



Department  
of Health

Office of Children  
and Family Services

# Annual Council of Family and Child Care Agencies Conference

*May 2, 2018*

# Introductions

Greg Allen, Director

Division of Program Development and Management, Department of Health

Lana Earle, Deputy Director

Division of Program Development and Management, Department of Health

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Mimi Weber, Director of Waiver Management

Office of Children and Family Services



# Core Principals for VFCA Under Children's Medicaid Redesign and Transition to Managed Care

- ✓ No loss of access to Medicaid services for foster care children and families
- ✓ Upgrading capacity to care for VFCA children/ higher risk populations on both care management and services
- ✓ Article 29I Licensure and standardized guidelines to deliver services under managed care framework.
- ✓ Sufficient rate to maintain “core limited health related services” (defined by regulation)
- ✓ Time to transition to new models/expectations
- ✓ Time on revenue transfer
- ✓ More certainty on timeline (as possible)
- ✓ Everyone happy but if not we yell at Greg, not Lana

# Proceeding with the Children’s Medicaid Redesign Under the Enacted Budget

- The State remains committed to implementing the Children’s Medicaid Redesign
- The Enacted Budget includes resources that will:
  - Support the start of Children’s Medicaid Redesign in January 2019
  - Builds foundation to implement other components of the Plan (e.g., moves waivers to Health Home Care Management, begins new HCBS criteria)
  - Provide readiness resources for providers (up to \$13 million, assuming Federal match)
- The State will be working to identify resources in the out-years for implementing the Children’s Redesign that are in excess of those included in the Budget’s Global Spending Cap
- The schedule and implementation are dependent upon timely Federal and State approvals

	SFY 18-19 (1)		SFY 19-20*		SFY 20-21*	
	Gross	State	Gross	State	Gross	State
Enacted Budget Restoration	\$30.0	\$15.0	\$30.0	\$15.0	\$30.0	\$15.0
Cost of Children’s Design	\$30.2	\$15.0	\$111.1	\$54.1	\$137.1	\$65.1

(1) Includes \$13m gross/\$6.5m State Provider Readiness Resources  
 Subject to the availability of Global Cap Resources in Excess of Budget Restoration



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# Enacted Budget Readiness Resources

- In 2018-19, the Enacted Budget includes \$6.5 million of State readiness resources, State working to generate as much as \$13 million through Federal match
- Some foster care providers are thinking about pooling resources (e.g., consultants to assist with systems/billing and negotiation with Managed Care Plans)
- State will pursue a federally matched rate adjustment for Health Homes Primarily Serving Children Only

SFY 18-19			
2018-19 Enacted Budget	State Share Resources	Potential Federal Share	Total Resources
OMH/OASAS/ <i>Foster Care Providers</i>	\$3.5	\$3.5	\$7.0
Medically Fragile Children (Private Duty Nursing)	\$1.0	\$1.0	\$2.0
<i>Health Homes Primarily Serving Children Only</i>	\$2.0	\$2.0	\$4.0
Total Potential Resources	\$6.5	\$6.5	\$13.0



## Key Components and Timeline of VFCA Transition to Managed Care

- The Elements of the Children's Medicaid Redesign remain unchanged – dependent upon timely CMS and State Approvals
- Changes relate to the timeline of implementing the new and expanded services and have been made to accommodate the availability of resources
- Foster Care population and services transition to Managed Care
- ***Now and Ongoing Process***
  - ✓ Foster Care Providers Interested in Providing Six New State Plan Services an/or and of the New Array of Home and Community Based Services must become Designated provider
- ***May 2018 to December 2018***
  - ✓ In preparation for July 1, 2019 transition of VFCA population to Managed Care, VFCAs apply for ***Article 29-I Licensure Process***
    - ✓ Provider Designation Webinar held on April 19, 2018
  - ✓ B2H providers (if not already) contract with Health Homes



# Key Components and Timeline of VFCA Transition to Managed Care

- **October 1, 2018**

- ✓ Children currently enrolled in three B2H Waivers begin, with their B2H care manager, the transition to Health Home

- **January 1, 2019**

- ✓ Implement three of six New State Plan Services (Other Licensed Practitioner, Psychosocial Rehabilitation, Community Psychiatric Supports and Treatment)
- ✓ New array of HCBS services are available and part of the Managed Care benefit (also available through fee-for-service for children not enrolled in Managed Care)
- ✓ Children in three B2H Waivers will transition from the 1915(c) Waiver authority to the 1115 Waiver authority
- ✓ Children in B2H and no longer in Foster Care will transition to Managed Care along with children in other three 1915(c) waivers (DOH CAH, OPWDD CAH, and OMH SED) and receive HCBS through the Plan

# Key Components and Timeline of VFCA Transition to Managed Care

- **July 1, 2019**

- ✓ Children in Foster Care, including those in B2H and in Foster Care, will Transition to Managed Care
- ✓ Behavioral Health Benefits transition to Managed Care
- ✓ Implement Family Peer Supports State Plan Service
- ✓ Three Year Phase-in of Level of Care (LOC) eligibility for HCBS Begins (within limits of Global Spending Cap)

- **January 1, 2020**

- ✓ Implement remaining new State Plan Services in Managed Care Benefit, Youth Peer Support and Training and Crisis Intervention

- The new expansion to Level of Need (LON – extended functional impairment but not institutional level of care) Home and Community Based Services population will begin following the full phase in of LOC



# Facilitating Transition to Managed Care for VFCA Providers and Children in Foster Care

- To address “Corporate Practice of Medicine” (i.e., plans must contract with licensed providers for the provision of health care services) legislation was enacted, under Article 29-I of the Public Health Law to authorize and create a Department of Health (in collaboration with OCFS) license for VFCAs
- License will allow VFCAs to contract with, and bill the Plans for services, including Core (or Limited) Health Services paid for by the Residual Per Diem
- Under authority of Article 29-I DOH and OCFS have:
  - Prepared Regulations for the implementation of Article 29-I VFCA License (target publication in State Register in June, adoption in October)
  - Prepared Guidelines implementing the regulation and licensure process – Final Draft Guidelines will be released next week
    - Regulations released for comment in December 2017, comments reflected, webinar held on December 14, 2017
  - Developed Application Process

## Key Dates for Article 29-I Licensure Regulations, Guidelines and Application Process

### Key Dates for Article 29-I Licensure Regulations, Guidelines and Application Process

Final Licensure Guidelines Released	May 2018
VFCA Provider Education and Training on Licensure Application Process	May 1, 2018 to June 30, 2018
Application Released (Electronic Submission)	July 1, 2018
Applications Due	July 31, 2018
Licensure of all VFCAs	November 15, 2018 to December 31, 2018
VFCA contract and claims test with Managed Care Plans	January 1, 2019 to June 30, 2019

### Schedule for Provider Training on Licensure Application Process

May 7	Albany
May 8	Lower Hudson
May 9	Lower Hudson
May 10	NYC
May 11	NYC
May 14	Syracuse Region
May 15	Rochester Region
May 16	Buffalo Region

# Article 29-I Authorizes VFCA to Perform Core Health-Related Services

- Core Limited Health-Related Services, include:
  - ✓ Skill Building activities
  - ✓ Nursing Supports and Medication Management
  - ✓ Medicaid Treatment Planning and Discharge Planning, including Medical Escorts
  - ✓ Clinical Consultation and Supervision
  - ✓ Managed Care Liaison/Administration
    - ✓ Managed Care Liaisons must maintain a residents' eligibility of public or private health insurance, enrollment in an appropriate health plan and appropriate utilization of available health plan benefits.

## Article 29-I Authorizes VFCA to Perform Core Health-Related Services

- VFCAs will be reimbursed to provide the Core Limited Health-Related Services under the Article 29-I licensure through the “Residual Per Diem”
- The Residual Per Diem will be paid by the Plans to the VFCAs
  - Hence the need for VFCAs to obtain Article 29-I License, and for VFCAs to contract with Plans for the provision of Core Health Related Services, and bill for the Plan for such services

# Article 29-I Authorizes VFCA to Perform Other Limited Health-Related Services

- VFCAs *may* also provide Other Limited Health Related Services that are consistent with treatment plan and include screening, diagnosis and treatment related to physical health and behavioral health.
- To provider other limited health related services VFCAs must posses all required NYS certifications, designations or licenses
- *These are services the VFCA can contract separately (outside of the Residual per diem limited core services)*

## Other Limited Health Related Services Include:

- ✓ On-going treatment of chronic conditions as specified in treatment plans
- ✓ Diagnosis and treatment related to episodic care for minor ailments, illness or injuries, including sick visits
- ✓ 6 new Children's SPA Services
- ✓ Psychiatric consultation, assessment and treatment
- ✓ Psychotropic medication treatment
- ✓ Developmental screening, testing and treatment
- ✓ Psychological screening, testing and treatment
- ✓ Smoking cessation treatment
- ✓ Alcohol and/or drug screening and intervention

## Licensure Application Process

- The Article 29-I Licensure requirement applies to VFCAs that care for, and/or board out foster care children
- To be licensed as a VFCA Health Facility, the VFCA must apply to OCFS and DOH, include limited health-related services to be provided, the location and physical description of the physical plant, and other required information
- VFCAs that intend on providing a new services will need to complete the VFCA Article 29-I Health Facilities License Application **and** complete an Application for a New Medicaid Rate (same process as today)
- 23 VFCAs will qualify for the residual diem that don't currently bill a VFCA per diem paid today
- The 23 agencies that currently DO NOT have a Medicaid Per Diem will need to complete the VFCA 29-I Health Facilities License application and complete an Application for a New Medicaid Rate

**Draft**

# Residual Per Diem Rates



# Overview of VFCA Residual Per Diem Rate Structure

- The Residual Per Diem was designed to reimburse the Core Limited Health Services
- The Residual Per Diem is subject to CMS/State Plan Approval – State is targeting June 2018 for State Plan Amendment Submission
- There is four year transition period from current rates to Residual Per Diem Rates



# Overview of VFCA Residual Per Diem Rate Structure

- The Residual Per Diem will be paid by Managed Care Plans to VFCAs to cover Medicaid costs now included in the VFCA per diem paid today that are not otherwise outlined in the MCO contract, i.e., the Core Limited Health Related Services provided in residential settings
  - The Medicaid costs of the Core Limited Health Related Services primarily reflect staffing costs
- In addition to the staffing components shown in the table, additional resources for Managed Care Liaisons is included in the Residual per diem to facilitate effective communication and coordination with Plans

Staffing Components	
Practitioners	Licensed Behavioral Health Professionals
	Nursing Staff
	Medical Escorts
Supervisors	Program Administrator
	Program Supervisor
	Clinical Supervision

# Overview of Residual Per Diem Rate Structure

- Residual rate build included the development of staffing assumptions (FTEs and costs) by types of facilities that care for foster care children today
  - Facility types mirror the VFCA per diem facility classifications that are billed today by VFCAs

Level	Description	Facility Type
Level 1	General Treatment	Foster Boarding Home
Level 2	Specialized Treatment	Therapeutic Boarding Home (TBH)/AIDS
		Boarder Baby
		Other Non-congregate
Level 3	Congregate Care	Maternity/Group Home (GH)/Agency Operated Boarding Home (ABH)
Level 4	Specialized Congregate Care	Institutional
		Group Residence (GR)
		Diagnostic
		Hard to Place/Special Other Congregate

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## Overview of Residual Rate Build

Assumptions	Description
<b>FTE</b>	<ul style="list-style-type: none"> <li>▪ Relied upon data from the 2015 Cost Report, Empire Report and working sessions with VFCA subgroup</li> <li>▪ Established a per child cost using FTE per child ratio</li> </ul>
<b>Wage/Salary</b>	<ul style="list-style-type: none"> <li>▪ Estimated wages using Bureau of Labor Statistics May 2016 data for New York</li> <li>▪ Used median salary for each staffing component with a 1.05% downward adjustment</li> <li>▪ Trended the 2016 salaries using CPI trend rate (2.05%)</li> </ul>
<b>Indirect Costs</b>	<ul style="list-style-type: none"> <li>▪ Calculated employee related expenses, travel and training expenses on a per child basis</li> <li>▪ Applied an annual 10% administrative expense which includes consideration of capital costs for treatment</li> </ul>
<b>Draft Residual Per Diem</b>	<ul style="list-style-type: none"> <li>▪ Converted costs to a daily basis to arrive at a draft per diem rate</li> </ul>
<b>Modeled Residual Rates</b>	<ul style="list-style-type: none"> <li>▪ Applied trend to the draft residual per diem rates to get fully implemented modeled rates</li> </ul>

# Staffing / FTE Assumptions

**Final Draft FTE Assumptions Reflect Modifications to Staff Assumptions – Expansion + RTC Add, + Managed Care Liaisons + VFCA that don't bill today - New Resources \$**

Draft Final FTE Assumptions									
Staff Type	FBH	TBH/AIDS	Boarder Baby	Other	Maternity/GH/ABH	Institutional	GR	Diagnostic	Hard to Place/Special Other
LBHPs	0.852	4.300	0.930	3.534	1.700	4.000	4.000	13.000	7.500
Nursing staff	1.500	2.700	10.434	4.361	3.000	5.300	5.300	9.000	8.500
Medical Escorts	0.103	1.000	1.413	0.870	1.000	1.000	1.000	1.300	1.000
Program Administrator	0.207	0.500	0.304	1.082	0.400	0.550	0.550	1.000	1.100
Program Supervisor	0.211	0.600	2.024	0.535	0.400	0.250	0.250	0.400	0.800
Managed Care Liaison	0.150	0.625	0.625	0.625	1.130	1.731	1.731	1.731	1.731
Service Coordination	n/a	n/a	n/a	n/a	n/a	1.731	n/a	n/a	1.731
Clinical Consultation	0.112	0.500	0.209	0.556	0.400	1.000	1.000	2.400	1.400
<b>Total FTEs</b>	<b>3.135</b>	<b>10.225</b>	<b>15.939</b>	<b>11.563</b>	<b>8.030</b>	<b>15.562</b>	<b>15.562</b>	<b>28.831</b>	<b>23.762</b>

**Note: Converted to per 100 children FTE ratio for ease of reading**



# FTE Assumption/VFCA Health Facilities License Guidelines Crosswalk

FTE Assumptions in Residual Rate Build	Core Health Related Services in Guidelines
Nursing Staff	Nursing and Medication Administration
Medical Escorts*	Medical Escorts
Program Supervisor Clinical Consultation*	Clinical Consultation/Program Supervision Services
Managed Care Liaison Program Administrator Service Coordination*	VFCA Medicaid Managed Care Liaison Services /Administrator
LBHP	Skill Building
* Medicaid Treatment Planning and Discharge Planning is Primarily in these staffing assumption categories	

# Draft VFCA Residual Per Diem Rates

Service Level	Facility Type	Care Days	DRAFT Modeled 2019 Residual Per Diem Rates
Level 1 General Treatment	Foster Boarding Home	3,381,599	\$11.87
Level 2 Specialized Treatment	Therapeutic Boarding Home (TBH)/AIDS	634,687	\$33.35
	Boarder Baby	51,335	\$52.04
	Other Non-congregate	50,287	\$38.14
Level 3 Congregate Care	Maternity/Group Home (GH)/Agency Operated Boarding Home (ABH)	204,393	\$26.34
Level 4 Specialized Congregate Care	Institutional	518,025	\$47.40
	Group Residence (GR)	21,506	\$44.43
	Diagnostic	28,329	\$96.74
	Hard to Place/Special Other Congregate	710,101	\$75.25
<b>Total</b>		<b>5,600,262</b>	

# Managed Care Capitated Rates and Transition Payments

- The goal of the Transition payments is to provide a smooth glide path that mitigates swings in cash flow during the initial years of the transition to Managed Care
  - ✓ The MCOs will pay at least the Residual Per Diem government rates for a transition period
  - ✓ Transition Period will be for **four years**
  - ✓ Those residual per diem government rates will reflect VFCAs transition rates from current VFCAs per diem to Residual per diem
  - ✓ Following the four year period MCOs will negotiate the rates with VFCAs and be at risk for per unit cost as well as utilization

# Managed Care Capitated Rates and Transition Payments

- Transition payments were developed on a revenue neutral basis (extra dollars are not added to fund transition payments) to transition the VFCA's from the current Per Diem to the Residual Per Diem for the period from 2019 through 2021
- The transitional payments would apply at the agency level
  - ✓ **Step Up Agencies:** Agencies that will receive higher payments overall (on an agency, not per rate basis) from the Residual Rate compared to the existing VFCA Per Diem payments will **step up** to the Residual Per Diem over the transition period (their rate will be higher today at the outset of the transition)
  - ✓ **Step Down Agencies:** Agencies that will receive lower payments overall (on an agency, not per rate basis) from the Residual Rate compared to the existing VFCA Per Diem payments will **step down** to the Residual Per Diem over the transition period
  - ✓ Under current draft Residual Per Diem rates there are only 12 Step Down Agencies



# Information for VFCAs Regarding Transitional Rates

- Across all VFCAs roughly 80% of former per diem costs relate to the Core Limited Health-Related Services included in the Residual Per Diem
- Expressed another way, 20% of the per diem costs include services which the VFCAs *may* contract with the Plan and are outside of the Residual Per Diem
- The percentages of the per diem placed in the Residual will vary from VFCAs to VFCAs because the contracted services vary
- State will provide, by VFCAs, the following DRAFT information in Mid-May-ish
  - Today's Per Diem by facility type in 2016
  - Residual Rate in 2016
  - Amount of Per Diem outside of Residual in 2016
  - Transitional Rates Year 1 (July 2019)
  - Transitional Rates Year 2 (July 2020)
  - Transitional Rates Year 3 (July 2021)
  - Transitional Rate = Residual Per Diem Rate Year 4 (July 2022)

# Example of Step Up/Step Down Agency

Agency Name	Facility Type	Estimated 2016 Residual Per Diem*	2016 Residual Per Diem	Difference
Agency A	Hard/Place	\$35.50	\$69.46	\$33.96
Agency A	Therapeutic	\$23.15	\$30.79	\$7.64
Agency B	Hard/Place	\$108.34	\$69.46	(\$38.88)
Agency B	Therapeutic	\$22.95	\$30.79	\$7.84

\*Based on the proportion of costs within the historical 2016 per diem rate that will be included in the residual per diem

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Agency Name	Facility Type	2019 Residual Per Diem	2019 Transitional Residual Rate**	2020 Transitional Residual Rate**	2021 Transitional Residual Rate**	2022 Residual Rate**	2022 Residual Rate
Agency A	Hard/Place	\$75.25	\$70.25	\$71.92	\$73.58	\$75.25	\$79.97
Agency A	Therapeutic	\$33.35	\$31.13	\$31.87	\$32.61	\$33.35	\$35.44
Agency B	Hard/Place	\$75.25	\$97.96	\$90.39	\$82.82	\$75.25	\$79.97
Agency B	Therapeutic	\$33.35	\$33.35	\$33.35	\$33.35	\$33.35	\$35.44

\*\*Residual rate prior to the application of CPI trend with a 2019 basis



# Article 29- I Application Process

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# 29-I Application Process

- NOW: Acquire Access to Secure Online Application
- VFCAs have been instructed to request username and password by emailing:
  - [Health.Facility.License@ocfs.ny.gov](mailto:Health.Facility.License@ocfs.ny.gov)
  - Subject line: ocfs.sm.VFCA.29-I
  - Include First and Last Name, Email address and physical address

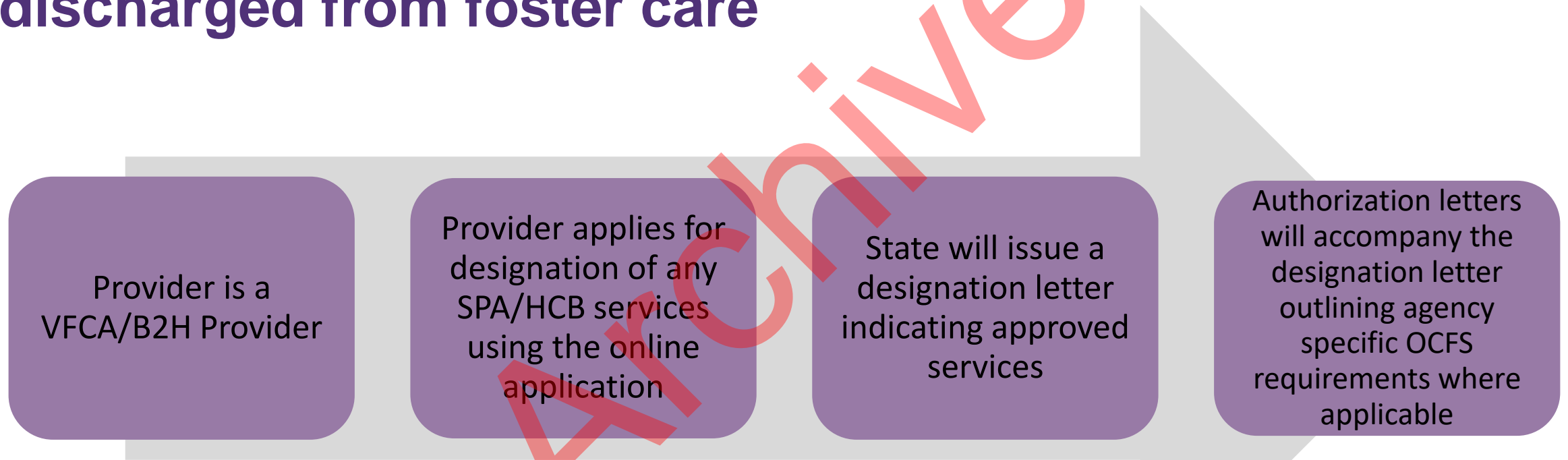
## 29- I Application Process ~ Next Steps

- ✓ May 2018: Educational sessions to VFCAs and Guidelines released
- ✓ July 1, 2018: Application for Article 29-I License portal is open to VFCAs: OCFS will be completing desk reviews of Applications as they are submitted
- ✓ July 31, 2018: All Applications due from VFCAs
- ✓ September 1 - November 1, 2018: OCFS conducts on-site visits at VFCAs. Discuss areas that may required remediation from desk reviews.
- ✓ Fall 2018 and on a rolling basis: OCFS recommends VFCAs for licensure to DOH
- ✓ Beginning January 2019: VFCAs contract with Medicaid Managed Care Plans and claims test for Managed Care billing

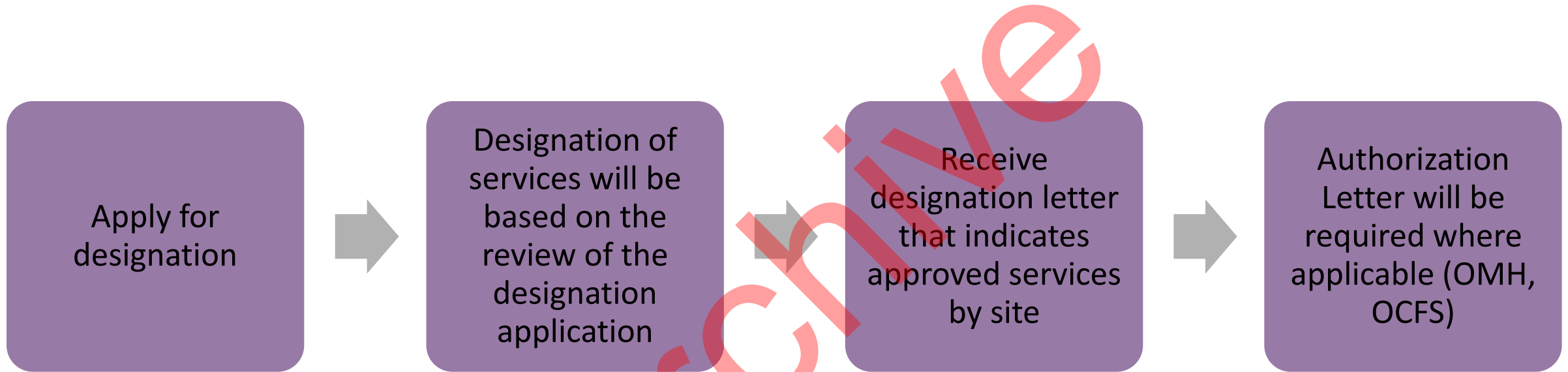
# Provider applying is NOT currently Licensed by OMH and NOT Certified by OASAS, seeking designation for OLP/CPST to serve children with mental health needs and/or substance use disorders



# Provider Designation of any SPA/HCB Services for a VFCA/B2H Provider to serve the children in or discharged from foster care



# Provider Designation - HCBS



## NOTE:

For Palliative care designation, provider must already be a licensed Hospice, Article 28 or CHHA  
For Habilitation designation, the provider must already be a certified OPWDD provider



# RTC Adjustment

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# Article 29-I Health Facilities Licensure Educational Sessions

- Monday May 7, 2018 at SATRI 60 Academy Road Albany
- Tuesday May 8, 2018 Abbott House 100 N Broadway Irvington
- Wednesday May 9, 2018 at JCCA 1075 Broadway Pleasantville
- Thursday May 10, 2018 at CDHS 61 Broadway, 3rd floor NY, NY
- Friday May 11, 2018 at CDHS 61 Broadway, 3rd floor NY, NY
- Monday May 14, 2018 at House of the Good Shepherd 100 Lomond Ct Utica
- Tuesday May 15, 2018 at Western NY Training Center 150 Ryder Hill Rd Rush
- Wednesday May 16, 2018 at Baker Victory 790 Ridge Rd Lackawanna

**Register by calling or emailing:**

**Greyson Burns 518-426-2660**

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# Resources to Keep Informed

## DOH website:

[https://www.health.ny.gov/health\\_care/medicaid/redesign/behavioral\\_health/children/web-info\\_child\\_mst.htm](https://www.health.ny.gov/health_care/medicaid/redesign/behavioral_health/children/web-info_child_mst.htm)

## DOH Transition Mail Log

[BH.Transition@health.ny.gov](mailto:BH.Transition@health.ny.gov)

