

POLICIES AND PROCEDURES		<b><i>COMMUNITY CARE</i></b>
PROVIDER RATE SETTING	Date Issued: 081309	Policy #ADM017 Chester, NC, CMP
Administrative	Date Reviewed:	Page 1 of 4

**POLICY:**

Community Care publishes base fee schedules for each HealthChoices network for most in-plan services, and individually negotiates rates with providers for residential services and some specialized services. Each base fee schedule is developed collaboratively with the primary contractor taking into account the strategic priorities for that specific network. Negotiated rates are developed individually for each provider within the parameters set for the specific network(s) in which the provider participates. This policy will be made available to providers within the Provider Manual and on the Community Care web site. Any updates, including issue of the original approved policy, will be sent to providers in the form of a Provider Alert.

**PROCEDURE:**

**A. Community Care Rate Setting Process**

1. For each HealthChoices network the base fee schedule is reviewed with the Primary Contractor on an annual basis in advance of the rate setting process with the Department of Public Welfare (DPW). This review process commences four to six months in advance of the upcoming program year. Utilization trends and strategic priorities for the network are reviewed and any changes proposed to enhance the network of care for members are included in the rate proposal submission to DPW for the coming program year.
2. Community Care seeks input from the provider community regarding priorities for base fee schedule rate change considerations in each network through its formal Provider Advisory Committees as well as through ongoing standing Local meetings with provider groups in advance of the DPW rate setting process on at least an annual basis.
  - a. Providers may request changes to the base fee schedule at any time, however these requests are generally not considered on an individual basis but will be held and reviewed at the appropriate point for each network
    - i. The program year is January through December for the Allegheny and Chester networks; provider requests for rate consideration in these networks must be submitted no later than September 1<sup>st</sup> each year and will be reviewed prior to the start of the new program year
    - ii. The program year is July through June for the Berks, Carbon-Monroe-Pike, North Central and York-Adams networks; provider requests for rate consideration in these networks must be submitted no later than March 1<sup>st</sup> each year and will be reviewed prior to the start of the new program year

<b><i>COMMUNITY CARE</i></b>		
<b>POLICIES AND PROCEDURES</b>		
<b>PROVIDER RATE SETTING</b>	Date Issued: 081309	Policy #ADM017 Chester, NC, CMP
Administrative	Date Reviewed:	Page 2 of 4

- iii. The program year is July through June for the Northeast Behavioral Health Care Consortium network; **please see separate rate setting policy for this network**
  - b. Providers may request changes to negotiated rates at any time, however these requests are generally not considered except within the annual rate setting process considering the strategic priorities for the network
- 3. At the point of issuance of final capitation rates for a contract year, Community Care and its Primary Contractors revisit the network priorities. The Primary Contractor or Community Care will notify the Office of Mental Health and Substance Abuse Services (OMHSAS) of all proposed base fee schedule rate changes, and shall not institute an across the board rate decrease for all providers or a specific provider type unless the Primary Contractor has notified OMHSAS 45 days in advance, has met with providers to discuss the proposed action, and has provided justification that the action will not adversely affect compliance with choice and access.
- 4. Community Care meets monthly with its Primary Contracts to review utilization management strategies and medical expense trends by categories of services. On a quarterly basis, given the analysis of medical spending trends, Community Care and its Primary Contractors revisit the network management priorities established for the program year to determine if changes to the priorities should be considered to attend to newly identified access or program needs.
- 5. In advance of any network wide change to the base fee schedule(s) Community Care and/or the Primary Contractor will develop a communication plan to seek input from appropriate stakeholder groups and will communicate such change to the OMHSAS, including an analysis of the potential impact of the change to access and choice for members within the network.

#### B. Community Care's Alternative Payment Arrangement Process

- 1. Community Care may implement alternative reimbursement strategies within its networks, including but not limited to performance incentives, alternative payment arrangements and preferred provider status.
  - a. Each alternative reimbursement strategy is considered jointly with the Primary Contractor(s) and as applicable, approved by the OMHSAS
  - b. In conjunction with the Primary Contractor(s) and considering the strategic priorities for the affected network, as well as enhanced quality of services or improved outcomes for members, Community Care may:

POLICIES AND PROCEDURES		<i>COMMUNITY CARE</i>
PROVIDER RATE SETTING	Date Issued: 081309	Policy #ADM017 Chester, NC, CMP
Administrative	Date Reviewed:	Page 3 of 4

- i. Identify a specific provider with whom to initiate the alternative reimbursement strategy
- ii. Issue a Request for Qualifications (RFQ) to assess the ability of providers to respond and offer the service proposed within the scope of the alternative reimbursement strategy
- iii. Issue a Request for Proposal (RFP) to solicit formal provider response to offer the service proposed within the scope of the alternative reimbursement strategy
- iv. Notify providers of the implementation of an alternative reimbursement strategy including specific procedural and contractual detail related to the initiative

2. Community Care will seek direct input from providers and other stakeholder groups as appropriate in developing alternative payment arrangements. Community Care is committed to sharing with providers the basis financial assumptions involved in the calculation of the proposed alternative reimbursement strategy.

C. Provider Request Process for Rate Changes

1. Provider must submit a request for a rate change to its assigned provider representative in writing no later than four months prior to the initiation of the program year for the specific network (please see A.2.a). At a minimum the submission must include:
  - a. For a rate where there is an established Medical Assistance (MA) rate
    - i. a copy of the rate letter from MA
    - ii. a copy of all documentation submitted to MA in support of the rate request
    - iii. any available information demonstrating improved quality or outcomes for members related to the request
  - b. For a rate other than a rate set by MA
    - i. a detailed budget of projected revenue including payment from all other sources, if any
    - ii. a detailed budget of expenses including all direct and indirect costs
    - iii. any available information demonstrating improved quality or outcomes for members related to the request
2. Additional detail may be requested by Community Care if necessary to conclude a review of the request.

<i><b>COMMUNITY CARE</b></i>		
<b>POLICIES AND PROCEDURES</b>		
<b>PROVIDER RATE SETTING</b>	Date Issued: 081309	Policy #ADM017 Chester, NC, CMP
Administrative	Date Reviewed:	Page 4 of 4

3. If the rate requested is related to a new program or expansion of an existing program, submission of a service description is also required.
  - a. Providers may submit a service description in their own format or in the standard format used by Community Care
  - b. If the provider submits in their own format they must address all other points outlined in the standard Community Care format in a separate document
  - c. The Community Care standard format can be obtained from the provider's assigned provider representative
  
4. Community Care reviews requests for rate changes on an annual basis in conjunction with the rate setting process when there is adequate access or choice for members within the network as documented by geo-access, therefore providers should not expect a response to their request in advance of the start of the program year.
  
5. Community Care reviews requests for rate changes on an ad hoc basis if there is a change to adequate access or choice for members within the network as documented by geo-access; in these instances provider may expect a response once a determination has been made.