



Wraparound with Intensive Services (WISe) Two-Tiered Rate

WISe provider presentation

February 23, 2026



Agenda

- ▶ Wraparound with Intensive Services (WISe) brief overview
- ▶ Issue description and recommendation
- ▶ Budget impact
- ▶ Potential risks
- ▶ Next steps
- ▶ Q&A



WISe: a brief overview

- ▶ WISe is a service delivery model
 - ▶ Offers state plan services, based on individual care needs
 - ▶ Utilizes wraparound phases and principles
 - ▶ Wraparound with Intensive Services implies a level of intensity.
 - ▶ To exit the TR settlement, HCA agreed that we would average 10.5 hours/month
 - ▶ Team-based approach, which includes:
 - Mental health practitioner
 - Certified peer specialist (parent and/or youth peer)
 - Care coordinator
 - ▶ Requires:
 - 24/7 behavioral health outpatient crisis services
 - Monthly Child and Family team meetings
 - Service intensity benchmark
- ▶ Approximately 3,300 youth receive WISe each month



Issue description

- ▶ The WISe case rate is currently paid to the MCO after the first billable encounter of the month with expectation of an average of 10.5 hours of services per month. Payment from MCO to provider are subject to those contracts.
 - ▶ MCOs are paid the same case rate regardless of number of service hours provided
- ▶ We have not been meeting this 10.5 hour expectation

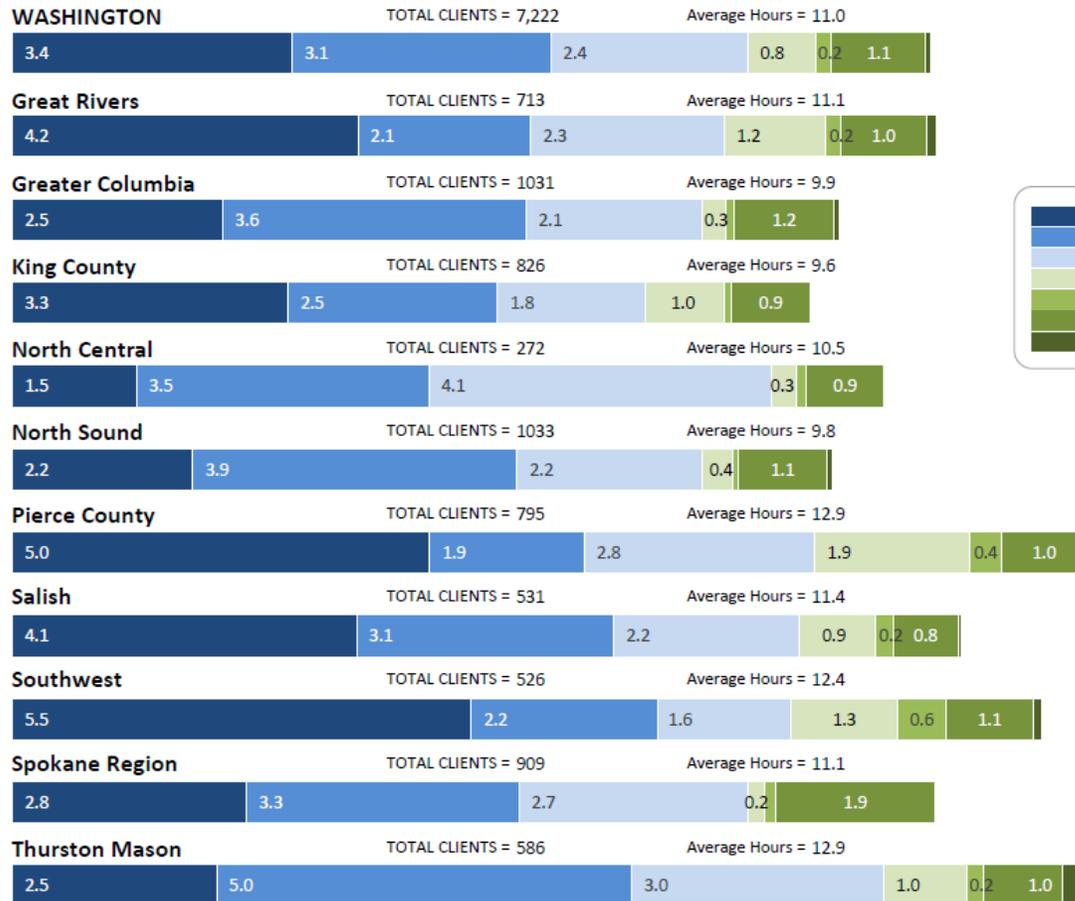


WISe Service Characteristics

April 2024 to March 2025 (last 4 quarters of data available)

Distribution of Services by Region

Average Behavioral Health Service Hours per WISe Service Month



Proposed solution

- ▶ Seeking to implement a more accountable payment structure to ensure HCA pays a full case rate when an individual is provided with 10.5 service hours or more in a month
 - ▶ This change is only for MCO contracts
 - ▶ FFS payment method remains the same. FFS is a different system and we currently monitor it closely because the numbers are smaller.
 - ▶ If we make an adjustment to our payment structure, it will only take place after gathering a year of encounter data to set new rates.
 - ▶ Proposed “go live” date would be January 2028



Two-tiered rate



The process

Step One

Providers continue to use a U8 modifier on **all** encounters

- ProviderOne business rule continues with the U8 modifier qualifying the first payment of the 2-tiered case rate

Step Two

Once 10.5 service hours are provided, the WISE provider submits a T1041 code

- The T1041 code qualifies for the second payment of the 2-tiered rate
- Providers responsible for submitting a T1041 code once 10.5 hours are encountered for a calendar month



Note: Milliman would provide HCA the amount for the first and second payments

Step Three

HCA and MCOs will monitor implementation



Pros, system improvements

- ▶ Reduces risk for paying for services not received by enrollees and is operating within the expectations of the settlement agreement and contract requirements
- ▶ Provides a mechanism for incentivizing units of service for WISE providers
- ▶ Increases accountability for providers tracking service intensity for each participant
- ▶ Better ensures the expected level of care to meet the needs of children, youth and their families
- ▶ Mitigates the risk of corrective action plans for not meeting service intensity targets



Considerations

- ▶ Burdens for small providers
 - Solution: provide TA during early implementation
- ▶ Unintentionally creating a less intensive service model
 - ▶ WISE participants may desire less than 10.5 hours.
 - ▶ We continue to have contractual expectations for service intensity
 - Solution: track outcomes and offer TA
- ▶ Administrative complexity
 - ▶ Adding SERI codes into EHR systems is a cost
 - ▶ Providers will need to closely monitor service hours
 - Solution: Continue to convene planning and implementation meeting with MCOs, providers, and internal staff



Considerations

- ▶ Need to create new rules for P1
- ▶ Need to amend SERI billing guide to include the T1041 code and instructions on when and how to use it
- ▶ Providers need to track service hours so that billing is done correctly
- ▶ Currently not entering all WISE encounters
 - ▶ Solution: Track WISE encounters closely from March 2026 to March 2027
- ▶ What happens when a family moves providers in the middle of the month?



Potential fiscal impact

- ▶ Budget neutral, is anticipated
 - ▶ HCA is not increasing services, the budget for services should not increase
 - ▶ Instead, looking for a payment method that better matches services provided
- ▶ Expenditures may decrease or increase during implementation, if providers substantially change service intensity (either raise or lower current number of hours being encountered with U8)
- ▶ Actuary consideration:
 - ▶ The encounter data from the next year will impact SFY28 rates
 - ▶ However, the service model and MCO contract continues to require an average of 10.5 service hours

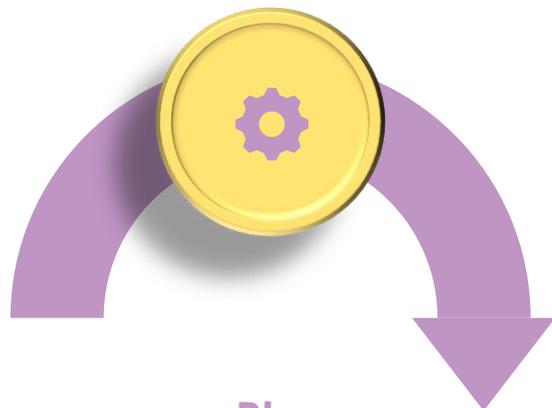


What has happened so far?

- ▶ Presented tiered rate option to HCA leadership
- ▶ Received HCA approval to move forward with a plan to change the way we pay the SBE once we have considered consequences/risks and determined that this move is appropriate
- ▶ Shared update on anticipated SBE payment change to MCOs



Working timeline



Plan

- Work with Provider One/Rates to develop and load new rate structure
- Submit SBE form to P1 operations by late summer 2027
- SERI published fall 2027 for January 1 implementation
- Allow 90 days for MCOs to update their system

Analyze

- March 2026
- Ensure all WISE encounters have U8 modifier as per [WISE manual page 10](#) and [SERI page 132](#)
- Milliman to determine rates Summer 2027
- TA offered to WISE providers



Implement

- Anticipated start date: January 2028
- TA offered to WISE providers





Who receives the Tiered Rate?

- ▶ HCA pays the Service Based Enhancement to the Managed Care Organizations (MCO).
- ▶ MCO's negotiate and pay WISe provider agencies through their individual contracts.



Next steps

- ▶ Starting March 2026, all WISE providers submit their encounters with the U8 modifier. This data will be randomly reviewed at the case-level by HCA.
- ▶ Milliman will use the March 2026 – Summer 2027 data to develop the new rate with the lowest risk.
- ▶ Actuary (Milliman) continues to develop specific recommendation on how to split the two tiers.
- ▶ It is critical that all WISE providers accurately encounter WISE services so that the actuary can minimize the risk of changes in state expenses once we launch the two-tiered rate.



Questions? Let's talk.

Submit questions or concerns into the Zoom Q/A

If anything comes to mind after today, please share it with us via the [WISe inbox](#).