BEHAVIORAL HEALTH DIRECTED PAYMENT GUIDANCE DOCUMENT

The Centers for Medicare & Medicaid Services (CMS) Medicaid managed care regulations at 42 C.F.R. §438 govern how states may direct plan expenditures in connection with implementing delivery system and provider payment initiatives under Medicaid managed care contracts. Effective January 1, 2023, the Oregon Health Authority (OHA) will implement four behavioral health directed payments (BHDPs) within the CCO contracts that will further the goals and priorities of the Medicaid program, as follows:

This document provides clarification on policy, operational and rate-setting considerations for each of the BHDPs, each of which covers a different portion of Behavioral Health services. Please note, in the CCO contract these payments are referred to under the section called "Qualified Directed Payments (QDPs) within CCO Payment Rates" (Exhibit C Section 1).

1. TIERED UNIFORM RATE INCREASE DIRECTED PAYMENT

Effective January 1, 2023, the Oregon Health Authority (OHA) will implement a managed care directed payment arrangement that will provide a uniform percentage increase payment to qualified network, contracted BH providers for impacted services (described below) delivered during the 2023 contract year. The increase will be in addition to the contracted rates CCOs had in place for qualified BH providers effective January 1, 2022.

The payment increases have two tiers defined by whether the provider is a Primarily Medicaid or Primarily Non-Medicaid Behavioral Health Provider. The value of the percentage increase is based on whether the Provider is Primarily Medicaid (defined as having at least fifty percent (50%) of its total patient service BH revenue derived from providing Medicaid services in Contract Year 2022), or whether the provider is Primarily Non-Medicaid (defined as having less than fifty percent (50%) of its total patient service BH revenue from providing Medicaid services in Contract Year 2022). The BHDPs provide for a uniform percentage increase to a Contractor's negotiated base rates in effect January 1, 2022 to qualified Participating Providers of ACT/SE services, MH Non-Inpatient and Substance Use Disorder services. The percentage increase for Primarily Medicaid providers is 30% and the percentage increase for Primarily Non-Medicaid providers is 15%.

IMPACTED SERVICES

The directed payment is limited to covered services in the ACT/SE, Mental Health Non-Inpatient and Substance use disorder categories of service (COS). The impacted COS services are defined using

Oregon's Health Group (OHG) financial criteria that was sent to CCOs on March 9,2022. Refer to Appendix A for a crosswalk of OHG financial criteria to these COS.

WHAT SHOULD YOU DO?

Providers:

1. Providers should gather financial information to demonstrate its distribution of prior Contract Year patient services BH revenue between Medicaid and Non-Medicaid payors. If a provider believes they qualify as a Primarily Medicaid tier (>=50% Medicaid revenue), they must notify the CCO(s) with which they contract and provide supporting documentation.

CCOs:

1. CCO must work with Participating BH providers to establish which of the payment tiers the individual providers qualify under (>=50% Medicaid revenue or <50% Medicaid revenue). BH providers that have not submitted documentation supporting qualification for the higher payment tier should automatically be paid at the lower tier. CCOs cannot delay payment at the lower tier while waiting for these providers to submit documentation that they qualify for the higher tier.

    - Upon receipt of documentation supporting qualification for the higher tier, CCOs must pay the higher increase effective for services delivered on or after January 1, 2023, if documentation is provided by March 31, 2023.

    - If documentation is provided after the first quarter of 2023, CCOs must pay the higher increase effective as of the first day of the calendar quarter submitted. For example, if submission is received August 1, 2023, then the retroactive payment increase would be effective July 1, 2023 (the beginning of the third quarter).

2. By March 31, 2023, each CCO must provide OHA with a written attestation of compliance with the requirements of the BHDP. The attestation will require the CCOs to list all contracted BH providers and confirm that negotiated rates comply with the parameters of the BHDP. The attestation will also require the CCO to explain how overall BH payments using APMs are consistent with the tiered increases (see section 5 for examples). OHA will post the attestation template on the CCO Contract Forms webpage by December 31, 2022.

3. CCO may use existing contracted rates during the first 30-days of the contract year. However, the total payments to providers for the rating period beginning on January 1, 2023, must ultimately comply with the payment levels described in the contract. Contractors must retroactively adjust any payments made to providers for eligible services during the 30-day period that do not comply with QDP reimbursement as described in the contract at the time of original payment.

4. CCO are expected to pay new providers, whether participating or non-participating, at rates comparable to existing providers after the tiered payment increase. CCO shall submit an updated written attestation of compliance no later than September 30, 2023, if contracting with a new provider or renegotiating current provider contracts after the initial attestation due March 31, 2023.

5. CCOs that utilize an alternative payment methodology (APM) may continue to use such alternative arrangements but must demonstrate to OHA that the APM has been modified to incorporate the directed payment increase (see section 5 for examples).

2. CO-OCCURRING DISORDER DIRECTED PAYMENT

Effective January 1, 2023, the Oregon Health Authority (OHA) will implement a directed payment arrangement that will provide a uniform payment increase to Participating Providers of Outpatient Behavioral Health Services approved by OHA for integrated treatment of co-occurring disorders (COD) rendered by qualified staff per the forthcoming COD Rules. The payment increase must equal:

- 10% of the Medicaid Behavioral Health Fee-For-Service fee schedule rate for covered non-residential services provided by providers below a master's level, including peer service providers
- 20% of the Medicaid Behavioral Health Fee-For-Service fee schedule rate for covered non-residential services for master's level providers
- 15% of the Medicaid Behavioral Health Fee-For-Service fee schedule rate for SUD residential services providers

The increase(s) will be in addition to the CCO negotiated base rates in place for qualified BH providers delivering services while meeting COD standards. The billing entity must be approved under the COD rules OAR 309-019-0145.

IMPACTED SERVICES

The directed payment is limited to covered services in the SUD Residential, Mental Health Non-Inpatient, Mental Health Children's Wraparound and SUD categories of service (COS) listed on the Medicaid Fee-For-Service Behavioral Health Rate Increase Fee Schedule. The impacted COS services are defined using OHG financial criteria that was sent to CCOs on March 9, 2022. Refer to Appendix A for a crosswalk of OHG financial criteria to these COS. Additionally, a COD diagnostic combination must be present on the encounter. OHA will provide detailed diagnosis code lists in a separate COD implementation guide.

To receive the 15% of the Medicaid fee schedule rate increase, a residential CPT code from the following table must be present.

CPT	Modifier	Other conditions
H0010	HH	Licensed SUD program
H0011	HH	Licensed SUD program
H0018	HH	Licensed SUD program
H0019	HH	None
H2013	Not HK	None

To qualify for the COD enhancements of the Medicaid fee schedule rate increase, the following criteria must be met:

(1) Provider Organization will possess a current OHA HSD Approval to provide integrated Co-Occurring Disorders services per COD Rules and published process.

(2) Provider staff rendering services will meet staff training and requirements per COD Rules.

WHAT SHOULD YOU DO?

Providers:

1. Providers who meet the COD standards at the organization and rendering provider level should notify the CCO(s) with which they contract and provide supporting documentation.

2. Providers should bill using the appropriate payment modifier when a service is provided to a member with a qualifying diagnostic combination: **HO** for services provided by approved providers with a master's degree or above in a behavioral health field per Division Rule, and **HH** for all other providers.

CCOs:

1. Upon receipt of documentation supporting qualification for the COD payment increase either by the provider directly or through OHA's list of approved providers to be displayed on OHA's website, CCOs must pay the rate increase effective for services delivered on the date of approval and after.

2. By March 31, 2023, each CCO must provide OHA with a written attestation of compliance with the requirements of the BHDP. The attestation will require the CCOs to list all contracted BH providers and confirm that negotiated rates comply with the parameters of the BHDP. The attestation will also require the CCO to explain how overall BH payments using APMs are consistent with the tiered increases (see section 5 for examples). OHA will post the attestation template on the CCO Contract Forms webpage by December 31, 2022.

3. CCOs that utilize an alternative payment methodology (APM) may continue to use such alternative arrangements but must demonstrate to OHA that the APM has been modified to incorporate the directed payment increase (see section 5 for examples).

3. CULTURALLY AND LINGUISTICALLY SPECIFIC SERVICES DIRECTED PAYMENT

Effective January 1, 2023, the Oregon Health Authority (OHA) will implement a directed payment arrangement that will provide a uniform payment increase to

(1) Qualified participating providers that deliver culturally and/or linguistically specific services (CLSS), and
(2) Qualified behavioral health providers that provide a direct care behavioral health service in a language other than English or in an approved Sign language.

CLSS are services that are grounded in the cultural values of minoritized communities (communities that have experienced historical and contemporary racism, trauma, and social, political, and economic injustices) in order to elevate their voices and experiences. CLSS aims are to provide emotional safety, belonging, and encourage a shared collective cultural experience for healing and recovery and are provided by a culturally and/or linguistically specific organization, program, or individual provider.

The payment increase for qualifying providers and services must be 22% of the State Plan Medicaid Behavioral Health Fee-For-Service fee schedule rate for covered services provided by non-rural providers and 27% of the Medicaid fee schedule rate for rural providers. The increase(s) will be in addition to the CCO negotiated base rates in place for qualified BH providers delivering services while meeting CLSS eligibility standards outlined in OAR 309-065.

IMPACTED SERVICES

The directed payment is limited to covered services in ACT/SE, ABA, Mental Health Non-Inpatient, Mental Health Children's Wraparound services and Substance use disorder COS listed on the Medicaid Fee-For-Service Behavioral Health Rate Increase Fee Schedule . The impacted COS services are defined using OHG financial criteria that was sent to CCOs on March 9, 2022. Refer to Appendix A for a crosswalk of OHG financial criteria to these COS.

WHAT SHOULD YOU DO?

Providers:

1. Providers must meet OHA eligibility requirements to receive enhanced payments for culturally and linguistically specific services and may access the application process on OHA's website.
2. Providers who meet CLSS eligibility requirements should notify the CCO(s) with which they contract and provide supporting OHA documentation that demonstrates their eligibility to receive enhanced payments as a:
    - Culturally and Linguistically Specific Service (CLSS) Organization, Program, or Individual Provider
    - Bilingual Service or Sign Language Provider
3. Providers who meet eligibility requirements should follow their CCO's payment guidance.

CCOs:

1. Verify that OHA has determined that the provider meets eligibility requirements to receive enhanced payments as a:
    - Culturally and Linguistically Specific Service (CLSS) Organization, Program, or Individual Provider
    - Bilingual Service and Sign Language Provider
2. Upon receipt of documentation supporting qualification for the CLSS payment increase either by the provider directly or through OHA's list of approved providers to be displayed on OHA's website, CCOs must pay the rate increase effective for services delivered on the date of approval and after.
3. By March 31, 2023, each CCO must provide OHA with a written attestation of compliance with the requirements of the BHDP. The attestation will require the CCOs to list all contracted BH providers and confirm that negotiated rates comply with the parameters of the BHDP. The attestation will also require the CCO to explain how overall BH payments using APMs are consistent with the tiered increases (see section 5 for examples). OHA will post the attestation template on the CCO Contract Forms webpage by December 31, 2022.
4. CCOs that utilize an alternative payment methodology (APM) may continue to use such alternative arrangements but must demonstrate to OHA that the APM has been modified to incorporate the directed payment increase (see section 5 for examples).
5. It is expected that most if not all CLSS organizations and programs will deliver all services in a culturally and linguistically specific way. Individual CLSS providers may vary. Bilingual service and sign language providers are not likely to deliver all services in another language other than English or

in Sign language. Only CLSS services and services delivered in another language other than English or in Sign Language are eligible for enhanced payments.

4. MINIMUM FEE SCHEDULE DIRECTED PAYMENT

Effective January 1, 2023, the Oregon Health Authority (OHA) will implement a directed payment arrangement that will require CCOs to maintain the fee schedule for SUD Residential, Applied Behavior Analysis and MH Children's Wraparound services at no lower than the OHA State Plan Medicaid Behavioral Health Fee-For-Service fee schedule rate in effect at the date of service.

IMPACTED SERVICES

The directed payment is limited to covered services in the SUD Residential, Applied Behavior Analysis and MH Children's Wraparound COS. The impacted COS services are defined using OHG financial criteria that was sent to CCOs on March 9, 2022. Refer to Appendix A for a crosswalk of OHG financial criteria to these COS.

WHAT SHOULD YOU DO?

CCOs:

1. Ensure reimbursement is at least at the OHA State Plan Medicaid Behavioral Health FFS rate in effect on 1/1/23 for services provided beginning January 1, 2023.

5. ALTERNATIVE PAYMENT EXAMPLES

The following are examples of how an alternative payment may be used for BHDPs.

APM Example 1

CCO contracts with subcontractor to provide MH Non-Inpatient services. Rate effective January 1, 2022 was $5 PMPM which is based on 150,000 projected member months. CCO determines 20% of utilization is associated with Primarily Medicaid providers and 80% is associated with Primarily Non-Medicaid providers.

- For the rate effective January 1, 2023, CCO determines the Tiered Uniform Rate Increase component of the directed payment ($5 * 20% * 30% + $5 * 80% * 15%) = $0.90 PMPM increase.
    - Additionally, the CCO projects there will be 500 units of 90837 provided in CY 2023 that would be eligible for the CLSS non-rural increase and no services that would be eligible for the COD increase.
- For the rate effective January 1, 2023, CCO determines the CLSS Increase component of the directed payment = Number of units * State plan FFS fee schedule rate as of January 1, 2023 * Non-Rural CLSS increase = 500 * $172.72 * 22% = $18,999.20. Converting this to a PMPM equates to $18,999.20 / 150,000 = $0.13 PMPM increase.

- The total subcontracted PMPM = $6.03 PMPM including $0.90-Tiered Uniform Rate Increase and $0.13 CLSS increase.

Please note: OHA encourages CCOs to include a settlement or risk sharing arrangement related to COD and CLSS as these are new services.

APM Example 2

CCO contracts with subcontractor to provide MH Non-Inpatient services. Rate effective January 1, 2022 was $5 PMPM. CCO rebases the rate effective January 1, 2023, prior to consideration of the directed payment and determines the rate would be $4 PMPM due to decreased utilization from the prior year. The CCO then determines 20% of utilization is associated with Primarily Medicaid providers and 80% is associated with Primarily Non-Medicaid providers.

- For the rate effective January 1, 2023, CCO determines the Tiered Uniform Rate Increase component of the directed payment ($4 * 20% * 30% + $4 * 80% * 15%) = $0.72 PMPM increase.
    - Additionally, the CCO modifies the contracted rate to pay out the enhanced COD and CLSS payments to providers on an FFS or non-risk basis outside of the at-risk subcapitation arrangement.

The total subcontracted PMPM = $4.72 PMPM excluding separate payments for the COD and CLSS directed payments.

APPENDIX A – CATEGORY OF SERVICES CROSSWALK

OHG DESCRIPTION	CLAIM TYPE	CATEGORIES OF SERVICE	DIRECTED PAYMENT			
			Min FS	Tiered	COD	CLSS
PROF-MH-ABA-SERVICES	Professional	Applied Behavior Analysis (ABA)	X			X
PROF-MH-ACT	Professional	ACT/SE		X		X
PROF-MH-SUPPORT-EMPLOYMENT	Professional	ACT/SE		X		X
OP-MH-OTHER	Outpatient	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-ALT-TO-IP	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-ASSESSMENT-EVALUAT	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-CASE-MANAGEMENT	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-CASE-MGT	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-CONSULTATION	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-CRISIS-SERVICES	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-EVAL-MGMT-PCP	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-INTERP-SERVICES	Professional	Mental Health Services Non-Inpatient		X	X	
PROF-MH-MED-MGT	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-MST	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-OP-THERAPY	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-PDTS	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-PHYS-OP	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-PRTS-CHILD	Professional	Mental Health Services Non-Inpatient		X		
PROF-MH-RESPITE	Professional	Mental Health Services Non-Inpatient		X	X	
PROF-MH-SKILLS-TRAINING	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-SUBACUTE	Professional	Mental Health Services Non-Inpatient		X		
PROF-MH-SUD-UNBUCKETED	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-SUPPORT-DAY	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-THERAPY	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-MH-THERAPY-INPATIENT	Professional	Mental Health Services Non-Inpatient		X	X	
PROF-MH-UNBUCKETED	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-PHYS-OTHER-E-M-MH	Professional	Mental Health Services Non-Inpatient		X	X	X
PROF-PHYS-PRIMCARE-E-M-MH	Professional	Mental Health Services Non-Inpatient		X	X	X

PROF-PHYS-SOMATIC-MH	Professional	Mental Health Services Non-Inpatient		X	X	X
OP-CD-A	Outpatient	Substance use disorder		X	X	X
OP-CD-B	Outpatient	Substance use disorder		X	X	X
PROF-MH-WRAPAROUND-SERVICE	Professional	MH Children's Wraparound	X		X	X
PROF-CD-ASSESS-SCREENING	Professional	Substance use disorder		X	X	X
PROF-CD-METHADONE-AMH	Professional	Substance use disorder		X	X	X
PROF-CD-METHADONE-TREAT	Professional	Substance use disorder		X	X	X
PROF-COMMUNITY-DETOX	Professional	Substance use disorder		X	X	X
PROF-SBIRT-A	Professional	Substance use disorder		X	X	X
PROF-SBIRT-B	Professional	Substance use disorder		X	X	X
PROF-SUD-UNBUCKETED	Professional	Substance use disorder		X	X	X
PROF-CD-RES-ADULT	Professional	SUD Residential	X		X	
PROF-CD-RES-CHILD	Professional	SUD Residential	X		X	