Financial Management in a Medicaid Environment

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Your CSH Training Team

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About CSH

CSH collaborates to advance solutions that build equity in our communities by linking services, housing, and healthcare to improve the lives of vulnerable people, maximize public resources, and build healthy communities.

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In the chat, please place your name, agency, and agency role.

And one thing you are looking forward to as the weather cools.

Who's In The Room Today?

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Recap of HRSN Webinars to Date

HRSN Integration Fund - Health Resources in Action (hria.org)

Webinar 1 (March 2024)

Transition from Flex Services to Managed Care Health-Related Social Needs (HRSN) Framework

Webinar 2 (May 2024)

Becoming an HRSN Provider – Contracting, Credentialing, & Enrollment

Webinar 3 (May 2024)

How to Apply for a National Provider Identifier (NPI)

Webinar 4 (June 2024)

Hubs & Third-Party Options to Support HRSN Transition

Webinar 5 (August 2024)

Understanding Claims & Billing as an HRSN Provider

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Today's Learning Objectives

A framework for planning that assists your organization in transitioning from a grant-based to a revenue-based model.

Practical steps and resources to evaluate your organization's personnel and infrastructure to facilitate this transition.

Knowledge of resources and supports available to potential HRSN Providers.

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Today we will cover

The transition to MCE contracting and billing

Moving from grants-based to revenue-generating operations

Sustaining services in a Medicaid billing environment

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The Current Model and Transition: Status, Stages and Services

Services That are Transitioning

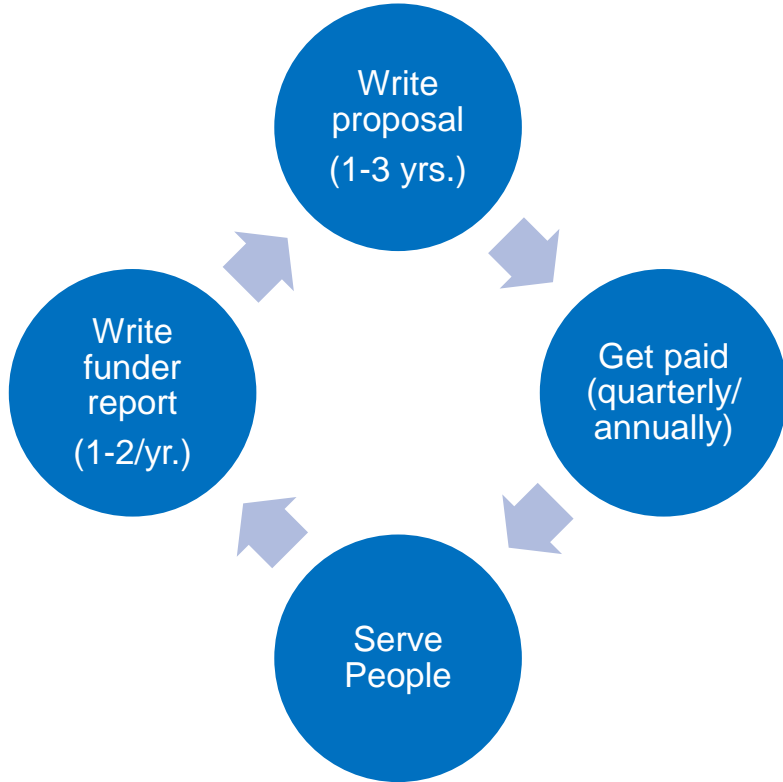|	
Nutrition Services	Medically Tailored Home Delivered Meals
	Medically Tailored Food Boxes
	Nutritionally Appropriate Home Delivered Meals
	Nutritionally Appropriate Food Boxes
	Nutrition Education Classes and Skill Development
	Nutrition Counseling
	Kitchen Supplies
Housing Services	HRSN Housing Search
	Transitional Goods
	HRSN Housing Navigation
	Healthy Homes

The Grants World Administratively

- Write proposal (1-3 yrs.)
- Get paid (quarterly/ annually)
- Serve People
- Write funder report (1-2/yr.)

The Medicaid World Administratively

- Provider enrollment with MCE assistance (once every 3 yrs.)
- MCE contract (good for 1-5 yrs.)
- Member enrollment in MassHealth
- Service Registration (6-12 mos.)
- Serve enrollees and service registered members
- Submit claims
- Get paid 30 days Clean Claim, longer for resubmissions

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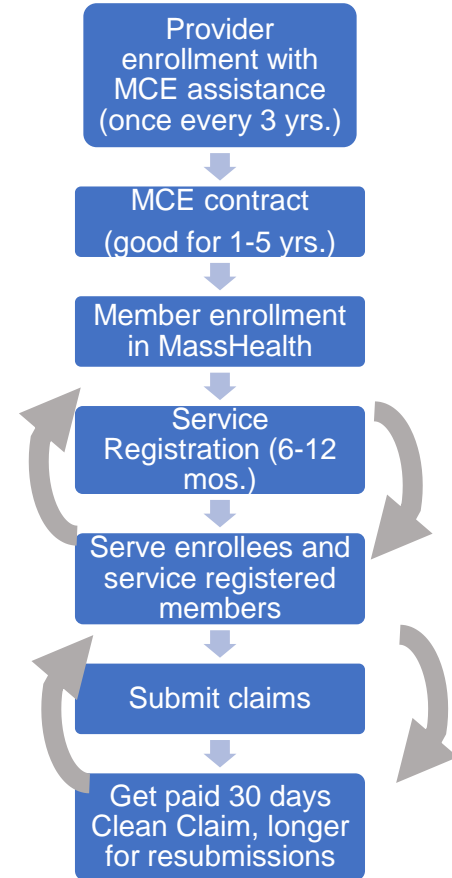
What both models have in common...

GRANTS

- Program level funding

- Funding at or before program launch

- Require knowing your <u>true costs of delivering services</u> (total program costs)

- <u>Cash flow</u> projected, with expenses and revenue anticipated by month

- <u>Compliance</u> in financial management – and do not allow supplanting

MEDICAID REIMBURSEMENT

- Reimbursement by person served

- Funding 30 days (clean claim)-90 days after services delivered

Transitioning from Grants-Based to a Revenue-Generating Environment

The Four Lenses to Transition to Medicaid

Programmatic

- Service provision
- Staffing & Supervision
- Staff Training
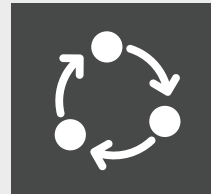- **Compliance Requirements**

Strategic

- Business partnerships
- Strategic long-term planning
- **Braided Funding Streams**
- Board Governance

Analytical

- Data management
- Quality Improvement
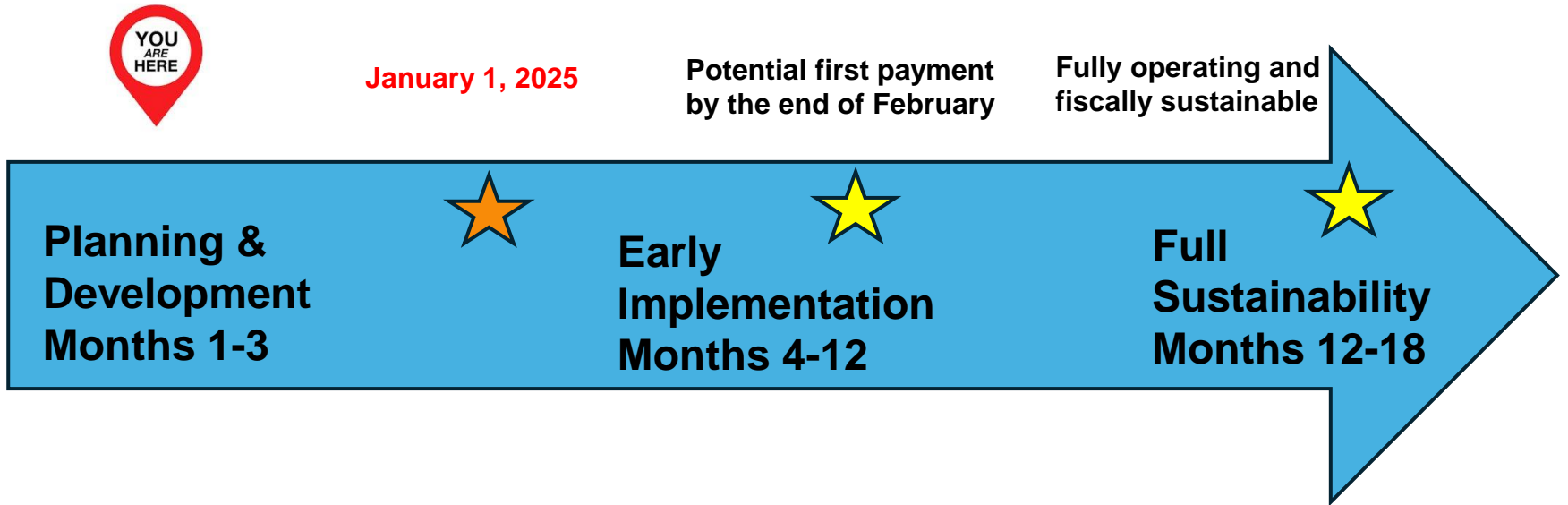- **Finance**
- Operations
- Legal Guidance

Logistical

- **Financial operations, billing**
- Legal agreements
- HR
- Information Technology

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HRSN Implementation:
Common Financial Planning Timeline

YOU ARE HERE

January 1, 2025

Potential first payment by the end of February

Fully operating and fiscally sustainable

Planning & Development
Months 1-3

Early Implementation
Months 4-12

Full Sustainability
Months 12-18

Assemble Your Team

Think about the roles of your staff and how they might interface with HRSN service delivery:
- Leadership
- Program
- Fiscal
- Information Technology
- Quality Improvement/ Compliance

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Financial Planning

What is your Total Cost of Delivering Services to your agency?

Your financial plan should include:

1. One-time costs
2. Assumptions for revenues
3. Costs over time

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Total Cost of Care: Service Delivery

✓ Estimate new Medicaid-related agency costs.

✓ Understand your current Total Cost of Delivering Services.

✓ Set reasonable goals, and develop a work plan to provide quality services. Understand what changes if any are needed to your current budget (e.g., staffing mix, caseloads, new expertise needed, and training).

✓ Develop a deeper understanding among your team of what including HRSN services in your agency will cost day-to-day and how it will affect your agency's bottom line.

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Keys to Medicaid Funding for Service Providers

Eligibility & Enrollment

- Is the person I want to assist **eligible** for MassHealth?
- Is the person **enrolled** in MassHealth?
- What is required to get them enrolled?
- Which MCE has their coverage and does my agency have a contract with that MCE?

Services

- What services are they eligible for?
- What services are covered in HRSN that they need and qualify for?

Provider Billing

- Is my agency enrolled in MassHealth to provide HRSN services?
- Does my agency have a contract to provide HRSN with the relevant MCE?

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Nutrition Service Updates

Program Updates to Nutrition Services

Program	Previous 2025 Parameters	Updated 2025 Parameters
All Nutrition Services – Risk Factors	• Members must be screened to be experiencing "**Low or Very Low Food Security**" to receive any Supplemental HRSN Nutrition Service	• Members must be screened to be experiencing "**Very Low Food Security**" to receive any Supplemental HRSN Nutrition Service

Category 1 Nutrition Service Selection
 	
(more info in next section)
	• No restriction on selecting Category 1 HRSN Nutrition Services	• ACOs **may only choose** Medically Tailored **or** Nutritionally Appropriate for each of the following service types:
		  • Home-delivered meals
		  • Food boxes / CSAs
		  • Food prescriptions / vouchers

Note: See the appendix section of this deck for a full list of current services and service parameters as of 9/12/2024

Nutrition Transportation, Nutrition Application Assistance, Nutrition Benefit Maintenance Assistance, Nutrition Education Materials, *and* ***Feeding the Household*** *will* ***not be available*** *HRSN Nutrition Services options in 2025.*

Planning Efforts

Develop a transition plan and identify a Transition team and team leader.

Gather data on who you currently serve. Which are their MCEs? Approach MCEs that cover HRSN for those you serve about a contract.

Determine which staff are 'billing' staff. What are the revenue generation expectations for each billing staff role?

Develop revenue projections based on billing staff. Develop reporting to determine if revenue goals are being met.

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Estimating Case Load Sizes

Referrals from MCEs and/or self-generating referrals
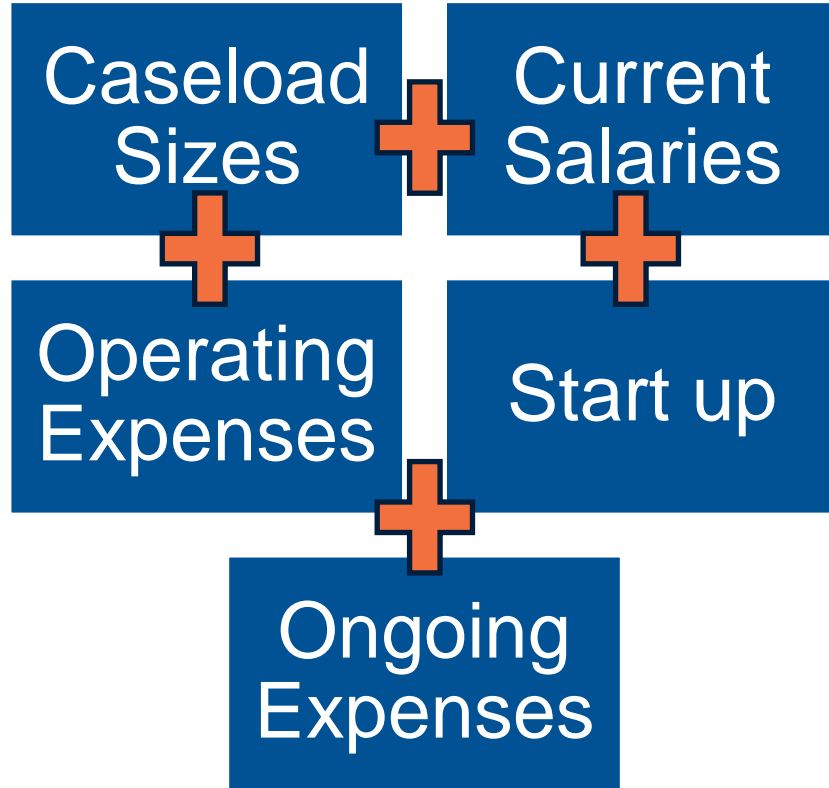
Are individuals new to services?

Are direct service professionals new to the work?

What best practice models address the needs of the population?

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Estimating the True Cost of Delivering Services

Caseload Sizes + **Current Salaries** + **Operating Expenses** + **Start up** + **Ongoing Expenses**

If you aren't sure where to begin in estimating the true cost of delivering services:

- Start with your existing caseload sizes, current salaries, and current operating expenses

- Add start-up and ongoing costs that are part of HRSN service provision, including adjustments to current costs to account for what it will take to achieve excellent outcomes and retain staff

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Items Needed to Estimate Costs

Step 1

Access to **Staff Salaries** for direct service staff, middle managers or supervisors, and Quality Improvement staff (aka personnel expenses)

Access to **program budget(s)** that include operating costs for your organization (office rent, utilities, technology costs, any OTPS expenses)

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Accounting for and Covering New Costs

Step 2

> What is it going to cost to become an MCE contracted provider?

> Determine one-time and ongoing costs to sustain capacity and quality for HRSN services.

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What might change as part of this transition?

Referral processes	Workflows	Documentation	Payment	How you are paid
When you are paid	Who pays you and at what rate	Staffing and supervision	Staff expectations	Information Systems
	Reporting	Outcomes	Fiscal Management	

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Start Up Costs to Consider

Person-Centered Designed (focus groups, lived expertise)

TA or Consultants

New Data Systems or Software
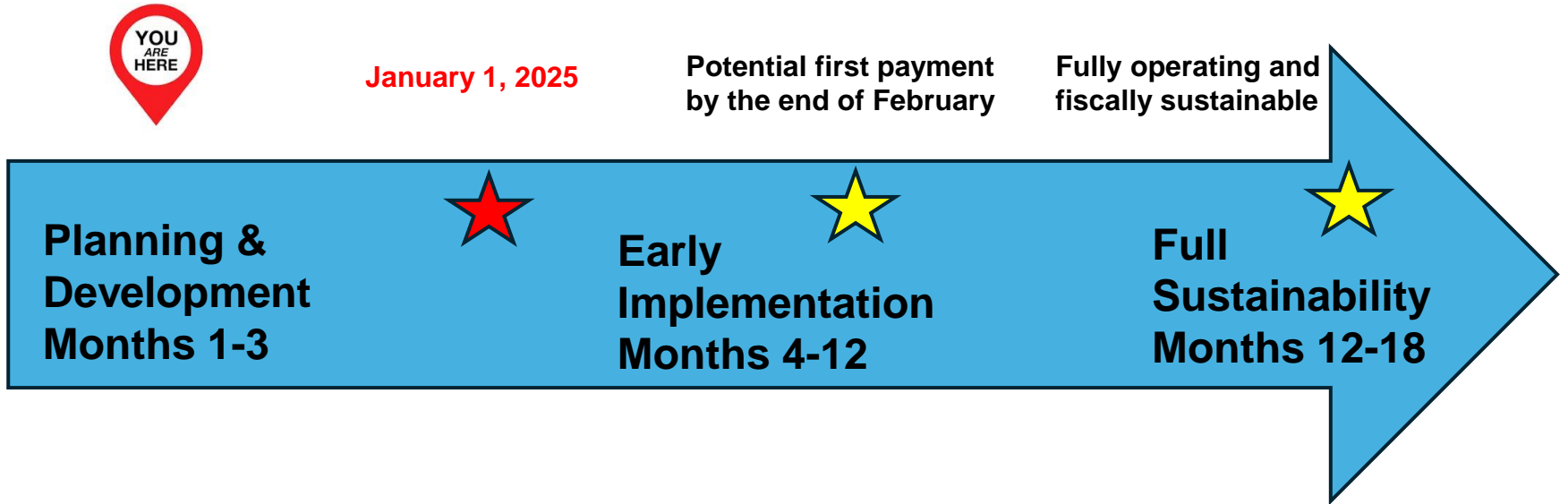
Hiring Bonuses

Legal Support in Contracting

Short Term Salaries

Ramp Up to Case Loads

IT or Vendor Support

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HRSN Implementation:
Common Financial Planning Timeline

YOU ARE HERE

January 1, 2025

Potential first payment by the end of February

Fully operating and fiscally sustainable

Planning & Development Months 1-3

Early Implementation Months 4-12

Full Sustainability Months 12-18
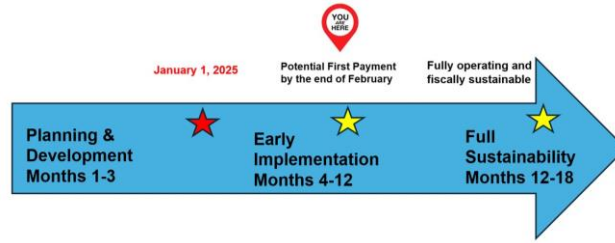
Planning and Development: Months 1-3

Workplan developed with an initial budget, incorporating anticipated new revenue and expected additional costs

Revising policies and procedures to align with new financing mechanisms

Fiscal staff trained on billing system

Early implementation: Months 4-12

January 1, 2025 — Potential First Payment by the end of February — Fully operating and fiscally sustainable

Planning & Development Months 1-3

Early Implementation Months 4-12

Full Sustainability Months 12-18

Revenue targets have been set by supervisors and communicated to front line staff

Begin submitting claims

Track lessons learned as claims are submitted, denied and re-submitted

Expect some revenue but not at full sustainability

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Full Implementation: Months 12-18

Consistently billing and percentage of claims successfully completed increasing monthly

Process has been developed to reward staff meeting billing targets and address challenges faced by staff not meeting targets

Billing staff have solidified processes and have strong relationships with MCEs to quickly address billing issues

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Managing in a Medicaid Billing Environment

Key concept in Reimbursement Planning

Sustaining your program as costs evolve : Shifting your management strategy

Revenue Projections

What does it cost to employ one direct service professional?
Salary, benefits and fringe together equal total costs

Staff Costs Forecasting Tool

Employee	Position Title	2021 Pay Rate	Base Hours	Annual Salary	FICA	Medicare	SUTA	Life/AD&D Insurance	LTD	Health Insurance	Workers' Comp	Retirement	Retirement Match	Total Fringe Benefits	Total Annual Cost	Total Monthly Cost
				PERSONNEL COSTS				FRINGE BENEFITS							TOTAL	
John Doe	Case Manager	$22.00	2,080	$ 45,760.00	2,837.12	663.52	700.00	324.00	425.57	11,132.00	457.60	1,372.80	1,372.80	$ 19,285.41	$ 65,045.41	$ 5,420.45
			2,080	$ -	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	$ -	$ -	$ -
			2,080	$ -	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	$ -	$ -	$ -
			TOTAL	$ 45,760.00									TOTAL	$ 19,285.41	$ 65,045.41	$ 5,420.45

Revenue Projections

What revenue does that person generate and does it cover their costs?

Revenue Forecasting Examples

Position	% of time billable	# of hours worked / week	# of units / week	Rate	Total Annual Revenue	Total Monthly Revenue
Supportive Housing Direct Services Staff	65%	40	104	$ 17.17	$ 92,855.36	$ 7,737.95
Supportive Housing Direct Services Staff	55%	40	88	$ 17.17	$ 78,569.92	$ 6,547.49
Supportive Housing Direct Services Staff	46%	40	73.6	$ 17.17	$ 65,713.02	$ 5,476.09

15 minute increment EXAMPLES

Note: The total annual cost for John Doe from the Staff Costs Forecasting Tool was $65,045.41. If he only provides Housing Transition and Sustaining Services, to break even, a little more than 45% of his time needs to be billable: from this tool, we see that an employee dedicating 46% of their time to billable Transition and Sustaining Services will generate $65,713.02 in annual revenue.

Rate Negotiations

Use the data from your financial projections as you negotiate rates with your MCE partner.

MCEs will want to see real life, real-time costs to justify higher rates.

Rate negotiations will happen at the start of your contract and could be done on an annual basis. Often provider agencies must advocate singularly or jointly for them.

Ongoing Costs to Consider

Staff

Training

Business Support

Supervision

Quality Improvement

IT, Data Plans

Estimating Revenue

Who are you currently serving?

- Demographics*

- MassHealth Enrollment is active

- Levels of need (intensity of services/variation in acuity) for current clients-to predict frequency of visits and duration of billing and for caseloads

- Number of people served by current service type and fund source - can sources be braided to complement and supplement, without supplanting? Does your documentation system support this level of detail?

*Note: MCEs' data on healthcare utilization may not represent actual need for HRSN services. BIPOC individuals historically have less interaction with the medical systems and may be underrepresented among ACO referrals. HRSN providers, like you, can help promote equitable access by referring clients to HRSN services and having an equity plan to address the need for equitble access.

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Estimating Revenue

- Type of referral you will receive (new clients versus existing)

- Volume (of new referrals coming in)

- Frequency (of staff visits based on acuity)

- Outreach time, without contact made

- Number of registered members served during one month, and rate of reauthorizations approved for the next service period

- Staff expectations of how much revenue is generated per billing staff

- Payment mechanisms

External Impacts on Revenue Projections

Slow or inconsistent referrals to provider

Service registration lapse

MassHealth member enrollment lapse

Percent of claims denied

Rate changes or lack of increase overtime

Delayed reimbursement

Other Impacts on Revenue Projections

Variation and frequency/duration of visits

# of clients an agency refers to MCEs

MassHealth enrollment renewed on time

Accuracy of clean claims submitted on first attempt

New service registration numbers align with expectations

Resubmission of corrected claims for reimbursement

Where We Are Now

What we know so far

- Services will be paid via contracts with the MCEs

- Services will not require prior authorization, but a services registration process will be in place

What we do not know

- Fee Schedule- This will determine what providers will be paid and has been approved by MassHealth

- Details on MCE contracts

- Finalized Service Manual

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Questions?

Useful Resources

Resource	Description	Link/Sign Up
HRSN Web Page	Visit for HRSN Services information and updates, including materials from past meetings	https://www.mass.gov/masshealth-health-related-social-needs-services
HRiA Resources	Meeting materials and other information for potential HRSN Providers	https://hria.org/tmf/hrsn-integration-fund/
Flexible Service Directories	Directory of each ACO and Flexible Services Program they offer including who may be eligible, where services are offered and who offers them	https://www.mass.gov/lists/masshealth-health-plan-materials-and-information-for-members
HRiA Mailing List	Mailing list for potential HRSN Providers to receive future information on HRSN Services and meetings	https://forms.office.com/r/SzZ3A60QE7
MassHealth Innovations Mailing List	Mailing list for all interested parties to receive future information on HRSN Services and meetings	Email: masshealth.innovations@massmail.state.ma.us

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Thank you!

More questions? Please reach out!

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SAVE THE DATE

Webinar Seven: HRSN Claims 201

Date and Time: Wednesday, November 7, 2024, 11:00 to 12:00 pm

Registration Link:
https://hria.zoom.us/meeting/register/tZUpcOGhrz0oEtWPMLB-dFMid_z9Ij1Np25b

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