



## **PROVIDER ALERT**

### **TRANSITION TO FEE-FOR-SERVICE**

**APRIL 28, 2016**

As has been the plan since the conception of carving Substance Use Disorder (SUD) services out of the medical benefits managed by Managed Care Organizations, the State of Maryland's Behavioral Health Administration (BHA) will be moving all ambulatory grant funded services for the treatment of SUDs to a fee-for-service structure, managed by the State's Administrative Services Organization, Beacon Health Options (Beacon), formerly known as ValueOptions, by January 1, 2017. However, local health departments (LHDs) and local addiction authorities (LAAs) will have the option of moving grant funds earlier, on July 1, 2016.

Should the county select this early option, all providers in the early option jurisdiction will be able to bill for uninsured services through Beacon beginning on July 1, 2016. This will

- ensure *continuity of care for individuals* in the participating jurisdictions who lose Medicaid eligibility while in a span of care,
- ensure *continuity of payment* for all providers in the participating jurisdictions serving both Medicaid and uninsured individuals,
- enable Medicaid providers to bill Beacon for all eligible SUD services,
- provide consistency and transparency in payment methodology, thus ensuring that individuals who receive retroactive Medicaid are paid with the appropriate fund source through the Beacon system, and
- encourage providers to expand capacity in the participating jurisdictions when payment is streamlined through Beacon.

Some LHDs, LAAs, and providers receiving grant funds to serve the uninsured at the local level are not quite ready to make the transition by July 1, 2016, generally because they lack sufficient experience billing



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effectively in a fee-for-service environment. The department has agreed to grant a six-month extension to those jurisdictions and provide financial support to ensure, to the maximum extent possible, retention of existing capacity in the system.

To assist LHDs, LAAs, and grant funded providers who encounter a deficit in operations from January 1, 2017 to June 30, 2017, the department will provide one-time-only, time-limited transitional financial support for the purpose of retaining existing capacity to deliver SUD services. To access these funds to transition to the fee-for-service environment, the provider (LHD, LAA, or grant-funded SUD provider) must:

- Demonstrate a clear plan for how the money will be used to prepare the entity to maintain and grow services in their jurisdiction,
- Express a commitment to continue to provide and expand these services beyond the transition date to fee-for-service,
- Demonstrate they are (or have a solid plan to become) well managed, non-subsidized entities with clinical and administrative efficiencies, and
- Declare their services are (or will become) organized around best practice standards.