



## Substance Abuse Prevention and Control Program (SAPC)

Staying Solvent and Successful in the New Business Environment of the DMC-ODS Waiver



### Why Are We Talking About This?

- Cost reimbursement contracting is coming to an end.
- DMC will become the primary revenue source supporting treatment services.
- In the early stages of the DMC-ODS Waiver, provider reimbursement will be made on a fee for service basis.
  - Do the work, get the money.



CIBHS 1




## Overview of Today's Webinar


- A discussion of how operational and budgetary parameters in outpatient counseling programs affect service levels and DMC reimbursements.
- A look at a model for forecasting DMC reimbursement based on these parameters.
- But first, a brief explanation of why is this important.



2

## Provider Billing Report – Group Counseling

FY 13-14				Pct of Year Elapsed 42%	
Acme Outpatient Treatment					
Women's Treatment Program Group - DMC					
Year	Month	Amount Billed	Monthly Financial Deficit	Svce Units Billed	Monthly Svce Unit Deficit
	2011 Jul	\$0	-\$3,770	0	-142
	2011 Aug	\$346	-\$3,424	13	-129
	2011 Sep	\$479	-\$3,291	18	-124
	2011 Oct	\$266	-\$3,504	10	-132
	2011 Nov	\$479	-\$3,291	18	-124
Totals		\$1,570	-\$17,280	59	-651
Payment Limit		\$45,237		1,700	
YTD Percent Payments/Units		3%		3%	
Monthly Target (1/12)		\$3,770		142	






### Provider Billing Report – Individual Counseling

FY 13-14				Pct of Year Elapsed 42%	
Acme Outpatient Treatment					
Women's Treatment Program Individual - DMC					
Year	Month	Amount Billed	Monthly Financial Deficit	Svce Units Billed	Monthly Svce Unit Deficit
2011 Jul		\$0	-\$1,994	0	-32
2011 Aug		\$251	-\$1,743	4	-28
2011 Sep		\$63	-\$1,931	1	-31
2011 Oct		\$0	-\$1,994	0	-32
2011 Nov		\$376	-\$1,618	6	-26
Program Total		\$689	-\$9,280	11	-149
Program Payment Limit		\$23,925		382	
YTD Percent Payments/Units		3%		3%	
Monthly Target (1/12)		\$1,994		32	

**CIBHS**



### What to Do?

- In order to make up the deficit (1,523 Group Visits & 651 Individual Visits) over the remainder of the fiscal year –
  - Instead of 142 Group visits per month, staff now had to provide 223 visits (an extra 81 visits per month).
  - Instead of 32 Individual visits per month, staff now had to provide 51 visits (an extra 19 visits per month).
- HOWEVER, counseling staff = 1.0 FTE.

**CIBHS**



## What Happened Next?

- In late January, the Executive Director called the County SUD Program Administrator and told him to come over and pick up the client files. They shut the doors 2 weeks later.
- A provider with capacity to serve 690 treatment clients per year was gone.
- Over 200 active clients had to be transferred.
- And 20+ people lost their jobs

CIBHS



## Definitions

- Staff Hour
  - Time spend providing direct service to patients. Does not include charting, staff meetings, etc.
- Session
  - A therapeutic interaction between staff and patient(s). Duration and number of patients involved are variable.
- Visit
  - A DMC billable unit of service.
- Sessions are what the staff do. Visits are what the patients do.

CIBHS



## What are the Key Parameters?

- Show rate.
- Admissions/caseload size.
- Hours per day spent in billable activities.
- Claim Denials and Disallowances.

CIBHS



## Show Rate

- Macro
  - Is the program on track to seeing the projected number of admits for the contract year?
- Micro
  - Does Joe Smith show up for his appointment next Tuesday?

CIBHS

## Caseload

- Macro
  - What is your overall program capacity?
- Micro
  - How many patients are assigned to each counselor?

## Productivity

- Every direct service staff person has to pay their own freight.
  - *To say nothing of supporting agency administration, support staff, infrastructure, etc.*
- How many staff hours are spent delivering billable services?
  - Per day, per week.
- What are your agency productivity standards?
  - And what do you do when they are not met?

## Denials and Disallowances


- Denials
  - How many can be remediated?
  - How many fatal errors?
  - What is the residual percentage?
  
- Disallowances
  - Based on inadequate documentation in PSPP reviews.
  - 99% under your control.

CIBHS

## Relationship between Admits and Revenue

Anticipated Admissions	1,000
Actual Admissions	800
Contract Budget	\$3,250,000
Actual Reimbursement	\$2,600,000

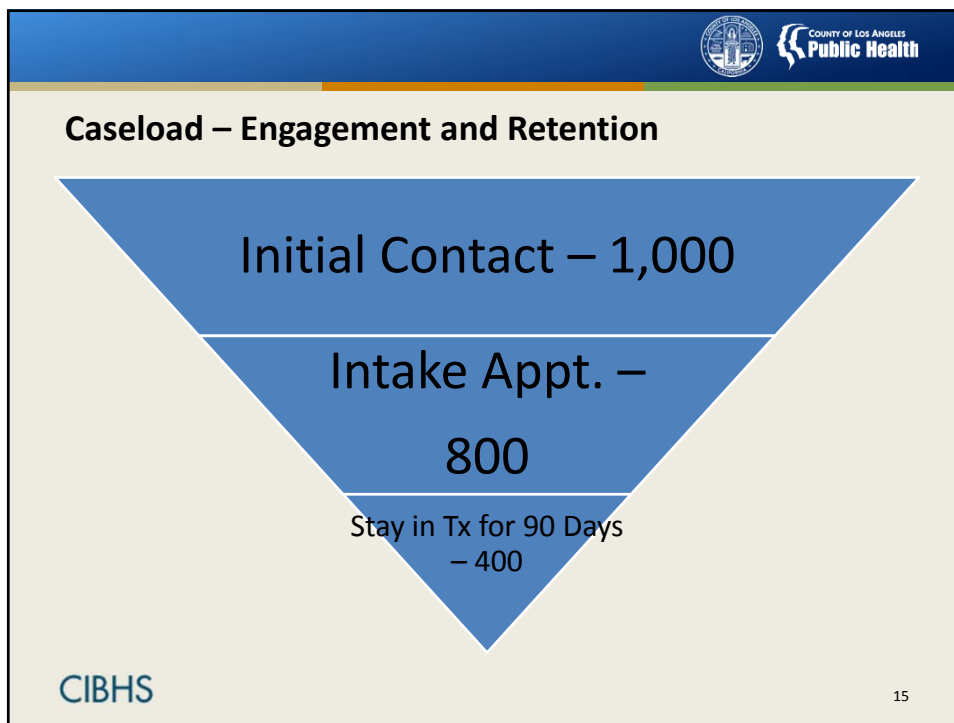
CIBHS



### Impact of Show Rate

		M	T	W	T	F	Total
Scheduled	Group	16	16	16	16	16	80
	Individual	2	2	2	2	2	10
Actual	Group	8	14	20	12	8	62
	Individual	1	2	1	2	0	6

CIBHS 14





## Revenue Forecasting Model

- This based on current DMC benefits, rates, and billable units.
- Even though the rates and benefit restrictions will soon become obsolete, the overall model and methodology will be the same with new benefits, new rates and new staffing.
- [Let's take a look](#)

## Questions?

[vkogler@cibhs.org](mailto:vkogler@cibhs.org)