







Components of the Model

- Budget
- Program Services
- Service Delivery
- Staff Activity



Budget

- What is your cost of doing business?
- What are additional costs for DMC-ODS participation (Personnel, Operating & Indirect).
- Cost rises, quantity and quality rise as well.
- Importance of identifying staff who provide billable services.



Budget

- **Cost of non-billing staff**
 - Outreach workers
 - Compliance, QA, QI.
- **Indirect cost allocation**
- **Cross-subsidization with other agency programs.**



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Program Services

- **What is the general scope, intensity and duration of services provided to the typical client?**
 - Scope: The range of services provided (counseling, family therapy, case management, recovery services).
 - Intensity: The frequency of client visits for service.
 - Duration: How long does the treatment episode lasts.
- **What are the rates for each type of service?**
- **For the entire caseload, how does this all total up?**



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Service Definitions

- **Staff Hour**
 - Time spend providing direct service to clients. Does not include charting, staff meetings, etc.
- **Session**
 - A therapeutic interaction between staff and client(s). Duration and number of clients involved are variable.
- **Visit**
 - Client attendance at the clinic to participate in a DMC billable service. Number of billable units is variable
- **Sessions are what the staff do. Visits are what the clients do.**



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Service Delivery

- **This is an idealized model of what happens when we set the system in motion.**
 - Budgeted resources + generalized approach to service delivery + clients.
 - A service provided is a service billed (*in theory*).
- **Key parameters in service delivery**
 - Number of staff providing billable services
 - Caseload size
 - No-Show rate & residential vacancy rate
 - Disallowance/denial rate
 - Staff productivity
 - Residential program vacancy rate



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Denials and Disallowances

- **Denials**
 - How many can be remediated?
 - How many fatal errors?
 - What is the residual percentage?
- **Disallowances**
 - Based on inadequate documentation in PSPP reviews.
 - 99% under your control.



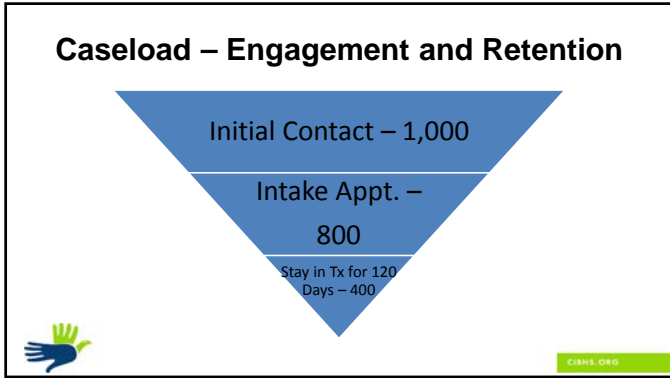
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Show Rate

- **Macro**
 - Is the program on track to seeing the projected number of admits for the contract year?
- **Micro**
 - Does Joe Smith show up for his appointment next Tuesday?



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Relationship between Admits and Revenue

Anticipated Admissions	1,000
Actual Admissions	800
Contract Budget	\$3,250,000
Actual Reimbursement	\$2,600,000

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Impact of No-Shows

		M	T	W	T	F	Total
Scheduled	Group	16	16	16	16	16	80
	Individual	2	2	2	2	2	10
Actual	Group	8	14	20	12	8	62
	Individual	1	2	1	2	0	6

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Productivity

- **The billable work of direct service staff supports the agency.**
– Besides their own salaries, there's agency administration, support staff, infrastructure, etc.
- **How many staff hours must be spent delivering billable services in order to stay afloat?**
– Per day, per week.
- **What are your agency productivity standards?**
And what do you do when they are not met?



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Let's Look at Some Numbers

- **Budget examples are synthesized from Bay Area and Southern California provider contracts.**
- **Data, assumptions or the discussion that follows must not be interpreted as reflecting past, present or future County policy.**



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How It All Comes Together

1. **Budget reflects complete and accurate costs of doing business; i.e., high quality SUD treatment in a managed care system.**
2. **Scope, duration and frequency of client encounters correspond to a general model of client-centered care likely to produce positive outcomes.**



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How It All Comes Together

- 3. **Service provision is optimized with regard to counselor caseload size and hours spent per week providing billable services.**
- 4. **Over the course of the contract year, will adjusted total billable units must produce enough revenue to cover your budgeted costs**
 - Adjustments = no-shows, claim denials & disallowances.



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How It All Comes Together

- 5. **The program takes ongoing steps to improve client engagement and retention.**
 - Early drop-out is reduced.
 - No-shows decrease.
- 6. **Staff are aware of productivity standards.**
- 7. **Staffing complement is adequate to meet anticipated service needs.**



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How It All Comes Together

- 8. **Most importantly, you collect and analyze the data that document the performance of this complex system of client behavior, staff activity and finances.**



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Questions?

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In-Person Workshop

DATE AND TIME

- Thursday, September 5, 2019 from **9:00 AM to Noon**

LOCATION

- Elections Training Room | 4525 E. Hamilton Avenue | Fresno, CA 93702



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