

Medicaid Mental Health Rehabilitation Service Providers

*Response to Senate Resolution No. 94 of the 2019 Regular Legislative
Session*

*Report on Implementation of Act 582 of the 2018 Regular Legislative
Session*

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Executive Summary

In response to Senate Resolution No. 94 of the 2019 regular legislative session (“SR 94”) as an update on implementation of Act 582 of the 2018 regular session (“Act 582”) of the Louisiana Legislature, the “Medicaid Mental Health Rehabilitation Service Providers Report” is submitted to the Louisiana Legislature. Act 582 provides for a regulatory framework for providers of community psychiatric support and treatment (CPST) services and psychosocial rehabilitation (PSR) services, including requirements for licensure, accreditation, holding a National Provider Identification (NPI) number, and credentialing standards that must be met to be eligible for Medicaid reimbursement.

LDH conducted activities to ensure compliance with the following provisions of Act 582:

- Provides for requirements inclusive of licensure and accreditation to be eligible for Medicaid reimbursement;
- Provides for certain education requirements for any employee of a CPST or PSR licensed agency;
- Provides for a facility needs review (FNR) program for behavioral health services providers that provide CPST or PSR services; and
- Provides that each behavioral health services provider that provides CPST or PSR services shall employ at least one physician or licensed mental health professional (LMHP) to serve as a full-time mental health supervisor.

LDH supplies this report on information required by SR 94 of the 2019 regular session of the Louisiana Legislature on implementation of Act 582, specifically:

- The number of CPST providers and PSR providers properly licensed and eligible to receive Medicaid reimbursement in Louisiana, and whether the current number meets patient needs;
- The number of CPST providers and PSR providers that did not meet the requirements for licensure, accreditation, holding a NPI number, or credentialing standards, and have therefore been ineligible for Medicaid reimbursement;
- The number of CPST providers and PSR providers that have experienced difficulty in securing employees that hold a minimum of a bachelor’s degree from an accredited university or college in the field of counseling, social work, psychology, or sociology, and whether these allowable degrees should be expanded to include other degree types such as human services, social sciences, forensic psychology, or general studies with concentrations in psychology, social science, or sociology;
- The number of CPST providers and PSR providers that have submitted a request for FNR and of those, the number approved and the number denied, and whether FNR is still necessary for these programs; and
- The number of CPST providers and PSR providers that have indicated any concerns with employing at least one full-time physician or full-time LMHP to serve as a full-time mental health supervisor to assist in the design and evaluation of treatment plans for CPST or PSR services.

Background

Mental Health Rehabilitation Services

Mental health rehabilitation (MHR) services are provided as part of a comprehensive specialized psychiatric program available to Medicaid eligible children and adults with significant functional impairments resulting from at least one identified diagnosed mental health disorder. CPST and PSR are two of Louisiana's Medicaid MHR services. Medical necessity for these rehabilitative services must be determined by and services recommended by a physician or an LMHP, or under the direction of a licensed practitioner, to promote the maximum reduction of symptoms and restoration to the child's or adult's best functional level.

CPST and PSR services may be provided at a facility, in the community, or in the recipient's place of residence. Recipients are assessed by a physician or an LMHP to determine need. The physician or LMHP develops a treatment plan based on the recipient's assessed needs in collaboration with direct care staff, the recipient, and ideally with the recipient's family and taking into account any natural supports. Treatment plans contain goals and interventions targeting areas of risk and needs identified in the assessment.

MHR provider agencies are licensed by the LDH Health Standards Section. Within that licensed agency, employees include both professionally licensed and non-licensed staff. Non-licensed staff meeting certain qualifications and requirements, inclusive of but not limited to minimum training requirements, may provide CPST or PSR services. CPST and PSR services include skill building or supportive behavioral interventions designed to promote the reduction of symptoms and restore functional abilities.

Children qualify for CPST or PSR services when they meet Medicaid eligibility and clinical criteria, have a diagnosed mental health disorder, and the services are determined to be medically necessary.

Adults qualify for CPST or PSR services when they meet Medicaid eligibility and clinical criteria, their mental health symptoms are consistent with a diagnosable mental disorder meeting the definition of a serious mental illness (SMI), the services are medically necessary, and the disorder substantially interferes with one or more major life activities.

As such, it is essential that non-licensed staff receive regularly scheduled supervision from a physician or a LMHP acting within the scope of his/her professional license, who provides clinical support, guidance and consultation associated with treating the state's most vulnerable citizens.

Behavioral Health Integration under Healthy Louisiana Managed Care

On December 1, 2015, LDH carved-in delivery of specialized behavioral health services, inclusive of CPST and PSR services, to the Healthy Louisiana managed care program. A carve-in by definition is one entity (e.g., MCO) managing the administration of both the physical and behavioral health services for the recipients of those services (i.e., integrated care). Additionally, the carve-in method may be operating under a capitated or fee-for-service system.

The impetus for the transition was better management of overall healthcare by treating the whole person through the integration of both physical and behavioral health services. This resulted in administration of behavioral health services moving from one health plan to six health plans (inclusive of the Coordinated System of Care Contractor).

The number of MHR provider agencies increased from approximately 190 agencies to nearly 400 agencies over the two years following integration. During this time, the Department implemented a new licensing requirement for behavioral health providers, including MHR service providers. Due to numerous concerns raised by MHR providers about having to navigate a new licensing process in addition to completing credentialing processes with five new managed care organizations (MCOs), the Department allowed a phased in approach to licensing for these providers. They were given an additional nine months to apply for their behavioral health services (BHS) license through the LDH Health Standards Section (HSS), the regulatory authority responsible for licensing healthcare facilities in the state of Louisiana.

MHR Reform prior to Act 582

During the 2017 first extraordinary session of the Louisiana Legislature, legislators urged the Department to curb the pattern of growth of providers and the rising costs associated with MHR services in order to maintain sustainability of the MHR program and to safeguard the integrity of services. LDH engaged in a number of activities to reform the program and focused on improving the quality of CPST and PSR services, and ensuring providers met qualifications and requirements to provide the services. These activities included:

- publishing informational bulletins to the Medicaid website;
- publishing an updated Medicaid behavioral health services provider manual inclusive of service definitions, and provider agency and staff requirements to provide services;
- issuing cease and desist letters to unlicensed MHR provider agencies;
- conducting monthly MHR provider stakeholder calls to ensure providers were aware of the qualifications necessary to provide CPST and PSR services, (Apr 2017–Sept 2017; avg. provider attendance: 192);
- engaging an MHR provider and MCO taskforce to collaborate on MHR program reform recommendations and policy revisions;
- facilitating MHR provider town hall meetings across the state to raise awareness about CPST and PSR reform activities, (Baton Rouge, Alexandria, Shreveport and Orleans/Jefferson); and
- initiating a facility need review (FNR) process to curb the growth of the number of CPST and PSR services providers statewide (Feb. 2018).

MHR Reform post Act 582

Senate bill no. 564 was filed on April 19, 2018, during the 2018 regular session of the Louisiana Legislature. It passed through the legislature and was signed by the Governor, becoming effective May 31, 2018 as Act 582. This legislation strengthened requirements for provider agencies and for the individuals providing CPST or PSR services within those provider agencies, and formally established the requirements as law.

LDH obtained approval from the Centers for Medicare and Medicaid Services (CMS) to implement requirements established in Act 582 (i.e., accreditation prior to being eligible to receive Medicaid reimbursement and minimum educational degree qualifications for individuals rendering CPST or PSR services). These requirements became effective January 1, 2019. Other requirements were implemented upon the effective date of Act 582.

LDH engaged in a number of activities to ensure providers and MCOs were aware of the requirements established by Act 582, and implemented strategies to ensure compliance. These activities included:

- publishing an informational bulletin to the Medicaid website;
- publishing revisions to the Medicaid Behavioral Health Services Provider Manual associated with requirements established by Act 582;
- sending written communications to the MCOs detailing requirements established by Act 582 and directing the MCOs to distribute and publish notices to their provider networks;
- facilitating an LDH Listening Tour (town hall meetings) for both community and provider stakeholders in nine regions of the state to raise awareness about Act 582; sessions were conducted in Alexandria, Baton Rouge, Hammond, Lafayette, Lake Charles, Monroe, New Orleans, Shreveport and Terrebonne;
- initiating monthly in-person MHR stakeholder meetings facilitated by the OBH Assistant Secretary;
- implementing weekly monitoring of Medicaid encounter data (claims data) to ensure compliance with certain requirements of Act 582;
- providing technical assistance to providers associated with requirements of Act 582;
- providing technical assistance to MCOs associated with requirements of Act 582; and
- continuing the FNR process for providers requesting licensure to provide CPST or PSR services.

Report Contents

This report contains data associated with the implementation of Act 582 relative to mental health rehabilitation (MHR) services in the Louisiana Medicaid program.

The key indicators reported include:

1. The number of CPST providers and PSR providers properly licensed and eligible to receive Medicaid reimbursement in Louisiana, and whether the current number meets patient needs;
2. The number of CPST providers and PSR providers that did not meet the requirements for licensure, accreditation, holding a NPI number, or credentialing standards, and have therefore been ineligible for Medicaid reimbursement;
3. The number of CPST providers and PSR providers that have experienced difficulty in securing employees that hold a minimum of a bachelor's degree from an accredited university or college in the field of counseling, social work, psychology, or sociology, and whether these allowable degrees should be expanded to include other degree types such as human services, social sciences, forensic psychology, or general studies with concentrations in psychology, social science, or sociology;
4. The number of CPST providers and PSR providers that have submitted a request for FNR and of those, the number approved and the number denied, and whether FNR is still necessary for these programs; and
5. The number of CPST providers and PSR providers that have indicated any concerns with employing at least one full-time physician or full-time LMHP to serve as a full-time mental health supervisor to assist in the design and evaluation of treatment plans for CPST or PSR services.

Key Findings

The findings for this report were obtained by analyzing data provided via the following sources:

- LDH HSS licensing and regulatory authority;
- Healthy Louisiana MCOs;
- national accreditation organizations, i.e. The Joint Commission (TJC), the Council on Accreditation (COA), the Commission on Accreditation of Rehabilitation Facilities (CARF);
- Louisiana Medicaid encounter data (claims data);
- Louisiana Medicaid provider relations unit;
- MHR provider stakeholders; and
- LDH FNR committee.

Indicator 1: # of CPST and PSR Providers Licensed & Eligible for Medicaid Reimbursement

Indicator 1	
The number of CPST providers and PSR providers properly licensed and eligible to receive Medicaid reimbursement in Louisiana	
Report Element	Provider Count
Licensed, accredited and eligible	331

As of August 30, 2019, there are approximately 451 providers licensed by the LDH Health Standards Section (HSS) to provide CPST or PSR services. Of these providers, 331 are licensed, accredited, and eligible to receive Medicaid reimbursement for the provision of CPST or PSR services in Louisiana.

Regions	Provider Counts
Region 1	56
Region 2	55
Region 3	14
Region 4	28
Region 5	12
Region 6	18
Region 7	55
Region 8	38
Region 9	22
Region 10	33
Total	331

The current numbers of licensed and eligible CPST and PSR provider agencies meet the needs of Medicaid recipients in the state. CPST and PSR services are delivered in locations that are most conducive to the recipient’s needs, meaning in the community or in the recipient’s home. Building on the strengths of the individual and his/her community, CPST and PSR services are provided to recipients in the least restrictive settings possible (e.g. their homes, workplaces, schools, and other community settings). As such, providers generally travel to the recipient, rather than the recipient having to travel to an office location. This increases the accessibility of providers and allows them to build upon the recipient’s natural supports, e.g. caregivers, family, neighbors, teachers, employers, etc.

¹ Attachment: OBH Administrative Regions and Districts/Authorities Map

Prior to integrating behavioral health services under the Healthy Louisiana program in December 2015, there were approximately 190 providers delivering CPST and PSR services throughout the state. Given that the current number of eligible providers is 331, there are approximately 141 additional provider agencies providing CPST or PSR services at this time. This represents an increase of nearly 75% in the past three and a half years.

Indicator 2: # of CPST and PSR Providers Not Meeting Requirements

Indicator 2		
The number of CPST providers and PSR providers that did not meet the requirements for licensure, accreditation, holding a National Provider Identification number (NPI), or credentialing standards and have therefore been ineligible for Medicaid reimbursement		
Report Element	# Ineligible (at any point in time)	# Ineligible (remains ineligible/terminated)
Licensure	15	3
Accreditation	74	42
NPI	0	0
Credentialing	25	3

Since the passage of Act 582, there have been 15 providers identified as not meeting licensure requirements at some point in time, however:

- Only three of those 15 providers remain ineligible and their contracts with the MCOs were terminated.
- The other 12 providers were able to come into compliance with licensure requirements, are currently contracted with the MCOs, and are eligible to receive Medicaid reimbursement for the delivery of CPST or PSR services.

There have been 74 providers identified as not meeting accreditation requirements, meaning they did not hold a minimum of a preliminary accreditation with an approved national accreditation organization.

- Of these, 42 providers remain ineligible and whose contracts were terminated due to not meeting the accreditation requirement.
- The remaining, 32 providers originally identified as not meeting the requirement obtained the necessary accreditation and are eligible to receive Medicaid reimbursement for delivery of CPST or PSR services.

There have been no providers deemed ineligible for failing to hold an NPI number. However, LDH does want to make the Legislature aware of certain findings associated with the requirement to include NPI numbers on claims established by Act 582. Effective January 1, 2019, both provider agencies and the staff rendering CPST or PSR services were required to include their NPI numbers on all claims for Medicaid reimbursement for CPST or PSR services. Prior to January 1, 2019, only the billing provider agency was required to include its NPI number on claims for CPST or PSR services, not the individual staff rendering the service.

LDH implemented monitoring activities to ensure compliance with the requirements, and initially identified that approximately 30% of the claims paid as evidenced by encounter data failed to meet the NPI requirements of Act 582.

OBH implemented a weekly monitoring project consisting of analyzing encounter data, providing individual encounter reports to each MCO, as well as providing technical assistance to each MCO to help mitigate areas of concern.

The percentage of non-compliance dropped from approximately 30% to 5.3% within two weeks. OBH continued to provide weekly encounter reports and technical assistance to the MCOs, resulting in a non-compliance rate of less than one percent within several weeks. As of August 30, 2019, encounter data demonstrates 99.82% compliance with the NPI requirements of Act 582.

There have been 25 providers identified as not meeting other credentialing standards of the MCOs at a given point in time, since the passage of Act 582. Three of the 25 providers remained ineligible resulting in contract termination with the MCOs due to not meeting credentialing standards.

Indicator 3: # of CPST and PSR Providers Experiencing Difficulty Securing Qualified Employees

Indicator 3	
The number of CPST providers and PSR providers that have experienced difficulty in securing employees that hold a minimum of a bachelor's degree from an accredited university or college in the field of counseling, social work, psychology, or sociology and whether these allowable degrees should be expanded to include other degree types such as human services, social sciences, forensic psychology, or general studies with concentrations in psychology, social science, or sociology	
Report Element	Provider Count
# Providers	5

LDH received concerns from five providers associated with difficulty finding staff who hold the minimum educational degree qualifications for providing CPST or PSR services. Of greater concern to providers was their ability to maintain employment with staff who met previous qualifications to provide CPST or PSR services, and were hired prior to January 1, 2019, the effective date of these requirements established by CMS. This concern has been mitigated largely by the allowance in Act 582 that permits staff rendering PSR services, who do not possess the minimum bachelor's degree qualifications of Act 582 but met previous qualifications, to continue to provide PSR services for the provider agency that employed them prior to January 1, 2019.

At the request of providers, OBH initiated a workgroup of CPST and PSR providers as well as MCO representatives to discuss CPST and PSR service definitions for purposes of further clarifying components of each service. The workgroup currently consists of approximately 35 participants and is open to interested CPST and PSR providers at any time. "Provider qualifications" has been a frequent topic in these workgroups. Providers and MCOs agree the qualifications to provide PSR services, including the educational degree requirements established by Act 582, are reasonable and appropriate given the nature of the services and the populations served. PSR services are available to children with a diagnosable mental health disorder, where this service is deemed medically necessary to alleviate functional deficits, and to adults diagnosed with a serious mental illness meeting clinical and medical necessity criteria for the service to reduce the disability resulting from mental illness. Due to the serious nature of the mental health conditions of those served through PSR services, the minimum educational qualifications established by Act 582 are prudent.

Conversely, providers and MCO representatives have expressed an interest in further *strengthening* the qualifications to provide CPST services based on the overwhelming recommendation to include counseling

as a component of CPST services. The workgroup has expanded to include representatives from the Louisiana Board of Social Workers and the Louisiana State Board of Licensed Professional Counselors. The workgroup expects to make final recommendations in December 2019.

Given the above knowledge, experience and activity, LDH does not recommend expanding the allowable degree types in establishing minimum educational qualifications to provide either CPST or PSR services.

Indicator 4: # of CPST and PSR Providers Engaged in FNR

Indicator 4	
The number of CPST providers and PSR providers that have submitted a request for facility need review (FNR) and of those, the number approved and the number denied and whether facility need review is still necessary for these programs	
FNR Status	Provider Counts
Total # requested	111
# Approved	21
# Denied	86
# Awaiting FNR committee review	4

Between April 2018 and August 30, 2019, the FNR committee received 111 applications to provide CPST or PSR services, and granted approval to 21 provider agencies to apply for licensure to provide those services. While it is LDH’s position that the current numbers of licensed, accredited, and eligible CPST or PSR provider agencies meet the needs of Medicaid recipients in the state, the FNR committee granted approval to 21 provider agencies for the reasons that follow:

- The applicant proposed delivery of evidence-based programs (EBPs) utilizing CPST or PSR services, e.g. multi-systemic therapy (MST), permanent supportive housing (PSH);
- The applicant proposed treating special target populations, e.g. homeless individuals, juvenile court involved children, individuals transitioning from nursing facilities to the community, and included detailed plans and data to support how they would serve these target populations; or
- The applicant proposed serving individuals in a specific geographical area of the state with a limited number of CPST or PSR provider agencies, and provided evidence to effectively demonstrate the probability of adverse consequences to recipients’ ability to access CPST or PSR services if the applicant was not granted approval to be licensed.

Given that over 100 potential provider agencies requested approval to pursue licensure to provide CPST or PSR services in a year and a half time period, and the experience of unfettered growth in recent years which lead to the passage of Act 582, it is LDH’s position that FNR is still necessary to preserve the integrity and the sustainability of the CPST and PSR programs.

Indicator 5: # of CPST and PSR Providers Concerned with Employing a Mental Health Supervisor

Indicator 5	
The number of CPST providers and PSR providers that have indicated any concerns with employing at least one full-time physician or full-time licensed mental health professional (LMHP) to serve as a full-time mental health supervisor to assist in the design and evaluation of treatment plans for CPST or PSR services	
Report Element	Provider Count
# Providers	0

LDH has received no concerns from CPST or PSR providers relative to employing at least one full-time physician or full-time LMHP to serve as a full-time mental health supervisor to assist in the design and evaluation of treatment plans for CPST or PSR services.

LDH recognizes the role of supervision as an essential element to the delivery of CPST and PSR services, even beyond the design and development of treatment plans. Supervision by physicians and licensed mental health practitioners is the cornerstone of quality care and helps ensure Louisiana's most vulnerable citizens are served competently.

As CPST and PSR services are often delivered by non-licensed staff, ensuring staff have regular opportunities for supervision helps to safeguard that the overall treatment goals of the recipient are being addressed appropriately, increases staff knowledge base and skill levels, and assists staff in developing a process of ethical decision making in their delivery of CPST or PSR services.

Providers and MCOs have expressed an interest in strengthening the supervision requirements associated with these two services beyond the requirements established by Act 582. OBH has initiated a workgroup of stakeholder participants inclusive of CPST and PSR providers as well as MCO representatives to reinforce requirements for treatment planning and supervision, which will be published in the Medicaid behavioral health services provider manual.

While acknowledging that stronger supervision requirements may have a financial impact to provider agencies, providers still recognize the overall value of effective, regularly scheduled supervision as it translates to better quality of care, increased workforce competency and retention, and the potential for improved health outcomes for those they serve.

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