

**Provisions for Separate Risk Share/Gain Share Claiming for Specified Behavioral
Healthcare Expenditures for the Treatment of Enrollees in an Integrated Health
Home (IHH)**

For

RItE Care, Rhody Health Partners, Medicaid Expansion

Effective December 1, 2016 – June 30, 2018

Executive Office of Health and Human Services
State of Rhode Island

May 31, 2016

1. Definitions

- (a) **ACT:** ACT means Assertive Community Treatment.
- (b) **IHH:** IHH means Integrated Health Home.
- (c) **Integrated Health Home (IHH) Revenue:** The medical portion of all capitation payments include a Product-specific allocation of revenues intended to finance certain services provided by the Community Mental Health Centers (CMHC) for Enrollees in an Integrated Health Home.
- (d) **Integrated Health Home (IHH) Expenses:** The allowable IHH Expenses include any specified behavioral health related expenses paid by the Contractor that were incurred by a member for whom the Contractor in that month had made an IHH payment (i.e. CPT Code H0037 or H0040) to one of a specified Community Mental Health Centers.
- (e) **CMHC:** CMHC means Community Mental Health Center

2. Overview

Beginning on January 1, 2016 Rhode Island's Executive Office of Health and Human Services (EOHHS) implemented a new assessment tool for determining whether a member eligible for Medicaid should be appropriately enrolled in an Integrated Health Home (IHH) or Assertive Community Treatment. Further, EOHHS has replaced the previously used procedural codes for certain behavioral healthcare services with different CPT codes and established new payment rates to be paid on behalf of those members enrolled in an IHH.

In moving these services into the managed care contract, the medical component of the rate includes financing that is equivalent to the estimated cost of these services historically paid on a fee-for-service basis. It is anticipated that the impact of any changes in assessment and procedures will be budget neutral from the perspective of these IHH-related behavioral healthcare expenditures.

However, EOHHS recognizes that the change to the assessment tool and procedural codes as well as defined payment rates could have a financial impact on the Contractor that is incongruent with what was included in the medical component of the premium.

In order to provide additional financial security beyond the 1.5% risk margin included in the medical component of the rate to the Contractor, EOHHS is implementing a separate risk share arrangement for specified IHH-related behavioral healthcare expenses incurred by Enrollees in an Integrated Health Home. This separate risk share arrangement will remain in effect through June 30, 2018.

For purposes of calculating their general risk share/gain share, the Contractor shall reduce their medical component of the premium and allowed medical expenditures by the IHH-related baseline revenues and expenditures defined in this *Provision*. **Table 3** specifies the different IHH-related baseline revenue amounts for each product and for each of the separate rating periods between July 1, 2016 and June 30, 2018.

Any Product-specific Gain Share does not preclude a separate Risk Share payment to the Contractor for the specified expenditures described in this *Provision*. Relatedly, as this separate risk share arrangement is symmetrical, any Product-specific Risk Share does not preclude a Gain Share recoupment against the Contractor for the specified expenditures described in this *Provision*.

3. Risk Share/Gain Share Methodology

Risk share/gain share is based on the Contract Period and is based on the cumulative Integrated Health Home (IHH) experience for all Premium Rating Groups across Rhody Health Partners, Rhody Health Options (for Neighborhood Health of RI), Medicaid Expansion, and for the Substitute Care, SSI 15+ and Adoption Subsidy Premium Rating Group within the Children with Special Health Care Needs Premium Rating Group and for Males 15-44 years old, Females 15-44 years old, and All 45+ within RIt Care.

With respect to the separate IHH risk share arrangement, the actual cumulative IHH Expenses for the Contract Period and in aggregate for all premium rating groups within a product line for the Contract Year will be reported to EOHHS each month based on specified claims paid during those months in the Contract Period when the Enrollee was in a IHH/ACT.

Risk share/gain share is calculated as Baseline IHH Revenue minus actual cumulative IHH Expenses.

An example of how to calculate the IHH Risk Share Basis is demonstrated in **Table 1**.

Table 1. Calculation Example: Determination of Integrated Health Home (IHH) Risk Share Basis

Step 1. Calculation of Unadjusted Integrated Health Home Revenue				
Total Member Months	Times	IHH Revenue included in Medical Component of Premium (PMPM)	Equals	Baseline IHH Revenue
1,000	×	\$5	=	\$5,000
Step 2. Calculation of Integrated Health Home Medical Expenses				
ACT/IHH Payments	Plus	Other Specified Behavioral Healthcare Services for Enrollee in Month when an IHH/ACT Payment Was Made	Equals	Allowable IHH Expenses
\$5,000	+	\$500	=	\$5,500

Step 3. Calculation of Gain/Risk Share Basis				
Baseline IHH Revenue	Minus	Allowable IHH Expenses	Equals	Gain/(Risk) Share Basis
\$5,000	-	\$5,500	=	\$(500)

The Gain/(Risk) share corridors to be applied to the Gain/Risk Share basis are as follows in **Table 2**:

Table 2. (Risk)/Gain Share Corridors for Integrated Health Home (IHH) Risk Arrangement

Risk Sharing Provisions	Plan Share of Expenses	EOHHS Share of Expenses
Risk Share when IHH expenses exceed 100% of Baseline IHH Revenue	0%	100%
Gain Sharing Provisions	Plan Share of Coinsurance	EOHHS Share of Coinsurance
Gain Share when IHH expenses are less than 100% of Baseline IHH	0%	100%

(a) Calculating the Baseline of Integrated Health Home Revenues

The medical component of the Product-specific premiums in *Attachment J* include revenues that are equivalent to the estimated full cost of the Contractors' anticipated expenses for these specific behavioral healthcare services provided to Members enrolled in an Integrated Health Home at specified CMHCs. These revenues are based on historically paid fee-for-service costs trended forward to the contract periods. The values shown in Table 3 represent the Baseline IHH Revenue PMPMs.

For each Product, the Contractor shall calculate the Baseline IHH Revenues by multiplying the total number member months for which the IHH Revenue was paid to the Contractor by the IHH Revenue included in the medical component of the premium.

Table 3 summarizes the PMPM IHH Revenue included in each Product. The PMPM IHH Revenue included in Rhody Health Options shall be included in a copy of this *Provision* that accompanies the Rhody Health Options databook(s)

Table 3. Integrated Health Home Revenue included in Medical Component of Premium, by Product

Product		IHH Revenue included in Medical Portion of the Rate, PMPM Contract Period #1 Dec 1, 2016 – Jun 30, 2017	IHH Revenue included in Medical Portion of the Rate, PMPM Contract Period #2 Jul 1, 2017 – Jun 30, 2018
RIte Care	Male 15-44 y.o.	\$2.11	\$2.10
	Female 14-44 y.o.	\$2.11	\$2.10
	All 45+ y.o.	\$2.11	\$2.10
Substitute Care		\$1.38	\$1.40
SSI 15+		\$9.01	\$9.14
Adoption Subsidy		\$9.01	\$9.14
Rhody Health Partners		\$92.33	\$93.65
Medicaid Expansion		\$8.64	\$8.86

(b) Calculating Integrated Health Home Expenses

The Allowable IHH Expenses for members in an Integrated Health Home include any medical expenses paid by the Contractor for the procedures listed in **Table 4** below that were incurred by a member for whom the Contractor in that month had made an IHH payment (i.e. CPT Code H0037 or H0040) to one of the Community Mental Health Centers specified in **Table 5**.

For example, if John Smith is in an IHH in January but then no longer meets the level of need for enrollment in IHH in February but still incurs behavioral healthcare-related expenses at the CMHC, only his specified expenditures in January would be considered allowable IHH Expenses.

A CMHC is prohibited from billing for additional services for any member for whom the contractor paid an ACT payment (i.e. H0040). As such, with respect to any member receiving the ACT payment, no payments to the CMHC other than the ACT payment made by the Contractor for that member will be recognized as an allowable IHH-Related Medical Expense during the month in which an ACT payment was made to the CMHC.

Table 4. Maximum Allowable Medical Expenses for CMHC Risk Share¹

HCPC/CPT Code	Service Name	Base Rate
H0037	Integrated Health Home (IHH), month	\$420.22
H0040	Assertive Community Treatment (ACT) High Acuity + IHH, month	\$1,267.00
H2024	Supported Employment, per diem	\$85.00
90791	Initial Evaluation	\$155.00
90792	Initial Evaluation with Medical	\$294.35
90833	+30 Minutes Therapy (MD/PCNS)	\$42.00
90838	+60 Minutes Therapy (MD/PCNS)	\$100.00
90832	30 Minutes Therapy	\$70.00
90834	45 Minutes Therapy	\$96.00
90837	60 Minutes Therapy	\$100.00
90839	Crisis 60 Minutes (ER Evaluation Only)	\$150.00
90846	Family Therapy without PT (45 minutes)	\$90.00
90847	Family Therapy (45 minutes)	\$96.00
90853	Group Therapy (45 minutes)	\$48.00
99211	Registered Nurse Visit, per 15 minutes	\$22.50
99212	Established Patient (10 minutes)	\$56.00
99213	Established Patient (15 minutes)	\$78.00
99214	Established Patient (25 minutes)	\$118.00
99215	Established Patient (40 minutes)	\$148.00

Note:

1. Maximum Allowable Medical Expense reflects Base Rate. Rates will vary based on credentials of provider. It is anticipated that for the period through June 30, 2018, rates are to be set by EOHHS/BHDDH. Rates subject to change.

Table 5. Rhode Island Community Mental Health Centers

NPI	Facility
1437191061	Community Care Alliance
1669428348	East Bay Center, Inc.
1245239680	Fellowship Health Resources, Inc.
1821078932	Gateway Healthcare, Inc.
1386671535	The Kent Center for Human & Organizational Development
1093713174	Newport County Community Mental Health Center, Inc.
1104847946	The Providence Center
1366501603	Riverwood Mental Health Services

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Appendix 1. Calculation of IHH-Related Revenue (PMPM) Included in Rates, based on Provider Type 060 (i.e. CMHC) Fee-for-Service Activity Included in Base Period
Table 3. OTP Health Home Activity Among Rating Population

Product	Impacted Pay Levels [1]	Base Enrollment	Base PMPM [2]	Adjusted PMPM [3]	Trend Applied [4]	Extension PMPM	Reprocurement	
							Period 1	Period 2
Rate Care	M15-44,F15-44,MF45+	61,809	\$ 2.18	\$ 2.13	-0.47%	\$ 2.11	\$ 2.11	\$ 2.10
CSHCN	AdoptSubsidy, SSI 15-20	3,344	\$ 8.90	\$ 8.69	1.70%	\$ 8.94	\$ 9.01	\$ 9.14
Substitute Care	All	2,168	\$ 1.36	\$ 1.33	1.70%	\$ 1.37	\$ 1.38	\$ 1.40
RHP	All	13,829	\$ 90.95	\$ 88.77	1.80%	\$ 91.51	\$ 92.33	\$ 93.65
Expansion	All	54,873	\$ 8.45	\$ 8.25	2.10%	\$ 8.55	\$ 8.64	\$ 8.78
Rating Period:		Base		Rate Extension		Reprocurement		Reprocurement
Midpoint:		7/1/14-6/30/15		7/1/16-11/30/16		12/1/16-6/30/17		7/1/17-6/30/18
Months of Trend (Midpoint-to-Midpoint):		1/1/2015		9/15/2016		3/15/2017		1/1/2018
				20.47		26.47		36.00

Notes:

1. Only pay levels with adults aged 18+ are impacted by movement of IHH-related services into managed care. No revenue included in Katie Beckett, but IHH remains a covered benefit and any IHH-related expenditures should be included in Separate IHH-related Risk/(Gain) Share calculation.
2. Base PMPM calculated per same methodology used for base medical PMPM.
3. PMPM adjusted to reflect FFS experience of IHH enrollees only. Analysis of FFS claims showed that 97.6% of expenditures for specified provider type (i.e. CMHC) was incurred by recipients concurrently in a health home.
4. Product-specific professional trend as calculated from rating methodology and as applied to base medical PMPM is used to trend IHH-related expenditures.