



# Administrative Fees and the OHCDS designation

DDP Provider discussion  
9/10/2014

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# A little History....

- Prior to 7/1/2014, an automatic 15% admin fee was added into the ICP system for:
  - Adaptive Equipment
  - Environmental Mods
  - Individual Goods and Services
  - Personal Emergency Response System
- When a provider would invoice for an item, the invoicing system would automatically calculate a 15% admin fee and add it on to the total cost.



DDP Provider ID	61	<a href="#">Delete Invoice</a>	Invoice Number	427784
Provider Name			Provider Site	
Invoice Status	Authorized by Central Office		Billing Period End Date	11/30/2013
Status Date	01/27/2014		Contract Type	Individual Cost Plan (ICP)
Invoice Total	252,117.99	Adjustment Total	<387.71>	Non Mailer <input type="checkbox"/> Region 4

[Submit/Authorize](#)
[View Standard Contract Balance](#)
[Print Invoice](#)
[Un-Submit/Un-Authorize](#)
[Un-Adjust](#)

[Inv by Clients](#)
[Inv by Service](#)
[Payment Info](#)
[Status History](#)
[Adj History](#)
[Client ICP Balances](#)
[Accruals](#)

Category	Service Detail	Funding Option	
alized Living	Supported Living OTHER	XIX	<a href="#">Add Client for Selected Service</a>
alized Supports	Adaptive Equipment	XIX	<a href="#">Adjust Selected Invoice Line</a>
alized Supports	Behavioral Support Services	XIX	<a href="#">Remove Selected Invoice Line</a>

Service Begin Date	Service End Date	AWACS ID	Client Name	Billable Unit	Units	Rate	Cost	Admin Cost	Invoice Line Cost
11/01/2013	11/30/2013	327778		\$ Cost			.00	.00	.00
11/01/2013	11/30/2013	260653		\$ Cost			385.16	57.77	442.93
11/01/2013	11/30/2013	215276		\$ Cost			.00	.00	.00
11/01/2013	11/30/2013	127765		\$ Cost			.00	.00	.00
<b>Total Service Cost</b>									<b>5,801.01</b>



# History cont.....

- In March, 2014- DDP applied guidance received about percentages and FMS services to waiver services, as reflected in the Rates Manual 7/1/2014.
- May 2014- In the proposed rates manual, “actual cost plus up to a 15% admin fee” was replaced with “actual cost plus a provider admin fee if applicable”.
- June 2014- DDP received comments during formal rules process that required additional research.

# Guidance DDP received on admin fees

- Admin fees may not:
  - Be matched at the medical 30/70 match (Title XIX)
  - Be diverted from service dollars
  - Be inconsistent throughout the state

# Organized Health Care Delivery System

- CMS requires that rates be 'economic and efficient' and generally administrative fees increase the overall cost of an item.
- CMS allows for reimbursement of admin activities:
  - When it's imbedded into a 'rate'
  - OR through the Organized Health Care Delivery System (OHCDS) designation

# OHCDS cont.

- The OHCDS provides a mechanism for non-traditional providers, who are not likely to obtain a Medicaid provider number, to be paid for necessary services.
- An agency who has the OHCDS designation can contract with a provider to deliver a service and pay them with Medicaid dollars. For example:
  - A contractor installing a ramp
  - A physical therapist
  - A bus pass purchase from the local transit system
  - A purchase from an online adaptive equipment company

# OHCDS cont.

- Historically, DDP providers have used the OHCDS designation in their contract as it relates to auxiliary services such as:
  - speech therapy, physical therapy, occupational therapy, private duty nursing etc.
- Opting to be designated as an OHCDS has guidelines and stipulations including reporting and documentation requirements outlined at: <http://www.dphhs.mt.gov/dsd/ddp/qualprovprocess/ohcads.shtml> or Section 2F of the DDP contract

# Why OHCDs?

- 42 CFR 431.107 and 447.10 govern Medicaid provider agreements and the flow of payments to ensure providers have a valid provider agreement to bill Medicaid and also prohibits state payments for Medicaid services to anyone other than a Medicaid provider EXCEPT in specified circumstances.

# What does this all mean?

- Admin fees can no longer be matched at the Title XIX (30/70) Medicaid match rate.
- We believe, any percentage based admin fee cannot be reimbursed with Medicaid funding at all.
- In order to specifically be reimbursed for any 'admin' costs, a provider must be an OHCDS; regardless of admin fee funding source.
- DDP contracts will potentially need to be reviewed and amended.
- Most OHCDS options will require some data from providers. (possible options are discussed in future slides)

# What Do Others Do?

- We could not find another MT program that uses OHCDS. SLTC program was most comparable to DD clients and services
- SLTC does not do OHCDS/admin. Their Case Managers coordinate services or products and a Medicaid provider is chosen to deliver the service/item.
  - Equipment - There is an extensive list of items and their rates. The Medicaid waiver provider submits a claim directly to the state per the rate established for the item.
  - Modifications – The Case Manager approves of the total cost for the modification and prior authorizes the amount. The Medicaid waiver provider invoices the state directly.

## Over 60 pages of equipment rates:

E0130		WALKER RIGID ADJUST/FIXED HT	1/1/2014	\$66.20
E0130	RR	WALKER RIGID ADJUST/FIXED HT	1/1/2014	\$15.84
E0135		WALKER FOLDING ADJUST/FIXED	1/1/2014	\$79.02
E0135	RR	WALKER FOLDING ADJUST/FIXED	1/1/2014	\$16.26
E0140		WALKER W TRUNK SUPPORT	1/1/2014	\$339.98
E0140	RR	WALKER W TRUNK SUPPORT	1/1/2014	\$34.01
E0141		RIGID WHEELED WALKER ADJ/FIX	1/1/2014	\$108.67
E0141	RR	RIGID WHEELED WALKER ADJ/FIX	1/1/2014	\$21.09
E0143		WALKER FOLDING WHEELED W/O S	1/1/2014	\$112.43
E0143	RR	WALKER FOLDING WHEELED W/O S	1/1/2014	\$20.35
E0144		ENCLOSED WALKER W REAR SEAT	1/1/2014	\$300.15
E0144	RR	ENCLOSED WALKER W REAR SEAT	1/1/2014	\$30.03
E0147		WALKER VARIABLE WHEEL RESIST	1/1/2014	\$541.77
E0147	RR	WALKER VARIABLE WHEEL RESIST	1/1/2014	\$54.19
E0148		HEAVYDUTY WALKER NO WHEELS	1/1/2014	\$119.76
E0148	RR	HEAVYDUTY WALKER NO WHEELS	1/1/2014	\$11.99
E0149		HEAVY DUTY WHEELED WALKER	1/1/2014	\$210.37
E0149	RR	HEAVY DUTY WHEELED WALKER	1/1/2014	\$21.04
E0153		FOREARM CRUTCH PLATFORM ATTA	1/1/2014	\$75.88
E0153	RR	FOREARM CRUTCH PLATFORM ATTA	1/1/2014	\$8.57
E0154		WALKER PLATFORM ATTACHMENT	1/1/2014	\$66.46
E0154	RR	WALKER PLATFORM ATTACHMENT	1/1/2014	\$8.07
E0155		WALKER WHEEL ATTACHMENT,PAIR	1/1/2014	\$29.73
E0155	RR	WALKER WHEEL ATTACHMENT,PAIR	1/1/2014	\$3.63
E0156		WALKER SEAT ATTACHMENT	1/1/2014	\$21.18
E0156	RR	WALKER SEAT ATTACHMENT	1/1/2014	\$2.71
E0157		WALKER CRUTCH ATTACHMENT	1/1/2014	\$77.22
E0157	RR	WALKER CRUTCH ATTACHMENT	1/1/2014	\$8.48

## What Others Do Cont.

- From other guidance received, there are other OHCDS-like arrangements specifically between the provider and non-Medicaid subcontractor. In this example, the provider passes on the Medicaid rate, and the contractor then 'pays back' a portion of the payment. This may be an attractive option for contractors who do not want to go through the Medicaid enrollment process.

# Possible Options?

- **Have specific agreement/section in contracts that will cover all of OHCDS/admin activities.**

- Could be matched with Medicaid (50/50) or Title XX (Title 20) funded. Depends if a % based option is chosen
- Could be person-specific or could be a standard monthly unit, for example
- Could cover all OHCDS activities no matter how little or how much it's used

Pros - easy to invoice and manage. May be able to draw Medicaid dollars

Con - detailed data will be necessary to establish a per-person or monthly unit

# Options, cont.

- **% Based Using Title 20 (Title XX)**

- Through cost plan & invoices
- One service line called “admin/processing “ will capture all admin/OHCDS/processing fees for the person that month for all services

Pros – 15% is similar to how it’s historically been done. Process changes are minimal. No additional data needed

Cons – can’t draw Medicaid match. Enhanced cost plan management required

- **Transaction Fees**

- Apply at time of invoicing
- Will require data to establish what a reasonable and appropriate fee is

- **Others?**

# Next Steps

- Comments, Feedback- questions?