DEPARTMENT OF HUMAN SERVICES
Division of Mental Health
Fee for Service Memorandum of Understanding Report
June 2005

Item in the MOU	Status
1) DHS and MH providers to discuss reinvestment and enhancement strategies to expand resources and increase efficiency	***In process.*** The Field Test workgroups' pertinent recommendations were collected in the April Field Test report and guided the FY06 contracts. The Financial workgroup continues to give input. The Strategic Planning process recommendations are collected in the Strategic Vision Report, which were forwarded to the Legislature on May 31, 2005. As part of the overall approach to DMH system restructuring, common mission, principles and core values articulated in the good faith provisions (items 1-4) continue to guide all plans for systems change. Updated from SRI review: The Governor signed Senate Bill 662. The first $73 million received in FFP (i.e., 50% of Medicaid billings) would be deposited into the718 fund for support of provider contract payments (see MOU Item 28 for details).
2) Strategies will promote consumer access, choice, provider sustainability and equitable reimbursement	***In process.*** SRI anticipates several barriers to consumer access and continues to implement and discuss additional strategies to address these. To this end, both the MHSIP and the ROSI consumer surveys were administered at Field Test agencies to gather baseline measures on consumer perceptions and access. SRI and DMH have worked collaboratively to increase consumer involvement in all aspects of SRI. Provider sustainability and equitable reimbursement has been and continues to be the task of the Financial workgroup.
3) Strategies to include long-term solutions, review and assessment. Planning to occur to develop infrastructure to be guided by listed core values	***In process.*** The Field Test workgroups, expert consultants and the Department have identified short and long-term strategies to convert the system to a fee-for-service structure.

4) MH providers to assist DHS in developing improved service system, increasing federal funds.	***In process.*** Representatives from the thirty Field Test agencies have been instrumental in identifying system changes necessary to a successful conversion to a fee-for-service structure. DMH wishes to continue this work by expanding the activities of the Field Test to all DMH community providers.
4(a-d) Necessary technology and business services to support conversion.	***In process***. DMH continues to work with regional contract management staff on strengthening technical assistance to community providers. DMH is pursuing two RFP's for provider technical assistance to include statewide training and hands-on site visits to those providers most in need of assistance. Additionally, DMH, IARF and CBHA are coordinating training calendars to reduce scheduling conflicts in technical assistance and training.
5) a) Retain services of a consultant to provide TA, guidance and expert consultation to implement MOU. **b) Report to Senate, House, Governor in September, October, November, December, and then bi-monthly through 6/30/05.**	***Completed.*** a) Parker Dennison and Associates (PDA) continues to be an asset to the systems restructuring initiative. They have continued to provide guidance and give expert opinion to the SRI Task Group and its leadership and to the field test workgroups while collaborating with CHBA and IARF consultant Gretchen Engquist on many design features of the field test. Their provider readiness survey included both self-assessments and on-site visits. PDA observations and guidance were collected into an independent section of the Field Test Evaluation report. This report was well received by both providers and legislators and provides a framework for the Division to move forward with fee-for-service conversion. b) All reports have been submitted as prescribed. This is the June report.
6) MH providers to begin conversion to FFS to span 2 years. Each FY05 contract with a MH provider will equal FY04, with the exception of any adjustments to enacted budget.	***In Process.*** DHS approved FY05 contract increases totaling $3.3 million to community mental health providers for Medicaid billing that was under-projected in their FY2005 contracts using FY04 billings. The Financial workgroup advised DMH to increase FY06 contract amounts for those providers who billed more than projected and reduce amounts for those who billed less in FY04 to more accurately reflect the intent of this MOU provision.

7) Compose a service taxonomy and a covered services section in provider manual.	***Completed.*** A revised service taxonomy pursuant to the changes in Rule 132 adopted in July, 2004 was published in August and is available on the DHS website. All providers were required to begin billing under the new rule by November 1, 2004.
8) DHS, with stakeholder input, to expand services in taxonomy to include services not previously claimed. Carefully define what is Medicaid reimbursable with expert consultation.	***In process.*** The Rule 132 Service Taxonomy was revised in July 2004. The Services workgroup has advised DMH to amend the Medicaid State Plan, a recommendation seconded by SRI. Since the State Plan affects DPA, DHS, DCFS and DoC, discussions are in process to move forward with maximum benefit and minimum disruption.
9) With expert consultation, produce a Strategic Vision Report by 4/30/05.	***In process.*** John Hornick of Advocates for Human Potential was the consultant retained to facilitate strategic planning input and create the report. Hornick and team facilitated multiple meetings involving a wide range of stakeholders including DMH staff, representatives from other state agencies, SRI, IHHA, CBHA, IARF, and the Mental Health Planning Council, to do strategic planning. Based on input from these groups, the report was written by April 30, 2005. It has been distributed to stakeholders for public comment. Per agreement with Representatives Currie and Mulligan, the report was delivered on May 31, 2005. Additional public input is being received and will also be forwarded.
10) All providers to begin reporting service units monthly after DHS issues provider manual and conducts orientation.	***In process.*** Though claiming was initially slower than expected, as of the first cycle in May providers are now billing 5% higher than at this time in FY04. TA in information technology and claiming areas is a priority and continues. Providers have access to multiple claiming reports via SIS online to check their claiming status.
11) Effective 7/1/04, MH providers will receive advances - to include FFP based on FY04.	***In process.*** Providers continue to receive these monthly advances including projected FFP, except for May and June due to the 718 Fund temporary shortfall. Update from SRI review: Providers should receive May and June funding by the end of June.
12) DHS will pay equal rates for same service, regardless of funding	***Completed and ongoing.*** Although this MOU does not include the SASS program, stakeholders raised issues about children in SASS having access to the same Medicaid State Plan services regardless of Medicaid eligibility.

13) DHS and MH providers will continue efforts at retrospective claiming. DHS to provide ongoing TA for this.	***In process.*** Lessons learned from the retrospective claiming effort were shared with the SRI Task Group and have been incorporated into the technical assistance protocol the regional networks provide to agencies.
14) Implement unique client identifiers for existing and new clients, via e-mail, fax and phone.	***Completed.*** Every registered client is assigned a RIN. In addition to the option of email or fax, DHS developed a web-based electronic (ERIN) system for requesting RINS that has been available since April 2005.
15) Provide community agencies with the option of using File Transfer Protocol (FTP) for submitting data.	***Completed.*** Providers have received training and software to submit data using FTP. As of May 31, 2005, 93 DMH community agencies are registered to use FTP. DMH is encouraging its providers to register for FTP capability and to submit billing this way.
16) DHS to address confidentiality issues, provide TA to providers on compliance with HIPAA.	***Completed.*** MIS remains available to providers for assistance on this issue.
17) MH providers working with DHS to test premises of conversion by system runs of the DHS FFP proposal beginning 7/1/04.	***In process.*** All providers now have access to reconciliation reports for claims submitted through May 2005 cycle one.
18) Trial advance reconciliation will begin in 2nd Q for Field Test providers with initial reconciliation in 3rd Q a. **30 agencies representative agencies volunteer and are selected.** b. **Report to the Governor, House, and Senate about the Field Test before expanding to other providers. Evaluation to include any recommendations.** c. **DHS to expand Field Test no earlier than 3rd Q and after evaluation and consideration of recommendations. Providers in expansion are voluntary.** d. **Preliminary written evaluation of advance and reconcile billing system by 12/30/04**	***In process.*** a. Completed. b. Completed. Report was completed and submitted April 30, 2005. c. No decision to expand the Field Test at this time. d. Completed and submitted by 12/30/04.

e. **All agencies to get TA and training by the 2nd Q.** f. **Results of Field Test will inform refinements on an ongoing basis.** **g. Trial reconciliation for all agencies in the 4th Q based on services and reporting in the 3rd Q.** h. **Upon successful completion of field-testing, DHS may proceed to full reconciliation beginning FY06 based on the recommendation of the expert consultant and signatories to this MOU. If substantial refinement recommended, DHs to make adjustments before proceeding.**	e. Completed. Agencies receive various forms of technical assistance through DMH regional networks and central office. f. Report to the Legislature is complete and includes recommendations for the future system of care. g and h. The expert consultants recommended and SRI and DHS agreed that full reconciliation not begin until FY07.
19) Requires an evaluation consistent with the MOU design criteria; describes what is to be included, to be the focus of the stakeholder group and the consultant; results submitted to Governor, Senate, House by 4/30/05.	***Completed.*** The Field Test Evaluation Report is consistent with MOU design criteria. Field Test participants and Parker Dennison & Associates guided the Field Test process, culminating in a consumer and provider stakeholder-driven Report Writing Team.
20) After the Field Test and prior to other volunteers being added, additional terms may be added if deemed necessary by DHS, the consultant, and upon agreement of signatories to this MOU.	***Ongoing.*** The Department is working with the expert consultants and SRI to plan for the next phase of evaluation and implementation.
21) Field Test providers not at risk of loss of revenue due to reconciliation with reported service units. Providers accountable only for expenses. Providers expected to submit adequate data to allow Medicaid claiming.	***In Process.*** Note that the contract amendments previously agreed to by SRI Task Group have resulted in an amended MOU and amended contracts, which were sent to providers on January 19, 2005.
22) DHS meet monthly with Field Test directors, expert consultant, and DPA to review outcomes and address issues.	***Completed and ongoing.*** Monthly meetings of the Field Test Agencies were held monthly with the latest being held April 15, 2005. Meetings with the expert consultants, DPA and some Field Test workgroups continue.

23) DHS to develop internet communication among participants in Field Test for Rapid communication.	***Completed.*** DHS has been communicating with the Field Test agencies on the internet as well as via email. The DHS website is operational with updated information for field test participants. Minutes from the SRI Task Group and Field Test Groups are posted regularly.
24) Contracts to include a) requirement to meet Rule 132, b) provisions for the reconciliation of payments, c) Medicaid billing targets and incorporate by reference the provider manual once promulgated.	***Completed.*** Contracts do contain these items. A "Provider/Consumer Guide to Mental Health Services" manual is available on the DHS/DMH web site.
25) DHS will seek a contractor to pursue community admin claiming, with input from expert consultant.	***In process.*** After further consideration, the CMS RFP to address several revenue maximization opportunities for the State will be the vehicle by which DMH will explore community administrative claiming opportunities.
26) Safety net proposal in writing with expert consultant. DHS to identify a TA person for each agency --For Field Test providers prior to the 2nd Q, for all others by during the 2nd Q.	***In process.*** SRI has agreed that for FY05 a discrete safety plan is not needed at this time because components of such a plan are incorporated into the overall plan for the field test process and specific work group activities. While a discrete safety net plan is not necessary, it is important that the SRI Task Group not lose sight of the components of such a plan. Regional Technical Assistance staff was identified for each agency as prescribed.
27) DHS to process billing info and vouchers in a timely manner. Beginning 1/1/05, DHS will identify providers who experience severe financial hardship.	***In process.*** DHS is advancing payments to MH providers in FY05 and FY06. Procedures for requesting assistance in cases of "financial hardship" have been posted on the website. Since procedures have been put in place, at least one provider has requested an application to seek assistance. The provider readiness self-assessment is a tool that providers can complete to assist the state in understanding which providers are at financial risk.

28) Revised Trust Fund language to be reexamined prior to FY07.	***In process.*** Senate Bill 662 creates a loan from DPA to deposit $14 million into the MH Trust Fund. The Bill mandates that the first $73 million in federal Medicaid reimbursement for mental health services be deposited directly into the MH Trust Fund, the next $14 go to repay the loan, the next $11 million be deposited into the GRF and any federal funds exceeding this $98 million be split 50/50 between the MH Trust Fund and GRF. Update from SRI review: The Governor has signed SB 662 into law.
29) DHS employ and independent 3rd party consultant to review historical costs. Review described. Extensive status report due o 3/31/05 and final analysis due 4/30/05 to Governor, House and Senate.	***In process.*** DHS funded Navigant and Max Chmura, PNP Associates, to conduct a review of historical costs for DMH. They are also the vendor retained by DPA to do a cost analysis for the SASS program, and work collaborating with CBHA/IARF consultant, Gretchen Engquist, on design features of the study. Meetings have been held frequently with a technical advisory group (TAG), which includes providers and trades, and have resulted in a modified financial report tool. This group is now reviewing the results of the studies. The preliminary report was delivered by 3-31-05. The final report due date was changed per agreement with all MOU signatories to 6-30-05 and will be met.
30) No reserve placed on MH services.	***Completed.*** There is no reserve on MH appropriation to community providers.
31) Any written report agreed to be provided by any party to this MOU must also be provided to the Speaker, House Minority Leader, President of the Senate, and Senate Minority Leader.	***Ongoing.*** Reports have been distributed as prescribed.