



Financing Care Management in Maryland

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Care Management Evolves

- For many years, some Maryland counties offered care coordination using Wraparound to the PRTF-eligible population, a few using a locally selected Care Management Entity (CME).
- 2007: Maryland is a 1915(c) PRTF Demonstration Waiver State, using the CMEs to provide intensive care coordination to all Waiver participants.
- 2009: Maryland's Children's Cabinet decides to develop CME capacity across the state, in part to support implementation of the 1915(c) PRTF Medicaid Waiver.
 - Divided the state into three regions, each to have its own CME.
 - The Governor's Office for Children (GOC), acting on behalf of the Children's Cabinet, issued a Request for Proposals for CMEs.
- The RFP resulted in three contracts to not-for-profit companies to become Regional CMEs:
 - Wraparound Maryland in two regions (Baltimore City and South East regions).
 - Maryland Choices in one region (North West region)

CME Target Populations

Maryland's CMEs work with three primary populations, each with its own funding mechanism:

- **1915(c) PRTF Medicaid Waiver population:** Youth who meet a series of technical eligibility criteria, who qualify for Community Medicaid/MCHP or are eligible for medical assistance under Family of One, and who meet medical necessity criteria (MNC) for a PRTF, but who can be safely served in the community with Wraparound
 - Note: To support the Waiver, Maryland changed the MNC to say: “RTC Level of Care or Community-Based RTC Level of Care.”
- **System of Care (SOC) Grant Populations:** Maryland received two federal SOC grants for Baltimore City and the nine Eastern Shore Counties targeting foster children with SED at risk of out of home placement or placement disruption.
- **GOC Funded Youth:** Each region was allocated funds to serve 25 child welfare and 25 juvenile justice youth, targeting those who may be (a) entering the system with an identified need for group care, (b) in the system at risk for group care, or (c) already in group care but, able to be moved to a less restrictive setting.

The Challenge of Pricing Care Coordination

- Maryland chose to fund Care Coordination as an administrative expense.
 - For Waiver youth, cost became part of Medicaid Administrative Claim.
 - This permitted GOC to pay CMEs for care coordination in the same way for all populations.
- Challenge of pricing care coordination in the CME RFP:
 - Concern that uncertainty over potential CME population would discourage bidders.
 - State chose to bifurcate the financial bid into two components:
 - An overhead budget—represented an amount to be guaranteed in contracts for rent and other fixed general expenses, unrelated to the number of youth served.
 - A care coordination budget—based on a targeted number of youth, this budget covered care coordination and supervision. The budget was turned into a per diem per youth rate.
 - This resulted in a cost per youth for care coordination that is not a fixed amount, but fluctuates with the number of youth served, as overhead is spread among more youth.

Categories of Funding Available to CMEs to Support Plans of Care

- **Care Coordination** - Regional rates set by the bid process ranging from \$1000 to \$1400 per youth per month.
 - Variables affecting rates include travel distances and cost of living in different parts of the state.
 - For Waiver participants, the cost is paid by Medicaid; for SOC grant participants, the cost is paid by the grant; for all other populations, the care coordination is paid by State-only funds.
- **Medicaid Services** – Medicaid-eligible youth can access the fee-for-service Public Mental Health System, and Waiver youth can access the extra services provided by the Waiver.
- **Flex Funds** - Discretionary general funds allocated per youth per day to support components of the Plan of Care not otherwise funded. (All State-only funds)
 - Waiver youth: \$7 per day
 - Non-Waiver youth: \$20 per day
- **Residential Services**
 - Medicaid funds inpatient or Residential Treatment Center (RTC) stays.
 - Custodial agency funds group home or foster care placement.
 - GOC funds group or foster care for non-custodial youth.

1915(c) PRTF Medicaid Waiver

Maryland is in the third year of implementation of the PRTF Waiver.

- Eligible Populations

- Youth who meet MNC for RTC or Community-Based RTC Level of Care; and
- Youth who can be safely served in the community; and
- Youth who are community Medicaid eligible or eligible as a family of one; and
- Youth who meet specific technical criteria (i.e. age, choose to participate in the Waiver, etc).

- Waiver state match

- Maryland Medicaid and Mental Hygiene Administration required that the state match funds for the Waiver be identified from existing budgets. This resulted in the Waiver being limited to 215 youth going into Year 4.
- Sources of state match:
 - GOC-general funds budgeted for RTC return and diversion;
 - MHA-general funds budgeted for RTC diversion; and
 - Local funds identified by counties to become state match

PRTF Waiver-Service Array

Waiver participants are eligible to receive seven new Medicaid mental health services:

- Expressive Behavioral Services: art, drama, dance, equine, music, and horticultural therapies.
- Caregiver Peer-to-Peer Support: provided by current or previous caregivers of a child or youth with emotional, behavioral, or mental health challenges.
- Youth Peer-to-Peer Support: provided by a youth 18-26 who has or had emotional and/or behavioral health challenges
- Family and Youth Training: provided by either a parent or youth with experience in the system.
- Crisis and Stabilization: mobile supports to youth/families in psychiatric crisis.
- In-Home Respite Care: provided where the youth resides or in the community.
- Out-of-Home Respite Care: provided in the community overnight.

Rate Setting

- 1915(c) RTC Waiver Rates
 - Consulted existing rates for similar services (e.g., Expressive Services)
 - Bundled rates based on estimated usage of components of service (e.g., Crisis Stabilization)
 - Created a rate using salary, caseload size, contact duration and frequency and overhead data (e.g., Peer Support)
- Flex Funds
 - Evaluated historical Maryland spending data
 - Consulted with other states for their experiences with flex fund usage
- Residential Programs
 - Maryland has an Interagency Rates Committee, with staff, that uses a negotiated rates process with congregate care and treatment foster care providers that sets rates for all payers
- Care Coordination
 - Competitive bid process, as described previously

Waiver Cost Neutrality/CME Savings

- Maryland's 1915(c) Waiver application establishes the average cost for a youth to be served in an RTC, without the Waiver. In Year 3 of the Waiver, this cost is \$128,000 per RTC episode.
- This is compared to the cost of serving a youth in the Waiver:
 - Estimated Public Mental Health System Cost \$18,500
 - Estimated cost for Waiver services \$18,100
 - Average Health Choice capitated rate for somatic care \$ 6,100
 - Care coordination average annual cost \$14,500
 - Flex funds \$ 2,500
 - Total without residential \$59,700

Out-of-home cost is the “great unknown” in Maryland, without usage history.

Rate examples:

- Treatment Foster Care \$40,000-\$50,000 per year
- Group Home \$60,000-\$80,000 per year
- Therapeutic Group Home \$80,000-\$90,000 per year

Summary of Funds Supporting CMEs

Maryland has blended a variety of funding sources to support the CMEs:

Source	Services and Supports Financed
GOC (Children's Cabinet)	<ul style="list-style-type: none">- General funds budgeted for RTC youth- Rehab option funds available when Maryland chose to use Medicaid to pay for group home health care
Federal Medicaid	<ul style="list-style-type: none">- Match for Public Mental Health System services and PRTF Waiver services- Match for administrative funding for care coordination
Title IV-E	Federal matching funds for placement cost for eligible youth
Dept. of Human Resources	Child Welfare general fund share of placement cost
Dept. of Juvenile Services	Juvenile Justice general funds share of placement cost
System of Care Grants	Federal funds awarded to Maryland to carry out specific proposed projects

Maryland's CHIPRA Goals

- Maryland aspires to “grow up to be like our older sibling,” Wraparound Milwaukee, by establishing
 - A case rate incorporating all funds supporting CME youth;
 - A single-payer system;
 - ‘One youth, one care manager and one plan’ model;
 - Financial risk with the CMEs; and
 - Provider Incentives
- Maryland will use its CHIPRA grant to develop the case rate and the mechanisms to implement it.



Questions?

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