

The Montana Medicaid service array includes Targeted Case Management (TCM) for youth with Serious Emotional Disturbance (SED). The TCM program for SED youth is administered by the Children's Mental Health Bureau (CMHB).

Services are provided by a licensed mental health center with a license endorsement permitting the mental health center to provide case management services. From 02/27/2009 to 07/01/2011, a prior authorization by the department or its designee was required via the authorization process to be reimbursed for targeted case management services for youth with SED. A case manager needed to request initial units to begin providing services. In MAR 37-543 the department is proposing to repeal this requirement beginning 07/01/2011.

Targeted case management services for youth with SED will be reimbursed on a fee per unit of service basis. For purposes of this rule, a unit of service is a period of 15 minutes.

#### **Methodology for the Calculation of the Targeted Case Management Services Fifteen-Minute Reimbursement Rates**

##### **A. General Overview**

1. CMHB rate setting methodology follows the rate setting methodology proposed and/or recommended by CMS
2. Cost Pool Development
  - a. The Cost Pool was developed by CMHB using TCM Provider reports of the most recent annual TCM wage costs, TCM benefit costs, and other TCM costs
  - b. Wages, benefits, and all other costs may be increased by a small inflation factor (0% to 5% depending on inflation documentation and the availability of funding) intended to cover cost increases.
  - c. Adjusted Cost Pool costs are converted to a Yearly Wage Cost per TCM FTE, a Yearly Benefit Cost per TCM FTE, and a Yearly Other Costs per TCM FTE. The total of these three groups is the Total Cost Pool per TCM FTE.
  - d. The Total Cost Pool per TCM FTE is divided by the number of 15 minute units billed through actual Medicaid claims for State Fiscal year 2009. CMHB only applied units billed by providers who submitted wage and benefit data.

##### **B. Utilization Factors**

1. CMHB used actual units billed in State FY 2009 from providers who submitted data
  - a. Total units billed by providers equals 332,416 units. Average units billed per FTE is determined by dividing the total units billed by FTE.

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- b Average Units Billed formula  
(total units (a)) \ (Total FTE (b)) = (c)

**C. The Total Cost Pool Per TCM FTE (detail)**

Wages, wage benefits, and other TCM costs make up the three components of the cost pool

1. Wages and Benefit Costs

- a CMHB analyzes wages and benefits through participating provider reports of the actual TCM wages and TCM benefits paid
- b From the list of all hourly wages and all benefit rates CMHB determines the average wage per hour and the average benefit per hour for all TCM case managers
- c These calculated hourly rates are then multiplied by 2080 (hours per year) to determine the Yearly Wage Cost per TCM FTE and the Yearly Benefit Cost per TCM FTE
- d Yearly Wage Formula  
(Total FTE (b)) X (Average wage (d)) X (hours per year (e)) = (f)
- e Yearly Cost per FTE per Year  
(e)\(b)= (f)
- f. Yearly Benefit Formula  
(Total Benefits (g))\ (b) = (h)

2 Other TCM Recoverable Costs

- a CMHB analyzes the most current financial expenditure reports provided by TCM Providers.
- b CMHB analyzes non-TCM wage and non-TCM benefit costs (all the other costs of providing TCM services) - Each of the TCM Provider's 'Other TCM Costs per TCM FTE' is then combined to calculate one average 'Other TCM Costs per TCM FTE'
- c This Yearly Other TCM Costs per FTE is included in the total cost pool
- d Other TCM Costs Formula  
(Total Reported Other Costs (i) \ (b)) = (j)

**D. CMHB TCM Rate Setting Final Calculation**

- a The Cost Pool per TCM FTE equals the total of the Yearly Wage Cost per FTE, the Yearly Benefit Cost per FTE, and the Yearly Other TCM Cost per FTE
- b Final Calculation Formula

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Case Management Services  
for Youth with Serious Emotional Disturbance (SED)

- (Yearly Wage Cost per TCM FTE (f)) + (Yearly Benefit Cost Per FTE (h) +  
(Yearly Other TCM Costs per FTE (j)) = (k)
- c Total Rate Calculation (Costs per FTE (k)) \ (Average Units Billed per FTE (l) -  
TCM Rate (m)
  - d Less 2% provider rate reduction
  - e Final Rate allowed for TCM

**E. Fee Schedule and Effective Date**

The Department will pay the lower of the provider's actual submitted charge for the service or the Department's fee schedule. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of case management for Youth with (SED). The fee schedule and any annual/periodic adjustments to the fee schedule are published at <http://www.dphhs.mt.gov/mentalhealth/children/feeschedule.pdf>

The agency's proposed fee schedule rate is set as of September 1, 2011 and is effective for services provided on or after that date

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