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Case Rate Scan for Care Management Entities

Care management entities (CMEs) are organizational entities that serve as accountable hubs to coordinate all care for children and youth with complex behavioral health issues who are involved in multiple systems, and their families. CMEs are designed for populations with historically high health care costs and poor health and social outcomes, and provide a means of customizing care management for children and youth with serious emotional disturbance (SED).

Financing strategies for CMEs vary considerably from one locality to the next and necessarily reflect the fiscal realities of the state, county or community the CME serves. One important way in which CMEs are funded is through case rates.

BACKGROUND

This resource was developed by the Center for Health Care Strategies (CHCS) through its role as the coordinating entity for a five-year, three-state Quality Demonstration Grant project funded by the Centers for Medicare & Medicaid Services under the Children's Health Insurance Program Reauthorization (CHIPRA) Act of 2009. The multi-state grant is supporting lead-state Maryland, and partner states Georgia and Wyoming, in implementing or expanding a CME approach to improve clinical and functional outcomes, reduce costs, increase access to home- and community-based services, and increase resiliency for high-utilizing Medicaid- and CHIP-enrolled children and youth with serious behavioral health challenges. Visit **www.chcs.org** for more information.

A case rate is a pricing method in which a flat amount, often a per diem or per-child-per-month rate, covers a defined group of services.[1] Case rates used in financing CMEs may be limited to funding care coordination only, or may include any or all of the following components of the CME model: family/youth peer support; wraparound care planning; and services (e.g., home- and community-based services such as in-home therapy, inpatient psychiatric hospitalization, psychiatric residential treatment, etc.). An all-inclusive case rate covers all of these components, and includes the cost of all services and supports.

Several types of case rates used in funding CMEs exist across the country. This technical assistance resource summarizes how CMEs in eight states have structured their financing approaches. It is meant to guide those who may be exploring the CME model and seeking to learn more about ways to structure case rates within this model.

The information contained in this resource was drawn primarily from the Center for Health Care Strategies' CHIPRA Quality Demonstration webinars and direct consultation with CME providers and states.

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[1] Mosby's Medical Dictionary, 8th edition. (Elsevier: 2009).

INDIANA	
CME	**Indiana Choices: Dawn Project**
Case Rate	Adopted state-wide, fixed per-member-per-day (PMPD) case rates that are tiered based in part on the youth's Child and Adolescent Needs and Strengths (CANS) assessment. The rates are: $54.02, $95.97, $148.09, and $224.38 (which, for the purposes of this document, translate to a range of $1,645 to $6,825 per-member-per-month [PMPM]). Rates are paid by the referring agency and cover care coordination, administration, all placements, services and supports except Medicaid and fixed expenses. Medicaid services are billed separately.
Case Rate Calculation	The tiered case rate was determined by a cost model developed by psychologist Anthony Broskowski and Choices Chief Financial Officer, Shannon Van Deman, which established a shared risk arrangement for child welfare and juvenile justice. The rate is tiered to remove eligibility criteria for youth with serious emotional disturbance, broadening the scope of the care management entity (CME) to include youth with lower-intensity needs. The tiered rate for each youth is based on the CANS assessment and information on the youth's previous placement history.
Pooled/Braided Funds	Braided funds from child welfare and juvenile justice. The funding model in Indiana is now state-based instead of county-based and the child welfare agency holds all of the funds. When the juvenile justice system makes a referral, child welfare is still the payer.
Child Welfare	Child welfare agency pays Choices a case rate for each child it refers.
Education	Not Applicable
Juvenile Justice	Detail Not Available
Medicaid	Not Applicable
Mental Health	Not Applicable
Other	Not Applicable
Considerations	▪ Rather than thinking of costs first, define the target population and services to be provided; then determine costs. ▪ Tailor case rates to the state, rather than simply adopting other states' case rates. ▪ Encourage the collection of data on service utilization and costs of specific youth; capture the data immediately, if possible. ▪ Try to make funding as flexible as possible.
Outcomes	▪ Indiana Choices has shown a reduction in child risk behaviors, as measured by the CANS assessment. ▪ From November 2008 - January 2010: - Despite serving youth with more intensive needs, Choices youth averaged 1.77 out-of-home placements while the Indiana Department of Child Services (DCS) averaged 2.64 out-of-home placements; - Youth in Choices had an average length of stay in out-of-home placements of 222 days, while DCS had an average length of stay in out-of-home placements of 585 days; - 83.2% of youth referred to Dawn outside of residential treatment remain out of residential treatment; - Youth referred to Dawn with multiple needs, and at imminent risk for, but not yet living in a residential treatment facility have a larger increase in strengths and decrease in needs at discharge than youth who are in residential facilities when referred; - Youth in Dawn have a lower cost/day ($126.94 vs. $293.24); increased length of stay (341 vs. 270 days); and decreased total cost ($43,286.54 vs. $79,174,80), than youth in residential treatment; and - For each 100 youth diverted from residential treatment to Dawn, DCS saves approximately $3M.
Notes	The Dawn Project previously operated exclusively in Marion County. The state took this system state-wide for all youth across systems and implemented a statewide case rate. Total CME funding as of FY 2012 is about $11M/year for approximately 200 youth/day statewide. Current funding is about $16M/year for approximately 330 youth/day statewide. Northern Indiana Team Choices (NITCH) was a one-year pilot that aimed to decrease the number of youth in residential treatment across 20 counties in northern Indiana. The intervention targeted youth with extensive placement history and ended in September 2011. The Dawn program is now operating in those communities.

LOUISIANA	
CME	**Wraparound Agency**
Case Rate	Case rate for care coordination ($1,035.16 PMPM). The case rate covers the Wraparound Agency's Child and Family Team (CFT) facilitation and care coordination. The rate does not include the cost of services. Family support organization services (Parent Support & Training and Youth Support & Training) are paid as FFS (i.e., not part of case rate).
Case Rate Calculation	Developed by Mercer.
Pooled/Braided Funds	Dollars from child welfare, juvenile justice, and local education agencies (LEAs) are pooled to leverage Medicaid dollars. For non-Medicaid children, state agencies pay service costs through the Statewide Management (managed care) Organization (SMO).
Child Welfare	Dollars are transferred to the Department of Health and Hospitals to leverage Medicaid funds for those who are eligible. For non-Medicaid eligible youth, the state agency pays directly to the SMO.
Education	LEAs contribute to the Medicaid pool through certification of public expenditures.
Juvenile Justice	Dollars are transferred to the Department of Health and Hospitals to leverage Medicaid funds for those who are eligible. For non-Medicaid eligible youth, the state agency pays directly to the SMO.
Medicaid	Medicaid dollars are used to pay for all medically necessary care coordination and fee-for-service (FFS) payments for Medicaid eligible youth.
Mental Health	Not Applicable
Other	Not Applicable
Considerations	▪ CME implementation takes considerable time (6-12 months minimum). ▪ Agency and stakeholder coordination is critical. ▪ Structuring state agency oversight comparable to the managed care organization (MCO) structure with topical teams (e.g., network services, quality management, care management/utilization management, member services, information technology, fiscal) may be helpful. ▪ Establishing state committees (e.g., for quality management) prior to implementation is helpful, since the early implementation stages require basic operating oversight.
Outcomes	Not Available
Notes	Currently established in five regions of the state with capacity of 1,200 youth/families; plan is to expand statewide with a total capacity of 2,400 youth/families.

MARYLAND	
CME	**Maryland Choices**
Case Rate	Care coordination rate is approximately $11,839 per-member-per-year (PMPY) for state fiscal year (SFY) 2013, which translates into $987 PMPM. Discretionary funds are available through a pool of funds of approximately $3,650 PMPY that are to be pooled across populations. Care coordination rate and discretionary funds do not include Medicaid services or out-of-home placement costs. Support for family organization/family partners is paid separately, outside of case rate for care coordination.
Case Rate Calculation	The total case rate for care coordination was developed through a Request for Proposal (RFP) process. The care coordination rate represents the PMPY rate determined through the RFP process plus an annual CME operations fixed price. Therefore the total PMPY rate fluctuates depending upon total number served and covered by the operations fixed price. The case rate above represents the fixed costs divided by the total number of youth projected to be served in SFY 2013 plus the PMPY rate for SFY 2013.
Pooled/Braided Funds	Funding for the statewide CME contract is from the Department of Health and Mental Hygiene (Medicaid and federal grants) and the Children's Cabinet Interagency Fund, with a local piggy back contract with Talbot County Government (federal grant). The CME has three other local contracts for specific populations in two counties (see Notes sections below). Each funding stream is separate and has its own eligibility criteria serving a specified population of youth.
Child Welfare	Not Applicable
Education	Not Applicable
Juvenile Justice	Not Applicable
Medicaid	Detail Not Available
Mental Health	Detail Not Available
Other	Detail Not Available
Considerations	Not Applicable
Outcomes	▪ The Home and Community-Based Services array has expanded with Medicaid reimbursement. ▪ On average, 82% of youth and 80% of caregivers have had an overall positive perception of the services they received through the CME. ▪ Of the 500 youth who were ever enrolled in the CME (December 29, 2009 – June 30, 2011): - 63% of youth ever enrolled in the CME continue to be successfully served in the community and 7% were discharged from the CME due to their improved functioning; and - Only 4% were discharged into a Psychiatric Residential Treatment Facility (PRTF) and 0.8% were discharged due to incarceration/placement in a juvenile justice facility. ▪ Youth enrolled in the PRTF Demonstration Grant and served by the CME had an average PMPY cost of care of $32,987, compared $153,417 for youth placed in a PRTF and not served by the CME. (Medicaid costs only. These costs include the capitated MCO rate, medications, inpatient hospitalizations, oral health care, home health services and all services covered by Medicaid.)
Notes	▪ Maryland Choices has the following three additional contracts in Maryland: - *Montgomery County Collaboration Council for Children, Youth and Families, Inc. (Local Management Board)*: Montgomery County CME, 26-30 youth; - *Montgomery County Department of Health and Human Services*: Interagency Family Preservation Services, 45 youth; and - *Baltimore County Local Management Board*: Voluntary Placement Agreement (VPA) Diversion, 20 youth. ▪ Based upon a recently completed RFP process, Maryland Choices is now the only CME for the State. Wraparound Maryland, Inc. ceased performing its CME work on June 30, 2012.

MASSACHUSETTS	
CME	**Community Service Agencies (CSAs)**
Case Rate	Medicaid is billed FFS in 15-minute increments for all services including Intensive Care Coordination (i.e., Targeted Case Management, or TCM), and Family Support & Training (also called family/youth peer support).*
Case Rate Calculation	Detail Not Available
Pooled/Braided Funds	Medicaid is sole payer.
Child Welfare	Not Applicable
Education	Not Applicable
Juvenile Justice	Not Applicable
Medicaid	*Rate per 15-min unit:* ▪ Intensive Care Coordination (TCM - Master's/PhD): $19.09 ▪ Intensive Care Coordination (TCM - Bachelor's): $15.72 ▪ Family Support & Training (Family Partner): $15.42 (rate will increase to $15.60 on 7/1/13) ▪ Mobile Crisis Intervention (Paraprofessional): $19.21 ▪ Mobile Crisis Intervention (Master's/PhD): $28.66 ▪ Behavior Management Monitoring (Bachelor's): $12.61 ▪ Behavior Management Therapy (Master's/PhD): $24.81 ▪ In-Home Therapy (Bachelor's): $12.02 ▪ In-Home Therapy (Master's/PhD): $18.60 ▪ Therapeutic Mentoring Service (Bachelor's): $12.98
Mental Health	Not Applicable
Other	Not Applicable
Considerations	▪ Need to achieve internal consistency on message and develop individualized strategies for ongoing stakeholder engagement. ▪ Create state agency protocols for referrals and collaboration. ▪ Make interagency education and collaboration at the community level an explicit responsibility of providers (e.g., local 'System of Care Committees'). ▪ Provide ongoing education and troubleshooting. ▪ Require orientation and training for all partners (i.e., state agencies, providers, managed care, courts, etc.) and at all levels within the system (i.e., leadership, administration, operations, clinical, line staff).
Outcomes	▪ The CME has demonstrated reduced inpatient utilization. ▪ More Mobile Crisis Interventions (MCIs) are occurring in the community: in November 2011, 57% of MCI encounters occurred in the community, up from 37% in June of 2009.
Notes	Total annual CME funding is variable based on FFS billing. All five Medicaid managed care entities (MCEs) were required to develop a collaborative, cross-health-plan approach to network development and management of remedy services. All five are mandated by the Commonwealth to have the same network of CSAs as part of their provider networks. MCEs receive a capitated payment, and CSAs are reimbursed FFS. Rates for services are set based on benchmarks of existing service rates. CSAs are required to provide both Intensive Care Coordination and Family Support & Training. As provider agencies, they may also offer other home- and community-based services such as In-Home Therapy, Behavior Management and Monitoring, Therapeutic Mentoring and/or Mobile Crisis Intervention.

*Massachusetts does not use a PMPM rate. However, for comparative purposes in this document (if assuming a productivity standard of approximately 26 hours a week, and an average caseload of 10), the 15-minute rate for Care Coordination and Family Support &Training may appear to suggest a PMPM of $1,100 - $1,200.

NEW JERSEY	
CME	**Care Management Organizations (CMOs)**
Case Rate	Bundled case rate ($1,034.12 PMPM) for TCM using wraparound practice approach, including: face to face meetings with families/youth; referrals to community resources; collateral contacts; assessment of needs; development of a plan of care; referral activities; and monitoring the plan of care. The rate does not include the cost of services. Support for family organization/family partners is paid separately, outside of case rate.
Case Rate Calculation	Deficit-funded contract with a revenue target for the CMO to offset state costs. (The revenue target is based on historical data on the number of children that can be billed for, as not every month is billable due to the existence of partial months.) “Activity-based costing" methodology, which is based on a market analysis of the costs of care, used to establish rates. To do this, NJ conducts three compensation surveys with providers, and uses survey-based costing. Inputs such as travel time are added in, based on modeling of staffing and service-level requirements. The case rate is also strongly determined by the ratio of care managers to youth, which is 1:10 for all CMOs across the state. CMOs serve a maximum of 200 youth, which helps maintain this ratio.
Pooled/Braided Funds	Braided funds from state mental health, child welfare behavioral health dollars, and Medicaid.
Child Welfare	Detail Not Available
Education	Not Applicable
Juvenile Justice	Not Applicable
Medicaid	▪ TCM: funds Intensive Care Coordination, youth case management. ▪ Rehab Option: funds in-home services, evidence-based practices, mobile response, therapeutic costs of group homes/therapeutic foster care. ▪ Cost Allocation Plan: funds family support, administrative services contract, state services. ▪ State-only funds: children ineligible for Medicaid are paid through a Medicaid “look-alike” program, paid by state-only funds (providers are paid the same rates and submit claims through the same process as Medicaid).
Mental Health	Detail Not Available
Other	Not Applicable
Considerations	CMOs also receive state behavioral health contract dollars ($53,693/month, including flex funds). This payment assumes an enrollment of 200 youth, in effect, augmenting the case rate to $1,302.59 PMPM.
Outcomes	▪ Use of acute inpatient services was reduced, saving > $30M over 3 years. ▪ Residential treatment budget was reduced by 15% over 3 years. ▪ Total federal revenue has increased 5x since 2000, while state costs grew 2x. ▪ State is allocating funding to counties more appropriately/equitably based on need.
Notes	NJ is currently redesigning its care management system as part of a plan by the Division of Children’s System of Care designed to simplify and streamline services for families. Under the state's original model, youth with high-level needs were served by CMOs, while youth with moderate-level needs were served by a separate organization called Youth Case Management. Under the new system, youth with high-level needs and moderate-level needs will all be served by one agency, a Unified Care Management Organization (UCMO). UCMOs receive a case rate of approximately $550 PMPM, and have no cap on the number of youth served. Approximately half of NJ's counties have already transitioned to this approach and the state plans to move all counties to UCMOs. UCMOs receive state behavioral health contract dollars in addition to the case rate; however, the amount is variable depending on the number of youth enrolled since UCMOs do not have a cap on the number of youth they may serve.

OHIO	
CME	**Cuyahoga County Tapestry**
Case Rate	Case rate for care coordination ($22.89 PMPD), which includes wraparound, care coordination, and community psychiatric supportive treatment (CPST); plus up to $200 PMPM in flex funds, which translates to an average of $909.59 PMPM. This rate excludes the cost of services, such as behavioral health counseling, residential treatment, pharmacy management, and other Medicaid services.
Case Rate Calculation	Calculated based on the assumption of each care coordinator billing 2.5 hours of CPST per weekday, for a total of 12.5 hours per week. This total amount is matched on 1:2 ratio with county dollars. Total amount is divided over 10 youth (assumed) and 7 days/week, and equals $15.26 CPST per diem and $7.63 county per diem, for total of $22.89 PMPD. Originally, Care Coordination Agencies (CCAs) billed the county $22.89 per youth enrolled per day, less the combined total CPST billing for the Tapestry youth. Due to difficulties implementing this process, the county now pays a flat rate of 80% of the $22.89 care coordination per diem ($18.312).
Pooled/Braided Funds	Pooled funds from Cuyahoga County and Medicaid.
Child Welfare	Not Applicable
Education	Not Applicable
Juvenile Justice	Small percentage of county Juvenile Court funds as indicated below.
Medicaid	Medicaid CPST billing funds 20% of the care coordination rate. Medicaid is billed separately for services.
Mental Health	Not Applicable
Other	Cuyahoga County pays 80% of the $22.89 care coordination per diem ($18.312). County funds consist of approximately 95% Health and Human Services Levy Funds and 5% Juvenile Court and Family and Children First Council funds. Cuyahoga County pays for additional "wrap" services (up to an average of $200 PMPM), arranged and authorized by the CCAs. Using an average allows CCAs the flexibility to distribute funds among youth as needed.
Considerations	Contracting should take into account how Medicaid is billed, monitored and processed for issues of reimbursement. Under the original model, CCAs were not incentivized to bill Medicaid. CCAs billed the county a per diem per youth, less the amount covered by CPST billing. In 2012, to incentivize CCAs to bill Medicaid, Tapestry began requiring a 20% match by paying providers 20% less than the total billed. This was based on the assumption (and historical trends) that CCAs will receive, at a minimum, 20% Medicaid revenue to balance. Other states may wish to incentivize CMEs with a similar cost-sharing offset factored into the case rate.
Outcomes	▪ Children and youth in Tapestry have demonstrated improved functioning and reduced problem severity (measured via the Ohio Scales assessment). ▪ Youth involved with juvenile justice have demonstrated reduced recidivism and youth in child welfare have experienced a low rate of repeat maltreatment, and stability in out-of-home placements. ▪ Tapestry has demonstrated increased effectiveness and efficiency (e.g., increased capacity for data analysis and data sharing; increased system responsiveness to the needs of the community).
Notes	Each CCA partners with multiple Community Collaboratives/ Settlement Houses, which provide families with orientation sessions, parent and youth advocate services, and support groups—all at no cost to families in Tapestry. Care coordination costs, wrap dollars, and Medicaid community-based services (i.e., CPST) total an average $815.75 per family per month. (Actual figure may vary based on reductions in wrap spending over time.) Behavioral health counseling, residential treatment, pharmacy management, and other Medicaid services are not included. Total annual CME funding is $3,285,894.09 for 824 children and youth served from July 1, 2011 - June 30, 2012 (a total of 463 children enrolled, with an average daily census of 336). This funding includes wraparound, care coordination, CPST, and flex funds for the year based on average daily census, but does not include services.

OHIO	
CME	**Ohio Choices: Hamilton County**
Case Rate	Case rate for direct service expenses only ($110.64 PMPD, which translates to $3,365 PMPM). This includes all services, including residential treatment.
Case Rate Calculation	Not Available
Pooled/Braided Funds	Pooled funds from Hamilton County Department of Developmental Disabilities, juvenile justice, child welfare, and mental health. A Multi-County System Agency (MCSA) manages the pooled money and oversees contracts.
Child Welfare	Contributes to: (1) case rate; (2) fixed annual budget for care coordination and administration, irrespective of the number of youth served; and (3) FFS payments (within a fixed annual budget) for youth who are inordinately expensive.
Education	Not Applicable
Juvenile Justice	Contributes to: (1) case rate; (2) fixed annual budget for care coordination and administration irrespective of the number of youth served; and (3) FFS payments (within a fixed annual budget) for youth who are inordinately expensive.
Medicaid	Medicaid is billed for care coordination and CPST services.
Mental Health	Contributes to: (1) case rate; (2) fixed annual budget for care coordination and administration irrespective of the number of youth served; and (3) FFS payments (within a fixed annual budget) for youth who are inordinately expensive.
Other	Hamilton County Department of Developmental Disabilities contributes to: (1) case rate; (2) fixed annual budget for care coordination and administration irrespective of the number of youth served; and (3) FFS payments (within a fixed annual budget) for youth who are inordinately expensive.
Considerations	Not Applicable
Outcomes	▪ 68% of youth referred by juvenile court to Hamilton County Choices experienced improvement or decreased involvement with the juvenile justice system at the time of discharge from the CME. ▪ 86% of youth with juvenile justice involvement had at least one actionable need evidenced on the first CANS assessment; and of these, 76% had at least one of their actionable needs addressed by the most recent assessment. ▪ More than 87% of youth remained in a permanent living arrangement for 6 months post discharge.
Notes	Ohio Choices in Hamilton County ended in September 2011 for reasons that include changes in the funding models and the financing approach.

WASHINGTON, DC	
CME	**DC Choices**
Case Rate	Fixed annual budget for administration and care coordination that averages approximately $35/day.* The fixed annual budget is paid monthly in 1/12 increments and does not include cost of services.
Case Rate Calculation	Not Available
Pooled/Braided Funds	Braided funds from the Departments of Mental Health and Education and DC Public Schools.
Child Welfare	Not Applicable
Education	DC public schools contribute: (1) Fixed annual budget for administration and care coordination for school-based wraparound provided to youth at risk of expulsion and/or suspension; (2) Discretionary funds for services not Medicaid-eligible.
Juvenile Justice	Not Applicable
Medicaid	Not Applicable
Mental Health	Fixed annual budget for administration and care coordination; Fee-for-service (FFS) for services.
Other	Not Applicable
Considerations	▪ Rather than thinking of costs first, define the target population and services to be provided; then determine costs. ▪ Tailor case rates to the state, rather than simply adopting other states' case rates. ▪ Encourage the collection of data on service utilization and costs of specific youth; capture the data immediately if possible. ▪ Try to make funding as flexible as possible.
Outcomes	▪ DC Choices shows a reduction in child risk behaviors, as measured by the CANS assessment. ▪ Across Choices sites: - Youth show reliable increase in the number of strengths as measured by CANS; - Youth show improvement in attendance, behavior and achievement during enrollment with Choices; - Youth served demonstrate a reduction in needs as well as a decrease in severity and increase in functioning; and - Caregivers demonstrate an increase in parenting skills and a decrease in identified needs related to their ability to care for their children.
Notes	Not Applicable

* This is a competitively bid process, and due to economies of scale this amount does not hold in other locations. Therefore, the provider does not use a PMPM rate. However, for comparative purposes in this document, the daily rate appears to translate to a PMPM of $1,065 for care coordination and administration. This does not include the cost of services.

WISCONSIN	
CME	**Wraparound Milwaukee**
Case Rate	All inclusive case rate that averages $3,700 PMPM, covering care coordination and all services with the exception of mobile urgent treatment, billed FFS to Medicaid ($7M/year)
Case Rate Calculation	Varies by purchasing agency (see below). Support for family organization/family partners is paid separately, outside of case rate.
Pooled/Braided Funds	Pooled funds from child welfare, juvenile justice, Medicaid, mental health, and education ($47M annually)
Child Welfare	*Case rate general purpose revenues monies*: From budget for Institutional Care for Children in Need of Protection or Services ($131.00 per day which translates to about 40% of the monthly cost of residential placements). The case rate was determined by: (1) identifying the child welfare population at risk of entering or currently in a residential treatment center; (2) creating a list of all projected services that youth in the target population would need; (3) calculating the average number of youth per month projected to use each service; (4) attaching a unit cost to each service with projected utilization patterns per month (based on current program usage and some speculative usage); and (5) establishing an overall annual cost for each service for the child welfare population, which determined the PMPM rate. *Additional funding streams*: Educational advocacy services ($84,000); dedicated mobile crisis services ($440,000).
Education	Safe schools funding from Milwaukee Public Schools ($96,000).
Juvenile Justice	*Fixed annual budget (general tax levy funds)*: Fixed annual funding from juvenile justice residential treatment budget. The fixed funding amount was established based on the total cost spent by juvenile justice on residential treatment placement in 1996 ($8M, paid monthly). *Case rate:* For youth placed as an alternative to corrections in the FOCUS program – funds budgeted for residential treatment and juvenile corrections placement (approximately $1.8M annually, or $3,500/month, which is 40% of the monthly cost of a correctional placement).
Medicaid	Capitation of $2,052 PMPM ($22M/year). To determine the rate, Medicaid: (1) reviews the service codes to determine which are Medicaid covered services; (2) looks at the annual encounter data for all paid services submitted by Wraparound Milwaukee; (3) determines the amount that are Medicaid covered services using the maximum fee-for-service rates under the state Medicaid plan; and (4) develops a final rate. Wraparound Milwaukee receives 95% of the Medicaid cost. Medicaid allowable costs for out-of-home services, such as residential treatment services, are calculated using a formula, with 54.7% being deemed allowable behavioral health costs. A separate calculation is used for treatment foster care.
Mental Health	$7M annually, includes crisis billing (FFS), the Healthy Transitions Initiative, and HMO Commercial Insurance.
Other	Not Applicable
Considerations	▪ Care management pays out about 80% of authorized funds. ▪ Costs for delinquent youth are about 25% less than for children in child welfare, and overall length of stay of all youth is 18 months. ▪ Develop a good business flow model to understand revenues and expenditures. ▪ Managing and tracking costs requires: utilization management; prior authorization for high cost services; risk pool techniques; contracts/Memorandums of Understanding (MOUs); flexible court orders; and good communication maintained through the CME's Partnership Council. ▪ Administrative costs, which include some direct service staff (i.e., Mobile Urgent Treatment staff and 1.5 psychiatry staff), equals about 12% of Wraparound Milwaukee's entire budget.
Outcomes	▪ Average daily residential treatment population reduced from 375 to 80 placements. ▪ Psychiatric inpatient utilization reduced from 5,000 days/year to less than 500 days/year. ▪ Juvenile correctional placements reduced by 50%. ▪ Wraparound Milwaukee's average monthly cost is $3,700 PMPM vs. $10,000 PMPM for residential placement and $8,500 PMPM for correctional placement.
Notes	Not Applicable