COUNTY OF LOS ANGELES
Public Health

JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

CYNTHIA A. HARDING, M.P.H.
Chief Deputy Director

313 North Figueroa Street, Room 806
Los Angeles, California 90012
TEL (213) 240-8117 • FAX (213) 975-1273

www.publichealth.lacounty.gov

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January 27, 2014

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H. Cynthia A. Harding
Director and Health Officer

SUBJECT: **HIV MEDICAL HOME FEE-FOR-SERVICE AND MEDICAL CARE COORDINATION IMPLEMENTATION UPDATE**

This is in response to the Board of Supervisors' November 20, 2012 request, following a motion made by Supervisor Mark Ridley-Thomas, that the Department of Public Health (DPH) report on the progress of the implementation of fee-for-service (FFS) contracting for HIV/AIDS Ambulatory Outpatient Medical (AOM) Services. DPH was asked to report, after a full year of implementation, on the service delivery trends, adequacy of resources allocated to AOM contracts, and timeliness of payment to providers.

The shift to FFS contracting for AOM services has successfully allowed Ryan White Program (RWP) dollars to be directed in a more cost effective and equitable manner. The shift to FFS also better positions DHSP to remain in compliance with *payer of last resort* requirements crucial to administering the RWP in an era when patients may now be eligible for other federally financed care. The shift has also provided a better understanding of patient populations at contracted providers throughout the system. Following is a summary report on the implementation of AOM FFS and Medical Care Coordination (MCC) services.

Background

On November 20, 2012, your Board authorized DPH to execute 19 contracts for the provision of AOM services on a FFS basis. As part of the same action, your Board authorized DPH to execute 19 contracts with the same AOM providers for the provision of MCC services. The approved contracts cover three budget periods: November 20, 2012 through February 28, 2013; March 1, 2013 through February 28, 2014; and March 1, 2014 through February 28, 2015. In addition, your Board granted DPH delegated authority to extend these contracts through February 2017.

Under the RWP, administered by DPH's Division of HIV and STD Programs (DHSP), DPH has service agreements with 19 community-based partners, as well as the Department of Health Services (DHS), to provide AOM and MCC services to people living with HIV/AIDS in the County through a network of 41 medical clinics. The first term of the AOM and MCC contracts (November 20, 2012 through February 28, 2013) was devoted primarily to staff recruitment and training, development and refining of electronic data interfaces for reporting and billing efficiency, and the delivery of technical assistance to service providers.

As part of the roll-out of this new reimbursement and program approach, the shift to FFS began January 1, 2013.

AOM FFS Service Utilization

A total of 9,034 patients were served between January 1, 2013 and October 31, 2013. Of the 9,034 patients served, a small percentage continue to receive AOM services pending eligibility screening processes for the RWP, Healthy Way LA, or Medi-Cal programs (198 are receiving AOM services while their eligibility screening process for the RWP is completed; 202 patients, pending a final determination for eligibility for Healthy Way L.A. services; and 206 patients, pending final determination for Medi-Cal eligibility). A total of 26,285 medical visits have been billed and paid under the new FFS contracts and service agreements.

Total Patients Served in Fee-For-Service Contracts for HIV/AIDS Ambulatory Outpatient Medical Services	9,034
Pending Ryan White Program Eligibility	198 (2.2%)
Pending Healthy Way L.A. Eligibility	202 (2.2%)
Pending Medi-Cal Eligibility	206 (2.2%)

AOM FFS Invoicing

In March 2013, DHSP began receiving invoices for AOM services delivered beginning January 1, 2013, including medical visits, laboratory, radiology, and prescription costs, and enrollment and re-certifications for the AIDS Drug Assistance Program. From January 2013 through October 2013, DHSP reimbursed contracted AOM providers nearly $9.17 million for approved services. This amount included approximately $2.4 million in approved billed costs for services that were delivered in January and February 2013.

Initially, invoice submissions were slow; however, by the end of June 2013, nearly all of the contracted agencies were able to bill and receive reimbursement for services provided, including for the initial months of January and February 2013. There were 1,390 invoices submitted for the service months of January 2013 through October 2013.

There were various challenges impacting the timely submission of invoices under the new AOM FFS model. Several factors contributed to these challenges, including but not limited to:

- A subset of providers needed to develop new electronic data interfaces to report service utilization and cost information required to generate invoices in HIV Casewatch;
- Providers with existing electronic data interfaces needed to update their interfaces in order to generate accurate invoices;
- Providers experienced logistical difficulties coordinating patient eligibility screening for RWP, AIDS Drug Assistance Program, Healthy Way L.A., and Medi-Cal;
- DHSP needed to revise the common procedural terminology codes programmed into Casewatch to accurately capture and reimburse for services allowed under the contracts; and
- DHSP identified compatibility problems between electronic health records used by providers and the Casewatch system.

DHSP staff and representatives from DHSP's contracted Casewatch administrator, Automated Case Management Systems (ACMS), worked very closely and diligently with AOM service providers to address these challenges and continue to improve data reporting and invoicing.

Currently, DHSP's turnaround time from the date invoices are approved for payment until the date payment is issued to the agencies averages 10 days. In addition, providers are allowed to submit corrected and supplemental invoices to ensure that all allowable services are reimbursed. DHSP continues to work with providers to ensure timely submission and processing of invoices.

AOM Training and Technical Assistance

DHSP and ACMS staff delivered a series of trainings to prepare providers to report and bill for services under the new AOM contracts. A total of 151 staff members from our AOM service providers attended these trainings between November 2012 and June 30, 2013. In addition, DHSP and ACMS staff delivered one-on-one technical assistance via e-mail, over the phone, and on-site upon request.

Adequacy of AOM Investments

DHSP, in partnership with the Los Angeles County Commission on HIV, allocated approximately $17.5 million to support AOM services for the period of March 1, 2013 through February 28, 2014. Overall, service utilization and expenditures are keeping pace with projections across most providers. While service utilization and expenditures among a subset of providers are below allocated projections, there are also some AOM providers billing ahead of allocated projections. A preliminary analysis of service utilization data and invoices available indicate that these variances are the result of the following: improvements in the providers' ability to accurately capture and report third party public and private insurance information (e.g., Medi-Cal, Medicare, Healthy Way L.A., others); the number of patients yet to complete the screening process (198 patients, representing 745 visits); and delays in eligibility determination by third-party payers (408 patients representing 1,205 visits). Given these factors, DPH estimates that some of the AOM contracts and service agreements will need to be amended collectively to allocate between $800,000 and $1.5 million in additional funds to ensure that providers have enough resources to provide services to RWP-eligible patients under the RWP. This increased allocation among a subset of providers will be largely offset by underspending among others. DHSP estimates that most if not all of the contract amendments/augmentations can be accomplished using current delegated authority granted by the Board.

MCC Service Utilization and Evaluation

As noted above, MCC services are provided under 19 contracts with both private AOM service providers and DHS through a combined 41 HIV medical homes. Providers are compensated on a cost-reimbursement basis. MCC services are designed to help patients achieve optimal health outcomes by coordinating clinical and supportive services, promoting retention and adherence to treatment, addressing barriers to receiving care, and facilitating access to other wrap-around services.

Preliminary data indicates that 5,404 patients have been screened for MCC services at 29 of the 41 HIV medical homes between January 1, 2013 and September 30, 2013. The lower than anticipated number of patients served to date through MCC, relative to the number of patients receiving RWP-supported AOM services, are the result of delays in staff recruitment, training, service delivery, and technical difficulties with data reporting by some providers. DHSP and ACMS staff are working diligently with MCC providers to address these issues. DHSP expects to have a more complete set of service utilization data by the end of the current contract term (February 2014).

MCC Staffing, Training and Technical Assistance

MCC services are funded by DPH and delivered by a team of three types of personnel – a Medical Case Manager, a Patient Case Manager, and a Case Worker – who work together to support patients in coordinating their HIV care. There are 122 funded MCC staff positions. Twelve positions are currently vacant, primarily at DHS sites that have not been filled due to the lengthy County hiring processes.

DHSP and ACMS staff delivered 27 MCC-related trainings between November 20, 2012 and October 31, 2013. A total of 131 MCC team members and supervisors have been trained as of October 2013. In addition, DHSP sponsored 18 Casewatch trainings for MCC providers. A total of 117 participants have been trained in Casewatch as of June 2013. Finally, DHSP hosted 5 MCC provider meetings from November 2012 to August 2013 to ensure a smooth roll-out during the initial contract execution phase. MCC provider meetings will continue to occur on a semi-annual or quarterly basis with one meeting a year held jointly with HIV testing and outpatient medical service providers. These meetings will serve as a vehicle for DHSP to provide ongoing technical assistance on the implementation of MCC services; afford AOM/MCC providers networking opportunities to exchange ideas for continuously improving service delivery; and streamline access to HIV care and treatment services for Angelenos newly identified as living with HIV by the DHSP-funded network of HIV testing providers.

DPH will continue to work with contracted providers to further refine billing and reimbursement processes related to ambulatory outpatient medical care for people living with HIV and AIDS in Los Angeles County.

If you have any questions or need additional information, please let me know.

JEF:MJP
PH:1211:004

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors