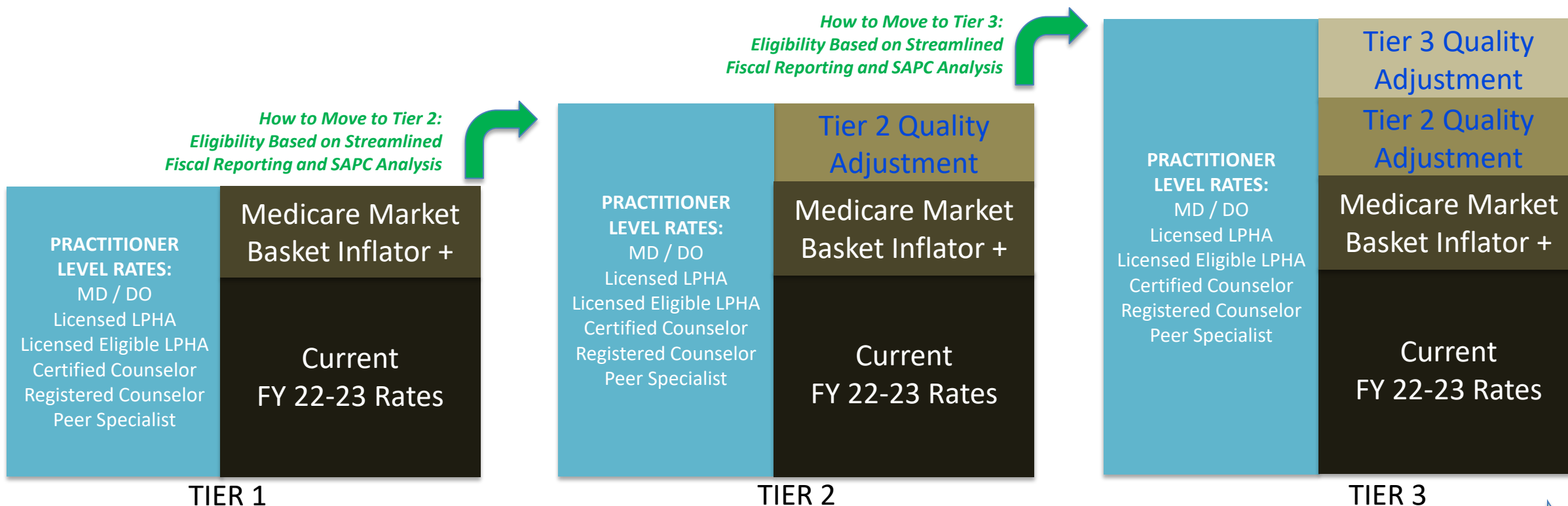


How Tiered Rates Could Work – Factoring Practitioner Level (Not to Scale 😊)

Incentives Based on
Verifying Performance Metrics

Incentives Based on
Verifying Performance Metrics

Incentives Based on
Verifying Performance Metrics



Providers that make investments that enhance care → able to move up the next tier to access higher rates

What are some advantages of a tiered rate model?

- Considers varying costs by provider or service location to support network.
- Tier 2 and Tier 3 would support agencies who make investments in staffing structures or enhanced services that better achieve outcome-based care.
- Eases transition away from population rate modifiers because increase costs to deliver tailored youth/perinatal services is considered in tier determination.
- Enables providers to move up tiers to access higher rates when greater investments are made.

NEW PRACTITIONER LEVEL RATES

| Sage Fee Type | Staff Count | % of Staff |
|---|-------------|------------|
| Registered SUD Counselor/Other Provider | 677 Staff | 50% |
| Certified SUD Counselor | 416 Staff | 31% |
| License Eligible - LPHA | 136 Staff | 10% |
| Licensed - LPHA | 128 Staff | 9% |
| Licensed Marriage and Family Therapist | 1 Staff | 0% |
| Total | 1,358 Staff | 100% |

What is the mix of practitioner level(s) that deliver services at your agency?

| Fiscal Year | Practitioner Disciplines | Service Count | % of Services |
|-------------|---|----------------|---------------|
| FY21-22 | Certified SUD Counselor | 266,417 | 38% |
| FY21-22 | License Eligible - LPHA | 50,226 | 7% |
| FY21-22 | Licensed - LPHA | 29,746 | 4% |
| FY21-22 | Licensed Marriage and Family Therapist | 131 | 0% |
| FY21-22 | Registered SUD Counselor/Other Provider | 347,272 | 50% |
| | Total | 693,792 | 100% |

Would higher rates allow your agency to further diversify staffing?

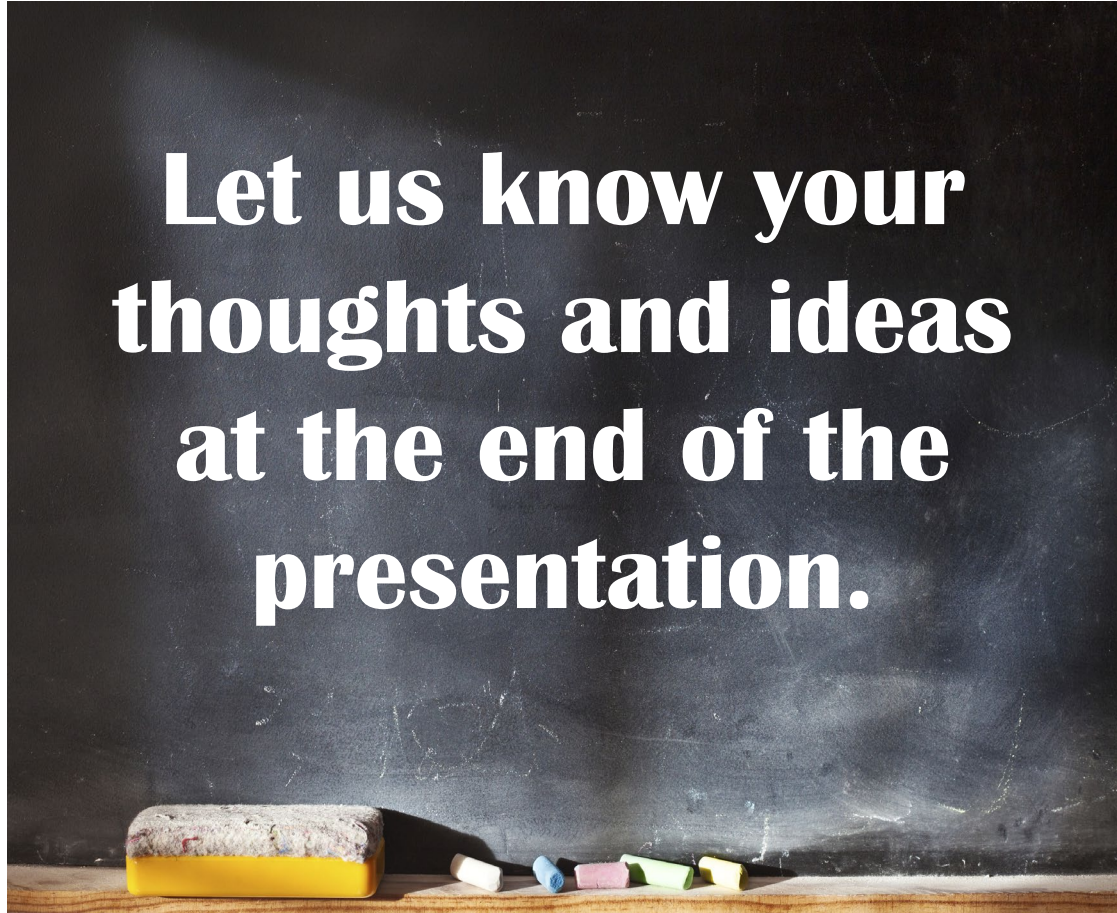
Above table based on all outpatient claims

What are some advantages of practitioner specific rates?

- Incentivizes providers to diversify workforce that delivers direct services.
- Better supports increased costs for licensed/licensed-eligible positions.
- Creates opportunities to invest in strategies to address workforce shortages and turnover (e.g., salaries, benefits, recruitment incentives).
- Enables use of medical director or other MD/DO to deliver medications for addiction treatment (MAT) services.

PROVIDER DISCUSSION

- With higher rates, what investments can your agency make with higher rates to improve your ability to deliver outcome-based care?
- What steps does your agency need to take to make sure revenue is sufficient to meet costs?



**Let us know your
thoughts and ideas
at the end of the
presentation.**



Incentive Payment Options



Options for Growing the SUD System through Incentive Payments

- With sufficiently high rates between the County and State, may create options to advance priority initiatives through supplemental payments for participating provider that meet selected deliverables or metrics.
- Over the course of a year, some benchmarks may be deliverable-based (e.g., a plan) and others could be more outcome-based (e.g, increased number of hires) depending on the identified strategy.
- Any incentive package would be intentionally designed meet providers where they are at, stretch the system through enhanced support, and drive long-term change.
- What are some ideas:

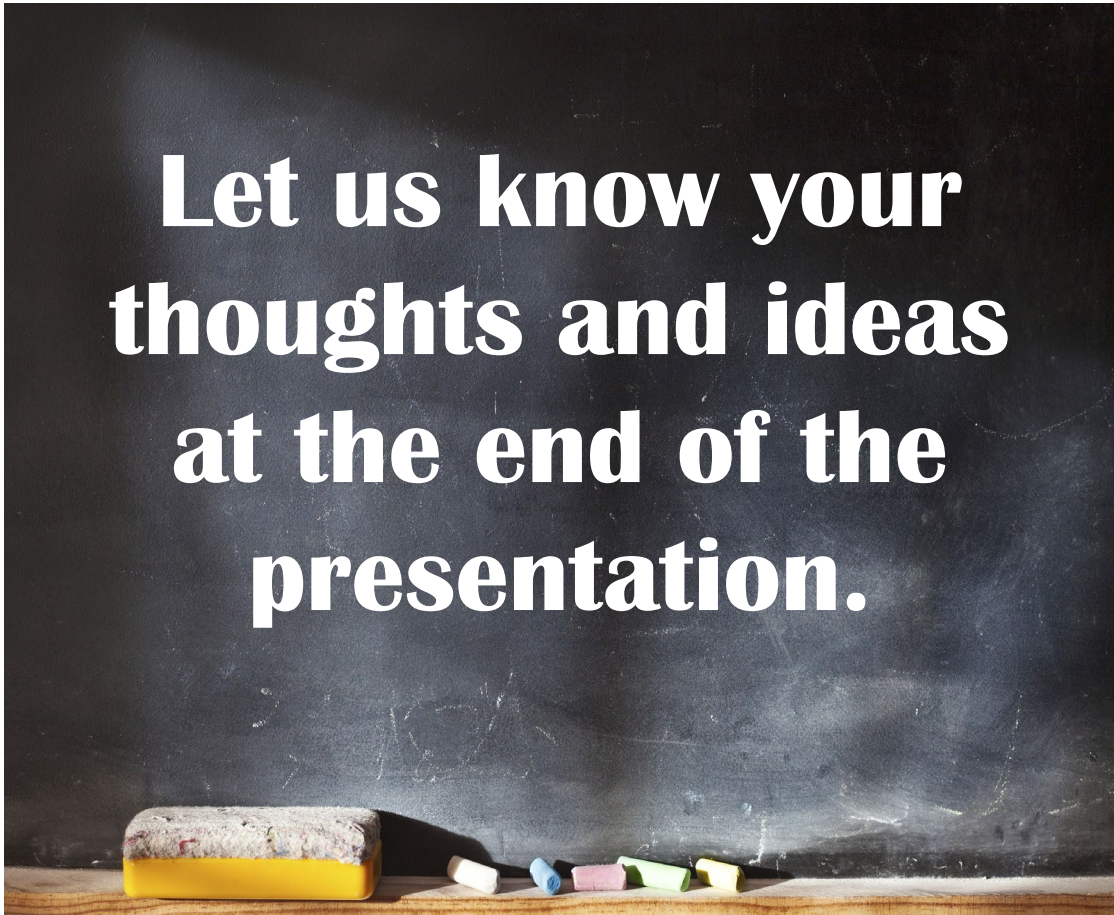
**Workforce
Development
& Retention**

**Reaching
the 95%**

**Expanding
Access
to MAT**

PROVIDER DISCUSSION

- What are ideas for how incentives could be used to help support workforce development and retention?
- Are there other key priorities that SAPC should consider for incentives?



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Fiscal Reporting: Preparing for Payment Reform and Post Payment Reform











Why is it still important to collect fiscal information?

- Cost reporting in its current form sunsets with payment reform.
- Significantly streamlined **Fiscal Reporting** is still needed under limited circumstances:
 - To establish rates for Fiscal Year (FY) 2023-2024, including for initial Tier 1 rates as well as to determine eligibility for any Tier 2 and Tier 3 adjustments.
 - For FY 2024-2025+, the plan is to not require fiscal reporting information unless agencies are interested in transitioning to the next Tier.
- SAPC intends to use this information to set rates at a fiscally sustainable level that incentivizes increased spending in areas that advance patient care and outcomes and not simply higher costs that may result from other inefficiencies.

Current Cost Reporting vs. SAPC Fiscal Reporting



| Component | Current DHCS Cost Reporting | SAPC Fiscal Reporting |
|--|---|---|
| Report and process will start within 30 days of the end of the fiscal year |  |  |
| Collects cost data at the AGENCY LEVEL |  |  |
| Report includes all levels of care |  |  |
| Report uses local data |  |  |



Current Cost Reporting vs. SAPC Fiscal Reporting

| Process | Current DHCS Cost Reporting | SAPC Fiscal Reporting |
|----------------------------|---|--|
| Key Dates | DHCS sends out tools 2-3 years after close of fiscal year | SAPC will send out tool within 30 days After of close of fiscal year |
| Information | Providers are required to use DHCS data | Fiscal Reporting will use Sage data |
| Report Data Size | 4,051 KB | 218 KB |
| Number of Report Tabs | 33 | 3 |
| Needed Information per LOC | 4 tabs with significant data entry requirements per LOC | 1 column per level of care |
| Number of Reports Required | Providers submit one report per site | Providers submit one report per agency, regardless of number of sites |
| Supporting Documentation | None | SAPC will leverage documents already being collected via fiscal compliance |



Preparing for Payment Reform



What SUD Providers Can Be Doing to Prepare for Payment Reform

- **Preparing for transition to FFS reimbursement**
 - Become experts in the costs required to operate & the revenue your services generate – these are two critical data points you will need to track closely to thrive in a FFS environment.
 - Costs and revenue are also the variables that are most under your agency’s control to modify to ensure financial sustainability.
 - Identify and address gaps/opportunities leading to financial leakage (insufficient clients, insufficient staff to see clients, high denial rates, etc.) to optimize revenue opportunities.
 - Analyze your costs to ensure they are necessary and appropriate. However, it is important to realize that cost cutting that results in decreased revenue generation may not ultimately support financial sustainability.
- **Preparing for the future transition to value-based reimbursement**
 - Establish processes to optimize organizational alignment and execution – if there are incentive payments for quality metric “X” and provider leadership would like to draw down that incentive payment, what would need to happen in your organization to actually operationalize that desire?
 - Identify ways to optimize outcomes now, before value-based reimbursement is implemented, to best prepare for this goal in the future (leveraging MAT, case management, addressing housing and other social determinants of health, etc.).

Next Steps and Needed Information

- Does SAPC have sufficient local match funds to support the tiered rate concept and needed rate growth?
- What will the State-County rates be for all levels of care?
 - How does this impact practitioner level rates for day rate services?
 - Will the tiered rate concept hold for day rate services?
- What will County-Provider rates be – need to conduct financial modeling?
- Will SAPC have sufficient fiscal reporting information to set rates, including a tiered model?

Do you need to grow your SUD counselor workforce?

- Do you need to serve more patients to cover your operational costs, or leverage available funding?
- Are you challenged by workforce shortages? Or is recruitment and retention becoming increasingly difficult?
- If SAPC moves to practitioner level rates that are differentiated between registered and certified counselors, do you want to hire new staff whose education is paid for and will be certified quicker?

IF YOU ANSWERED YES TO ANY OF THESE QUESTIONS:

BECOME A TUITION INCENTIVE PROGRAM INTERN HOST SITE AND EXPAND YOUR WORKFORCE!

Serve your agency and your community! This is an integral part of improving the prospects for people with lived experience interested in this field and solving key workforce challenges!

Contact TTCC Internship Coordinator, Fasiat Agaba via email at fagaba@tarzanatc.org.



PROVIDER DISCUSSION





Open Discussion Forum

To share feedback and comments:

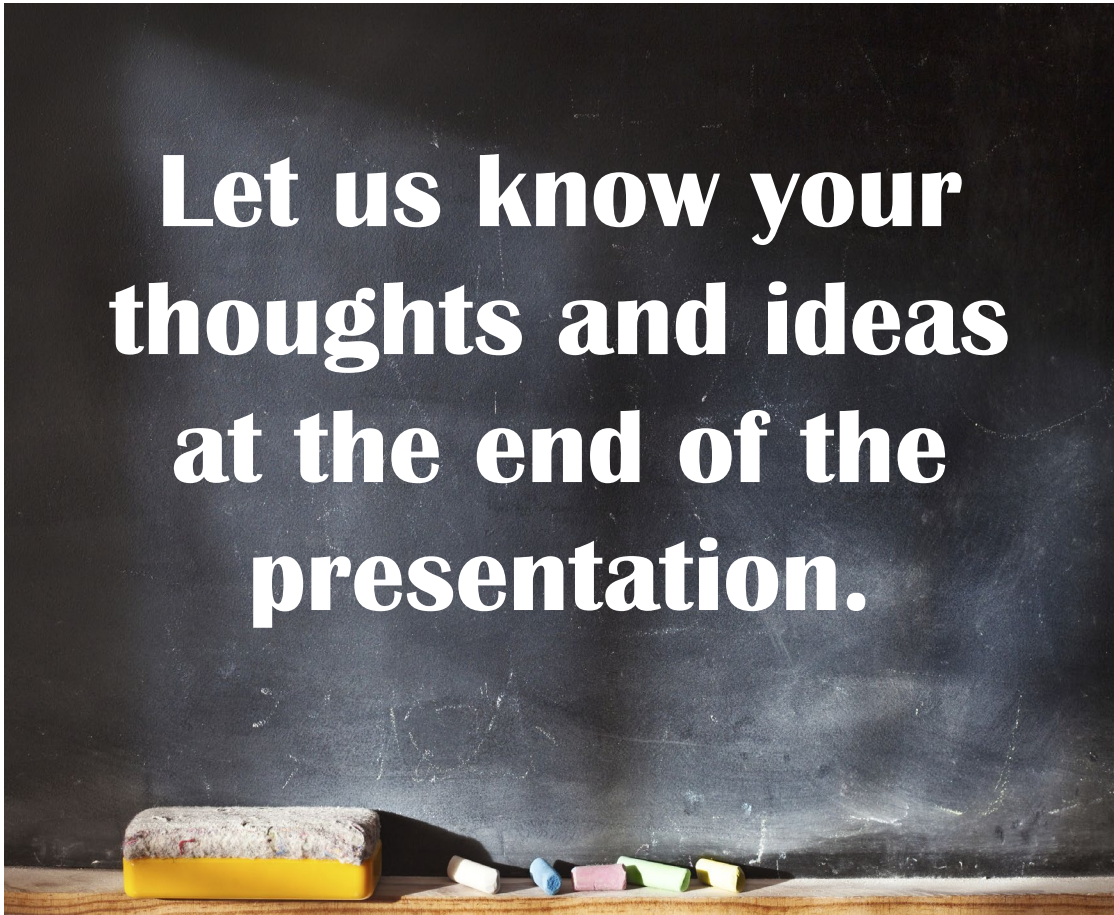
- ✓ Raise your hand, unmute and speak!
- ✓ Type in the Chat
- ✓ Fill out the feedback form QR code/link in Chat posted towards the end of the session.

Questions:

- ✓ Q&A
1. What excites you or your agency about moving away from volume-based reimbursement to a bundled reimbursement model as early as 2025?
 2. What worries you or your agency about moving away from volume-based reimbursement to a bundled reimbursement model as early as 2025?
 3. With higher rates, what investments can your agency make to improve your ability to deliver outcome-based care?
 4. What steps does your agency need to take to make sure revenue is sufficient to meet costs?
 5. What are ideas for how incentives could be used to help support workforce development and retention?
 6. Are there other key priorities that SAPC should consider for incentives?

PROVIDER DISCUSSION

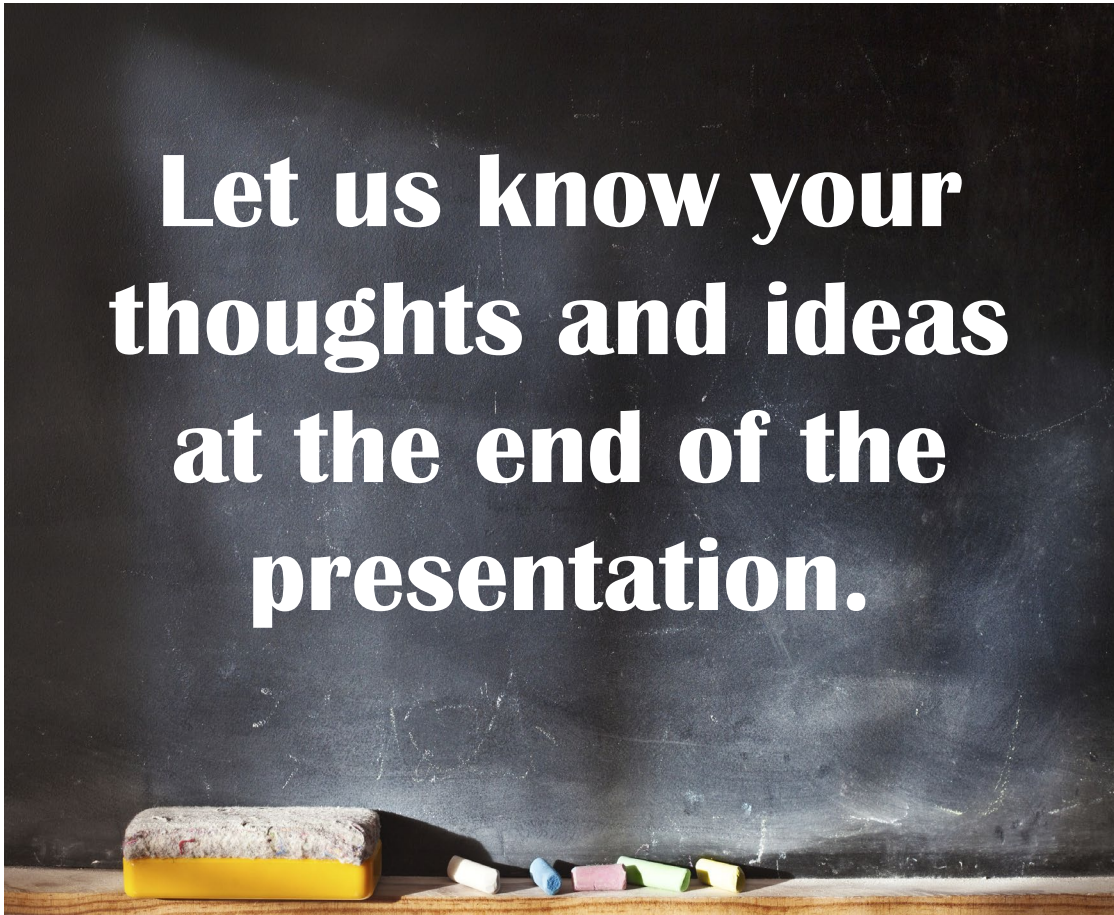
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PROVIDER DISCUSSION

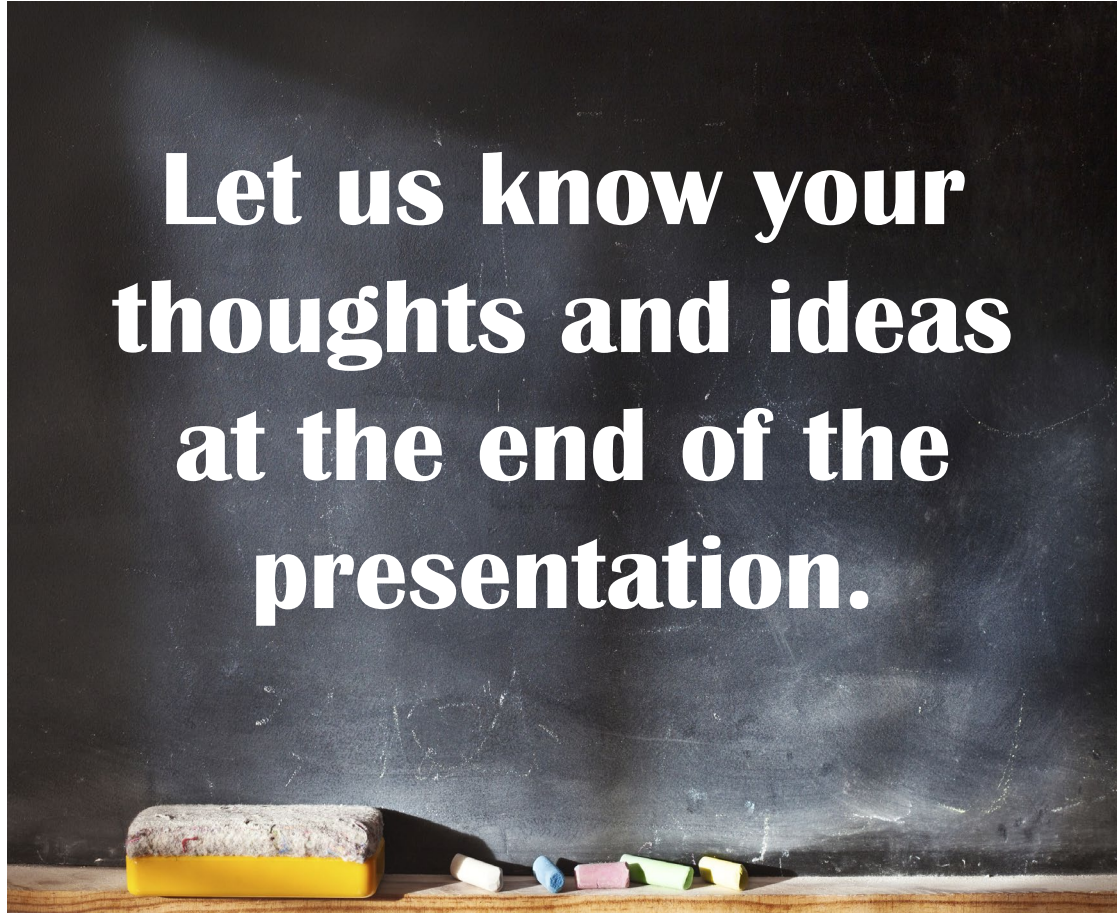
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PROVIDER DISCUSSION

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presentation.**

Need time to think about it?

SAPC would like to give everyone an opportunity to provide their feedback to the discussion questions that were presented. *You will have the following opportunities.*

- After the webinar, you will be automatically directed to the feedback form.
- You also have the option of scanning the QR code or using the link provided to access the form.

The form will be live until 12/16/22.



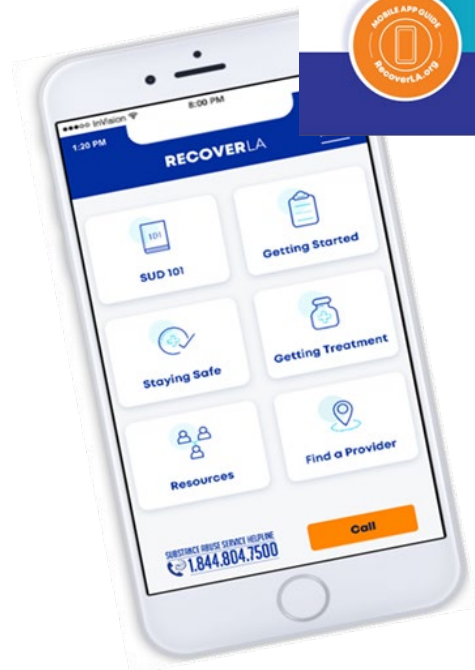
<https://bit.ly/SAPCpaymentreform>

Instructions:

1. Make sure that you have a mobile signal or are connected to Wi-Fi
2. Open the camera app on your cellphone or iPad
3. Hold the device's camera up to the QR code. Your device will automatically recognize the QR code
4. Click the pop-up window that appears and complete the survey
5. If the QR code does not work, please use the survey link

RecoverLA:

A Los Angeles County Guide to
Substance Use Disorder Prevention
and Treatment Resources



Thank You!

Visit RecoverLA.org on your smart phone or tablet to learn more about SUD services and resources, including a mobile friendly version of the provider directory and an easy way to connect to our Substance Abuse Service Helpline at 1-844-804-7500!