

CMHMB EXPENDITURES FOR CHILDREN'S CASE MANAGEMENT WITH  
 CORRESPONDING COSTS  
 TO MAGELLAN.

DO WE GET OUR MONEY'S WORTH?

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Aggregate Diff.
Case Management	5,056,952	5,156,882	4,898,168	4,778,569	5,026,429	5,026,429 (est)	
CCM Cost Diff.		+99,930	-258,714	-119,599	+247,860	0	30,523
Magellan CM UM		Unknown	268,105	136,019	239,378	316,540 (proj)	960,042

This figure of \$960,042 represents the amount paid to Magellan to save \$30,523 at an incalculable expense to Children's Case Managers and the families they serve. These Montana general fund dollars are sent to Glen Allen, Virginia.

**Sub-Program Details**  
**CHILDREN'S MENTAL HEALTH SERVICES 01****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	17.49	0.00	0.00	17.49	0.00	0.00	17.49	17.49
Personal Services	1,017,066	60,918	0	1,077,984	58,855	0	1,075,921	2,153,905
Operating Expenses	2,051,123	1,001	0	2,052,124	1,851	0	2,052,974	4,105,098
Grants	400,941	0	0	400,941	0	0	400,941	801,882
Benefits & Claims	62,818,968	8,821,708	0	71,640,676	9,830,490	0	72,649,458	144,290,134
<b>Total Costs</b>	<b>\$66,288,098</b>	<b>\$8,883,627</b>	<b>\$0</b>	<b>\$75,171,725</b>	<b>\$9,891,196</b>	<b>\$0</b>	<b>\$76,179,294</b>	<b>\$151,351,019</b>
General Fund	14,223,205	9,774,261	0	23,997,466	10,438,554	0	24,661,759	48,659,225
State/Other Special	2,053,472	0	0	2,053,472	0	0	2,053,472	4,106,944
Federal Special	50,011,421	(890,634)	0	49,120,787	(547,358)	0	49,464,063	98,584,850
<b>Total Funds</b>	<b>\$66,288,098</b>	<b>\$8,883,627</b>	<b>\$0</b>	<b>\$75,171,725</b>	<b>\$9,891,196</b>	<b>\$0</b>	<b>\$76,179,294</b>	<b>\$151,351,019</b>

**Sub-Program Description**

The Children's Mental Health Bureau (CMHB) administers mental health services for children, including Medicaid funded services, an expanded mental health benefit program in HMK for seriously emotionally disturbed (SED) children, and very limited services supported by general fund. The expanded mental health benefit program in HMK is limited to 130 children and budgeted in the Health Resources Division.

Seriously emotionally disturbed youth eligible for Medicaid services have access to a continuum of mental health services if they meet requirements of medical necessity. The costs of the Medicaid services are included in either the Health Resource Division or the Disability Services Division proposed budgets.

It is DSD's policy to serve youth in the least restrictive setting appropriate to the youth's needs. Basic outpatient mental health services are provided by licensed mental health professionals, including psychologists, social workers, and professional counselors. Medical providers such as advanced practice nurses, psychiatrists, or primary care doctors also provide mental health services. These professionals are often the first to interact with the child and his/her family at the onset of symptoms. The annual costs for individually licensed mental health professionals is in the DSD budget while the costs of medical providers and medications are included in the Health Resource Division budget.

Next in the continuum of care for youth with SED and his/her family are mental health center outpatient services. These include individual, group, and family therapy provided in a clinic setting, psychotropic medication management, target youth case management, youth day treatment, community-based psychiatric rehabilitation and support services, comprehensive school and community treatment, and therapeutic family care. These services are provided when a youth's symptoms cannot be managed successfully with limited therapies and medication. The youth continues to reside with his/her family but both the child and the family receive increased services through the mental health center. The majority of the costs included in this category of services are included in the Children's Mental Health Bureau budget. The figure on the following page provides the costs of these services over the last 5 years and the executive's estimated costs for FY 2011, FY 2012, and FY 2013.

Disability Services Division Children's Mental Health Division Costs of Services								
Medicaid Service	Actual Expenditures					Estimated		
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Mental Health Centers	\$4,405,574	\$3,602,529	\$3,896,745	\$5,382,191	\$6,148,088	\$6,532,344	\$6,734,357	\$6,895,981
Case Management Services	5,056,952	5,156,882	4,898,168	4,778,569	5,026,429	5,026,429	4,922,745	4,898,131
Inpatient Hospital Services	3,773,945	3,668,414	2,531,627	3,429,344	4,625,410	4,717,918	4,788,665	4,879,649
Residential Psychiatric	16,840,447	15,528,989	12,606,453	12,579,092	13,231,297	12,834,358	13,034,242	13,034,242
Therapeutic Group Home	14,967,222	16,027,134	17,247,286	15,289,308	16,319,981	17,299,179	17,743,983	18,013,600
Therapeutic Foster Care	5,109,435	5,690,791	6,627,561	8,330,505	9,275,927	9,790,741	10,142,671	10,479,813
<b>Total</b>	<b>\$50,153,575</b>	<b>\$49,674,739</b>	<b>\$47,807,840</b>	<b>\$49,789,009</b>	<b>\$54,627,132</b>	<b>\$56,200,969</b>	<b>\$57,366,663</b>	<b>\$58,201,416</b>

Youth whose symptoms can no longer be managed by the family while residing at home are eligible to receive out-of-home services in inpatient hospitals, therapeutic group homes, or psychiatric residential treatment facilities. While most of these services are provided in Montana, some are provided out of state, depending on availability of beds and the needs of the child. Youth needing this level of care can incur the greatest costs. The Medicaid costs included for these services are budgeted in CMHB. The figure above provides the costs of out of home care over the last 5 years and the executive's estimated costs for FY 2011, FY 2012, and FY 2013. Montana has received a federal grant to operate a demonstration waiver (PRTF) to provide wraparound services to children who qualify for or are at risk of placement in psychiatric residential treatment facilities. The purpose of the waiver is to support a youth in need of psychiatric residential treatment care to remain in their homes with their family. Youth already living in a psychiatric residential treatment facility may discharge early and transition to waiver services.

In addition, Montana offers the option of therapeutic foster care. These services allow youth to live in the foster care home while the foster family and the youth receive therapeutic support. These supports are the same as those provided to the youth's biological family when therapeutic family care is provided. The costs for these services are also included in the CMHB budget. The figure above shows the costs of these services over the last 5 years and the executive's estimated costs for FY 2011, FY 2012, and FY 2013. The above does not include foster care costs, those are budgeted in Child and Family Services Division.

The costs to serve youth at the high end of the continuum is significant. The figure below shows the Medicaid expenditures for the highest cost youth served in the last 4 years.

Disability Services Division Children's Mental Health Bureau Medicaid Expenditures for Highest Cost Youth Served				
Category	FY 2007	FY 2008	FY 2009	FY 2010
Cost to Serve Top 100	\$11,366,434	\$10,085,806	\$10,124,506	\$10,230,511
Average Cost per Youth of Top 100	\$113,664	\$100,858	\$101,245	\$102,305
Cost to Serve Youth 101-400	\$19,520,666	\$18,261,725	\$18,186,863	\$18,723,872
Average Cost per Youth 101-400	\$65,069	\$60,872	\$60,623	\$62,413
Average Cost per Youth of Total Served (approximately 9,000 a year)	\$6,567	\$6,483	\$6,568	\$6,359
Source: DPHHS, Data based on Date of Service, Claims Paid Through 11/30/10 Expenditures shown are those costs only to the CMHB, excluded are costs to other divisions such as CSCT (school-based services) and pharmacy/medications				

As shown the costs to serve the top 100 cost youth are significantly higher, almost \$40,000 per child per year, than the cost to serve the next group of youth at 101 to 400. The average cost for all children served is approximately \$6,500 over the last four years. The top 100 cost youth costs are significantly higher due to the need to place the youth in institutional placements, either hospitals, PRTF, or therapeutic group homes.

#### Budgetary risks

The executive proposes increasing the funding for children's Medicaid mental health services due to projected increases in either the cost of providing services or number of children needing mental health services in the 2013 biennium.

**LFD  
COMMENT**

The executive proposes \$18.6 million in additional funding to support caseload increases for Medicaid children's mental health services. \$6.35 million of the proposed increase is general fund. As discussed in the agency narrative, the Medicaid caseload increases are based on the following assumptions:

- o The Montana economy began to recover from the effects of the economic recession in FY 2011
- o Medicaid caseload will increase 2.59% in FY 2012 and 1.32% in FY 2013
- o The current growth in the number of individuals eligible for Medicaid services is occurring mainly in children
- o The caseload is built by using a mixture of older trended history, recent two year history, and what the department believes will happen in the next biennium

Caseload estimates are also based on the estimated cost of providing Medicaid services and the estimated number of individuals needing the services during the time period. LFD requested the average number of seriously emotionally disturbed (SED) children estimated to need services in FY 2011, FY 2012, or FY 2013 but the agency has not yet provided this information. The LFD also requested information on the specifics of the assumptions included in the budget proposal for children's mental health services when the Governor submitted his budget, but had not received it as of this writing. LFD will continue to pursue this information for legislative deliberation and decision making.

In the last two fiscal years the total number of children eligible to receive Medicaid services has increased:

- o In FY 2009 the total increase was 3,936 children or an average of 328 children a month
- o In FY 2010 the total increase was 12,950 children or an average of 1,079 children a month

Correspondingly, the average number of children receiving Medicaid children's mental health benefits has also increased:

- o In FY 2009 the average number receiving services was 3,955 or 8.2% of the average eligible to receive Medicaid services
- o In FY 2010 the average number receiving services was 4,318 or 7.7% of the average eligible to receive Medicaid services

The Governor's budget proposal includes a total increase in costs for children's Medicaid mental health services but does not include the estimated number of children needing the services or whether the number requiring services increases, decreases, or remains flat when compared to the 2011 biennium. Changes in the number served could be used to evaluate the reasonableness of the assumptions and the risk that the caseload adjustment is under or overstated. LFD will continue to pursue this information for legislative deliberation.

In addition, the total costs of children's Medicaid mental health services have increased an average of 3.5% over the last 3 years. However, the various services provided with the Medicaid mental health costs have varied significantly in growth. The figure on the following page shows the average annual growth rates and the projected growth for the executive's budget proposal.

**LFD  
COMMENT CONT.**

As shown, the growth rate for the various Medicaid services have varied significantly, from a 3 year average annual decline of 5.2% in residential psychiatric services to a 3 year annual increase of 19.5% in mental health center costs. The changes included in 2013 biennial budget do not provide information on the assumptions behind the proposed growth rates specific to the major Medicaid services included in children's mental health services. For example, what are the assumptions relative to the 2.1% decline in case management services in FY 2012 or the flat growth included for residential psychiatric services in FY 2013?

Given the information available it is difficult to gauge the risks of the proposed budget and whether it is appropriate for the 2013 biennium. LFD will continue to pursue this information. The legislature may also wish to receive updated information on the specific components of the projection.

Services	Disability Services Division Children's Mental Health Services Average Annual Growth Rates			Projected Growth		
	Average Annual			FY 2011	FY 2012	FY 2013
	3 year Growth	5 year Growth	8 Year Growth			
Total Children's Mental Health	3.50%	4.10%	1.20%	3.60%	2.40%	1.50%
Therapeutic Group Homes	0.60%	3.00%	1.60%	6.00%	2.60%	1.50%
Residential Psychiatric	-5.20%	-2.10%	-2.30%	-3.00%	1.60%	0.00%
Therapeutic Foster Care	17.70%	13.50%	4.80%	5.60%	3.60%	3.30%
Mental Health Centers	19.50%	6.60%	1.10%	6.30%	3.10%	2.40%
Case Management Services	-0.90%	1.20%	-2.60%	0.00%	-2.10%	-0.50%
Inpatient Hospital	8.00%	17.00%	8.10%	2.00%	1.50%	1.90%

*Interim Reports to the Legislature*SB 399

The high cost of providing mental health services to children has been concern to the legislature for a number of sessions, including out-of-state placement costs. The 61<sup>st</sup> Legislature passed SB 399 requiring DPHHS to report biannually to the Children, Families, Health, and Human Services Interim Committee on the:

- number of children placed out-of-state
- Reasons for the out-of-state placement
- Costs of the out-of-state placements
- Other factors requiring the child to be place out-of-state

The report for FY 2010 found that 100 children were served in out-of-state psychiatric residential treatment facilities (PRTF) or therapeutic group homes (TGH). The division paid \$2.6 million for 62 youth in out-of-state PRFT in FY 2010 and \$0.8 million for 34 youths in TGH. The report listed the following efforts by DSD to control or reduce out-of-state placements including:

- Requiring surveys of providers to assist the division in making appropriate referrals
- Not enrolling new providers unless there is a youth with a specific need that cannot be met by currently enrolled providers
- Requiring discharge plan reviews within 30 days of admission
- Opening 2 new PRTF waiver sites in Helena and Great Falls
- Involving CMHB and the utilization management contractor in referral to out-of-state placements to ensure in-state placement is not an alternative
- Reducing the length of stay through use of utilization management contractor
- Increasing capacity for wraparound facilitation in community settings through training and coaching education

The full report can be found at:

[http://leg.mt.gov/content/Committees/Interim/2009\\_2010/Children\\_Family/Meeting\\_Documents/August%202010/dphhs-sb399-report.pdf](http://leg.mt.gov/content/Committees/Interim/2009_2010/Children_Family/Meeting_Documents/August%202010/dphhs-sb399-report.pdf)

DSD received an additional \$3.6 million in federal funds in FY 2011 to supplement the original PRTF waiver granted to the division to assist in opening up sites in Helena and Great Falls. This brings total funding for the grant to \$6.2 million. Through the grant the Children's Mental Health Bureau (CMHB) is making concerted efforts to reduce the number of children with mental health needs served in residential treatment facilities.

**HB 243**

The 61<sup>st</sup> Legislature also passed HB 243, a bill requiring a report on the children's system of care for children with a mental illness. A system of care is a coordinated network of community-based services and supports that are organized to meet the challenges of children and youth with serious mental health needs and their families. Families and youth work in partnership with public and private organizations to design effective mental health services and supports. The report was to outline progress, costs, and analysis of the effectiveness of the system and barriers to further development. The recommendations in the report include:

- Ensuring that the principals of parent and youth involvement and empowerment remain central tenets of the Montana system of care for families and youth
- Continuing to convene the System of Care Planning Committee and the System of Care Statutory Planning Committee
- Expanding the PRTF Waiver Program
- Exploring methods to address the funding issues for children served by multiple agencies, such as combining various funding sources from the agencies involved with the child

The full report can be found at:

[http://leg.mt.gov/content/Committees/Interim/2009\\_2010/Children\\_Family/Meeting\\_Documents/August%202010/dphhs-hb243-report.pdf](http://leg.mt.gov/content/Committees/Interim/2009_2010/Children_Family/Meeting_Documents/August%202010/dphhs-hb243-report.pdf)

The community-based services provided by CMHB are included as part of the system of care for children with mental illnesses. The Human Services Joint Appropriations Subcommittee may wish to discuss methods to combine the funding available for children with mental illnesses as recommended in the report. For example, the majority of costs for youth eligible under the federal CHIP grant are budgeted in the Health Resources Division, some of the costs for providing services to foster care children are budgeted in CMHB and some are included in the Children and Family Services budget, services for children served in the schools are included in the Office of Public Instruction budget, and youth involved with law enforcement have services that are also budgeted in the Department of Corrections.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	14,223,205	14,223,205	28,446,410	58.46%	66,288,098	66,288,098	132,576,196	87.60%
Statewide PL Adjustments	6,527,274	6,526,659	13,053,933	26.83%	60,897	58,994	119,891	0.08%
Other PL Adjustments	3,246,987	3,911,895	7,158,882	14.71%	8,822,730	9,832,202	18,654,932	12.33%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$23,997,466</b>	<b>\$24,661,759</b>	<b>\$48,659,225</b>		<b>\$75,171,725</b>	<b>\$76,179,294</b>	<b>\$151,351,019</b>	

About \$6.5 million annually included in the general fund reflects the end of the increased federal FMAP provided through the federal stimulus package in the 2011 biennium. For additional detail see the Agency Overview section of this narrative.

**CONTRACT SUMMARY**

1. CONTRACT/TASK ORDER#: 06-11-3-01-001-0		5. PROGRAM #/NAME: Children's Mental Health Bureau				
2. AMENDMENT #: Five		SPEEDCHART	ACCOUNT	Amount	PHHS Liaison	
3. DEPT CONTACT PERSON: Bonnie Adee		ER03F	62102	<del>\$1,744,063.43</del>	Bonnie Adee	
4. PURPOSE: Provide clinical review services for Children's Mental Health Bureau.				1,706,353.65		
		TOTALS			\$1,744,063.43	
6. Budget-Line Item break-out in AWACS if so type name of person who will do this (name):						
7. PROVIDER NAME: First Health Services of Montana, Inc.		8. PAYMENT BASIS AND AMOUNT:				
Address: 4300 Cox Road		Project #		Units:		
City, State, Zip: Glen Allen, VA 23060		Unit Cost:		\$		
Phone Number: (615) 256-8071		Amount:		\$		
Federal ID: 54-1898890		Advance:		\$		
Provider ID:		Other:				
Contractor Liaison: Charles W. Byrd Jr., CFO		Comments:				
9. TYPE/ORGANIZATION:		<input checked="" type="checkbox"/> For-Profit	<input type="checkbox"/> Non-profit	<input type="checkbox"/> State	<input type="checkbox"/> University	<input type="checkbox"/> Other (specify):
10. FUNDING CATEGORY:		Original Amount	Adjustment (+ or -)	Total/Revised Amount	CFDA/Fund Source Name	
Federal		\$4,270,414.44	\$1,308,047.57	\$5,578,462.01	93.778 Medicaid Admin	
State - General Fund		\$1,564,763.58	\$436,015.86	\$2,000,779.44	01100 - State General Fund	
State - Special						
3rd Party						
In-Kind						
Other						
Other			1,706,353.65			
TOTAL		\$5,835,178.02	\$1,744,063.43	\$7,579,241.45		
11. CONTRACT PERIOD:		Continuing funding YR 5 of RFP06-1011P.				
From:	07/01/2005					
Through:	09/30/2010					
13. APPROVAL:		Contract Monitor	Program Liaison	Section Supervisor	Bureau Chief	Legal
Initials						
Date						

RECEIVED

MAY 14 2010

LEGISLATIVE FISCAL ANALYST

CONTRACT NUMBER: 06-11-3-01-001-0  
AMENDMENT NUMBER FIVE  
BETWEEN

MONTANA STATE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES  
HEALTH RESOURCES DIVISION  
CHILDREN'S MENTAL HEALTH BUREAU

AND

FIRST HEALTH SERVICES OF MONTANA, INC.

FOR

- The purpose of this contract is to provide clinical review services for the Medicaid mental health program for Medicaid eligible youths, as defined in rule, aged ~~17 or younger, including the Montana Children's Mental Health Services Plan (CMHSP) for~~ eligible youth ~~aged 18 or younger~~ **17 years of age or younger or for those individuals under the age of 21 as requested by the Department.** *mm*

A CONTRACT having been made and entered into between the Montana Department of Public Health and Human Services and First Health Services of Montana, Inc. now appears to be in need of amending. The DEPARTMENT and the CONTRACTOR now agree, for good consideration, to hereby amend Section 3 (Term of Contract), Section 4 (Services to be Provided) and 5 (Consideration and Payments) of the contract as follows:

SECTION 3: TERM OF CONTRACT

- A. The term of this contract for the purpose of delivery of services is from July 1, 2005 through ~~June 30, 2009~~ **June 30, 2010** unless terminated otherwise in accordance with the provisions of this contract. Renewals of the contract, by mutual agreement of both parties, may be made at one-year intervals, or any interval that is advantageous to the State, not to exceed a total of six additional years, at the option of the State.

SECTION 4: SERVICES TO BE PROVIDED

The contractor must provide mental health clinical review services as more fully described in Attachment A to this contract to include, but not limited to the following:

- Age of population to be served is: youth 17 years of age or younger or for those individuals under the age of 21 as requested by the Department.
- Clinical review services for prior authorization and continued stay authorizations, based on medical necessity criteria that is consistent with federal and state requirements, of psychiatric residential treatment facilities (PRTF), **partial hospitalization services**, therapeutic group care, therapeutic family care, targeted case management, and other services that may be designated by the Department for Medicaid and **Children's Mental Health Services Plan (CMHSP)** beneficiaries for patients 17 years of age or younger or for those individuals under the age of 21 as requested by the Department;
- Review psychiatric inpatient hospitalization ~~and partial hospitalization services~~ for adequacy of the completed certificate of need and for timeliness;

- Electronic communication of approved authorization spans to the Department's fiscal intermediary;
- Continued stay reviews as agreed upon in writing by the Contractor and the Department of Medicaid recipients who are eligible to receive treatment at PRTFs and who are in therapeutic group care.
- Retrospective review of medical necessity and clinical effectiveness of mental health services. ~~of Medicaid eligible individuals aged 17 or younger as requested by the Department;~~
- Reporting of review activity, and other reports as requested, to the Department on a monthly basis;
- Participation in the appeal process including testimony during hearing as appropriate;
- Determination of medical necessity and the presence of serious emotional disturbance (SED) for continuation of outpatient therapy sessions after 24 sessions
- Maintain an adequate number of care coordinators located across the state who are responsible for providing clinical consultation to interagency teams at the local level to assure that appropriate services are provided in the least restrictive, most appropriate setting for the youth. Care coordinators must be qualified mental health professionals as defined in 53-21-102 (10)(b) MCA with expertise in children's mental health. Current employees of provider agencies are considered a conflict of interest. Former employees of provider agencies are not considered a conflict of interest.
- Site visits, in the form of **Inspections of Care (IOC)** ~~or QARs~~ or another format as requested by the Department, shall be performed of designated treatment settings at the Department's direction. The number and location of site reviews will be determined by the Department in consultation with the Contractor. Costs associated with site reviews will be negotiated at the time of request and may be developed as an amendment to this contract.
- Perform medical necessity reviews, as requested by the Department, of youth identified for participation in the PRTF demonstration program using already established clinical review criteria and using clinical material submitted by the Department. These reviews will follow the same process currently in place for utilization review by the Contractor and include an appeals process to reconsider adverse determinations, if requested. This review process will not require an update to the Department of approvals or denials. The Contractor shall provide the Department with a monthly summary report of all PRTF demonstration program eligibility reviews. The format and structure of this report will be determined by the Contractor in consultation with the Department.
- Develop and maintain an automated process to approve initial requests for targeted case management services from providers. This process shall approve initial requests upon provider documentation of a valid ICD-9 diagnosis, recipient Medicaid ID number, and **national** provider ~~NPI~~ number. The initial request shall conform to benefit limits established by the Department. Requests for services in excess of the established benefit limit as established by the Department are subject to medical necessity review by appropriate licensed Contractor personnel. The Contractor may establish a transaction fee billable to the Department for development and maintenance of the automated process. The Contractor shall review the automated process with the Department periodically and no less than once per fiscal year to validate established clinical and benefit limits as applicable to the services.

## SECTION 5: CONSIDERATION AND PAYMENTS

- A. Contractor is to receive from the Department reimbursement for services rendered in accordance with those costs provided for in the budget in Attachment C of this amendment, **not to exceed \$1,706,353.65**. The reimbursement rate is dependent upon the Contractor's negotiation with Addictive and Mental Disorders Division (AMDD). The rate structure for both the successful and unsuccessful negotiation of the contract with AMDD is reflected in Attachment C. The Department agrees to compensate the Contractor based upon the reimbursement rate assuming the successful negotiation of the AMDD contract. In the event the contract negotiation fails, the Department agrees to reimburse the Contractor the difference between the reimbursement rates.
- B. The Contractor must submit monthly invoices for reimbursement on forms provided by the Department. Monthly invoices submitted for reimbursement shall include but are not limited to the following information:
1. ~~Fee Schedule Reimbursement: distinguish between services furnished in support of Medicaid recipients 17 years of age or younger and those furnished in support of CMHSP recipients 18 years of age or younger.~~ **Clinical review services reimbursement: Invoice 1/12 of the contract amount for clinical review services, based on the total amount allocated in Attachment C for this purpose. Actual number of reviews for each clinical service will be reported.**
  2. ~~Regional Care Coordinators Reimbursement: Invoice 1/12 of the allowable annual amount for the Regional Care Coordinators and distinguish the proportions of their services furnished in support of Medicaid recipients 17 years of age or younger and those furnished in support of CMHSP recipients 18 years of age or younger.~~
  3. **If or when the actual number of clinical reviews provided is projected to vary from the number of clinical reviews estimated in Attachment C by 15% or more over a period of at least three months, the parties agree to open this contract again and renegotiate the pricing either upwards or downwards from the total reimbursement provided in the contract. The intent of this provision is to accommodate unforeseen changes in volume over the course of the twelve months contract period.**
- F. ~~The sources of the funding for this contract are 25% from the state general fund for peer review organizations (PRO) and, for the balance, federal grants from the Centers for Medicare and Medicaid. The sources of the funding for this contract are from a combination of state general fund and Montana Medicaid. Contractor services for Montana Medicaid recipients will be reimbursed with 25% general fund and 75% federal participation.~~

G. The total reimbursement provided to the Contractor for the purposes of this contract may not exceed the following:

- a. \$1,167,268 for the period of July 1, 2005 through June 30, 2006.
- b. \$1,454,268 for the period of July 1, 2006 through August 31, 2007.
- c. \$1,575,789.18 for the period of July 1, 2007 through June 30, 2008.
- d. \$1,637,852.84 for the period of July 1, 2008 through June 30, 2009.
- e. **\$1,706,353.65 for the period of July 1, 2009 through June 30, 2010.**

**ATTACHMENT C (PRCING SHEET)**

**Attachment C of this contract has been modified to increase pricing for the services performed under this contract, and is included herein**

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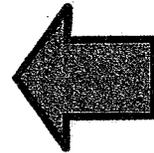
All terms and conditions of the agreement not specifically amended herein remain in full force and effect for the duration of the agreement.

IN WITNESS THEREOF, the parties have executed this amendment on the dates set out below:

MONTANA DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

By: Mary Noel Date 8/17/2009

Mary Noel, Acting Administrator  
Health Resources Division  
1400 Broadway/PO Box 202951  
Helena, MT 59620-2951  
(406) 444-4146



FIRST HEALTH SERVICES OF MONTANA, INC.

By: Peter Quinn Date 7-22-09

Peter Quinn, COO  
4300 Cox Road, Glen Allen, VA 23060  
Phone: (804) 968-4900

Federal I.D. 54-1898890

Approved as to Form:

By: Penny Moon Date 6/26/09

Penny Moon, State Procurement Officer  
DOA, Purchasing  
(406) 444-3313

Contract Number: 06-11-3-01-001-0  
 Amendment Number Five  
 Montana State Department of Public Health and Human Services  
 Children's Mental Health Bureau

**Attachment C**

Review Type	Rate		% Change	Projected Volume	Projected Cost
	2008-2009	2009-2010			
<b>Initial / Pre-Admission / Continued Stay Reviews</b>					
Therapeutic Youth Family Care	\$121.60	\$124.03	2%	1,924	\$238,633.72
Therapeutic Youth Group Home	\$121.60	\$124.03	2%	955	\$118,448.65
Residential Treatment	\$121.60	\$124.03	2%	1,115	\$138,293.45
PRTF Waiver Review	\$121.60	\$124.03	2%	50	\$6,201.50
Outpatient Therapeutic / Outpatient SED	\$121.60	\$124.03	2%	1,644	\$203,905.32
Partial Hospitalization	\$121.60	\$124.03	2%	300	\$37,209.00
TYCM/SED	\$128.32	\$124.03	-3%	1,930	\$239,377.90
<b>Therapeutic Home Visits / Acute Inpatient Reviews</b>					
Therapeutic Home Visits	\$23.71	\$23.71	0%	572	\$13,562.12
Acute Inpatient	\$23.71	\$23.71	0%	706	\$16,739.26
TYCM Data Entry	\$23.71	\$23.71	0%	1,483	\$35,161.93
TYCM Auto Adjudication	\$12.00	\$12.00	0%	3,500	\$42,000.00
<b>Appeal Process</b>					
Peer Review	\$242.98	\$247.84	2%	193	\$47,833.12
<b>Clinical Review Services</b>					
Clinical Review Services (per Month)	NA	\$94,780.50	NA	14,372	\$1,137,365.97
<b>Regional Care Coordination</b>					
Regional Care Coordination (per month)	\$46,485.92	\$47,415.64	2%	12	\$568,987.68
<b>Total</b>				<b>Total Projected Cost</b>	<b>\$1,706,353.65</b>
				Monthly Administrative Fee	\$ 142,196.14

DEPARTMENT OF  
PUBLIC HEALTH AND HUMAN SERVICES



Brian Schweitzer  
GOVERNOR

Anna Whiting Sorrell  
DIRECTOR

STATE OF MONTANA

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October 13, 2010

Aaron Boysen LCSW  
418 Windward Way  
Re: Administrative Review for Eric [REDACTED]

Request ID:3051435

Dear Mr. Boysen,

The Children's Mental Health Bureau is in receipt of your request for an Administrative Review for denied Targeted Case Management (TCM) services for Eric. Magellan of Montana denied an unscheduled revision with additional units for TCM citing the youth could be treated with less intensity.

CMHB is reversing Magellan's decision to deny 60 of the 120 units requested. Magellan's first adverse determination stated the reason for the denial with additional units was the youth could be treated with less intensity. TCM services are not considered a level of care and it is unclear what other service options are less intensive. In addition, youth's acuity is not considered during review of TCM Clinical Guidelines. Magellan's appellate physician stated the information sent was insufficient and did not justify the intensity of prior used units. Justification for prior units is a TCM Clinical Guideline to deny authorization. However, Therapeutic Family Care was also denied for the youth during the same time TCM was requested. Since the youth was new into mental health services and intensive supports were deemed medically unnecessary, TCM intensity would be expected to increase to draw together formal and informal supports.

For your records, please remember Federal rule prohibits case management to provide the direct delivery of a medical, educational, social, or other service to which an eligible individual has been referred.

Respectfully,

Jamie Olsen Stolte, MA  
Clinical Program Manager  
Children's Mental Health Bureau  
Health Resource Division, DPHHS  
Phone: (406) 444-1535, Fax: (406) 444-1861

CC: Magellan