

# Provider Bulletin



## News and Information

June 21, 2022

### UCare Updates Regarding 1115 Substance Use Disorder System Reform Demonstration

On March 24, 2022, UCare received formal notification from the Minnesota Department of Human Services (DHS) that the Centers for Medicare and Medicaid Services (CMS) approved proposed changes for the 1115 Substance User Disorder System Reform Demonstration. Specifically, the Minnesota legislature provided for a 5% rate increase over current payment rates for programs that:

- Serve parents with their children as defined in section 254B.05, subdivision 5, paragraph c, clause (1)
- Are culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a
- Are disability responsive programs as defined in section 254B.01, subdivision 4b

This bulletin outlines how UCare is implementing these changes and reviews associated billing requirements for accurate payment.

#### Identification of Eligible 1115 Substance Use Disorder System Reform Demonstration Provider Locations

UCare receives periodic provider data files from DHS. Each file is reviewed and locations that are newly approved, changed or termed are identified. UCare's system identifiers are updated accordingly.

#### Residential

Rates for residential treatment services delivered for the applicable level of care **will be increased from 15% to 25%** over the basic per diem rates identified in the [BHF Service Rate Grid with Dollar Amounts \(DHS-7612\) \(PDF\)](#).

The 25% Residential Treatment rate enhancement is effective Jan. 1, 2022.

To receive the 25% rate enhancement when billing services, include the Value Code 24 and the appropriate 5-digit rate code from the [Residential 5-digit Value Codes for Billing Direct Access](#).

It is essential that providers billing for residential services use the value code and the 5-digit rate code listed on the DHS link so increases can be appropriately applied in the pricing. As some locations are participating in both the residential and outpatient components of the demonstration, this also helps identify the need for the higher rate increase.

UCare will identify and process all eligible 1115 residential services claims received in 2022 that were billed with the Value Code 24 and appropriate 5-digit rate code by end of July. There is no need to

submit a Claim Reconsideration Form or an appeal if the claim was billed with the Value Code 24 and appropriate 5-digit rate code.

**Providers who did not bill their original claim with the Value Code 24 and the appropriate 5-digit rate code will need to submit a replacement claim to have this increase applied.**

## **Outpatient**

Rates for individual and group treatment services will be increased from 10% to 20% over the base rates identified in the [BHF Service Rate Grid with Dollar Amounts \(DHS-7612\) \(PDF\)](#).

The 20% nonresidential (outpatient) treatment services rate enhancement is effective Jan. 1, 2022.

UCare will identify and reprocess all eligible 1115 outpatient services claims received in 2022 by June 30, 2022. There is no need to submit a Claim Reconsideration Form or an appeal.

## **UCare Methodology for Applying Enhancement Rates**

For Medicaid substance use disorder services, UCare's claims system first looks to apply the standard/base payment according to the [DHS BHF Service Rate Grid](#). However, if the provider is billing using a location that is set-up as a SUD 1115 Waiver provider/location, the system instead uses the 1115 Waiver Base Amount shown on the [DHS BHF Service Rate Grid](#). These amounts incorporate the demonstration increase in payments to the base payment.

When providers bill with additional modifiers to signify eligibility for an increased payment due to additional complexity of service provided, this amount is added to the allowed amount of the payment **and is not included in the calculations for the increased 1115 Waiver Demonstration**. So, if a Provider bills using certain modifiers that are eligible for additional payment due to complexity, this amount is applied without the 1115 Waiver enhancement increase, as shown in the [DHS BHF Service Rate Grid](#).