

SENATE SPECIAL COMMITTEE ON MEDICAID REFORM

BRIEFING PAPER ON MEDICAID FUNDING FOR CHILDREN AND ADOLESCENT RESIDENTIAL AND COMMUNITY BASED SERVICES NOVEMBER 2010

Background

As the state of Illinois examines the Medicaid System related to managed care, outcomes and reduction of government waste and inefficiencies, the Child Care Association of Illinois would like to raise the challenges that will impact Medicaid services for children and adolescents within residential and community based services. The Child Care Association of Illinois represents 65 agencies that provide residential treatment, community based treatment, counseling, youth services and foster care. Our agencies contract with Department of Children and Family Services, Division of Mental Health and Community Health and Prevention in the Department of Human Services, Department of Juvenile Justice, and numerous county-based probation departments.

Challenges

- CCAI agencies assume financial risk that services they provide when audited by the federal government, will be found to be Medicaid-eligible.
- CCAI agencies assume significant infrastructure costs when they seek Medicaid certification and prepare to document and invoice services.
- CCAI agencies must have the billing systems for documentation, supporting staff, submitting billing to multiple funders and utilization by compliance staff.

Agencies confront many problems in trying to work within multiple state and county systems for Medicaid:

- 1.) There is no single billing system being used by all state agencies. In fact, a provider agency must use multiple billing systems, including a paper system with county probation departments.
- 2.) There are two varying targets for Medicaid services within residential per diem rates for serving the same populations between DCFS and DHS.
- 3.) There is no assurance provided by county probation departments in terms of proper documentation for Medicaid standards compared to the assistance provided by DCFS.

- 4.) There is little consistency in information provided to agencies from different agents within outside contractors and state staff within one state agency. This is further compounded by conflicting information provided across multiple state agencies with additional outside contractors such as an ASO, managed care and Medicaid consultants.

Recommendations

The state of Illinois needs to establish a single Medicaid billing and claiming system for children's services, required across all governmental entities that want to use Medicaid claiming for children's services. It is highly recommended that the DCFS Medicaid Billing system be used since it is already operating and most efficient and functional system being utilized. Adopting a single billing system would:

- Contribute to a more efficient and less costly system to develop and maintain.
- Create uniform fee-for-service data and reporting, resulting in enhanced treatment and outcome analysis.
- Improve the State's overall compliance with Medicaid reimbursement claiming rules and subsequent results upon audit and,
- Make it more feasible for private provider agencies serving clients from different code agencies to comply with Medicaid-fee-for-service documentation requirements in a quality and more efficient manner.

The state of Illinois needs to assure there are consistent standards expected in the delivery of Medicaid, no matter the referral source, and no matter the provider. Consistent information for Medicaid across state agencies is needed to assure the state's overall claim is not in jeopardy because of inconsistent expectations.

The state of Illinois needs to assure consistent interpretation of technical questions regarding Medicaid across state agencies. The external use of an ASO, managed care and Medicaid consultants needs to incorporate a reliable mechanism to prevent multiple interpretations to identical information/questions from providers to operate a fully compliant Medicaid program.

The Child Care Association of Illinois appreciates the opportunity for submission of our comments as the Medicaid System is under review.

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