Kansas Department of

Social and Rehabilitation Services

Don Jordan, Secretary

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Targeted Case Management

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Chairman Umbarger and members of the Committee, I am Ray Dalton, Deputy Secretary for Disability and Behavioral Health Services. Thank you for the opportunity to appear before you today to discuss the recent changes made to Targeted Case Management (TCM). Today I will discuss the impact of changes made to the TCM programs administered by SRS. The programs affected serve individuals with developmental disabilities, physical disabilities, and mental illness.

On July 1, 2007 the Department of Social & Rehabilitation Services, in partnership with Kansas Health Policy Authority (KHPA), implemented changes to TCM that had been recommended and approved by the Centers for Medicare and Medicaid Services (CMS). The new State Plan provided for uniformity with regard to service definitions, unit definitions, and methodology for establishing a payment rate. The largest challenges in this transition have involved changes in the billing unit, required documentation, and restrictions on providing both direct services and targeted case management.

Community Supports and Services

For providers of TCM in the MR/DD system, the major impact came with the change in units of service billed. The definition of the service remained consistent, but actual service delivery practices had to change. Before the change, providers were reimbursed a monthly rate for services, which equaled one unit. With the change providers are now required to bill 15 minute units. The monthly unit required that a case manager provide at least one documented billable activity within the month to receive payment for the monthly unit. This allowed providers to manage their workload by providing more services to those who needed more and less to those needing less, with the understanding that all persons' case management needs would be met. This flexible unit allowed for more participation by case managers in training and some workgroups/committees, which is no longer possible as case managers must now spend most of their time doing billable activities. Another change in service delivery for some providers occurred around the provision of "direct services". For instance, a case manager would assist a person on the waiting list by actually doing some services that were necessary for a person that was not actually receiving paid supports. Examples include taking the person to appointments, assisting him or her in finding housing, and other things that were not considered full direct services but were necessary to keep the person out of crisis until direct services funding was available.

The change to the 15 minute unit required providers to move to a more regimented and intricate billing cycle to ensure they were able to fund the services they provided. It has also lead to increased documentation requirements and monitoring for providers.

For case management through the DD System, the reimbursement rate is currently $43.32 AF per hour, or $10.83 per 15 minute unit. The monthly reimbursement rate for TCM was $394.50 AF. During this time the CDDOs provided the state match for this service. Due to reviews by CMS, CDDOs may no longer provide the match.

Concern was voiced that these changes would have a fiscal impact on the DD system as a whole. To assist with the projected fiscal impact, the 2007 legislature gave SRS $3 million SGF, which was used to increase reimbursement rates for waiver services. This would provide some offset to the affects of a lower TCM rate, but it would not necessarily help all providers.

For individuals requesting and receiving Home and Community Based Physical Disabilities (HCBS/PD) Waiver services, TCM became a Medicaid State Plan service effective July 1, 2007. Before this, case management type services were provided through Independent Living Counseling, an HCBS Waiver service. Kansas was in the process of updating the Medicaid State Plan and SRS saw the evolution from the waiver service of Independent Living Counseling to TCM as a natural step to provide consistency for waiver consumers. In meeting with stakeholders there was an agreement that this was a natural step and was needed for consistency in services as well as reimbursement.

Independent Living Counseling, a waiver service from January 1, 1997 through June 30, 2007, had evolved over time to include not only case management activities, but “direct” services as well. TCM, as defined by CMS, does not include “direct” services of any kind. An example of this would be that, previously, a TCM might pick up a piece of equipment to deliver to a consumer during the TCM’s home visit. That task, the picking up and delivery of equipment, cannot be billed as TCM. Rather, the TCM now will either make a referral to someone else for that task, or will perform the task without billing that time to Medicaid as a TCM service. This created new challenges for providers. They needed to find other ways to help individuals with these tasks.

Another impact of the change was on documentation. Providers have indicated more time is needed to provide the necessary documentation to show that an activity is a covered TCM activity.

The reimbursement rate for TCM to individuals with physical disabilities, went from $30.00 per hour to $42.40 per hour, or $10.60 per 15 minute unit.

To assist with the changes to the units and concerns regarding documentation, SRS, in working with Kansas Health Policy Authority (KHPA), offered four separate webinar training events. All of the questions asked by

providers during the training sessions were documented and then responded to by SRS and KHPA. The information was then shared with providers.

MENTAL HEALTH

The largest effect of CMS' rule changes on TCM for persons with mental illness involves the expectation that case management providers not be allowed to provide other mental health services. Prior to this change community mental health centers (CMHCs) would frequently provide community psychiatric support and treatment (CPST) and case management using the same staff. CPST is a direct face-to-face service that assists the consumer and family members to identify strategies and treatment options that minimize the negative effects of the person's mental illness. CPST would frequently be provided in the person's home. Because of this, CMHCs often found it effective and efficient to allow CPST staff to carry out case management functions, especially for children. This allowed the staff to work with the child in ameliorating the effects of their mental illness and then to meet with family members to discuss progress or to make other referrals and appointments during the same visit. Under the current rules, this is no longer possible. SRS has recently requested a change to the State Plan, which will allow a case management provider to be able to provide other mental health services.

The reimbursement rate has also changed from $25.00 per 15 minute unit to $10.83 per 15 minute unit. When the reimbursement rate was reduced, SRS increased reimbursement rates for other services with the intent of maintaining overall revenue to the centers.

When KHPA and SRS began the process of evaluating the changes that were needed to TCM, KHPA contracted for a rate study to be conducted of case management services. In working with providers since the transition, it has been agreed that a second rate study is necessary. SRS is currently in the process of contracting with a provider to conduct this study. It is expected that the results of the study will be available in early 2009.

This concludes my testimony. Thank you for the opportunity to present this information to you. I will be happy to answer any questions.