



# **CONSIDERATIONS WHEN TRYING TO BUDGET CLINIC TREATMENT INCOME FOR NEXT FISCAL YEAR**

## **INTRODUCTION**

- The Presenters
- What We Will Not Cover
- What We Will Cover

## WHAT WE WILL NOT COVER

- Billing issues including retroactive payments
  - OMH will have a session on May 11 – Ask them.
  - OMH will also have a Webinar on May 12
- The OASAS Projection Tool

## WHAT WE WILL COVER

- The Budget Environment
- Revenue Projections
- Expense Projections

Inventory and Implementation  
of Budget Initiatives  
Related to Clinic Restructuring

FY 2011-12 and Beyond

Inventory

- SAGE - Spending and Government Efficiency Commission
- Mandate Relief Redesign Team Proposals
- Medicaid Redesign Team Proposals
- NYS 2011-12 Budget
- NYC 2011-12 Executive Budget

## SAGE

### *Spending and Government Efficiency Commission*

- Established by Executive Order
- Coalition input to SAGE Commission
- Coordination among the NYS Health Agencies could range from “back office” consolidation to agency mergers
- Report due to governor by November

## Mandate Relief Redesign Team

- Preliminary Report March, 2011; quarterly updates and final report March, 2012.
- Eliminate July 2013 sunset of SED Professional Waiver
- Convert OMH Aid to Localities from “Net Deficit Financing” to service based and/or pay for performance grant
- Change and simplification of CFR

## Medicaid Redesign Team (MRT)

- MRT 26: Visit Thresholds
- MRT 93: Behavioral Health Organizations – (BHOs)-Phase 1 (first two years) and phase 2
- MRT 91 & 96: Carve in dropped but...
- MRT 70 & 89: Health Homes

## NYS 2011-12 Adopted Budget

- Incorporates Components of MRT
- 30 Day Amendments
- Other changes

NYC 2011-12 Executive Budget  
April 26, 2011

REVENUE AND EXPENSE PROJECTIONS

A Selected Review  
and Adaptation  
of  
The NYS Office of Mental Health  
Clinic Projection Model

SCHEDULE 1  
**Financial Projections**

- Useful to compare projected income with a base period.
- Not an input source for other schedules.
- Not crucial for preparing your budget.

SCHEDULE 2  
**Services & Productivity**

- Staffing
- Productivity Standards
- Adaptation of Schedule 2
  - Calculation of Personnel Costs

## SCHEDULE 2 PRODUCTIVITY STANDARDS

<i>Management Information</i>				
Average Service Units per FTE	Productivity Standard	Variance from Standard	% Variance	Potential Additional Services
991	XXX	XXX	XXX	4,750
1,000	1,100	(100)	-9%	100
988	1,100	(113)	-10%	250
1,000	1,100	(100)	-9%	100
900	1,100	(200)	-18%	100
1,200	1,100	100	9%	-
833	1,100	(267)	-24%	40
1,000	1,100	(100)	-9%	10

## ADAPTATION OF SCHEDULE 2 O6 – T147

<i>Personnel Expenses</i>					
Position Title	FTEs	Average Salary for 1 FTE	Salary Expense	Fringe Benefits	Total Personnel Expenses
				Fringe % ----->	
<b>Totals</b>	40.00	xxx	\$0	\$0	\$0
<b>Peer Specialist</b>	1.00		\$0	\$0	\$0
<b>Nurse Practitioner</b>	2.00		\$0	\$0	\$0
NP1	1.00	-	-		
NP2	0.50	-	-		
NP3	0.25	-	-		
NP4	0.15	-	-		
NP5	0.10	-	-		
End- Insert new rows before this line					
<b>Licensed Practical Nurse</b>	2.00		\$0	\$0	\$0
LPN1	1.00	-	-		
LPN2	0.50	-	-		
LPN3	0.25	-	-		
LPN4	0.15	-	-		
LPN5	0.10	-	-		
End- Insert new rows before this line					
	0				

DEMO OF THE  
CALCULATION OF  
PERSONNEL EXPENSES  
ON SCHEDULE 2

SCHEDULE 3  
**CPT Service Distribution**

- CPT = Current Procedure Terminology. (A universal coding system used in most medical records.)
- And While we're at it, APG= Ambulatory Patient Groups. ( "A defined group of outpatient procedures, encounters or ancillary services grouped for payment purposes.")
- Outreach

# OUTREACH

Service #	Service Category	CPT Codes
<i>Fee for Service Medicaid Services from Schedule 2</i>		
	Total % Distributed	
1	Outreach	H0023
2	Initial Assessment Diagnostic & Treatment Plan	90801
3	Psychiatric Assessment - 30 min	90805
	Psychiatric Assessment - 45 min	90807
	Psych Consult - Alt Assm Code	Code Range

## SCHEDULE 4 E&M Weight Calculation

- Psychiatric Assessment, Psychiatric Consultation and Health Physicals code ranges based on diagnostic category.
- To Use Custom Weights Or Not.

## WEIGHTS OF DIAGNOSTIC CATEGORIES

### DEFAULT VALUES

<i>Psych Assessment - Alternate Code</i>	<b>Default</b>	0.8293
<i>Psych Consultation</i>	<b>Default</b>	0.8293
<i>Physical Exams</i>	<b>Default</b>	0.8293

### DIFFERENTIAL VALUES

<b>Dx Categories</b>	<b>APG</b>	<b>Weight</b>
Schizophrenia	820	0.8969
Major Depressive Disorders & Other Psychoses	821	0.9476
Disorders of Personality & Impulse Control	822	0.8945
Bipolar Disorders	823	0.8574
Depression Except Major Depressive Disorder	824	0.6982
Adjustment Disorders & Neuroses	825	0.8061
Acute Anxiety & Delirium States	826	0.6352
Organic Mental Health Disturbances	827	0.7817
Mental Retardation	828	0.7149
Childhood Behavioral Disorders	829	0.6982
Eating Disorders	830	0.9135
Other Mental Health Disorders	831	0.7248

## SCHEDULE 5 CPT Revenue

- Base Rate
- Modifiers and Estimates

# BASE RATE

Schedule 5, F 6-7

<b>Base Rate:</b>
<b>\$ 151.05</b>

Weight & Rate Schedule, G2 to M3

Base Rates Including Quality Improvement Add-On			Base Rates Without Quality Improvement Add-On		
Upstate Article 31 & DTCs	Downstate Article 31 & DTCs	County Article 31	Upstate Article 31 & DTCs	Downstate Article 31 & DTCs	County Article 31
\$ 138.97	\$ 151.05	\$ 193.35	\$ 133.83	\$ 145.47	\$ 186.21

# MODIFIERS AND ESTIMATES

Modifier % Estimates			Modifier Weights:			Average =
% Units LOE (U4 Modifier)	% After Hours (CPT 99051)	% Units Off-Site	10%	\$ 11.46	50%	
LOE Weights	After Hours Weights	Off-Site Weights				Total Modifier Weights
xxx	xxx	xxx	196.0	192.6	938.2	1,326.9
10%	10%	100%	5.16	5.57	257.97	268.70
10%	10%	10%	24.44	17.93	122.20	164.57
10%	10%	xxx	4.29	3.15	xxx	7.44
10%	10%	xxx	4.71	2.88	xxx	7.59
10%	10%	xxx	0.29	0.27	xxx	0.56
10%	10%	xxx	1.47	13.49	xxx	14.97

## OTHER MODIFIERS

<b>\$56</b>	<b>-10%</b>
MD/NP Revenue	2nd Service Discount

## SCHEDULE 6 New APG & Blend Revenues

- Estimating Blend Payment Rates for Phase In
  - Rates still not published
  - Very Complex Computation. For detailed explanation, check out 42 minutes 40 seconds into the OMH Webinar given 12/15/10.
- Adaptation of Schedule 6
  - Income other than Medicaid

## ADAPTATION OF SCHEDULE 6 S15-V20

Self Pay, Medicare, Third Party Calculation			
Non Medicaid Payers	# Services	Ave. Fees	Income
Self-Pay	\$ 6,340		\$ -
Medicare	\$ 1,981		\$ -
Third Party	\$ 1,981		\$ -
<b>Total</b>			<b>\$ -</b>

## DEMO OF NON-MEDICAID INCOME PROJECTION ON SCHEDULE 6

**SCHEDULE 7**  
**INDIGENT CARE REVENUE**

Current Status of Indigent  
(Uncompensated) Care

**SCHEDULE 8**  
**Medicaid Managed Care Revenue**

- Current Status of Government Rate
- Use old rates and COPS Only
- Adaptation of Schedule 8
  - Alternate MMC Calculation

## ADAPTATION OF SCHEDULE 8 F51-H56

Alternate Medicaid Managed Care Calculation (Current Practice)		
# Services		
0	Average Rate	
	MMC Income	\$ -
	COPS Only	\$ -
	Total	\$ -

DEMO OF  
MMC INCOME PROJECTION  
ON SCHEDULE 8

## SCHEDULE 9

### Phase-In

- Adjust phase-In projections to budget for next Fiscal Year
  
- Utilization Threshold Controls  
 Adaptation of Schedule 9

## ADAPTATION OF SCHEDULE 9 B56-H75

Calculation to Project Utilization Threshold Controls					
Number of clients who may exceed 30 visits					
Average number of visits over 30					
<b>Total visits over 30</b>	0				
Number of clients who may exceed 50 visits					
Average number of visits over 50					
<b>Total visits over 50</b>	0				
<b>Total Visits Exceeding Thresholds</b>	0				
Phase-In Year		1	2	3	4
<b>TOTAL MEDICAID FFS REVENUE</b>		\$ 3,513,713	\$ 3,643,360	\$ 3,773,007	\$ 3,902,654
<b>Total Sessions (From Schedule 6, G13)</b>	<b>23,775</b>				
Average income per session		\$ 148	\$ 153	\$ 159	\$ 164
Deduction from sessions exceeding 30		\$ -	\$ -	\$ -	\$ -
Deduction from sessions exceeding 50		\$ -	\$ -	\$ -	\$ -
<b>Total Deductions</b>		\$ -	\$ -	\$ -	\$ -

DEMO OF  
UTILIZATION THRESHOLD CONTROLS  
PROJECTION ON SCHEDULE 9

ANY QUESTIONS?

Thank you for your attention to our presentation.

Detailed notes from this presentation and the adapted Projection Tool will be on the Coalition website by tomorrow.

## FOR FURTHER INFORMATION

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THANKS AGAIN