

Managing Voucher Costs

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Signal Behavioral Health Network

- A non-profit Managed Services Organization (MSO) responsible for publicly-funded substance abuse treatment in 35 Colorado counties
- Contracts with 18 providers; annual budget of \$22 million
- Primary funding source is federal block grant; no significant Medicaid benefit in Colorado

Child Welfare Authorization System

- System is conceptually similar to voucher system
- Signal contracts with counties for services for child welfare and TANF clients; blends MSO and county funds
- Authorizations are issued for payment following client evaluation

Child Welfare Authorization System (cont'd)

- Issuer creates authorization to provider in Signal web-based data system; provider contacts client and admits client
- Admission, services, and discharge data are submitted by provider; all are linked to authorization
- Counties are billed based on services entered into data system; providers are reimbursed when the MSO receives payment

Lessons Learned

- Make the system web-based
 - Faster, more efficient, fewer errors
- Build in ongoing system training
 - On-line tutorial, face-to-face, technical support
- Have a simple rate structure
 - The more complex the rate structure, the higher the costs to administer
- Directly link the voucher to billing
 - Better compliance, more accurate data

Lessons Learned (cont'd)

- Develop detailed, standardized billing procedures
 - Efficiency will reduce costs and errors
- Develop automated fiscal management reports
 - Billing reports, ad hoc billing (real-time data), fiscal tracking spreadsheets
- Pay attention to confidentiality issues
 - 42 CFR Part 2, HIPAA
- Expect extreme variation between providers
 - Sophistication/computer knowledge

The more you want, the more you pay

How Much Does the Signal System Cost?

- Start up costs were about \$500,000
- Currently 3 FTE in IT staff handle approx. 56,000 admissions a year
- Data system is secure, web-based, uses SQL server. Signal uses 5 servers and we host our own website – www.signalbhn.org
- Within existing system, estimate that 2 FTEs would be needed for each additional 10,000 vouchers

Tips for Cost Management

- Be very clear in your eligibility criteria what can be paid for and what cannot
- Also clarify when payment will be made
- Discuss ahead of time your control options
 - Stop initial vouchers?
 - Cap payment per client?
 - Pre-authorization review?
 - Identify outliers?
 - Control movement between levels of care?
 - Discharge clients?
 - Co-pays?

Tips for Cost Management (cont'd)

- Have real time billing reports that continuously track expenditures
- Reallocation of funds – By type, By provider, By service
- Continuously monitor the costs; identify who is responsible for monitoring
- Pay particular attention to the costs of abstinence monitoring and residential services

Don't wait until the end of the year!