



Department of Alcohol & Drug Addiction Services



Department of Mental Health

Orman Hall, ODADAS Director • John R. Kasich, Governor • Tracy J. Plouck, ODMH Director

July 1, 2011

TO: Executive Directors, County ADAMH/ADAS/CMH Boards
 Executive Directors, AOD and MH Service Provider Agencies
 NAMI Ohio
 Ohio Alliance of Recovery Providers
 Ohio Association of Child Caring Agencies
 Ohio Association of County Behavioral Health Authorities
 Ohio Citizen Advocates
 Ohio Council of Behavioral Health and Family Services Providers
 Ohio Empowerment Coalition
 Public Children Services Association of Ohio

FROM: Orman Hall, Director *ok*
 Ohio Department of Alcohol and Drug Addiction Services
 Tracy J. Plouck, Director *TJP*
 Ohio Department of Mental Health

RE: SFY 2012 – SFY 2013 Biennial Budget - Medicaid Elevation

Ohio's difficult budget situation for SFY 2012 and SFY 2013 calls for solutions that demand commitment and creativity to effectively maintain a statewide system of alcohol, drug addiction and mental health care.

Constant communication will be necessary in the coming months as we transition policies and practices to ensure continued fiscal viability of our care systems, with the goal that Ohioans in need of behavioral health services continue to have access to quality care close to home. We value the relationship and open communication which has occurred over these past months throughout the budget process with the 53 behavioral health authorities, the provider community, the individuals we serve, and the rest of the advocacy community. It is critical that the spirit of cooperation continue as we enter into the implementation of the major reforms included in House Bill 153.

Managing within the parameters of the final SFY 2012-2013 biennial budget will present challenges and the need for flexibility. This guidance memo will address budget questions that each Department has received from the field related to Medicaid elevation in SFY 2012 and beyond.

SFY 2012

In SFY 2012, boards will continue to maintain current operations related to Medicaid such as claims processing, member and new provider enrollment and payments to providers. The Medicaid elevation transition will occur based on date of service. Boards are responsible for paying claims with dates of service prior to July 1, 2011 using state subsidy allocations from SFY 2011 and/or local resources. This means that boards will continue to receive federal financial participation (FFP) for claims associated with dates of service prior to July 1, 2011.

In SFY 2012, each department has a Medicaid match budget. For ODMH, match is contained in the single line item General Revenue Fund (GRF) 501. For ODADAS, it is a combination of funding from GRF 501 and State Special Revenue (SSR) 4750. Both departments will be responsible for providing Medicaid matching funds from the aforementioned sources for claims with dates of service (DOS) on and after July 1, 2011. As mentioned above, this means that Boards are still responsible for claims with DOS prior to July 1, 2011 from their funding sources as identified in the modified Certified Public Expenditures (mCPE) system.

For claims with dates of service on or after July 1, 2011, state resources will cover both the state and federal share. The initial allocation that will be distributed to boards through the designated line items will be based on historical Medicaid need. Please note that while we have calculated an annualized projection for each board, boards are not guaranteed this annual amount. We are planning to propose to OBM an initial distribution at the beginning of the fiscal year that will be approximately one-third (34%) of the projected Medicaid match need and will make subsequent distributions as necessary based on close monitoring of expenditures across all of the boards. The funds will be distributed through the normal "push" process and boards will not have to request funds. We will be discussing with OBM this proposal as well as options for subsequent distributions and the need for flexibility to assure that the funds are available when and where they are needed by each board.

Boards will be required to use the ODMH GRF 501 and the ODADAS-designated funds to make payment to providers. Federal financial participation (FFP) received for dates of service in SFY 12 will be retained by the departments and will be used in subsequent allocations to the boards as it is earned and in combination with the state line item funds. The departments will be tracking the FFP at the state level and in the mCPE application; therefore, boards do not need to separately identify and account for the FFP because it is earned federal revenue to the state.

The mCPE system will be modified to isolate SFY 12 funds to assure the separation of fund sources, including earned FFP for previous fiscal year services. ODMH and ODADAS will also be using the mCPE system for monitoring purposes. This will enable the departments to produce weekly reports that track Medicaid payments by board and by type so that the departments can react accordingly if Medicaid billings are substantially different than they historically have been over the same timeframe.

The departments will calculate one month's worth of Medicaid expenditures to serve as an alert within the mCPE system that will automatically initiate a notification to department fiscal staff that additional funds are necessary for a specific board area.

SFY 2013

We are assuming that providers will be submitting claims directly to the Ohio Department of Job and Family Services (ODJFS) for claims with dates of service on and after July 1, 2012. In addition, providers will be directly reimbursed by ODJFS. ODADAS, ODMH and the boards must continue to maintain operations throughout SFY 13 for claims associated with dates of service prior to July 1, 2012. MACSIS will be available throughout SFY13 for non-Medicaid claims processing as well.

SFY 2014

We anticipate a full transition of operational functions related to Medicaid to ODJFS by SFY 2014. ODMH and ODADAS will reconcile funds distributed to the boards to close out the Medicaid line items and perform data archiving. MACSIS may be available in SFY 14 for non-Medicaid claims processing/encounter reporting.

As mentioned earlier, constant communication will be required as we move through the implementation stages of Medicaid elevation, as well as cost containment and utilization management, over the next few years. It has been suggested that the boards and departments meet on a quarterly basis to review progress, work through areas of concern, and to assure that we have a process for addressing issues as they occur. The departments support this concept and will work with OACBHA and boards to establish a meeting schedule and agendas. In addition, department representatives can be available to meet with any stakeholder groups at regular membership meetings as needed.