Minutes for SRI Finance Workgroup
Re: Coordination of Benefits
1:30 PM Thursday, September 21, Teleconference

Participants included Doug Kolasinski (chair), Randy Pletcher, Kelly Schuler, Mike Bach, Gongmin Mou, Rich Murphy, Heather Eagleton, Bob Lesser, John Troy, Cheryl Boyd, Marty Maxwell, Dave Bellingham, Lisa Talbert, Phil Arnold, Dawn Bergland, Angela Dean, and Mary Smith.

The purpose of this meeting was to discuss options for the coordination of benefits and to make a recommendation on the preferred option to the September 28 SRI Task Group. Prior to the meeting Randy Pletcher distributed to the entire Finance Workgroup the minutes of the September 7th small task group meeting and a summary of the six options to be considered. Mr. Gongmin Mou described to the group the options and results of the previous small group meeting. Mr. Mou referred to the following table to summarize the options.

	Considers Consumer Payment	Does Not Consider Consumer Payment
Calculations based upon provider-reported usual and customary charge	Option 1	Option 2
Calculations based upon standard customary charge	Option 3	Option 4
Calculations based upon the DHS rate	Option 5	Option 6

Mr. Mou noted that the small work group found the consideration of consumer payments (options 1, 3, and 5) presented too many problems to be considered in the calculation of a payable amount because amounts are too small, payments are highly uncertain, and collection efforts are rarely worth it. He pointed out that the small group acknowledged that ignoring consumer payments made it likely that DHS would need to implement some form of means test to make sure the DHS-funded system is available to consumers who do not have the resources to purchase services.

The small work group had narrowed their preferences to options 2 and 4, which differ only by whether the provider's reported usual and customary charge or a standard charge was used to calculate payable amounts from DHS. Mr. Mou explained that option 2 could result in an anomaly if both a third party and a consumer made payments on the charge, because total revenue could exceed the provider's usual and customary charge. This situation could lead to ethical, if not legal, problems. When this occurred, it could require some additional reconciliation, which would be an undesirable complication.

A number of issues were raised in the discussion following Mr. Mou's presentation. Of greatest concern in the group was how DHS would determine a standard customary charge. If this standard charge was too low, provider revenue could drop. Randy Pletcher stated that DHS' interests in setting such a standard would not be to reduce payments, but to establish uniformity in determining payable amounts.

Another point raised was whether DHS' use of a standard customary charge for calculating its payments would imply that this charge would have to be adopted by all providers in other business. Group members pointed out that charges and payments by other payers vary considerably, and there would be no requirement that providers must adopt the DHS standard charge as their own. Another point was that if the intent of a DHS-established charge for option 4 was to make charges more uniform, DHS could give providers guidance on how to determine their usual charge for DHS, making option 2 more comparable to option 4 without imposing a standard charge.

Members questioned whether these options would apply to grant payments or funding from counties or 708 boards. Randy Pletcher pointed out that payments from insurers and consumers are different from funding through grants because there is a clear obligation to pay for a specific consumer. Grants do not imply such an obligation. Since it is hard enough to determine payable amounts when payment obligations are specific and clear, DMH intends to address grant payments, separately. A participant noted that some 708 board payments appear to be fee-for-service payments, but this is not uniform across the state. In the interests of resolving the matter at hand, Randy Pletcher suggested that DMH needs to coordinate more with the 708 boards to clarify this, but that we would not consider these boards to be liable third parties in this discussion of the coordination of benefits.

Another participant asked if DHS would set a standard charge for all procedures or whether option 4 intended to set a single charge for all procedures. Randy Pletcher stated that a simple solution would be preferable. In further discussion a participant offered that DHS could apply a uniform percent increase over DHS rates to serve as the procedure-specific standard charge, which would still be rather simple. Other participants noted that the number of services affected would be rather small, focused primarily on therapy/counseling, assessment, and treatment plan development, so a single standard, with consideration of group and individual programs, might be sufficient.

After the discussion concluded, chairman Doug Kolasinski asked if the group wished to vote on the options. The group agreed to do so. At this point, fourteen financial group members remained on the call. Among them13 voted for option 2 and 1 voted for option 4. Following the vote Gongmin Mou asked if this vote implied that option 2 would be accompanied with guidance on how providers should determine their usual charge, and the group agreed.

Before the meeting adjourned, Mike Bach took the opportunity to share with Sandy Lewis, the chairperson of the access and eligibility workgroup and a guest in this meeting, that the financial workgroup had previously discussed the need for clear consumer eligibility criteria to fully resolve the coordination of benefits issue. Mr. Bach pointed out that the financial workgroup decided it was not the appropriate group to make recommendations on consumer eligibility and hoped that the access and eligibility group would address this matter. Ms. Lewis agreed.