



DDSN Executive Memo

**TO: EXECUTIVE DIRECTORS, DSN BOARDS
CEOS, CONTRACTED SERVICE PROVIDERS**

FROM: ASSOCIATE STATE DIRECTOR, SUSAN KREH BECK, ED.S., LPES, NCSP *SKB*

DATE: AUGUST 9, 2019

RE: Market Rate Case Management Issue – July 2019 Billing Report

The July 2019 Billing Efficiency Report average provider market rate revenue was 77.2% of the previously used monthly capitated band payment. Below is a history of the average provider market rate revenue estimate compared to the monthly capitated band payment since the beginning of tracking this issue.

Month	Average Provider Market Rate Revenue	Estimated Revenue/Consumer	Estimated Revenue Reduction/Consumer
July 2019	77.2%	\$107	\$32
June 2019	60.4%	\$84	\$55
May 2019	69.2%	\$96	\$43
April 2019	63.8%	\$89	\$50
March 2019	60.0%	\$83	\$56
February 2019	50.4%	\$70	\$69
January 2019	51.5%	\$72	\$67
December	38.4%	\$53	\$86
November	42.4%	\$59	\$80
October	52.1%	\$72	\$67
September	45.4%	\$63	\$76
August	52.8%	\$73	\$66
July	47.6%	\$66	\$73
June	43.1%	\$60	\$79
May	39.9%	\$55	\$84
April*	--	--	--
March (Month Prior to Change)	31.5%	\$44	\$95

*Month of Change (not measured)

As you can see the average revenue per consumer has grown from \$55 in May of 2018 to \$107 this past month. This same WCM effort also translated into increasing providers' MTCM revenue stream. Since the start of this market rate issue in April 2018, MTCM increased from \$54,000 to \$149,000 in July 2019; a \$95,000/month (175%) increase. This MTCM \$95,000/month increase essentially adds another 5.7% increase to our normal monthly band revenue comparison metric of 77.2% to increase it to 82.9%.

Additionally, of the consumers enrolled in the waiver on July 31, 2019, 479 of them did not have a reportable note submitted during the Month of July despite the WCM requirement to do so. This represents 4% of the waiver consumers in the system. This is a lost opportunity to serve and connect with individuals; potential revenue being dropped; and a compliance issue since monthly contact in WCM is required.

Update on New Fee-for-Service (FFS) Invoices

The new WCM and MTCM invoices identify billing units as paid, Medicaid ineligible, and not paid. A review of the July 2019 invoices for Medicaid ineligible and not paid are reflected in the below chart:

Description	WCM	MTCM
% of units paid but Medicaid Ineligible	0.14%	2.47%
% of units not paid due to wrong template	0.48%	6.43%
% of units not paid - other	0.83%	0.08%

As previously set forth in an Executive Memo dated July 26, 2019, DDSN will pay Medicaid ineligible billings and will assist providers in resolving. Additionally, DDSN will take complete responsibility for analyzing and contacting providers to resolve the Medicaid ineligibles in this first July FFS invoice batch. The WCM 0.14% Medicaid ineligibles was just an outstanding low percent. The MTCM 2.47% Medicaid ineligibles appears very reasonable and likely to be expected monthly, which should not be a significant challenge to track and resolve.

The percent of not paid billings due to wrong template were 0.48% and 6.43% for WCM and MTCM, respectively. Given this new procedure in Therap, these inadvertent errors were to be expected and should sharply reduce with experience. These template billing unit notes will need to be corrected and resubmitted, which will be paid in the August invoice. The vast majority of the WCM "other" not paid units pertained to notes prior to July 1, 2019, because WCM providers had already been paid for these services with prior prospective payments. The 0.08% MTCM not paid units were predominately for notes outside of the prior approved date range.

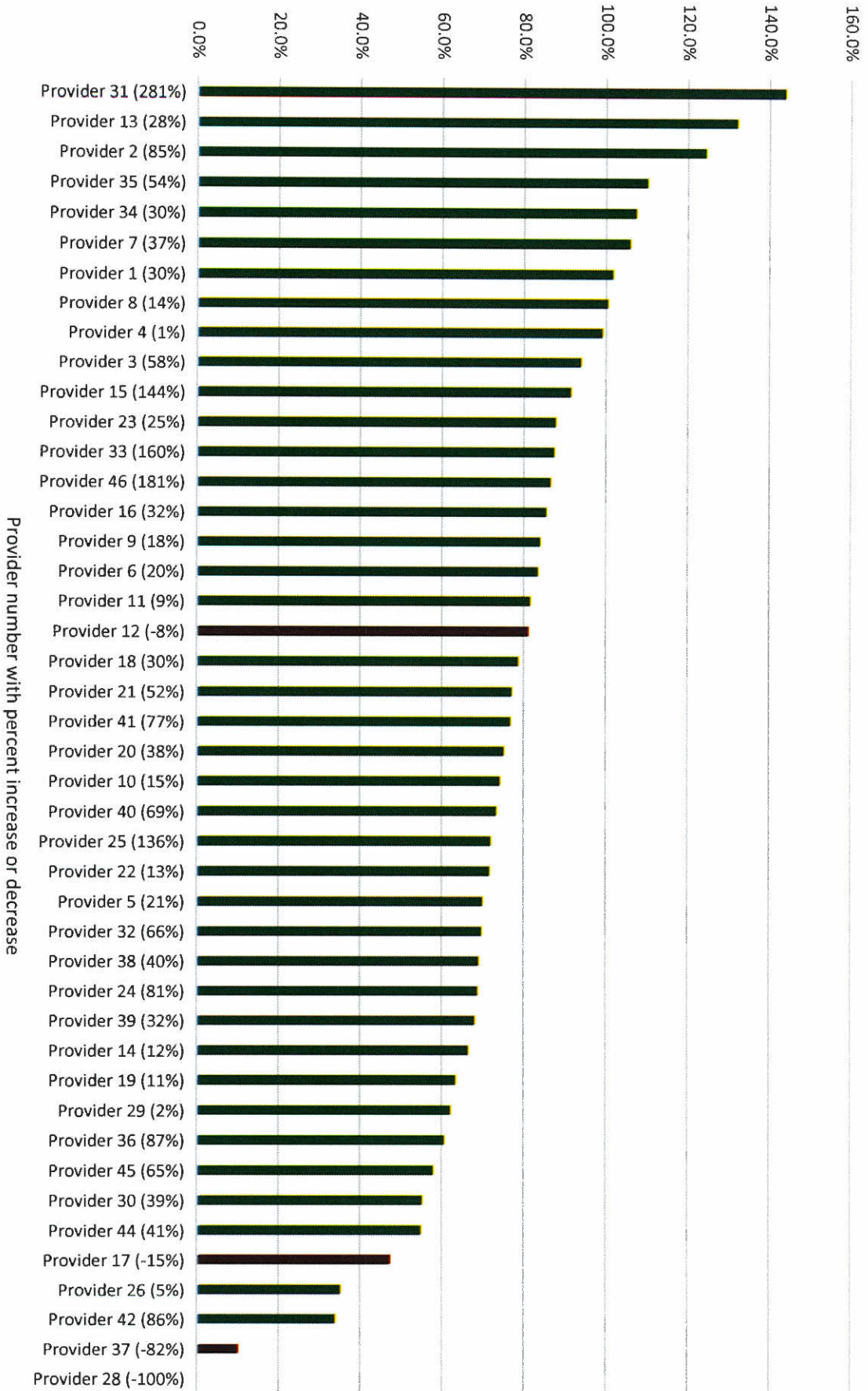
DDSN truly thanks the provider network for their extraordinary efforts and patience over the past year moving from a prospective payment model to a market rate FFS model. DDSN will continue to closely monitor the impact of market rate FFS and make any adjustments needed to maintain a healthy Case Management provider network.

If you have questions, please contact Ben Orner at borner@ddsn.sc.gov or (803) 898-3520 or Lori Manos at lmanos@ddsn.sc.gov or (803) 898-9715.

Sensitivity Analysis of Case Management Market Rate Risk (8/8/2019)			
Provider Name	Market Rate (25/15) Rev. Compared to band Payment for July 2019	July Provider Size (by consumer count)	25% Quartiles
Provider 31	143.7%	Very Small	Top Quartile 86.3%- 143.7%
Provider 47	141.1%	Very Small	
Provider 13	131.9%	Very Small	
Provider 2	124.2%	Very Small	
Provider 35	109.9%	Very Small	
Provider 34	107.1%	Very Small	
Provider 7	105.6%	Very Small	
Provider 1	101.4%	Large	
Provider 8	100.2%	Small	
Provider 4	98.9%	Medium	
Provider 3	93.7%	Medium	
Provider 15	91.2%	Very Small	
Provider 23	87.5%	Small	
Provider 33	87.2%	Very Small	
Provider 46	86.3%	Very Small	
Provider 16	85.3%	Large	Upper Middle Quartile 75.0%- 85.3%
Provider 9	83.8%	Very Small	
Provider 6	83.2%	Medium	
Provider 11	81.4%	Small	
Provider 12	80.9%	Small	
Provider 18	78.5%	Medium	
Provider 21	76.9%	Small	
Provider 41	76.6%	Medium	
Provider 20	75.0%	Medium	Lower Middle Quartile 69.8%- 74.0%
Provider 10	74.0%	Large	
Provider 40	73.1%	Small	
Provider 25	71.8%	Very Small	
Provider 22	71.5%	Large	
Provider 5	69.8%	Medium	Bottom Quartile 9.8%- 69.5%
Provider 32	69.5%	Small	
Provider 38	68.8%	Small	
Provider 24	68.6%	Medium	
Provider 39	67.8%	Very Small	
Provider 14	66.2%	Small	
Provider 19	63.2%	Large	
Provider 29	61.9%	Small	
Provider 36	60.4%	Very Small	
Provider 45	57.7%	Very Small	
Provider 30	54.9%	Very Small	
Provider 44	54.7%	Very Small	
Provider 17	47.1%	Small	
Provider 26	35.0%	Very Small	
Provider 42	33.6%	Small	
Provider 37	9.8%	Very Small	
Provider 28	0.0%	Very Small	
Total		-	100%

Size	Number
Large	500+
Medium	300-499
Small	150-299
Very Small	0-149

Percent of Current Band Payments if Waiver Billed at \$25/\$15
July 2019



Analysis of High and Low Billing Rates from June 2018 to July 2019

