



Medicaid billing in a housing first, harm reduction, scattered site supportive housing program

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RENAISSANCE

S O C I A L S E R V I C E S

Ending Homelessness in Chicago through
Prevention, Housing and Supportive Services

Learning Goals

1. Is Medicaid funding right for your program?
2. How to Conduct a Cost/Benefit Analysis.
3. Potential Pitfalls for PSH Providers.



The Supportive Housing Outreach Team

- The SHOT program was started in 2009 when RSSI was awarded a 5 year grant from Center for Substance Abuse Treatment at SAMHSA.
- Purpose: Implement evidence based MISA services for chronically homeless in scattered site supportive housing.
- Target population: Chronically homeless single adults with mental illness and substance abuse disorders. 20% veterans.
- EBPs: Harm Reduction, Housing First, Motivational Interviewing, Permanent Supportive Housing, Comprehensive Case Management.



The SHOT Program

- SAMHSA funding was for services only to serve 150 people.
- Included evaluation component – See 2015 SHOT Report at rssichicago.org.
- Housing funded by local funding and 2 HUD grants received in 2010 and 2011.
- State of Illinois in funding crisis in 2014 and 2015. Did not pass a budget. Services for supportive housing cut.
- City of Chicago in budget crisis in 2013 through 2015, cuts funding for homeless services.
- ACA passed in 2009? In 2014 State of Illinois opens up opportunity for new Medicaid contracts for mental health services for the first time in over 25 years.



Time to Make a Decision!

- Close the program or seek Medicaid funding?
- Transition from grant funded to Medicaid Billing
- Cost/Benefit analysis
- Hiring a consultant?



Conducting a Cost-Benefit Analysis

- Income Considerations:
 - The structure of your states Medicaid program
 - Covered services
 - Current expertise/skills/qualifications
 - Licensing/Accreditation
 - Financial assumptions
 - Reimbursement rates
 - Number of people served



Conducting a Cost-Benefit Analysis

- Expense Considerations:
 - Number of staff (current vs new)
 - Billing & Compliance
 - Electronic Health Record
 - Fee for service/capitated rates/managed care
 - Contracting and Legal
 - Cash flow/Reimbursement timing/Line of Credit/Cash reserves
 - Caseload size
 - Additional paperwork/Dual entry HMIS & EHR?
 - Missed appointments (travel vs on-site)



Cost-Benefit Variables

- Potential Income Variables
 - # of people served per week
 - Billable services per week
 - # of staff providing services (billable services per week)
 - # of billable weeks in the year (vacation and other time off)
- Potential Expense Variables
 - Salaries and benefits (current and additional staff)
 - Program expenses
 - Additional administrative costs
 - EHR costs
 - Clearinghouse costs
 - Consultant costs?



Example (The SHOT Program)

- 100 Clients in a PSH program. 18:1 client to staff ratio. Minimum weekly visits for 60 minutes. Reimbursed at \$15/15 minute Community Support service.

Potential = $\$15 \times 4 = \$60/\text{client/week} \times 100 \text{ clients} = \$6,000/\text{week}$ or $\$312,000/\text{year}$

- Does not take into consideration missed appointments.
- 6 clinical staff at \$50,000 salary and benefits = \$300,000
- Billing person at \$57,000 salary and benefits
- Admin costs + EHR cost + clearinghouse costs + IT costs.
- Approximate Cost = \$382,000
- Difference = \$(70,000)



Potential Pitfalls

- Organizational capacity and experience
- Potential and unknown risks
- Culture change
- Electronic Health Records or paper
- Segregating activities for direct service staff for each funding stream.
- Timing/Revenue Cycle Management
- Won't pay for transportation or for doing the paperwork to prove you provided the service.
- You will never have 100% of potential hours in any program especially in a scattered site program. Have to set weekly service hour goals for staff to meet.
- Must consider upfront costs and rejected billing.



Diversifying Funding for Program Services

- HUD won't pay for all the cost to run a PSH program.
- Medicaid can be part of your diversification strategy.
- Braiding diverse funding streams can enable programs to survive during economic uncertainty in any single source.
- Different funding has different restrictions.
- Medicaid reimbursement in Illinois is considered unrestricted funds.



Diversifying Funding for PSH

- Look at all the sources and where they may fit.
- Collaboration can open up new sources of funding.
- What are the distinct kinds of services you provide.
- What is your capacity for change or growth?
- What other systems are effected by the homeless.
 - Insurance Companies
 - Hospital Systems
 - Criminal Justice System



Funding Risk Assessment

- Research the funding source.
 - Who do they fund
 - What do they fund
- Reporting requirements
 - Do you have the resources necessary?
 - The decisional balance
- Saying NO to a funding source
 - Is the effort not worth the dollars? (Time is money)
 - Mission drift
 - Organizational capacity/matching dollars



Example of Braided Funding

- HUD funding for housing and some services
- Medicaid funding for Mental Health Services or
- Foundation funding for additional program and operating expenses such as cleaning supplies, pillows, towels, travel expenses, computers, etc.
- State funding for services used for matching dollars.
- Program income to cover cleaning and pest services or emergency housing needs.
- Collaborations to cover non-specialty services (e.g. - employment)



Other Issues

- 1115 Waiver & Housing Support Services
- Project management
- Consultants
- EHR's
- Resources:
 - Corporation for Supportive Housing - www.csh.org
 - Local organizations that bill Medicaid
 - Better Health through Housing Collaborative - housingforhealth.org/bhh/



Questions?



Thank You!



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