

SELECT COMMITTEE ON EFFICIENCY IN GOVERNMENT

LCSC01: Changes to the 72-Hour Presumptive Eligibility Program

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Background

The Select Committee on Efficiency in Government authorized the drafting of a bill to change two elements of the 72-hour presumptive eligibility program for mental health crisis stabilization services. The program pays for mental health services that are provided for up to 72 hours to stabilize a person who is in psychiatric crisis.

Under the program, mental health practitioners may provide the care without verifying a person's insurance coverage. If a person has insurance or is covered by Medicaid, the provider bills the insurer. The presumptive eligibility program pays the costs for individuals who are uninsured or underinsured.

The proposed changes would allow for payment of two psychiatric diagnostic interviews during the 72-hour period, rather than one interview and remove the prohibition on payment of crisis stabilization services that are provided within seven days of a patient's previous discharge from crisis services.

Reason for the Recommendation

Stakeholders said the changes would ensure that practitioners would be reimbursed for providing services whenever a person is in crisis and for providing assessments that may better reflect the status of a person's mental health during the 72-hour presumptive eligibility period.

Cost Considerations

The proposed changes may increase program costs by \$20,775 to \$72,700. The change in costs would depend on the degree to which usage of the program changes. The assumptions used to calculate the estimated increases are detailed below.

Increased Psychiatric Diagnostic Interviews: Information from the Department of Public Health and Human Services shows that providers were paid for 602 psychiatric diagnostic interviews in fiscal year 2011. Reimbursement rates were \$98.82 per interview for licensed clinical social workers and licensed clinical professional counselors and \$155.67 for psychiatrists. DPHHS paid \$59,490 for psychiatric diagnostic interviews in FY 2011.

The cost of paying for two interviews, rather than one, could range from \$14,873 to \$59,490, depending on the number of additional interviews that are conducted.

That range is based on assumptions that:

- the number of diagnostic interviews could increase by anywhere from 25% to 100%;
- the reimbursement rate for interviews remains unchanged from FY 2011; and
- the proportion of interviews conducted by psychiatrists and by social workers and professional counselors remains unchanged from FY 2011.

The potential costs are shown below.

| % Increase in Interviews | Number of Interviews | Cost of Interviews | Increase over Current Law |
|---------------------------------|-----------------------------|---------------------------|----------------------------------|
| 0% | 602 | \$59,490 | \$0 |
| 25% | 753 | \$74,363 | \$14,873 |
| 50% | 903 | 89,235 | \$29,745 |
| 75% | 1,054 | \$104,108 | \$44,618 |
| 100% | 1,204 | \$118,980 | \$59,490 |

Payment for Services Provided Within Seven Days of Discharge: DPHHS records show the agency denied 27 claims for services in fiscal year 2011 because other crisis services had been provided within the previous seven days. Providers asked the agency to review 12 of those denials. In addition, the agency approved 82 claims for services provided within the previous week. The cost of services for a 72-hour period averaged \$487.83 in FY 2011.

The costs of paying for services provided within seven days of a previous discharge may range from about \$5,900 to about \$13,200. The range is based on the assumption that:

- anywhere from 12 to 27 instances of additional reimbursements may occur; and
- the FY 2011 average cost of \$487.83 per episode of services remains unchanged.

Changes to administrative rules: DPHHS will need to change some of the administrative rules governing the program and may include those costs in a fiscal note. The Secretary of State's Office charges agencies \$50 per page to publish proposed and adopted rules. Agencies sometimes include in their fiscal notes the cost of attorney time devoted to administrative rule development, at \$90 per hour.

The cost of the rule changes would depend on the number of pages published and the amount of attorney time attributed to rule development.

Additional Considerations

The Medicaid subcommittee also discussed whether the definition of "crisis" should be changed to expand the instances in which a person may be eligible for services.

Administrative rule currently defines a crisis as "a serious unexpected situation resulting from an individual's apparent mental illness in which the symptoms are of sufficient severity, as determined by a mental health practitioner, to require immediate care to avoid:

- (a) jeopardy to the life or health of the individual; or
- (b) death or bodily harm to the individual or to others."

If the full committee wants to change the definition, it should provide direction to staff at the May meeting so that the change can be incorporated into a final draft for the committee's review. Making the definition more expansive may allow more people to qualify for services and, as a result, may increase the costs of the program.