

Community Mental Health Service Provider (CMSHP) Funding Overview

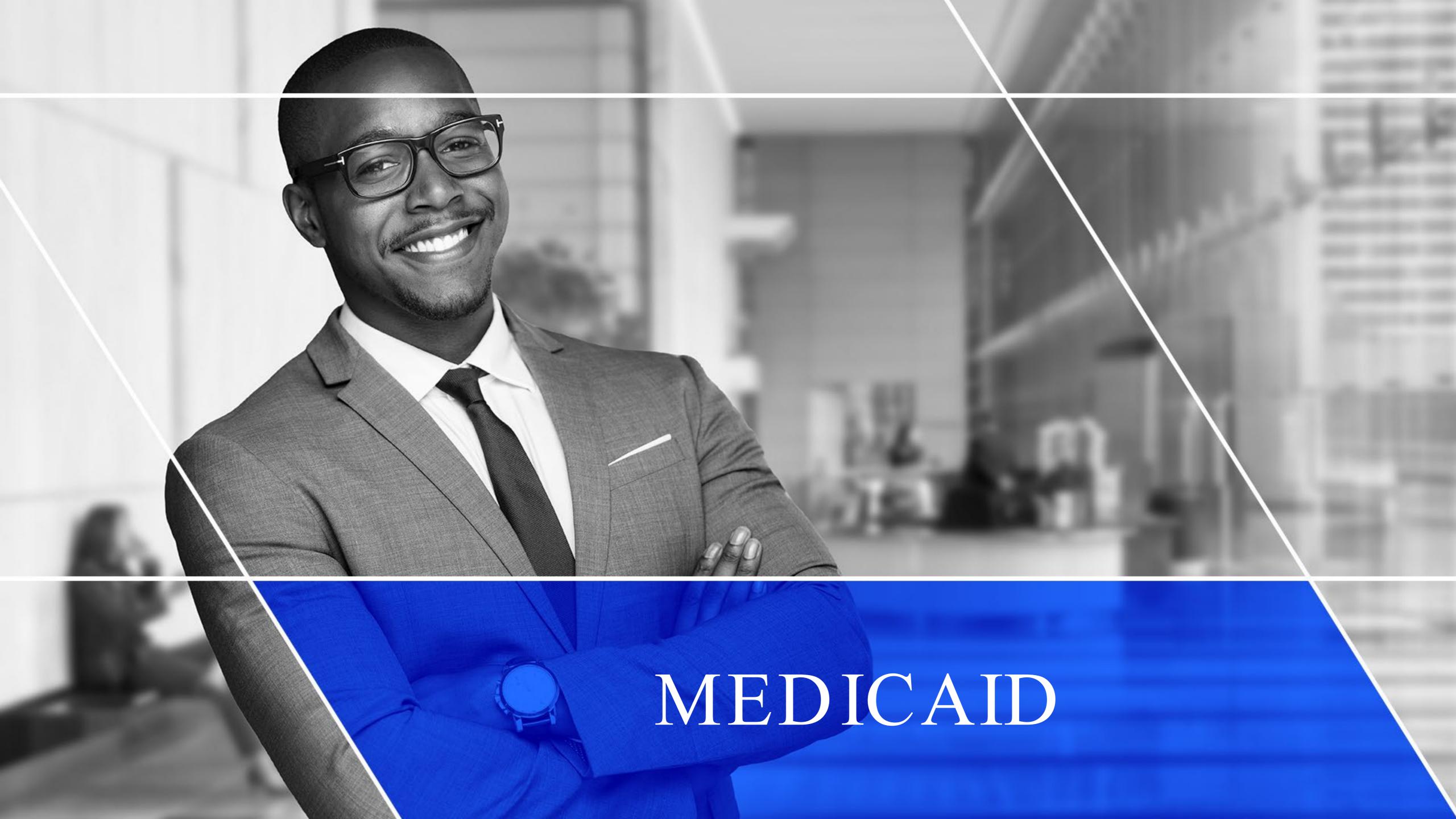
Medicaid

State General Fund

Grants & Earned Contracts

Local Funding





Medicaid Revenue

Passed from Centers for Medicare & Medicaid Services (CMS) through MDHHS and Prepaid Inpatient Health Plan (PIHP) to CMHSP



Medicaid

Healthy Michigan Plan Habilitation Supports Waiver

Children's Waiver

Children with
Serious Emotional
Disturbance Waiver

Capitated funding with risk reserve held at regional level by PIHP

Capitated Funding

- Includes both behavioral health and substance use disorder services
- Calculated based on a per member per month (PMPM)
 - Uses number of individuals enrolled, not number being served
- Rates actuarially determined at least annually based on historical data
 - Individual rates determined based on consumer demographic data
 - Certain categories are paid at a higher rate
 - Rates contain a state-wide factor and a regional factor
- Eligible services outlined in Medicaid Provider Manual

Medicaid State Plan Services

- Individual entitlement for any age group
- Enrollees can qualify in one of two categories:
 - Disabled, aged or blind (DAB)
 - Temporary Assistance for Needy Families (TANF)

Medicaid expansion (Healthy Michigan Plan)

- Individual entitlement for people 19-64
- Provide basic services to population with incomes below 133% of the federal poverty level

Family size	100% FPL	133% FPL
Individuals	\$14,580	\$19,440
Family – 2	19,720	26,293
Family – 3	24,860	33,147
Family – 4	30,000	40,000
Family – 5	34,140	45,520
Family – 6	40,280	53,707
Family – 7	45,420	60,560
Family – 8	50,560	67,413

Habilitation Support Waiver (HSW)

- Individual entitlement
 - All ages with I/DD qualify if a high level of care is required
- Resides outside of an institutional setting
- Eligible services are determined by the Medicaid Manual
 - Out of Home Non-Vocational Rehabilitation
 - Private duty nursing
- Eligibility is limited by number of "slots"

Children's Waiver Program (CWP)

- Individual entitlement
 - Children under 18 with I/DD qualify if a high level of care is required
- Resides with parent or relative guardian
- Eligible services are determined by the Medicaid Manual
 - Wraparound services
 - Homebased therapy services
 - Community living support and respite services

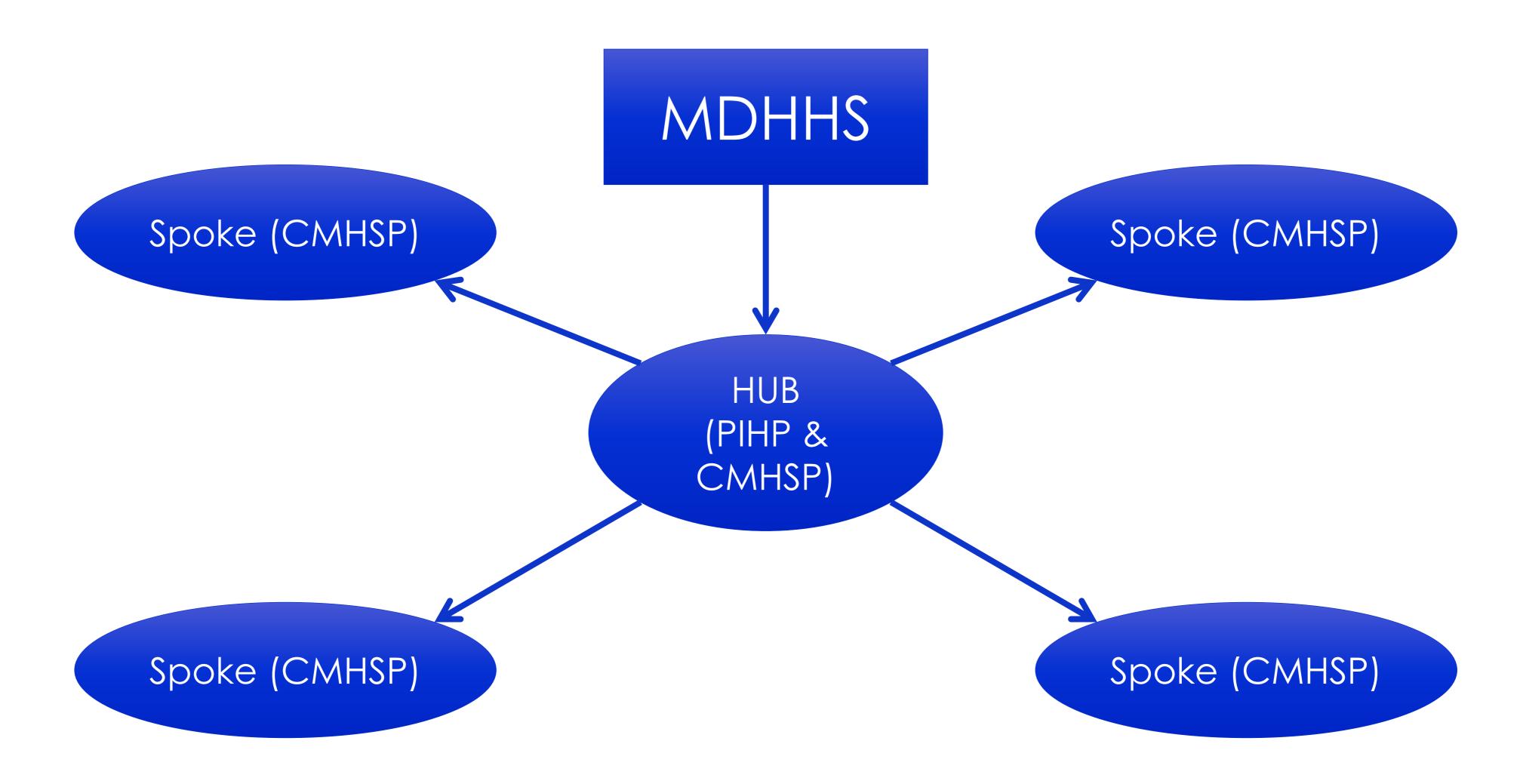
Children with Serious Emotional Disturbance (SED) Waiver

- Individual entitlement
 - Children under 21 with SED diagnosis
- Resides outside of an institutional setting
- Eligible services are determined by the Medicaid Manual
 - Wraparound services
 - Homebased therapy services
 - Community living support and respite services

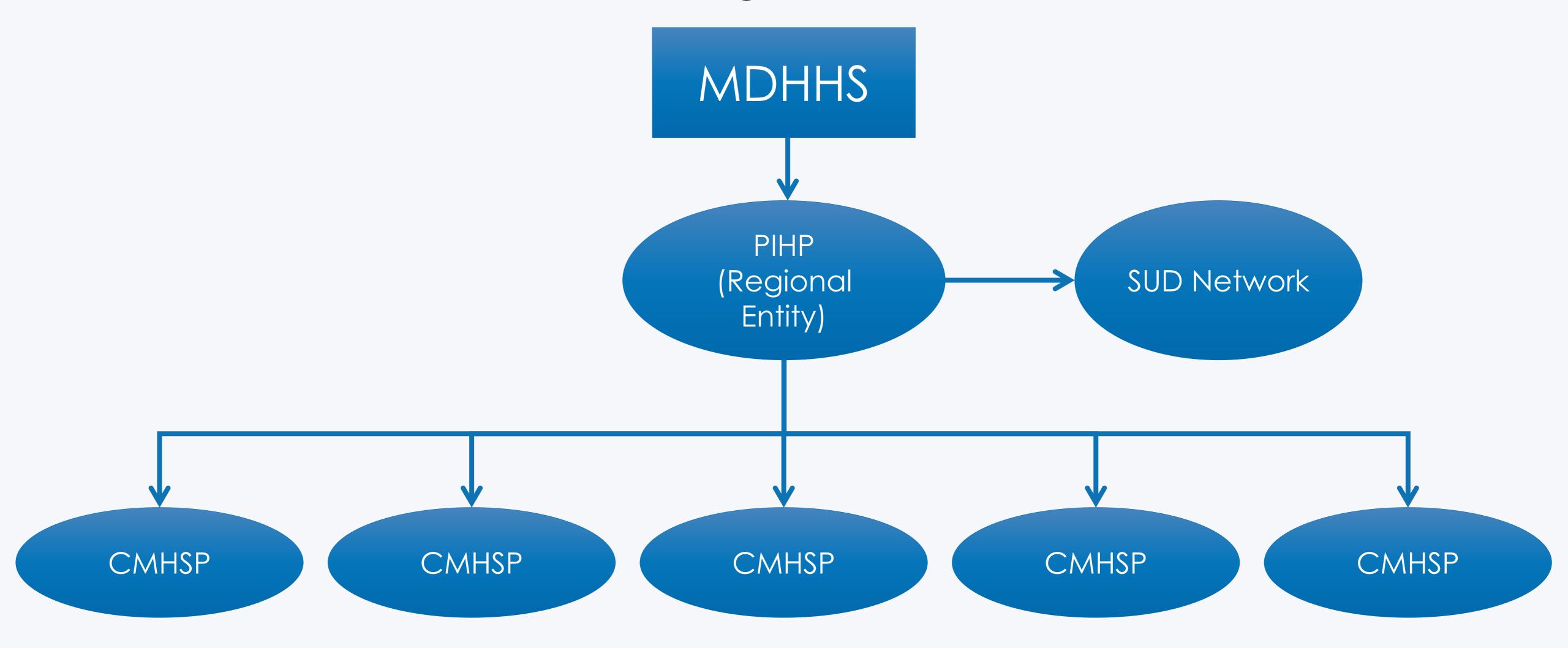
Old Hub Model vs. New Region Model

- Why was the PIHP structure changed?
 - Medicaid/Medicare Dual Eligible
 - MDHHS (then MDCH) was applying for Medicaid/Medicare dual eligible program intending statewide implementation
 - There was concern that the number of PIHPs would deter CMS from approving the program so the application/proposal included a reduction from 18 PIHPs to 10 PIHPs
 - New model separates PIHP responsibilities from CMHSP responsibilities
 - Gives all CMHSPs within the region an equal representation at the PIHP

Old Hub Model



New Region Model



Capitation Cost Settlement and Risk

- CMHSP's compare actual cost with actual disbursements and cost settle with the PIHP
- •PIHP compiles actual costs with total funding:
 - •<5% overspend = Cover with Risk Reserve
 - •5%-10% overspend = MDDHS covers 2.5%, Risk Reserve covers 2.5%
 - •>10% overspend = MDHHS Covers
 - •<5% underspend = PIHP adds to Risk Reserve
 - •>5% underspend = PIHP returns to MDHHS

CCBHC Demonstration

- Federally funded by the Centers for Medicare & Medicaid Service (CMS) through MDHHS who must provide State matching funds
- MDHHS designs the program (CCBHC Handbook) which must be followed by all CCBHCs
- CCBHC must serve program population as defined by the Handbook
- CCBHC may use DCOs to supplement CCBHC direct run capacity
 - CCBHC is legally and financially responsible for DCO services
- Payments are made based on a daily case rate regardless of scope, intensity, or duration of services provided (PPS-1 rate).
- CCBHC is at risk if productivity is insufficient to cover costs.

CCBHC Demonstration – Payment Details

- The total PPS-1 rate is calculated using a CMS CCBHC Cost Report
- The state's actuary determined which portion of the PPS-1 rate was included in the 2022 capitation rates for the severely mentally ill population. This is known as the "base rate". This amount comes out of the monthly capitation payments.
- The difference, know as the "supplemental rate" is paid in addition to the capitation rates to cover the additional cost of CCBHC services to the severely mentally ill population.
- The CCBHC handbook also requires sites to serve the mild to moderate population, which is not funded through the Medicaid monthly capitation payments. Therefore, MDHHS pays the entire PPS-1 rate for daily services to this population.
- Services to individuals without Medicaid are not reimbursed, however grant funding and additional General Fund dollars were made available in 2022.

CCBHC Demonstration – 2022 Daily Visits

Seriously Mentally III Daily Visits
Mild/Moderate Daily Visits
Total Daily Visits

Medicaid	Healthy Michigan	Non Medicaid	Total
66,880	13,668	5,360	85,439
7,136	1,459	52	9,116
74,016	15127	5412	94,555

Base RateSupplemental RatePPS-1 Rate\$ 246.63\$ 199.10\$ 445.73

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CCBHC Demonstration – 2022 Revenue Calculation

	PPS	1 Base Rate	PPS1 Base Rate x		=	Total
Medicaid	\$	246.63	X	66,880	=	\$ 16,494,614
Supplemental	\$	199.10	X	66,880	=	13,315,808
Mild/Moderate Diagnosis	\$	445.73	Χ	7,136	=	3,180,729
Healthy Michigan	\$	246.63	Χ	13,668	=	3,370,939
Supplemental	\$	199.10	X	13,668	=	2,721,299
Mild/Moderate Diagnosis	\$	445.73	X	1,459	=	650,320
				Total		\$ 39,733,709
Total base included in capitatio	า					\$ 19,865,553
Total supplemental for severely	mentall	y ill populatior	ì			16,037,107
Total for mild to moderate popu	ulation					 3,831,049
				Total		\$ 39,733,709

CCBHC Demonstration – 2022 Settlement Calculation

		Medicaid MH/IDD	HMP MH		CCBHC Medicaid	CCBHC Healthy Michigan	CBHC Non- Medicaid
Capitation Payments	\$	76,458,042 \$	11,810,742	\$	_	\$ _	\$ -
Less: CCBHC Base Payment		(16,494,614)	(3,370,939)		-	-	-
Add: CCBHC Base Payment					16,494,614	3,370,939	-
Supplemental CCBHC Payment		-	-		16,123,579	3,347,377	-
ARPA Non Medicaid CCBHC Revenue			-				190,772
Total revenue	\$	59,963,428 \$	8,439,803	\$	32,618,193	\$ 6,718,316	\$ 190,772
External provider cost	\$	54,656,612 \$	3,348,145	\$	_	\$ _	\$ -
Internal program cost		1,463,978	98,843		16,285,617	3,705,614	916,520
SSI Reimb, 1st/3rd Party Cost Offset		(22,790)	(403)		(372,958)	(24,242)	(96,296)
Mgd care administration		4,033,080	410,719		-	-	-
Total expense, net 3rd party collections	\$	60,130,880 \$	3,857,304	\$	15,912,659	\$ 3,681,372	\$ 820,224
Total SWMBH settlement (amounts returned)	\$	(167,452) \$	4,582,499	=			
	Tot	al Increase in Net	t Position	\$	16,705,534	\$ 3,036,944	\$ (629,452)

CCBHC Demonstration – Demonstration Year 2 (2023)

Draft PPS-1 Rate

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Base Rate	Supplemental Rate		PPS-1 Rate
\$ 229.83	\$	37.63	\$ 267.46

Daily Visits accrued through March 31, 2023

Seriously Mentally III Daily Visits
Mild/Moderate Daily Visits
Total Daily Visits

	Medicaid	Healthy Michigan	Non Medicaid	Total
5	34,222	6,783	2,807	85,439
_	2,006	1,369	643	9,116
	36,228	8,152	3,450	47,830

CCBHC Demonstration – 2023 Mid-Year Revenue Calculation

	PPS1	Base Rate	X	Daily Visits	=	Total
Medicaid	\$	229.83	X	34,222	=	\$ 7,865,242
Supplemental	\$	37.63	X	34,222	=	1,287,774
Mild/Moderate Diagnosis	\$	267.46	X	2,006	=	536,525
Healthy Michigan	\$	229.83	X	6,783	=	1,558,937
Supplemental	\$	37.63	X	6,783	=	255,244
Mild/Moderate Diagnosis	\$	267.46	X	1,369	=	 366,153
				Total		\$ 11,869,875
Total base included in capitation	on					\$ 9,424,179
Total supplemental for severel	ly mentall	y ill population				1,543,018
Total for mild to moderate pop	ulation					 902,678
				Total		\$ 11,869,875

CCBHC Demonstration - 2023 MidYear Results

		Medicaid MH/IDD		HMP MH		CCBHC Medicaid		CCBHC Healthy Michigan		CBHC Non- edicaid
'	\$, ,	\$	5,406,750	-	-	\$	-	\$	-
Less: CCBHC Base Payment		(7,865,242)		(1,558,937)		-		4 550 027		-
Add: CCBHC Base Payment					•	7,865,242		1,558,937		-
Supplemental CCBHC Payment		-		-		1,186,615		621,397		-
ARPA Non Medicaid CCBHC Revenue		_								
Total revenue	\$	23,783,197	\$	3,847,813	\$	9,051,857	\$	2,180,334	\$	-
External provider cost	\$	24,281,911	\$	1,486,996	\$	- 1 711 01 <i>1</i>	\$	-	\$	- 1 <i>CC</i> 710
Internal program cost		1,507,880		145,340		1,711,814		377,609		166,710
SSI Reimb, 1st/3rd Party Cost Offset		(119,734)		- 00 120		5,711,288		1,259,852		556,209
Mgd care administration		1,518,936		96,139				- 4 627 460	٠ ,	722.040
Total expense, net 3rd party collections	<u> </u>	27,188,993	<u>\$</u>	1,728,476	<u></u> \$	7,423,103	Ş	1,637,460	\$	722,919
Total SWMBH settlement (amounts returned)	\$	(3,405,796)	\$	2,119,337	=					
	Tot	al Increase in I	Net	Position	\$	1,628,754	\$	542,874	\$ (722,919)



State General Fund Revenue

- Established through contract with Michigan Department of Health & Human Services (MDHHS)
- Flat monthly payment directly from MDHHS
- Funding based on appropriation by the State
 - Allocation based on formula developed by MDHHS
 - Currently in year 5 of 5 of a redistribution to new model
- •CMHSPs are contractually required to provide a 10% match using local funds

General Fund Expenses

- Provide a safety net to uninsured and underinsured population
 - Including consumers with a Medicaid deductible or spend down
- Prevention type activities
 - Jail Services
 - Michigan Rehabilitative Services for Employment
- Services provided not in accordance with primary payor rules
- Consumer room and board expenses
- MDHHS benefit specialist contract
- Unfunded grant match and administrative costs

State Geneal Fund Risk

- CMHSPs are <u>not</u> required to provide services beyond their allocation
 - As the safety net organization, this is often not the case
 - May result in a reduction of services or creation of a waitlist for uninsured or underinsured consumers
- Unspent funds up to 5% of annual award can be carried forward
- Unspent funds over the 5% must be returned to the State
- CMHSPs are 100% at risk for any overspend or non-compliance



Grants & Earned Contracts Examples

Direct federal awards Behav

Certified Community
Behavioral Health Clinic
(CCBHC)

State awards

Omnibus Budget Reconciliation Act (OBRA)

Housing grants

Emergency Solutions Grant (ESG)

PIHP (CMHPSM) grants

SUD Treatment, State Opioid Response,

Local grants

County ARPA and Opioid Settlement Funds

Grants & Earned Contracts

- •Must receive a Single Audit on compliance over federal awards when total federal expenditures exceeds \$750,000
- Many grants do not allow for overhead or indirect costs
 - •These are then covered by General Fund or Local dollars
- •CMHSPs are 100% at risk for any overspend or non-compliance

ISK Federal Grants in 2022

U.S. Department of Health and Human Services	
Total Medicaid Cluster	\$ 274,140
Total Comprehensive Community Mental Health	
Services for Children with Serious Emotional Disturbances	928,873
Projects for Assistance in Transition from Homelessness	213,606
Mental Health Research Grants	25,859
COVID-19 Emergency Grants to Address Mental and Substance Use	
Disorders During COVID-19	359,282
Total Substance Abuse and Mental Health Services Projects	
of Regional and National Significance	2,240,795
Total Opioid STR	265,053
Total Section 223 Demonstration Programs to Improve	
Community Mental Health Services	1,275,049
Total Block Grants for Community Mental Health Services	925,378
Total Block Grants for the Prevention and Treatment of	
Substance Abuse	28,821
Total U.S. Department of Health and Human Services	\$ 6,536,856
U.S. Department of Housing and Urban Development	
Total Emergency Solutions Grant Program	\$ 638,279
Total Continuum of Care Program	921,689
U.S. Department of Housing and Urban Development	\$ 1,559,968
U.S. Department of Treasury	\$ 10,352,545
U.S. Department of Justice	\$ 46,730
Total Federal Grant Funding in 2022	\$ 18,496,099



Local Revenue Sources

- County Appropriations
 - Same amount each year
- •Insurance billings that meet the criteria of Public Act 423
- Interest revenue
- Donations and contributions
- Certain grant or earned contracts

Local Expenses

- Match of 10% for General Fund services
- Local match for State Provider Services (State Hospitals)
- Local contribution to State for Medicaid
 Match
 - Fiscal year 2024 is expected to be the final year required
- Local only expenses, with minimal restrictions
- Cover overspends in other programs

Local Risk/Limitations

- CMHSPs are 100% at risk for local expenses
- CMHSPs are able to retain any unspent funds as Net Position
- CMHSPs must follow the Michigan Department of Treasury policy on unallowable expenses for local governments, which include:
 - Donations/Contributions Recognition events or
 - Public Celebrations or gifts
 Events*
 Employee gifts
 - Providing Coffee/ food/
 Retiree gifts
 etc.*

* May be allowable under very special/limited circumstances

