

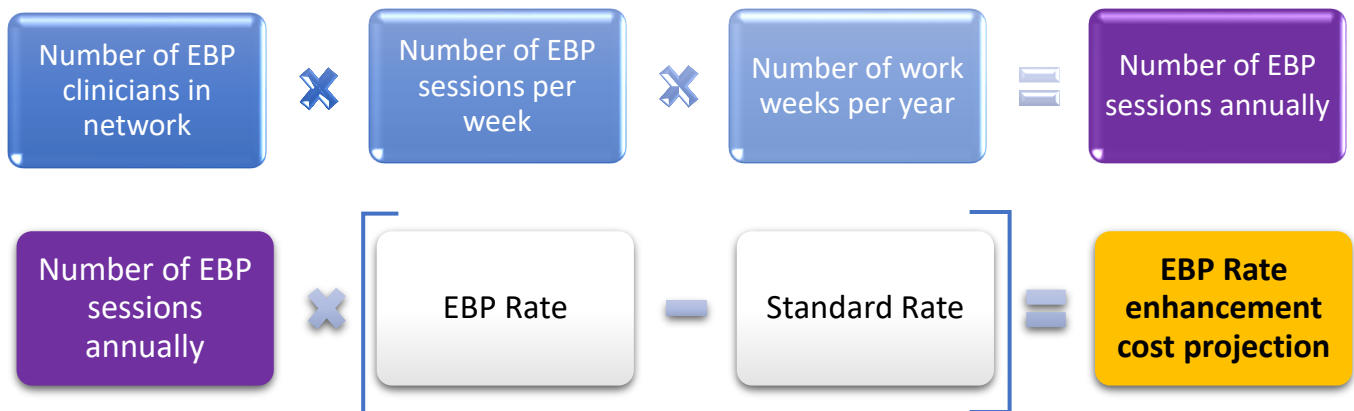


BRIEF: Evidence Based Programs (EBP) Rate Increase Cost Projection Model

Increasing fee-for-service rates can offset the increased cost of delivering evidence-based programs (EBP) and provide an incentive for providers to deliver these high-value services. We outline one model for calculating the cost of EBP specific-rates for evidence-based programs such as Child-Parent Psychotherapy (CPP); Eye-Movement Desensitization and Reprocessing (EMDR); Parent-Child Interaction Therapy (PCIT); Preschool PTSD Treatment (PPT); Trauma-Focused Cognitive Behavioral Therapy (TF-CBT); Positive Parenting Program (Triple P – Level 4) and Youth PTSD Treatment (PPT).

The following assumptions should be considered when making financial projections for these EBPs delivered by certified therapists in outpatient services. Cost projections are (1) based on the difference between the enhanced rate and the standard rate for the outpatient service; (2) limited to the number of qualified clinicians within the network (i.e., certified in the EBP); (3) limited to a subset of the clinician’s sessions per week (i.e., clients whose age, diagnosis and treatment plan fit the EBP and typically delivered within a specified range of sessions-- 12-24 sessions); and, (4) the number of EBP session may fluctuate over time based on staffing changes and referral patterns. For example, these numbers will increase as more clinicians are trained and certified in a network, as clinicians become more skillful in engaging families in the EBP, and as referral sources and clients become aware of the benefits of the EBP.

Using these assumptions, annual cost projections can be calculated using the following format.



Example:

TF-CBT clinicians in network = 20

Average TF-CBT sessions per week = 3*

Number of work weeks / year = 48

EBP Rate= \$100

Standard Rate = \$65

Rate increase = \$35

20 x 3 x 48 = 2880 EBP sessions / year x \$35 = \$100,800 cost projection for increased rate for TF-CBT

*Given that many providers are new to EBP delivery, we anticipate low EBP service volume, with gradual increases over time.

State-wide Medicaid cost projections for EBP rate enhancement

We estimated the financial impact of raising EBP rates to account for the increased cost and value associated with EBPs. Using the formula above, we calculated the impact on annual state Medicaid spending associated with rate enhancements for all certified providers in Louisiana in the following EBPs: CPP, EMDR, PCIT, PPT, TF-CBT, Triple P and YPT. Current Medicaid reimbursement in Louisiana for 60 minutes of psychotherapy (CPT code 90837) provided by an LCSW, LPC, or LMFT, for children/youth is \$69.15.¹ In comparison, according to Louisiana behavioral health providers, commercial insurance reimbursement is approximately \$100 and Mississippi Medicaid reimbursement is \$119.68 for the same CPT code.² In addition, one hour of MHR / CPST services (which do not require licensed clinicians) are approximately \$72 for in-office and \$81 for community-based services.¹

We calculated two models with increased rates to offset EBP delivery costs: 1) increasing reimbursements to \$86 to be competitive with other services, and 2) increasing to \$110, to be competitive with commercial insurances reimbursement rates. We based the models on 139 Louisiana clinicians that are currently EBP certified in CPP, PCIT, PPT, TF-CBT, Triple P, and YPT. We estimated the clinicians would deliver 3 EBP sessions per week for 48 weeks of the year.

Based on this model, increasing the EBP rates to \$86 (competitive with other service models) would result in an annual statewide Medicaid expenditure increase of \$337,270; from \$1,384,106 with current rates to \$1,721,376, for the EBP services. Increasing the EBP rates to \$110 (competitive with commercial insurance) would result in an annual statewide Medicaid expenditure increase of \$817,654; from \$1,384,106 with current rates to \$2,201,760, for the EBP services. Given the scope of the Louisiana's behavioral health budget, these amounts constitute minimal increases in spending that will be directed toward improving the quality of services for children and families.

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For more information, contact the Center for Evidence to Practice at <https://laevidencetopractice.com/contact-us/>

This brief is from the LSU Health Science's School of Public Health's Center for Evidence to Practice. The Center was created to bring more evidence-based behavioral health practices to communities across the state of Louisiana. We seek to identify strengths and gaps in Louisiana's child and youth behavioral health system; make evidence-based support and intervention available when and where youth and families need them; promote excellence and accountability in service provision; and, encourage a ready workforce through education and support efforts.

¹ https://www.lamedicaid.com/provweb1/fee_schedules/SBH_FS.pdf

² <https://medicaid.ms.gov/wp-content/uploads/2020/12/CMH-Services-Fee-Schedule-Print-Date-12012020.pdf>