

# REPORT OF THE COALITION STRESS TEST ON THE SOMH PROPOSED CLINIC RESTRUCTURING INITIATIVE

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OF BEHAVIORAL  
HEALTH  
AGENCIES, INC.

Funding provided in part by the  
*Robert Sterling Clark Foundation*

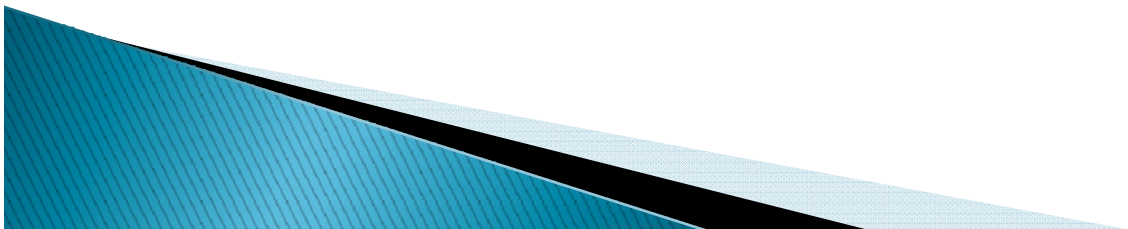
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# THE 22 PARTICIPANTS

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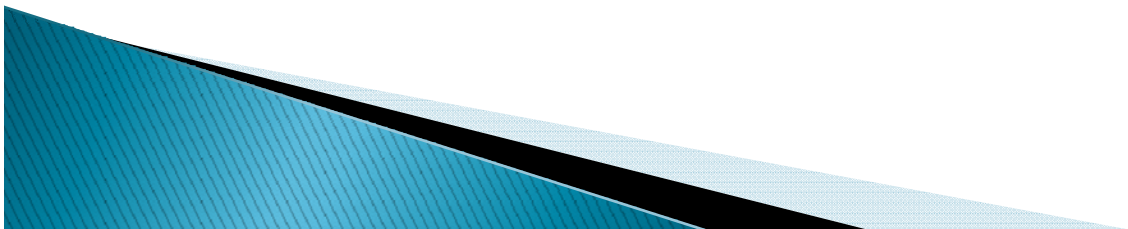
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- ▶ Andrus Children's Center
- ▶ Astor Services for Children and Families
- ▶ Catholic Charities, Diocese of Rockville Centre
- ▶ Catholic Charities Neighborhood Services
- ▶ F.E.G.S.
- ▶ Family and Children's Association
- ▶ Fordham–Tremont CMHC
- ▶ Hudson Guild
- ▶ Institute for Community Living, Inc.
- ▶ International Center for the Disabled
- ▶ Jewish Association for Services for the Aged
- ▶ Jewish Board of Family and Children's Services, Inc.
- ▶ Jewish Child Care Association
- ▶ North Shore Child and Family Guidance Center
- ▶ Northside Center for Child Development, Inc.
- ▶ Pederson–Krag Center
- ▶ Puerto Rican Family Institute, Inc.
- ▶ Service Program for Older People (SPOP)
- ▶ Steinway Child & Family Services, Inc.
- ▶ The Child Center of New York
- ▶ Upper Manhattan Mental Health Center, Inc.
- ▶ Westchester Jewish Community Services



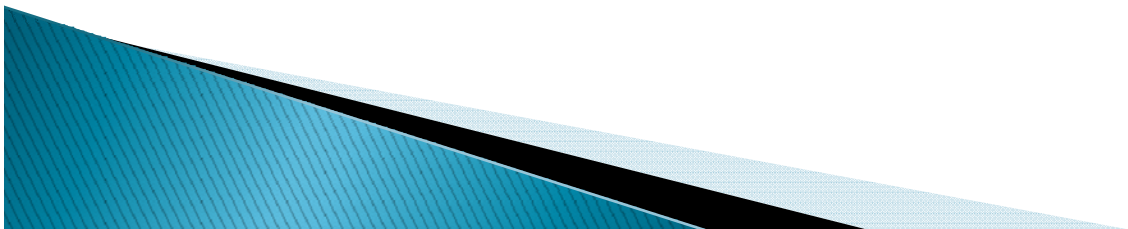
# THE SAMPLE

- ▶ This report considers only 20 of the 22 participants, those with Article 31 clinics.
- ▶ Collectively, the 20 agencies operate 73 clinics in New York City, Westchester, Nassau and Suffolk Counties
- ▶ Each completed the SOMH Projection Tool and their results were aggregated.



# PROPOSED MEDICAID MANAGED CARE SUPPLEMENT

The totals in this presentation do not include any adjustments to Medicaid Managed Care payments but there is content in the presentation on the possible effects of the Medicaid Managed Care Supplement.



# INSTRUCTIONS TO THE SAMPLE

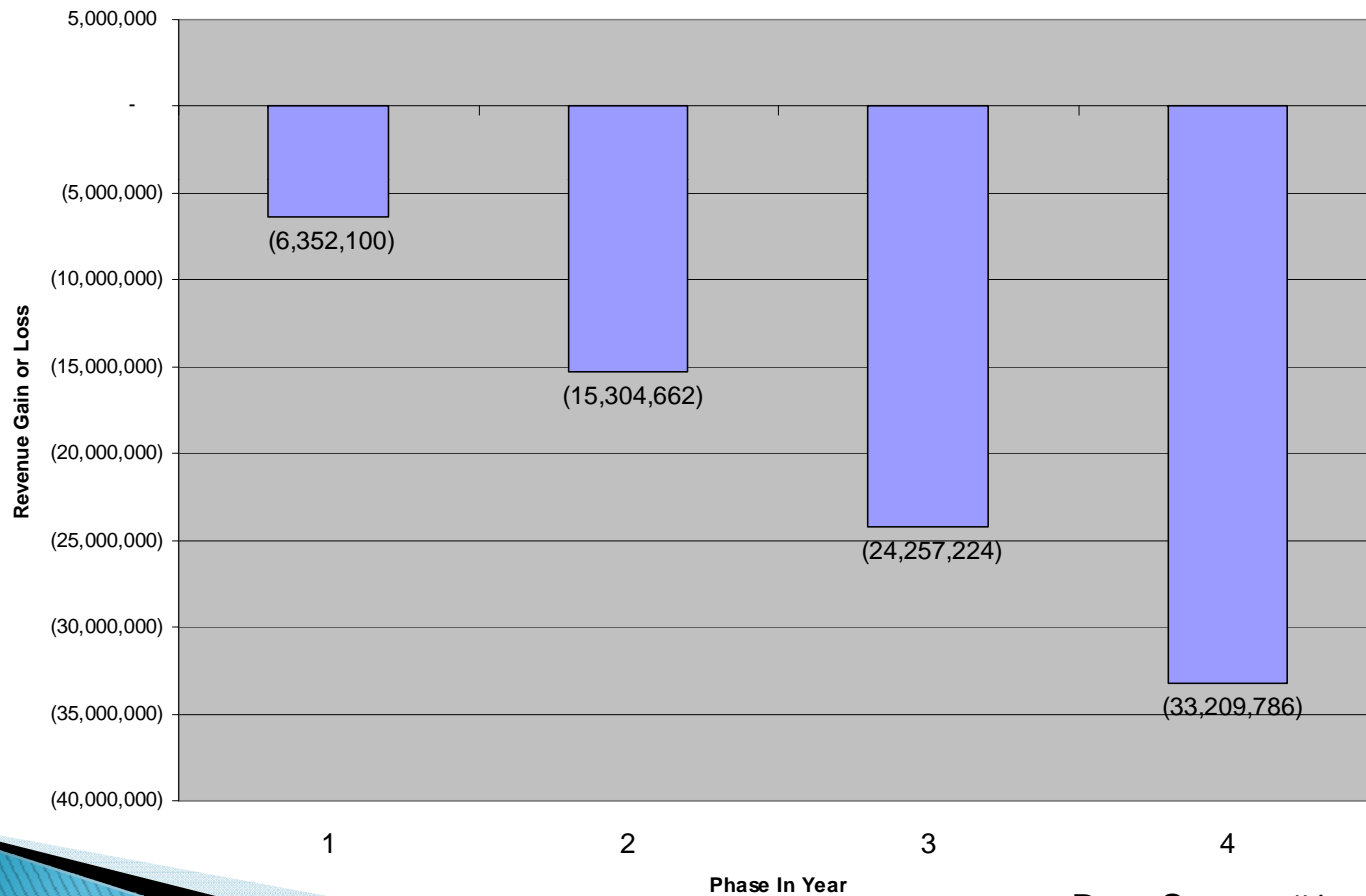
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- ▶ Modify the configuration of services as applicable and desirable
  - Selecting service procedures just because they produce higher revenues is probably not in the best interest of the consumer
  
- ▶ Be realistic
  - Understand and be sensitive to the agency culture and its capabilities in determining future scenarios.
  - Avoid worst case scenario
  - Avoid best case scenario



# LOSSES FOR THE SAMPLE OF 20 AGENCIES WITH ARTICLE 31 CLINICS

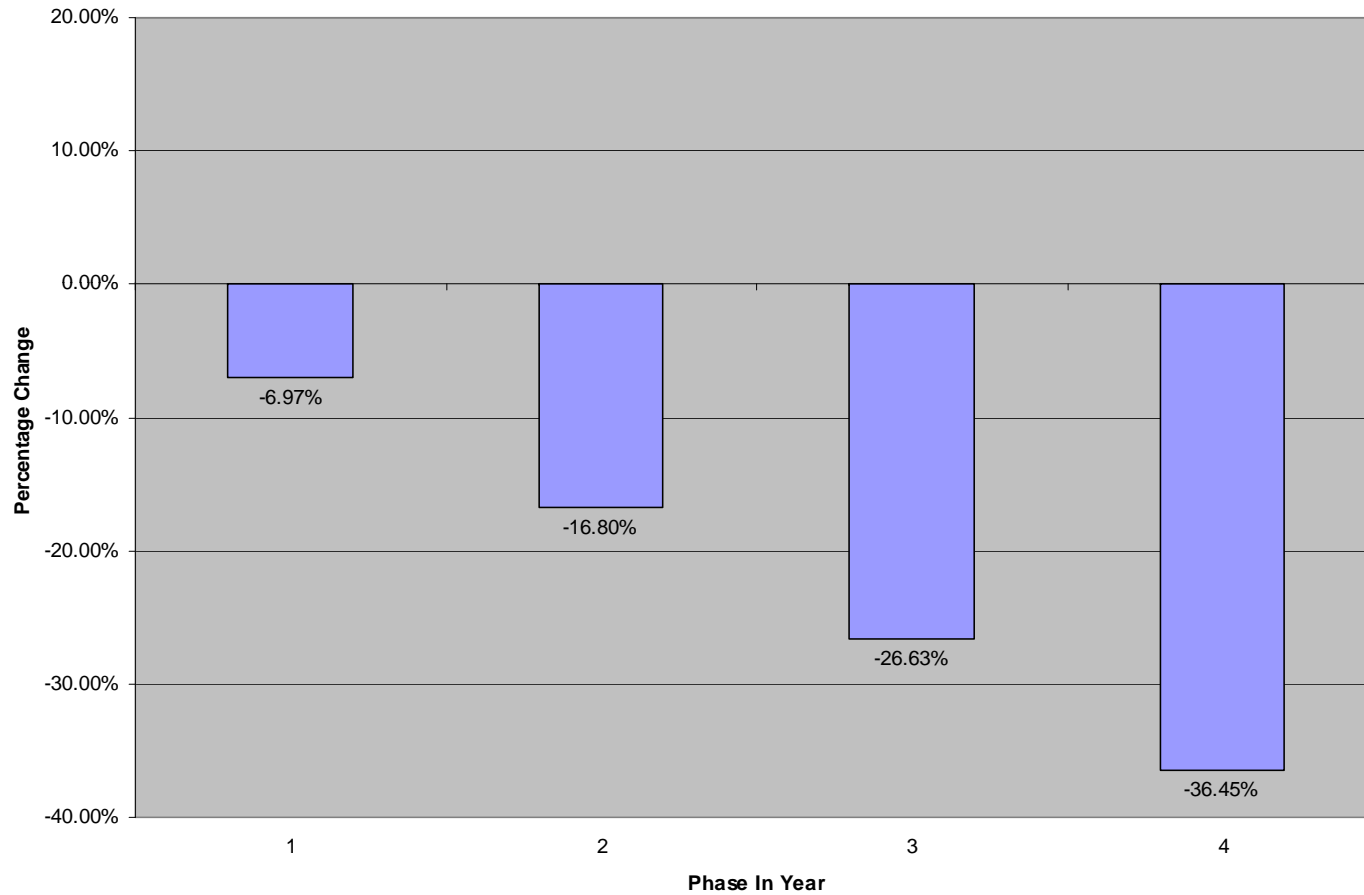


Data Source #1

# PERCENTAGE LOSSES

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Data Source #1

# COMPARISONS BETWEEN THE SAMPLE AND OTHER GROUPS

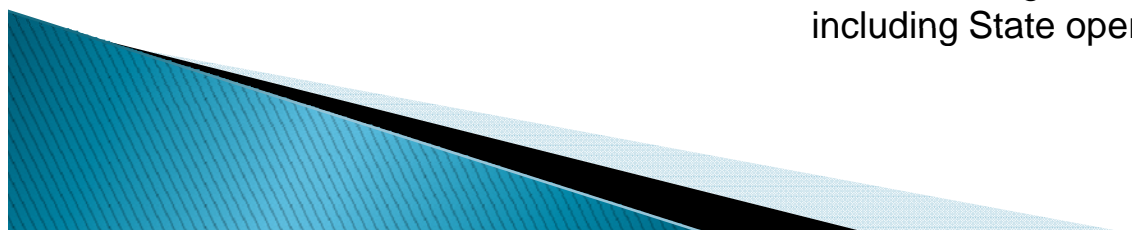
Note: In this and subsequent sections, the term “Downstate” (consistent with the proposed regulations) refers to New York City and Nassau, Suffolk, Dutchess, Orange, Putnam, Rockland and Westchester Counties.



# COMPARISONS: RATIOS

	<b>Sample of Agencies with Art. 31 Clinics</b>	<b>All Downstate Art. 31 Agencies with Clinics*</b>	<b>All Downstate COPS I Agencies with Art. 31 Clinics*</b>	<b>All Orgs with Clinics in NYS**</b>
<b>Total Expenses per Weighted Unit of Service (\$)</b>	152.08	127.51	150.55	185.78
<b>Weighted Units of Service per Clinical FTE</b>	949	1,081	962	772

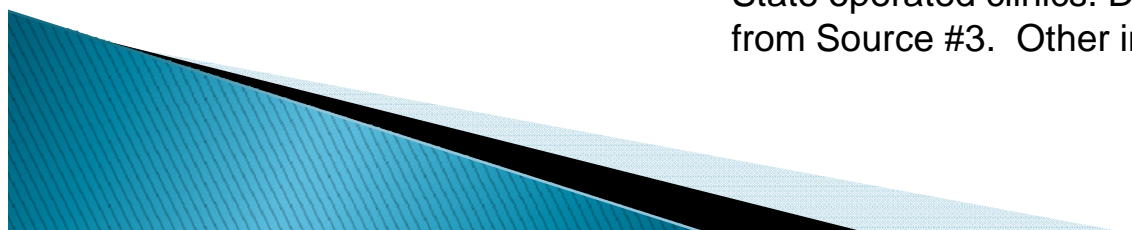
\*Not including County government clinics. \*\* Not including State operated clinics. Data Source # 2



# COMPARISONS: PERCENTAGES

	<b>Units of Service (Weighted)</b>	<b>Total Clinical FTEs</b>	<b>Total Expenses</b>	<b>Total Medicaid Revenue</b>
<b>% of the Sample Agencies to All Downstate Agencies with Article 31 Clinics*</b>	<b>38.73%</b>	<b>44.09%</b>	<b>46.19%</b>	<b>40.87%</b>
<b>% of the Sample Agencies to All Downstate COPS I Agencies with Article 31 Clinics*</b>	<b>60.66%</b>	<b>61.45%</b>	<b>61.27%</b>	<b>49.62%</b>
<b>% of the Sample Agencies to All Organizations with Clinics in NYS**</b>	<b>6.54%</b>	<b>5.31%</b>	<b>5.35%</b>	<b>19.48%</b>

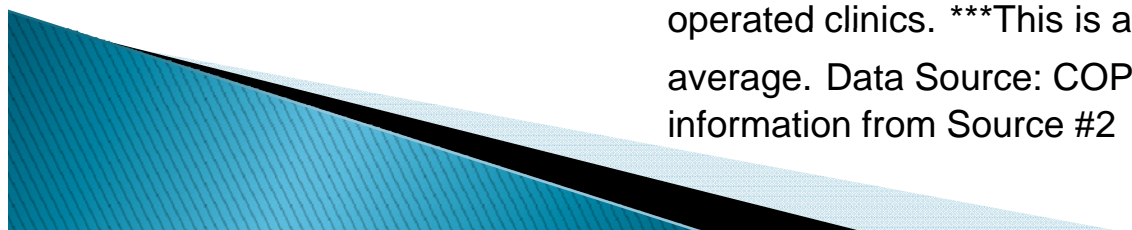
\*Not including County government clinics. \*\* Not including State operated clinics. Data Source: Total Medicaid Revenue from Source #3. Other information, Source #2



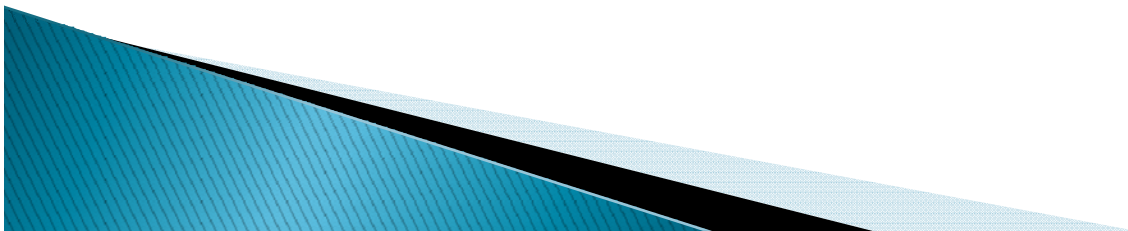
# COMPARISONS: AVERAGES

	<b>Units of Service (Weighted)</b>	<b>Total Clinical FTEs</b>	<b>Total Expenses (\$)</b>	<b>COPS RATE (\$)***</b>
<b>Averages of Sample Agencies</b>	<b>38,381</b>	<b>40.43</b>	<b>5,836,994</b>	<b>136.88</b>
<b>Averages of All Downstate Art. 31 Agencies*</b>	<b>21,107</b>	<b>19.53</b>	<b>2,691,288</b>	<b>75.80</b>
<b>Averages of All Downstate COPS I Agencies with Art. 31 Clinics*</b>	<b>21,721</b>	<b>22.59</b>	<b>3,270,209</b>	<b>112.68</b>
<b>Averages of All Organizations with Clinics in NYS**</b>	<b>15,420</b>	<b>19.97</b>	<b>2,864,688</b>	<b>78.50</b>

\*Not including County government clinics. \*\* Not including State operated clinics. \*\*\*This is an arithmetic average, not a weighted average. Data Source: COPS Rate from Source #3. Other information from Source #2

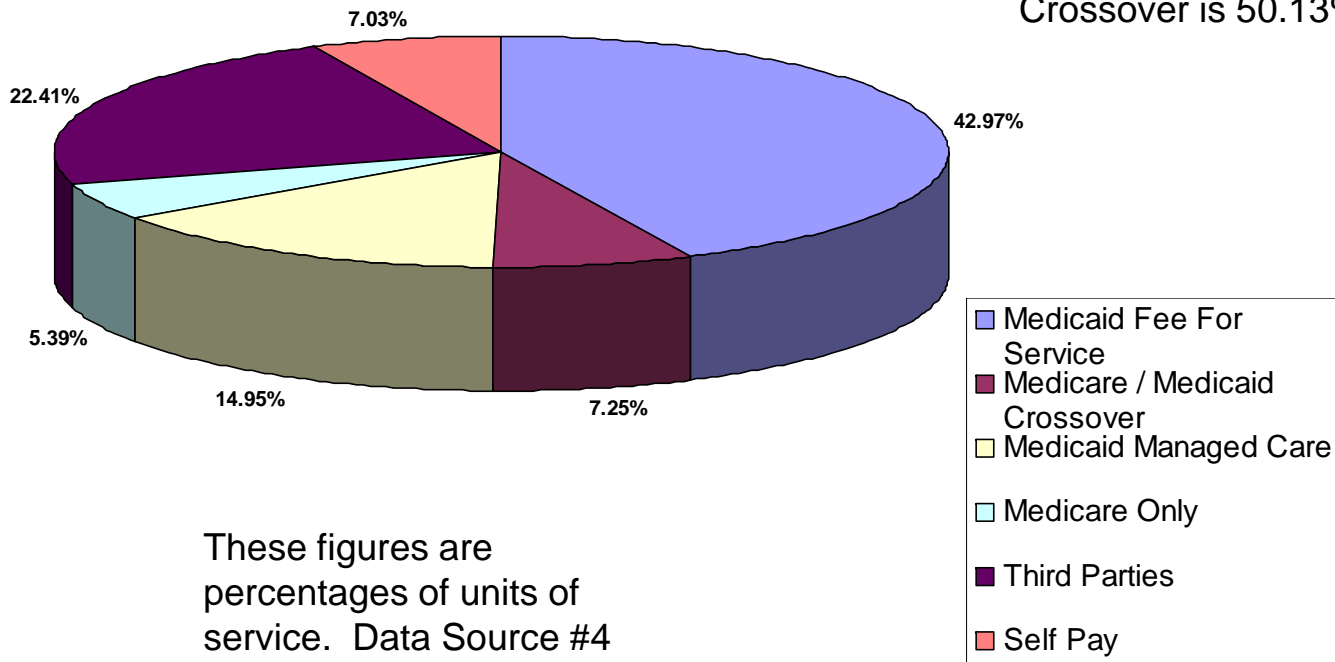


# THE PAYER MIX



# PAYER MIX OF THE SAMPLE CLINICS

The combined total for  
Medicaid Fee for Service  
and Medicare/Medicaid  
Crossover is 50.13%



# PAYER MIX STATISTICS

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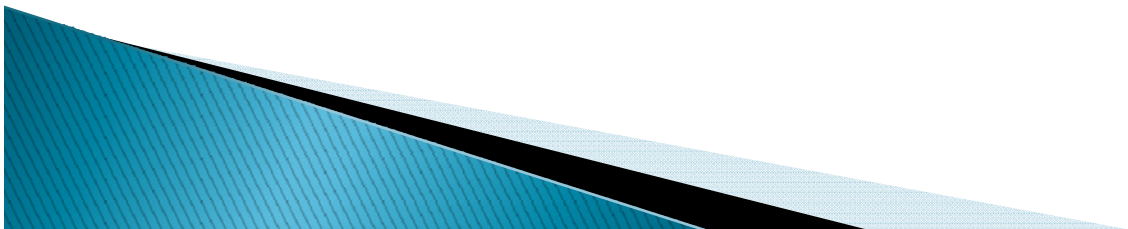
	Medicaid Fee for Service	Medicare/ Medicaid Crossover	Medicaid Managed Care	Medicare Only	3rd Party	Self-Pay
Agencies with Payer Type*	20	16	18	15	19	19
High	90.23%	30.14%	31.33%	71.82%	62.48%	23.68%
Low	3.39%	0.63%	0.18%	0.75%	5.30%	0.71%
Median	41.22%	7.34%	13.41%	6.94%	17.69%	6.20%

\*The number in each of the cells in this row represents the number of agencies in the survey that had units of service paid by the payer noted in the column heading. Agencies that did not have such payments are disregarded in computing the median.

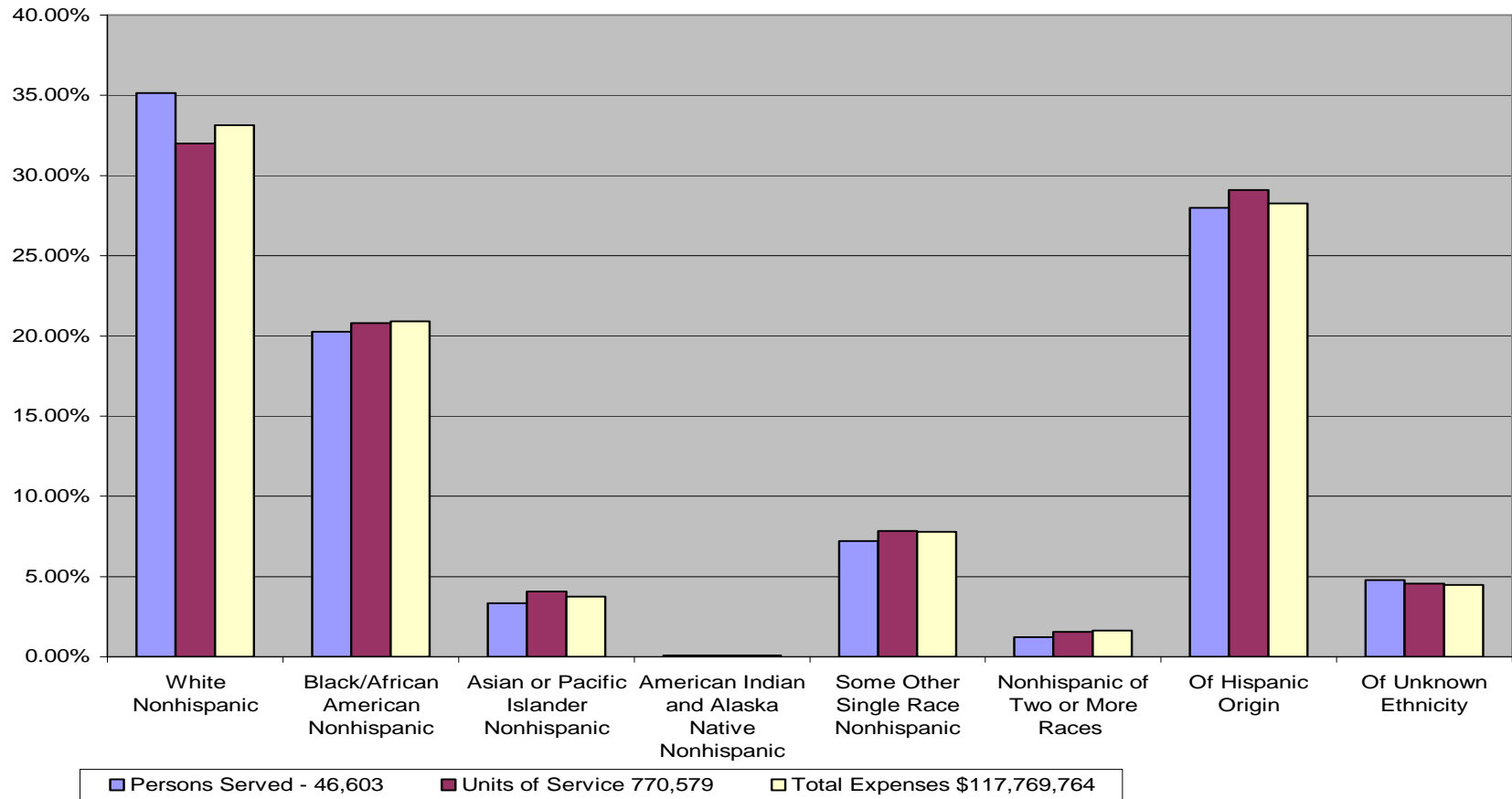
Source of the data on which  
this is based is Source #4

# DEMOGRAPHY OF THE SAMPLE

## 20 Agencies with Article 31 Clinics

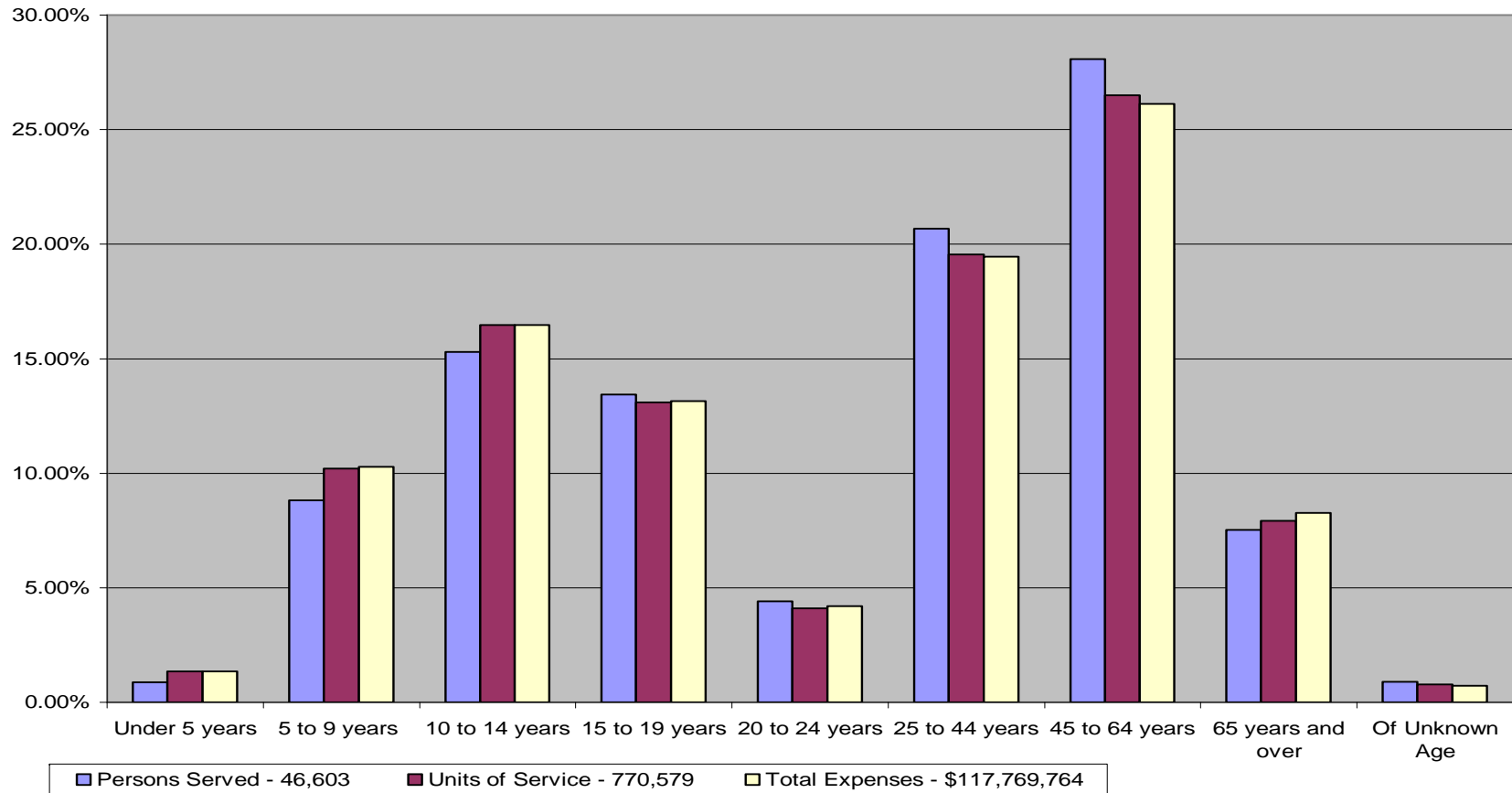


# Distribution by Ethnicity



Data Sources #2 and #5

# Distribution by Age

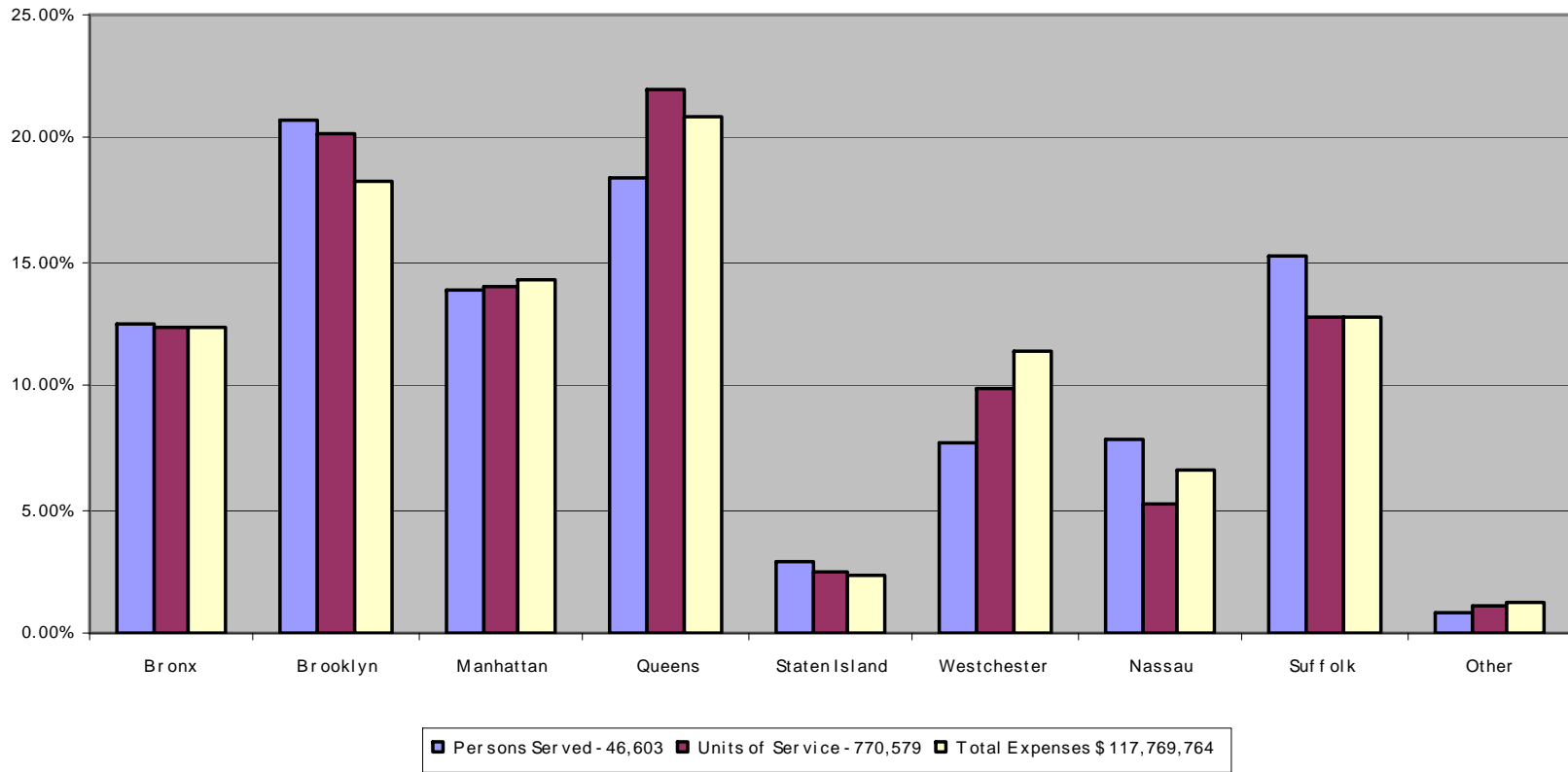


Data Sources #2 and #5

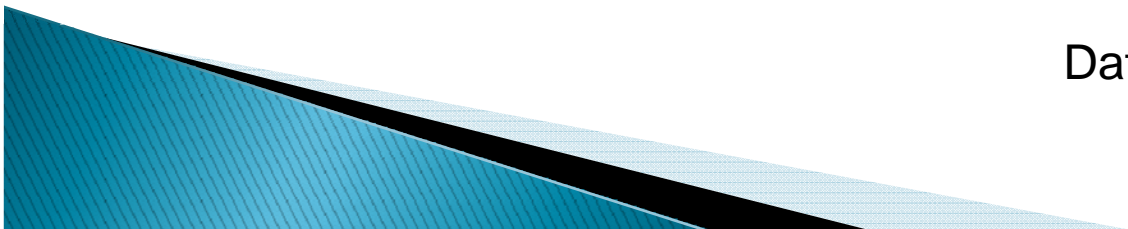
# Geographical Distribution

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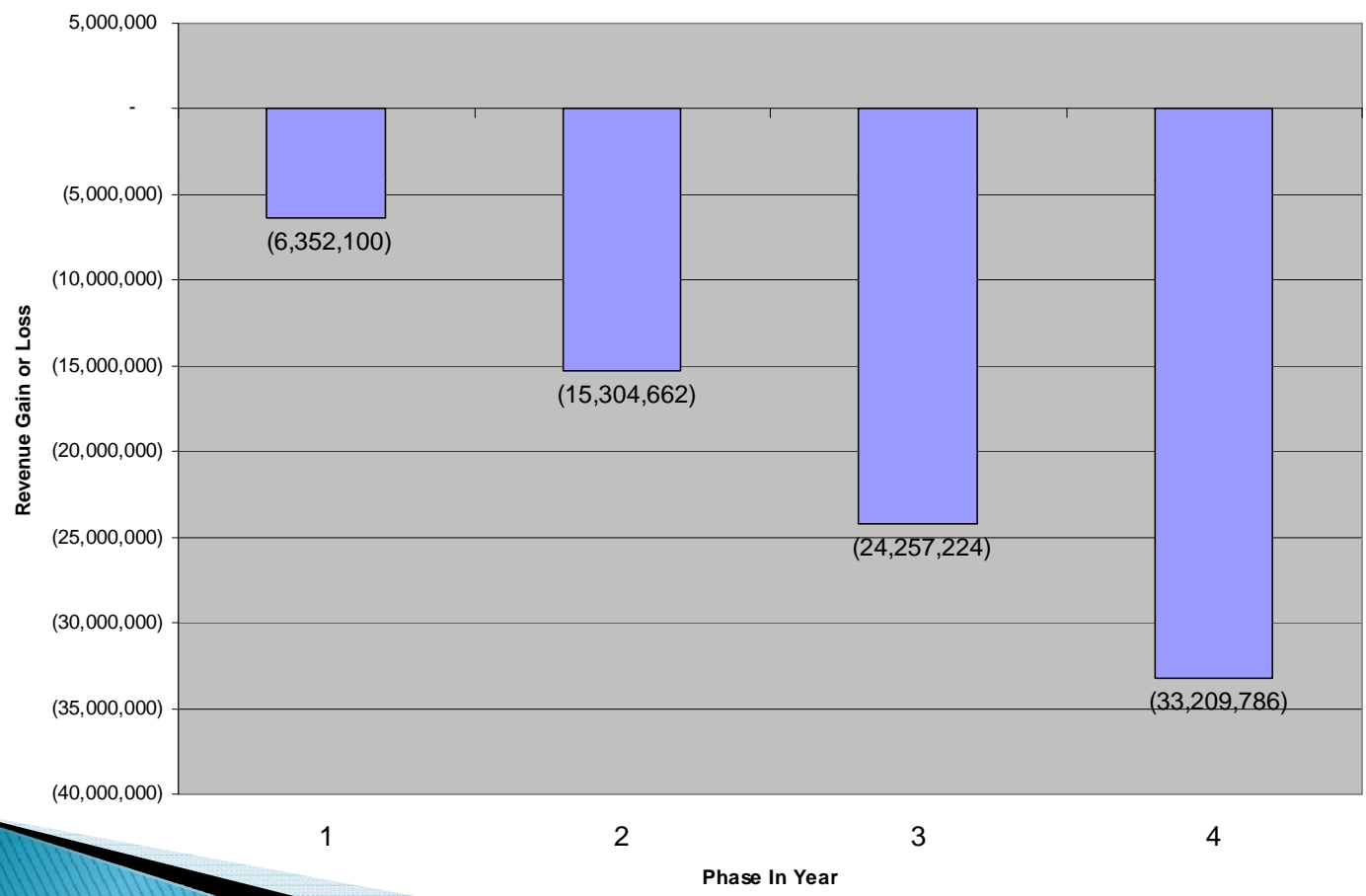
OF BEHAVIORAL HEALTH AGENCIES, INC.



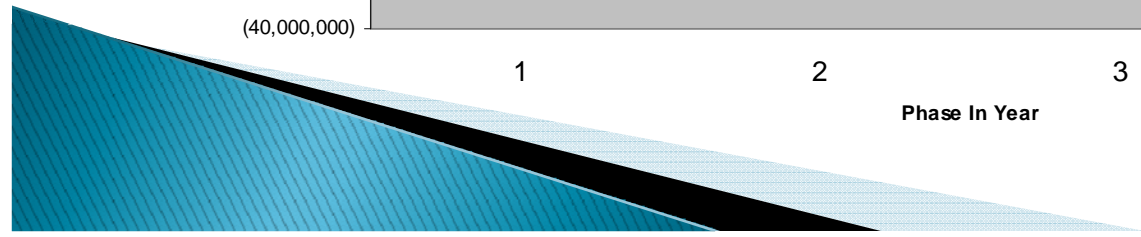
Data Sources #2 and #5



# TO SUMMARIZE: REVENUE LOSSES OF THE ARTICLE 31 AGENCIES IN THE SAMPLE



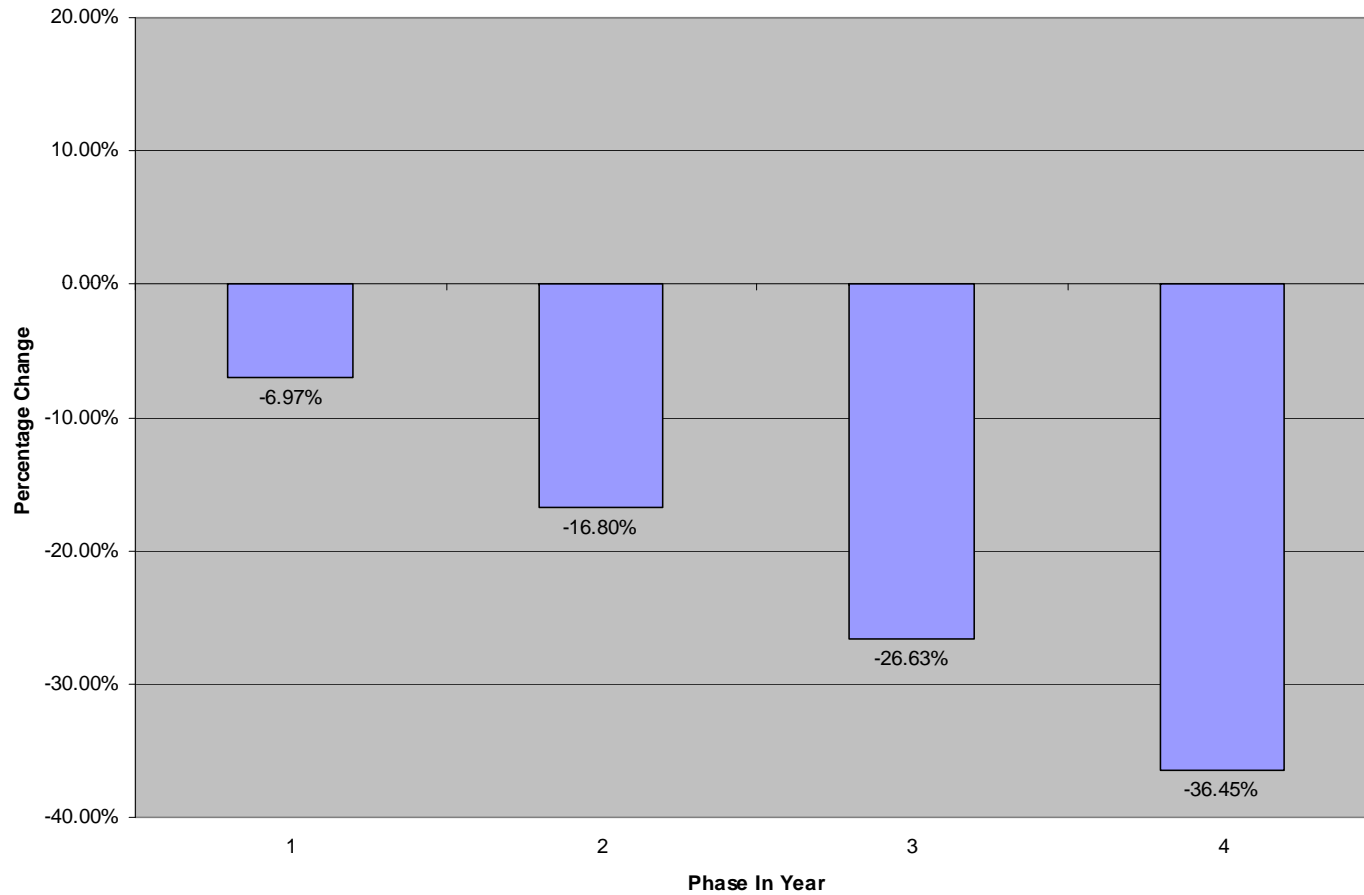
Data Source #1



# TO SUMMARIZE: PERCENTAGES

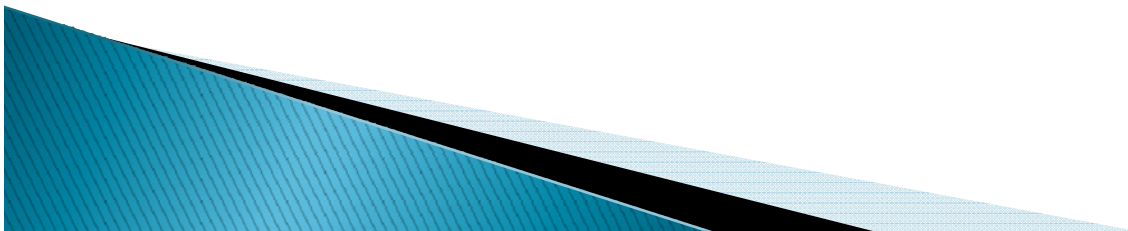
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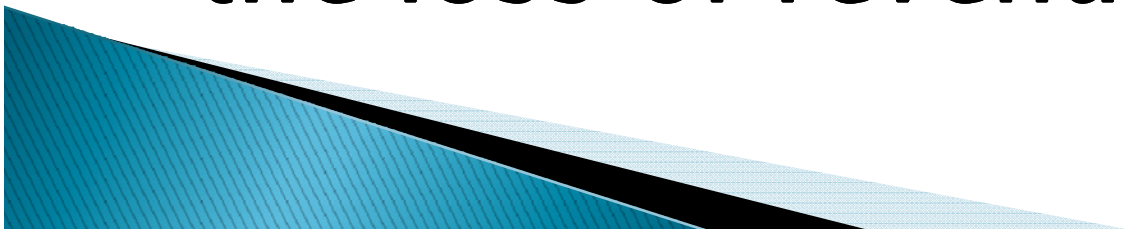
Data Source #1

# OTHER CONSIDERATIONS

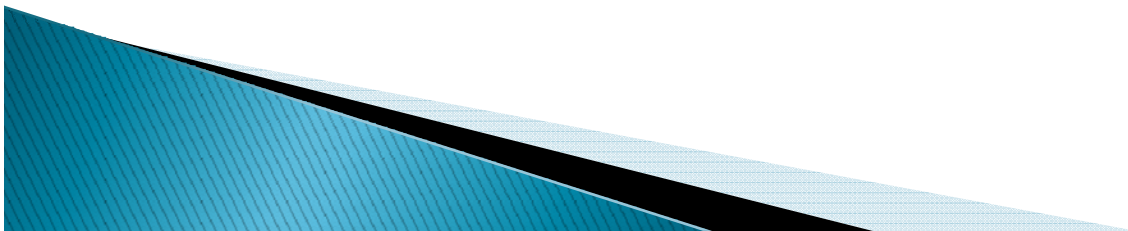


**The most significant determinant of gain or loss in the proposed restructuring plan is the agency's COPS rate.**

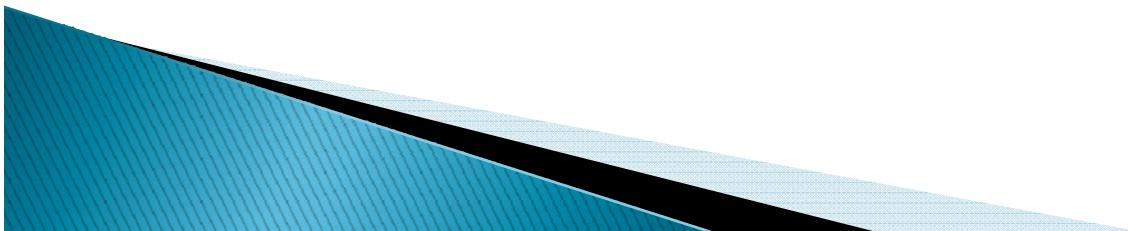
**All things being equal, the higher the rate, the greater the loss of revenue**



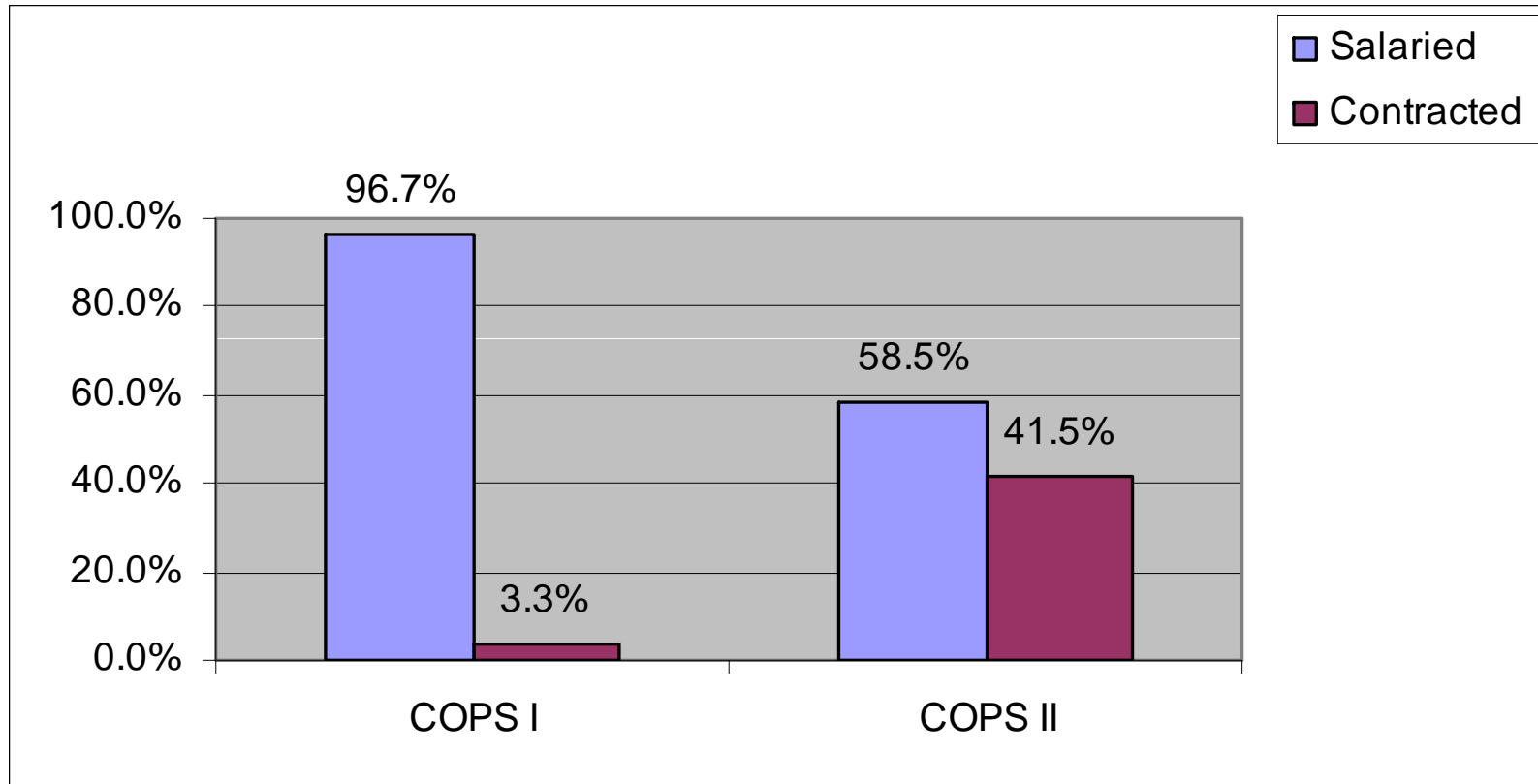
The following analysis compares all COPS I Agencies with all COPS II Agencies in the Downstate Area. This is not an analysis of the Stress Test sample.



**The Question: What do COPS I  
agencies do with all that  
money?**



# Employment of LCSWs

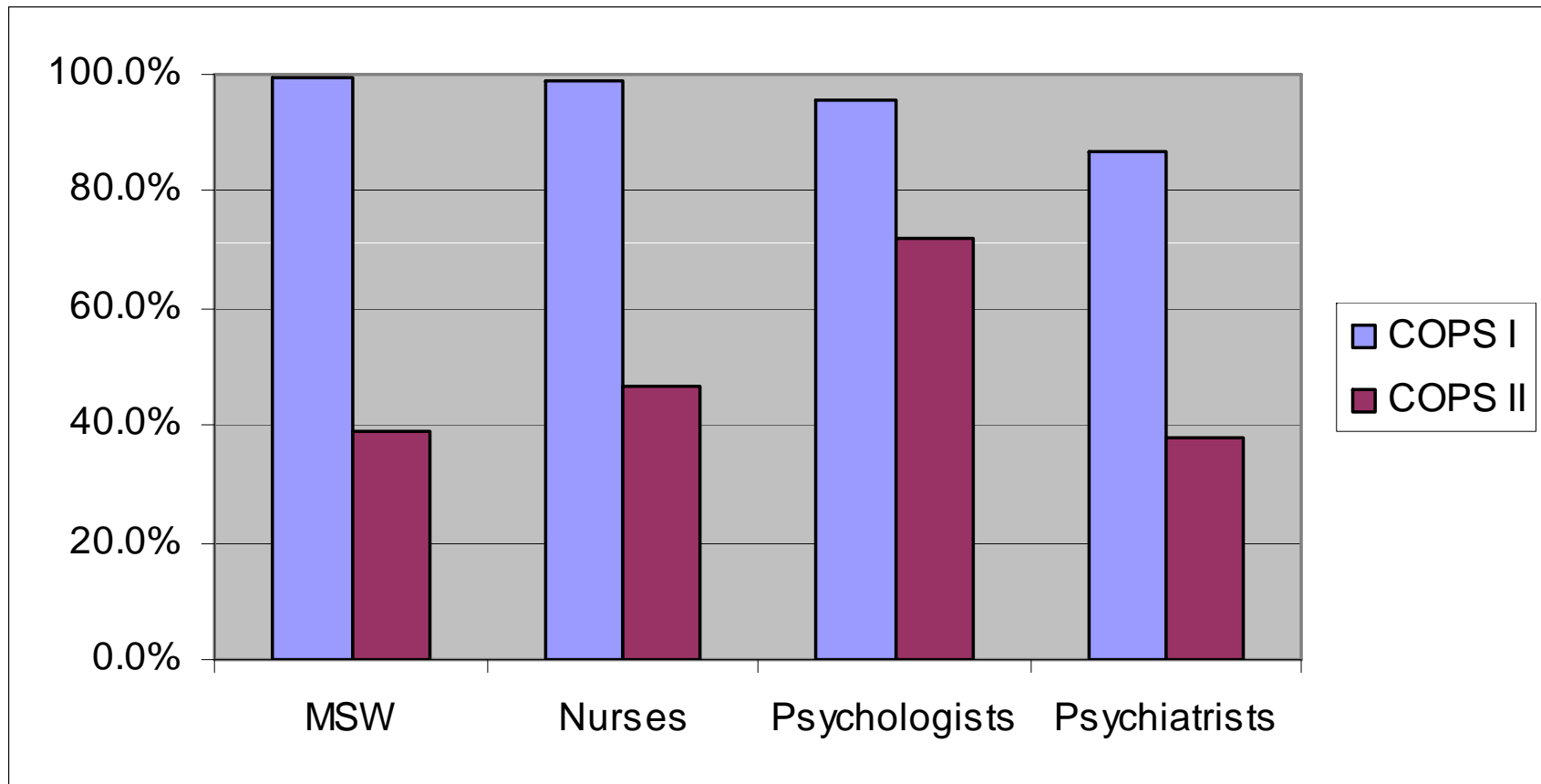


Total LCSWs in COPS I agencies 711 full time equivalents (FTE). In COPS II agencies, there are 302 FTE. Fringe Expenses for LCSWs in COPS I Agencies: \$8,699,076. Data Source #2

# OTHER SALARIED CLINICIANS

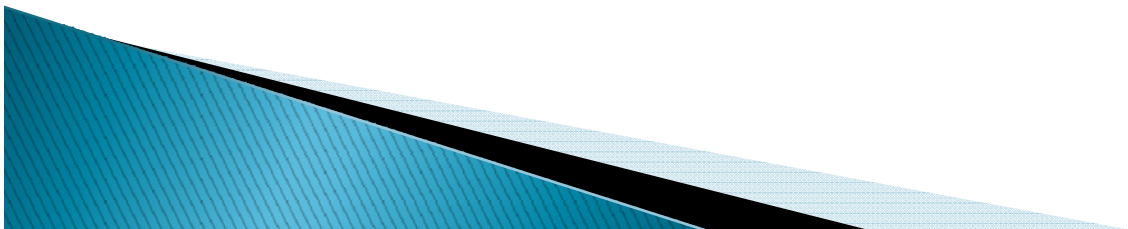
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Data Source #2

# ANALYSIS OF THE PROPOSED MEDICAID MANAGED CARE SUPPLEMENT

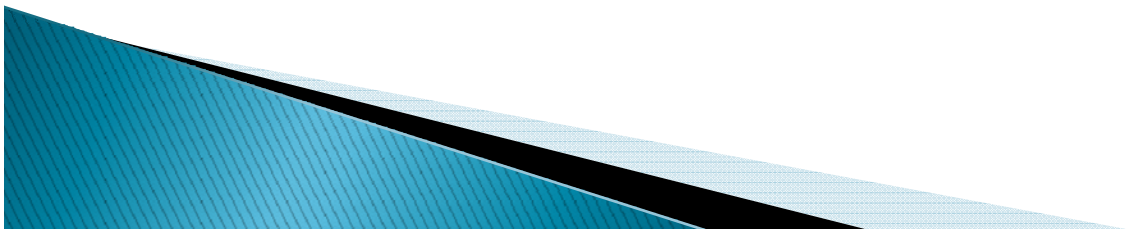


# THE QUESTION

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- ▶ How would the results in the SOMH Projection Tool illustration, which has a COPS rate of \$60, be affected if it had different COPS rates.

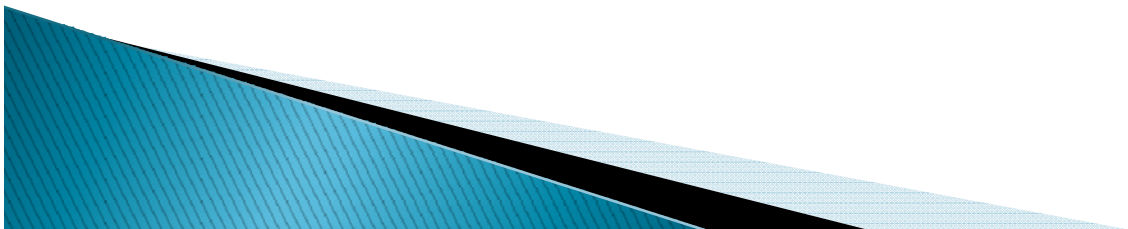


# ASSUMPTIONS FOR THE PURPOSE OF ANALYSIS

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- ▶ Medicaid Managed Care fees are supplemented up to the Medicaid rate
- ▶ The Medicaid Managed Care supplement begins at the same time as the clinic treatment restructuring begins.
- ▶ COPS Only revenue is withdrawn from the legacy revenue calculation at the inception of the Medicaid Managed Care supplement.

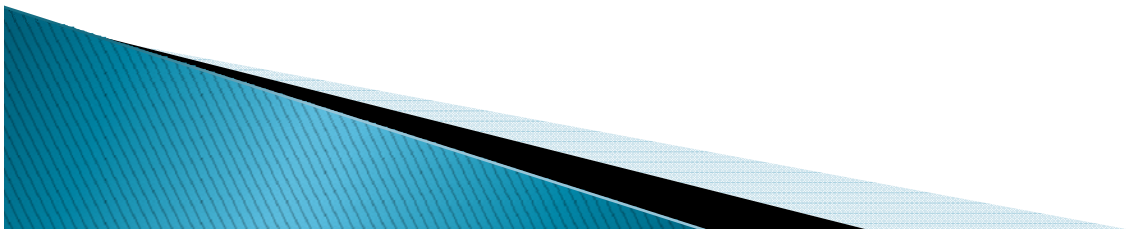


# METHODOLOGY

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- ▶ The illustration accompanying the SOMH Projection Tool (an imaginary agency used for illustrative purposes only) was modified to be able to calculate the effects of a Medicaid Managed Care supplement.
- ▶ The COPS rate originally entered, \$60, was modified successively to determine the effects of various COPS rates on revenue gain or loss (Note: revenues in the base year also increased or decreased depending on the COPS rate).
- ▶ The results for all 4 years were compared to the results obtained in the illustration initially (the results obtained without any reference to a Medicaid Managed Care supplement).



# THE ILLUSTRATION WITH AND WITHOUT A MEDICAID MANAGED CARE SUPPLEMENT

		Year 1	Year 2	Year 3	Year 4	Cumulative
This is the original Illustration result with a COPS Rate of \$60	Original Projection	\$ 257,266	\$ 214,425	\$ 171,585	\$ 128,745	\$ 772,020
	Projection with MMC Supplement	\$ 316,703	\$ 333,300	\$ 349,897	\$ 366,495	\$ 1,366,395
	Difference between Original Projection and Projection with MMC Supplement	\$ 59,438	\$ 118,875	\$ 178,313	\$ 237,750	\$ 594,375

Note: The agency in the illustration would have an increase in revenue of \$237,750 by Year 4 because of the Medicaid Managed Care Supplement. The agency had a \$60 COPS rate. Data Source #6



# RESULTS WITH VARYING COPS RATES

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		Year 1	Year 2	Year 3	Year 4	Cumulative
Results with a COPS Rate of \$40	Projection with MMC Supplement	\$ 628,431	\$ 736,602	\$ 844,773	\$ 952,945	\$ 3,162,750
	Difference between Original Projection and Projection with MMC Supplement	\$ 371,165	\$ 522,177	\$ 673,188	\$ 824,200	\$ 2,390,730
Results with a COPS Rate of \$70	Projection with MMC Supplement	\$ 160,839	\$ 131,649	\$ 102,460	\$ 73,270	\$ 468,218
	Difference between Original Projection and Projection with MMC Supplement	\$ (96,426)	\$ (82,776)	\$ (69,125)	\$ (55,475)	\$ (303,802)
Results with a COPS Rate of \$80	Projection with MMC Supplement	\$ 4,976	\$ (70,001)	\$ (144,978)	\$ (219,955)	\$ (429,959)
	Difference between Original Projection and Projection with MMC Supplement	\$ (252,290)	\$ (284,427)	\$ (316,563)	\$ (348,700)	\$ (1,201,980)
Results with a COPS Rate of \$100	Projection with MMC Supplement	\$ (306,752)	\$ (473,303)	\$ (639,854)	\$ (806,405)	\$ (2,226,314)
	Difference between Original Projection and Projection with MMC Supplement	\$ (564,017)	\$ (687,728)	\$ (811,439)	\$ (935,150)	\$ (2,998,335)
Results with a COPS Rate of \$120	Projection with MMC Supplement	\$ (618,479)	\$ (876,604)	\$(1,134,730)	\$(1,392,855)	\$ (4,022,669)
	Difference between Original Projection and Projection with MMC Supplement	\$ (875,745)	\$(1,091,030)	\$(1,306,315)	\$(1,521,600)	\$ (4,794,689)
Results with a COPS Rate of \$240	Projection with MMC Supplement	\$(2,488,843)	\$(3,296,414)	\$(4,103,985)	\$(4,911,555)	\$(14,800,797)
	Difference between Original Projection and Projection with MMC Supplement	\$(2,746,109)	\$(3,510,839)	\$(4,275,570)	\$(5,040,300)	\$(15,572,818)

**THAT CONCLUDES OUR  
PRESENTATION.**

**THANKS FOR YOUR ATTENTION  
TO THIS REVIEW OF THE  
RESULTS OF THE COALITION'S  
CLINIC RESTRUCTURING  
STRESS TEST**



# SOURCES OF DATA

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1. Aggregation of data supplied by the agencies in the sample through completing the Projection Tool supplied by the New York State Office of Mental Health, Version 3.1.
2. The “CFR All” on a database prepared by Glenn Gravino, consolidated from CFR and Medicaid databases provided by SOMH on their website. (Glenn 9-1-9\_g Clinic CFR and MA Data for NYC 0708- ROS CY08)..
3. The Medicaid All (3) tab on the same (as 3 above) database prepared by Glenn Gravino, consolidated from CFR and Medicaid databases provided by SOMH on their website. (Glenn 9-1-9\_g Clinic CFR and MA Data for NYC 0708- ROS CY08)..
4. Payer Mix information is primarily a compilation of data obtained by a survey of agencies in the state administered by Glenn Gravino and his associates. Data not obtained by him was obtained by the consultants using a similar methodology.
5. Demographic information was obtained from questionnaires prepared by the consultants and completed by representatives of the sample agencies.
6. Illustration accompanying the SOMH Projection Tool used to clarify the methods of completing the tool. The spreadsheet was modified first to be able to calculate the effects of a possible Medicaid Managed Care supplement and then the COPS rate originally entered was modified successively to determine the consequences of various COPS rates.

