

MAINTENANCE LEVEL 2

M2-MR Transfer FQHC Costs to HCA

RECOMMENDATION SUMMARY TEXT

The Health Care Authority (HCA) requests a budget transfer of \$46,000 (\$23,000 GF-State) in the 2016 Supplemental from the Department of Social and Health Services (DSHS) to cover the costs of the physician exam service provided to Developmental Disability Administration (DDA) clients, including those services received in Federally Qualified Health Center (FQHC).

PACKAGE DESCRIPTION

The funding for physician exams performed for DDA clients is currently contained in the DSHS budget. Payment for this service is made to all providers, including Federally Qualified Health Centers (FQHCs). The DSHS pays the entire FQHC claim and bills the HCA for the FQHC differential (the difference between the encounter rate and the cost of the procedure) using a journal voucher (JV) accounting process. This workaround is necessary as ProviderOne is unable to split the claim between the two agencies at the time payment is made. This budget transfer will eliminate the need for this workaround as the entire claim will be paid by the HCA.

The budget transfer will alleviate another issue associated with the system’s inability to split the claim by agency. When FQHCs perform and bill another service in addition to the physician exam, the additional procedure will be denied as a non-DDA service. Providers, therefore, must bill the service separately from the physician exam, which generates a separate payment in addition to the FQHC encounter rate. With the transfer, providers will be able to bill all services on the same claim and will receive a single encounter rate payment regardless of how many services were provided that day to a client. This will be in line with the HCA FQHC billing policy requiring that providers bill all related services on a single claim.

Kate LaBelle, Financial Services: 360-725-1846 or kate.labelle@hca.wa.gov

Madina Cavendish, Financial Services: 360-725-1486 or madina.cavendish@hca.wa.gov

FISCAL DETAILS/OBJECTS OF EXPENDITURE

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
1. Operating Expenditures:			
Fund 001-1 GF-State		\$ 23,000	\$ 23,000
Fund 001-C GF-Federal Medicaid Title XIX		\$ 23,000	\$ 23,000
Total	\$ -	\$ 46,000	\$ 46,000
	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
2. Staffing:			
Total FTEs	-	-	-

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
3. Objects of Expenditure:			
A - Salaries And Wages	\$ -	\$ -	\$ -
B - Employee Benefits	\$ -	\$ -	\$ -
C - Personal Service Contracts	\$ -	\$ -	\$ -
E - Goods And Services	\$ -	\$ -	\$ -
G - Travel	\$ -	\$ -	\$ -
J - Capital Outlays	\$ -	\$ -	\$ -
N - Grants, Benefits & Client Services	\$ -	\$ 46,000	\$ 46,000
Other (specify) -	\$ -	\$ -	\$ -
Total	\$ -	\$ 46,000	\$ 46,000
	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
4. Revenue:			
Fund 001-C GF-Federal Medicaid Title XIX	\$ -	\$ 23,000	\$ 23,000
Total	\$ -	\$ 23,000	\$ 23,000

NARRATIVE JUSTIFICATION

WHAT SPECIFIC PERFORMANCE OUTCOMES DOES THE AGENCY EXPECT?

This request will contribute to efficient and lean government functions. Transferring this funding will reduce staff time and increase efficiency with regards to the current workaround process for payments. This change will ensure that provider billing practice is in line with the HCA FQHC billing guide.

PERFORMANCE MEASURE DETAIL

Activity Inventory

H011 HCA All Other Clients – Fee For Service – Mandatory Services

IS THIS DECISION PACKAGE ESSENTIAL TO IMPLEMENT A STRATEGY IDENTIFIED IN THE AGENCY'S STRATEGIC PLAN?

Yes. This request supports an outcome measure "Constrain the rate of health care cost growth".

DOES THIS DECISION PACKAGE PROVIDE ESSENTIAL SUPPORT TO ONE OR MORE OF THE GOVERNOR'S RESULTS WASHINGTON PRIORITIES?

Yes. Goal 5: Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly.

WHAT ARE THE OTHER IMPORTANT CONNECTIONS OR IMPACTS RELATED TO THIS PROPOSAL?

This proposal will ensure compliance with the State Auditor's recommendation that FQHC services are paid as one encounter.

WHAT ALTERNATIVES WERE EXPLORED BY THE AGENCY, AND WHY WAS THIS ALTERNATIVE CHOSEN?

This alternative was chosen because it eliminates a “workaround” process that is currently in place for FQHC payments. This alternative will also enable providers to bill correctly, according to FQHC policy. One option is to make the appropriate changes in ProviderOne to allow two agencies to bill for the same service. This change can be cost prohibitive. Another option is to continue the current workaround process, with the impact on agency staff and providers.

WHAT ARE THE CONSEQUENCES OF NOT ADOPTING THIS PACKAGE?

There are no consequences to either agency other than continuing the JV workaround process, which is wasteful in terms of staff time for the DSHS and the HCA.

WHAT IS THE RELATIONSHIP, IF ANY, TO THE STATE CAPITAL BUDGET?

None

WHAT CHANGES WOULD BE REQUIRED TO EXISTING STATUTES, RULES, OR CONTRACTS TO IMPLEMENT THE CHANGE?

No changes are anticipated to existing statutes, rules, or contracts, as a result of implementing this funding transfer.

EXPENDITURE AND REVENUE CALCULATIONS AND ASSUMPTIONS

REVENUE CALCULATIONS AND ASSUMPTIONS:

Revenue is based on anticipated federal matching of 50 percent federal medical assistance percentage (FMAP).

EXPENDITURE CALCULATIONS AND ASSUMPTIONS:

Expenditures were calculated based on actual paid claims data from fiscal year 2014 and fiscal year 2015, using the DSHS/Disability Administration agency and program index codes and the procedure code representing the physician exam for DDA clients.

DISTINCTION BETWEEN ONE-TIME AND ONGOING COSTS:

All costs would be on-going.

BUDGET IMPACTS IN FUTURE BIENNIA:

All costs would be on-going.

