OMH’s Article 31
Freestanding Clinic
Vital Access Provider (VAP) Program

December 9, 2017
Agenda

1. Status of the Federal Share
2. Next Steps
3. Review of the OMH VAP Program & Current Status
4. Recap of Guidance on Frequently Asked Questions
Status of the Federal Share
SPAs for Article 31 VAP Projects were Rejected

- All State Plan Amendments (SPAs) for supplemental payments related to clinics including uncompensated care and the temporary rate adjustments for VAP projects were returned without Federal approval late last week.
- The Centers for Medicare and Medicaid Services (CMS) maintains that there is no room for these costs within the State’s Upper Payment Limit (UPL) calculation for freestanding clinics.
- While NYS projected sufficient room based on prior UPL calculations, CMS changed the way the methodology is applied and there continues to be problems with the provider data.
Background on Federal UPL Limitations

- The UPL is a Federal limit placed on fee-for-service reimbursement of Medicaid providers.
- Specifically, the UPL is the maximum a given State Medicaid program may pay a type of provider in the aggregate, statewide in Medicaid fee-for-service. State Medicaid programs cannot claim federal matching dollars for payments in excess of the UPL.
- In addition, CMS recently instituted a new measure called the ‘Economy and Efficiency’ test that is applied on a provider basis.
Next Steps
Next Steps - State Follow-up

• DOH and OMH are regrouping to explore all available options to preserve the full scope of VAP activities underway.

• There may still be viable approaches to pursue a Federal share or alternative resources to support the VAP projects.

• OMH will explore instant solution to the 1st year (about 1/3rd) of match funds to keep VAP projects moving forward AND extend the period to complete the project from three to four years.

• OMH will update the field in the next month on the potential for an instant solution and schedule regular quarterly updates to advise participating providers on the latest status.
Next Steps – Provider

• At this time, OMH advises all VAP providers to focus only on activities that produce the highest return on investment and improve the agency’s fiscal viability.

• OMH will work with VAP providers to update the schedule of deliverables to reflect the implementation delays and extend the work over four years.

• Providers who are not making progress improving long-term fiscal viability risk discontinuation of the project including the remaining State funds plus any potential match resources.
Recap of the OMH VAP Program
What is the OMH VAP Program

• The Office of Mental Health initiated a Vital Access Provider (VAP) program for Article 31 freestanding clinics to provide resources for strategic investments that will enable the programs to achieve fiscal viability, thereby preserving access to clinics to special populations or within a geographic region.

• VAP provider applications were selected based on upon the following criteria:
  – Agency and Clinic Program Financial Viability
  – Community Service Need
  – An Actionable plan with priority given to support interagency mergers and administrative consolidations.
Purpose and Expected Outcomes

• Preserve geographic access in certain areas and clinic services for specialty populations.

• Provide funds for strategic investments for at risk Article 31 freestanding clinics to attain overall fiscal viability.

• In the end, providers must improve clinic operations and increase efficiencies including:
  – higher productivity and collectability,
  – Reduce costs (e.g., streamline administrative costs, eliminate non-billable activities, insure all services are billed),
  – Improve quality and/or patient outcomes, and
  – cross agency consolidation of administrative functions, and inter-agency mergers.
Fiscal Summary of OMH VAP Programs

• OMH approved 40 VAP proposals for Article 31 freestanding clinics across New York State totaling about $43M Gross between December 1, 2015 and March 31, 2019.

• OMH approved another $4M in State aid grants for start-up costs associated with the transition of clinic capacity associated with closures, $34M for Article 28 VAP projects and $1.7M for strategic planners.
FREQUENTLY ASKED QUESTIONS
Q. When will I receive my remaining State VAP payments?
A. You will automatically receive your State share of VAP payments approximately 60 days after the receipt of your quarterly TMRAA report.

Q. How can I determine the amount of my, state share, VAP payment?
A. A quarter of your annual budgeted expenditure (State Share), is the amount you will receive in your quarterly automatic payment until the full State share schedule is paid out.
Q. Will I be notified when state share VAP payments are released?

A. State Share VAP payments are released from DOH automatically each quarter. If for some reason you do not receive your payment, please contact the OMH.
Q. Can I Change Activities within a VAP initiative?

A. Yes, you can request to change an activity within an initiative as long as the new activity still supports the intent of that initiative and the total funds still match to the annual amount that was shown in your approved VAP project. It is necessary to notify the OMH of the change and receive approval for the change. It is critical to maintain any correspondence regarding the change in your files in the event of a future audit.

NOTE: OMH would expect that any change request is focused on improving your Return On Investment.
Q. Can I extend the length of time it takes to complete an initiative?

A. Yes, you must request the change from OMH and receive approval for the extension. Once again it is critical to maintain any correspondence regarding the request for the change.

Q. What happens if I haven’t completed an initiative at the end of my funding period?

A. It is likely that providers will not have finished all of the activities outlined in their initiatives at the end of their funding period. In this case the provider will continue the activities until they are completed with the available funds. It will be critical to continue the submission of quarterly reports that substantiate the completion of the activity.
Q. Will actual expenditures be reconciled to the projected expenditures?  
A. Yes. Your quarterly report shows actual expenditures versus your projected expenditures. Experience to date indicates that due to a number of factors, expenditures often lag behind the original projections.

Q. When will actual expenditures and projected expenditures be reconciled?  
A. At the close of your VAP project, OMH will reconcile actual expenditures to the projected expenditures and unspent funds will be recovered.
Q. What happens after the reconciliation if all the funds are received but the initiatives are not completed?
A. In effect, by releasing the VAP funding as originally scheduled, the provider has been prepaid. The provider will need to complete all initiatives as shown in their TMRAA and submit quarterly reports to the OMH until each initiative and the reports are final. This is critical to insuring that funds are not put at risk of a recovery in a future audit.

Q. Can I move budgeted expenses between activities within an initiative?
A. Yes, you may move expenses between lines within an initiative as long as you receive approval and do not exceed the total for the initiative. Send an e-mail to omh.sm.co.MHCLINICVAP requesting the movement of the funds. OMH will review and reply either approving or disapproving the request.
Q. Can I move funds between initiatives or add or delete an initiative?
A. Yes, once again this may not exceed the total amount of the provider’s approve VAP project and available funds. In cases of substantive change such as adding or deleting an initiative an amended TMRAA will be required to be filed with DOH and OMH. It is necessary to receive approval of the change before proceeding. Again, the VAP provider is responsible to maintain all files to document approved changes to the plan.
More Questions?