

# **Cost Estimates of Individual Assessment Tools In Arkansas' Medicaid Population**

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## EXECUTIVE SUMMARY

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The Stephen Group (TSG) was requested by the Arkansas Legislative Health Care Task Force to estimate the cost of independent assessments for the Behavioral Health (BH) and Developmental Disabilities Services (DDS) Medicaid program area. These assessments will be part of the Medicaid Transformation currently in progress at the Arkansas Department of Human Services (DHS) and are an integral part of the savings plan and estimates for the BH, DDS and other key Medicaid program areas.

The implementation of independent assessments in the delivery of long term support services (LTSS) services is an *integral* building block of assuring services and costs are only driven by risk assessment, need for functional supports for quality daily living, environmental factors, and natural supports that support an individualized plan of care based on medical necessity and the independent determination of acuity and level of care.

TSG recommended the Task Force consider endorsing an independent assessment process for Long Term Care (LTC), BH and DDS Medicaid services in order to:

- Ensure that the assessment process was not conducted by providers who also would deliver direct services (CMS HCSB Rules requirement)
- Assure that the assessment process utilized specific assessment instruments that other states have found to improve quality
- Reassure the person centered planning process was occurring
- Result in cost savings, and;
- Safeguard client choice of providers by the administration of the assessment by independent qualified professionals.

Cost estimates for three independent assessment instruments for Arkansas' Medicaid long term services and supports are listed in "Table 1. *Estimated Costs of Independent Assessment in Arkansas Medicaid LTC Services*" below. Delivery method and assumptions are included in the table and should be used as discussion points as DHS continues plan and take action on an appropriate delivery system for Arkansas. Please note: *labor cost estimates used to calculate annual and per assessment costs **do not** include costs associated with case management, care coordination, prior authorization or utilization management services related to any of the recommended individualized assessment tools.*

**Table 1. Estimated Costs of Independent Assessment in Arkansas Medicaid LTC Services**

| <u>Type of Assessment</u>                                       | <u>Delivery System</u>   | <u>Assumptions</u>  | <u>Estimated Number of Annual Assessments</u> | <u>Estimated Cost Per Assessment</u>  | <u>Estimated Annual Costs</u>   |
|---|--|---|---|---|---|
| <b>Intellectual &amp; Developmental Disabilities Assessment</b> |  |   |   |   |   |
| <b>SUPPORTS INTENSITY SCALE (SIS)</b>                           | 1. Procurement of contractor services  | 1. Cost estimates based on the entire population per year. <u>Note:</u> General practice is to assess every 3 years equating to 1/3 of the state's total DDS population being assessed annually.<br>2. <i>Does not include labor costs of case management services associated with assessment</i>   | 4,200   | <b>\$480 - \$510</b>  | <b>\$2,016,000 - \$2,142,000</b><br><i>(note: \$504,000 - \$535,500 General Revenue if AR pursues 75% matching federal funds)</i> |
| <b>Behavioral Health Assessments – Adult and Children</b>       |  |   |   |   |   |
| <b>LEVEL OF CARE UTILIZATION SYSTEM (LOCUS)</b>                 | 1. Procurement of Software by exclusive provider (Deerfield Solutions);<br>2. State oversees and operates administration of assessment | 1. Cost estimate based on the assessment for entire population in one calendar year and at change of condition<br>2. <u>Completion Estimates</u><br>2.1. Average time to gather/review assessment data: <i>37 mins</i><br>2.2. Average time to score LOCUS: <i>22 mins</i><br>2.3. Total labor = <i>1 hour</i><br>3. <u>Labor Costs*</u><br>3.1. Majority of assessment completed by a mental health professional (e.g., clinical social worker or advanced nurse practitioner)<br>3.2. Average labor costs estimated at <b>\$45/assessment</b> | 10,500  | 1. Service Manager Software License: <i>\$22,000 (one-time fee)</i><br>2. Facility Licensing Codes: \$300 per user (for 75 counties = <i>\$22,500</i> )<br>3. Monthly User Fee = \$1.50 per user per month. Assume 2 users per county: <i>\$2,700</i><br>4. Training costs (one person per county) <i>\$160,000</i><br>5. Labor costs: <i>\$45/assessment</i><br>6. Quality assurance standards and validation: <i>\$100,000</i><br>7. IT systems enhancements and maintenance: <i>\$150,000</i><br>8. Total estimated costs per assessment: <b>\$89 - \$95</b>   | <b>\$934,500 - \$997,500</b>  |
| <b>CHILD &amp; ADOLESCENT NEEDS &amp; STRENGTHS (CANS)</b>      | 1. Procurement of platform application by contractor / vendor;<br>2. State oversees and operates administration of assessment          | 1. Cost estimate based on the assessment for entire population in one calendar year and at change of condition<br>2. <u>Completion Estimates</u><br>2.1. Average time to score CANS: <i>30 mins</i><br>2.2. Total labor = <i>.50 hour</i><br>3. <u>Labor Costs**</u><br>3.1. Assessments can be completed by any trained assessor including peer and parent support. Average labor costs estimated at <b>\$22.50/assessment</b>   | 24,500  | 1. Platform application & host support vendor options:<br>1.1. E-CANS <i>\$50,000</i><br>1.2. AMS Systems <i>\$100,000 - \$150,00</i><br>1.3. Objective Arts <i>\$200,000-250,000</i><br>2. Training costs two options:<br>2.1. Training online certification <i>\$10.00 / person</i> (more than 5000 then <i>\$5 per person</i> ). Assume 5-7 trainers per county: <i>\$5000</i><br>2.2. Train the trainer option: <i>\$3000 + travel</i> expenses per training session (limited to 100 people per session) assume: 5-7 trainers: <i>\$12,000 (4 sessions)</i><br>3. Labor costs: <i>\$22.50 per assessment</i><br>4. Quality assurance standards and validating: <i>\$100,000</i><br>5. IT Systems enhancements and maintenance: <i>\$150,000</i><br>Total estimated costs per assessment: <b>\$34.97 - \$43.42</b> | <b>\$856,765 - \$1,063,790</b>  |

\* Does not include labor costs of case management services associated with assessment

\*\* Does not include labor costs of case management services associated with assessment

## INTRODUCTION

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### **Background**

The Stephen Group (TSG) has been working with the Arkansas Department of Human Services (DHS) to further refine the savings plan and estimates for the behavioral health, developmental disabilities and other key Medicaid program areas. The intended outcome is to ensure the most reliable savings estimates for the Task Force so that they can be incorporated into the 5-year “net” savings plan that will be part of the Task Force final December 2016 Report.

The implementation of independent assessments in the delivery of Long Term Care (LTC), Behavioral Health (BH), and Developmental Disabilities Services (DDS) is an INTEGRAL building block of assuring services and costs are only driven by risk assessment, need for functional supports for quality adult daily living, environmental factors, and natural supports that support an individualized plan of care based on medical necessity and the independent determination of acuity and level of care.

TSG recommended the Task Force consider endorsing an independent assessment process for LTC, BH, and DDS Medicaid services in order to:

- Ensure that the assessment process was not conducted by providers who also would deliver direct services (CMS HCSB Rules requirement)
- Assure that the assessment process utilized specific assessment instruments that other states have found to improve quality
- Reassure the person centered planning process was occurring
- Result in cost savings, and;
- Safeguard client choice of providers by the administration of the assessment by independent qualified professionals.

The purpose of this report is to provide an estimate of the cost of the independent assessments for all of Medicaid long term supports and services based on a review of other state practices and procured services with similar models. A brief review of each of the recommend assessments will be provided along with respective information gathered related to costs.

## REVIEW OF RECOMMENDATIONS

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### **Intellectual and Developmental Disabilities Individual Assessment**

#### ***Supports Intensity Scale (SIS) Assessment Tool: Adults (16 + years of age) Children (5-15 years of age)***

The SIS for Adults (A) and Children (C) was developed over a five-year period by the American Association on Intellectual and Developmental Disabilities (AIDD). The SIS was designed and tested to serve as an assessment tool that evaluates and measures the practical support needs of an individual with an intellectual/developmental disability.

The SIS interview measures support requirements in 57 life activities and 28 Medical and Behavioral Health services/supports needs including:

- (A) Home living;
- (B) Community living;
- (C) Lifelong learning;
- (D) Employment;
- (E) Health and safety; and
- (F) Medical and behavioral health supports, protection, and advocacy.

Based on the SIS assessed Level of Care (Supports Intensity Level) determination a person's individual plan of care is developed (based on person centered planning and independent choice of providers) and an individual budget is developed, reviewed/modified and approved, provider choices made and then services begin.

Currently, 26 states have implemented the use of the SIS in their Intellectual and Developmental Disabilities Services and Medicaid programs. In addition, there are a number of Canadian provinces and several other countries currently using the SIS. See "Table 2. *SIS and SISOnline Use by State and Providence as of Spring 2016*" below for use by location.

**Table 2. SIS and SISOnline Use by State and Providence as of Spring 2016.**

| Using Supports Intensity Scale® (SIS®) and SISOnline state-wide | Since | Purpose* |                          | Notes                            |
|---|-------|----------|--------------------------|----------------------------------|
| Arizona   | 2014  | PCP      | RA Exploration           | Pilot Completed 2014             |
| Colorado  | 2006  | PCP      | RA                       |                                  |
| Georgia   | 2005  | PCP      | RA                       |                                  |
| Hawaii  | 2012  | PCP      | RA                       |                                  |
| Indiana*  | 2016  |          |                          | SIS-A Implementation-Fall '16    |
| Iowa*   | 2010  | PCP      |                          | SIS-C Implementation- Spring '16 |
| Kentucky  | 2011  | PCP      | RA Prerequisite Planning |                                  |
| Louisiana   | 2007  | PCP      | RA                       |                                  |
| Maine   | 2014  | PCP      |                          |                                  |
| Maryland  | 2009  | PCP      |                          |                                  |
| Massachusetts   | 2014  | PCP      |                          | Small Target Group               |
| Michigan  | 2014  | PCP      |                          |                                  |
| Missouri  | 2008  | PCP      | RA Prerequisite Planning |                                  |
| New Hampshire   | 2010  | PCP      |                          |                                  |
| New Mexico  | 2011  | PCP      | RA                       |                                  |
| North Carolina  | 2008  | PCP      | RA                       | SIS-C implementation Spring '16  |
| North Dakota  | 2011  | PCP      | RA Prerequisite Planning |                                  |
| Oregon  | 2007  | PCP      | RA                       |                                  |
| Pennsylvania  | 2006  | PCP      |                          |                                  |
| Rhode Island  | 2009  | PCP      | RA                       |                                  |
| South Carolina  | 2012  | PCP      |                          |                                  |
| Tennessee   | 2011  | PCP      |                          |                                  |
| Utah  | 2006  | PCP      |                          |                                  |
| Virginia  | 2008  | PCP      | RA                       | SIS-C Implementation Spring '16  |
| Washington  | 2006  | PCP      | RA                       |                                  |
| Wyoming   | 2014  | PCP      |                          | Pilot Program                    |
| Alberta (Canada)  | 2008  | PCP      | RA                       |                                  |
| Manitoba (Canada)   | 2012  | PCP      | RA Exploration           |                                  |
| Ontario (Canada)  | 2009  | PCP      | RA Exploration           |                                  |

\*Pending 2016

- Resource Allocation (RA)
- Person Centered Planning (PCP)

Recent users of SIS-A (Outside US & Canada):

St. John of God (SJOG), Ireland- 2015

Ireland's National Disability Authority (NDA) 2015

Jamaica Association on Intellectual Disabilities (JAID), 2015

Latvia Ministry of Welfare, April 2016\*

## Use Cases

### Utah

The state of Utah has not procured assessment service from a third party vendor, rather, state employees conduct and prepared the SIS for use in the person centered planning process. Utah currently provides waiver services to approximately 4,000 in Medicaid DDS waivers plans. The SISOnline platform has been integrated into USTEPS, Utah's case management IT system.

In preparation for the annual person centered planning (PCP) meeting, the support coordinator confirms a Supports Intensity Scale (SIS) has been administered within the preceding three (3) years of the date of the anticipated meeting and will review the results of the SIS no sooner than sixty (60) days preceding the meeting. Support coordinators will generate a consumer activity log note in the USTEPS system documenting his/her review of the SIS within thirty (30) days of completion of the review. If the support coordinator believes, after this review, that the most current SIS no longer accurately reflects the needs of the Person, or that a SIS has NOT been completed within the three (3) years preceding the anticipated date of the PCP planning meeting, the support coordinator will request of their state program manager in writing that a new SIS be completed by the state. If a new SIS is obtained, the Support Coordinator will review it prior to the occurrence of the PCP team.

## *Tennessee*

The State of Tennessee has procured the services of a vendor known to successfully partner with other states and AAIDD to develop a SIS assessment program unique to Tennessee's IDD population's needs. The vendor was one of the first independent companies trained by AAIDD to perform SIS assessments and is considered one of the more experienced and qualified SIS vendors in the nation. When Tennessee transitioned to the SIS, the vendor also offered technical support, project management, and experience with conducting the SIS.

## *Pennsylvania*

The Commonwealth of Pennsylvania, much like Tennessee and other states has secured the services of a vendor to administer standardized needs assessment for individuals enrolled in the commonwealth's waivers programs, individuals receiving Autism services, and individuals receiving services in private ICFs and state centers, including those individuals identified to enter the programs. Pennsylvania uses the standardized needs assessments to ensure the necessary services and supports are consistently and appropriately delivered to individuals.

## **Behavioral Health Assessment - Adults**

### **The LOCUS Assessment Tool (18+ years of age)**

The LOCUS is a sixteen page behavioral health assessment instrument developed by the American Academy of Community Psychiatrists (AACCP) in an effort to provide clinicians with a multi-dimensional assessment tool that provides a standardized, tested, and normed structured decision making process resulting in the necessary information to determine levels of needed care, needed services, the person's environmental stressors, and necessary information to develop an individualized services and recovery plan. The instrument is administered by a trained clinician (e.g., clinical social worker or advanced nurse practitioner) in a face to face interview with the client. The LOCUS is based on a Dimensional Rating System resulting that includes six evaluation parameters (dimensions):

1. Risk of Harm;
2. Functional Status;
3. Medical, Addictive and Psychiatric Co-Morbidity;
4. Recovery Environment:  
Sub-Scale: A-Stressors B-Supports;
5. Treatment and Recovery History; and,
6. Engagement of the patient



Iowa, Louisiana, Illinois, Washington, Maine, and the District of Columbia are among the states currently using the LOCUS in their Medicaid Behavioral Health programs.

## Use Cases

### *Procure Services of Deerfield Behavioral Health*

Deerfield Behavioral Health, Inc., is the exclusive provider of software for the LOCUS® and CALOCUS® clinical assessment tools. Deerfield's software features computerized versions of the LOCUS® and CALOCUS® instruments developed by the American Association of Community Psychiatrists (AACP). The software products objective is to enhance the clinical instruments, enabling the clinician and/or Mental Health Professional (MHP) to perform an assessment quickly and accurately. Deerfield offers computerized LOCUS® and CALOCUS® tools in two methods:

#### 1. Reporter Website

The Reporter Website, is a pay-per-evaluation site. A provider pays a small fee for each evaluation needed to perform; as low as \$1.50 per evaluation. This website allows you to perform LOCUS® and CALOCUS® evaluations, handles the computations for the assessor, and produces a recommended level of care along with a report that can be printed and added to the client's records.

#### 2. Service Manager Software

Service Manager Software is a powerful database product that a state and/or provider can install on their organization's IT network. The platform has the ability store client demographic data, and can retrieve, aggregate and report on all of the data collected during each LOCUS® and CALOCUS® evaluation. Considered by many to be a patient tracking system, a clinical picture of the client's progress can be observed. An organization can also generate organization-wide reports, give details on an entire client population. A Service Planner add-on module, recently developed, can take the information entered into an evaluation and use it to develop a service plan for the assessed client.

### *Illinois*

The State of Illinois operates a Medicaid Mental Health Fee for Service (FFS) model for its behavioral health population. As part of its FFS array, a completed LOCUS assessment by a Mental Health Professional (MHP) is reimbursable at an "event" (i.e., a completed and scored assessment) rate of \$41.04 (on site) and \$47.61 (off site). See "Figure 1. *Illinois Medicaid Mental Health Fee for Service List*" below for more information. It should be stated that it is of the opinion of TSG that this rate fee is not the true cost of a single completed Locus assessment. While it accounts for labor costs associated with completing the LOCUS assessment it is not taking into account the IT system needs and the quality assurance and control of assessment findings that are common costs associated with implementing new assessment tools.

**Figure 1. Illinois Medicaid Mental Health Fee for Service list.**

| Illinois Medicaid Mental Health Fee for Service          |            |                   |                   |         |          |                   |          |          |
|--|------------|-------------------|-------------------|---------|----------|-------------------|----------|----------|
| <i>Informational purpose only. Not for official use.</i> |            |                   |                   |         |          |                   |          |          |
|  | Staffing   | Mode of Treatment | Billing Increment | On-Site | Off-Site | Billing Increment | On-Site  | Off-Site |
| Mental Health Assessment                                 | MHP        | Individual        | ¼ hr.             | \$16.65 | \$19.31  | Hourly            | \$66.60  | \$77.24  |
|  | QMHP       | Individual        | ¼ hr.             | \$18.02 | \$20.90  | Hourly            | \$72.08  | \$83.60  |
| Psychological Evaluation                                 | LCP        | Individual        | ¼ hr.             | \$18.02 | \$24.12  | Hourly            | \$72.08  | \$72.08  |
|  | MA- Psych. | Individual        | ¼ hr.             | \$20.90 | \$27.98  | Hourly            | \$83.60  | \$83.60  |
| Treatment Plan Development, Review, Modification         | MHP        | Individual        | ¼ hr.             | \$16.65 | \$19.31  | Hourly            | \$66.60  | \$77.24  |
|  | QMHP       | Individual        | ¼ hr.             | \$18.02 | \$20.90  | Hourly            | \$72.08  | \$83.60  |
| Assertive Community Treatment                            | Team       | Individual        | ¼ hr.             | \$26.46 | \$30.70  | Hourly            | \$105.84 | \$122.80 |
|  | Team       | Group             | ¼ hr.             | \$8.82  | \$10.23  | Hourly            | \$35.28  | \$40.92  |
| Case Mangement - Client Centered Consultation            | RSA        | Individual        | ¼ hr.             | \$13.68 | \$15.87  | Hourly            | \$54.72  | \$63.48  |
|  | MHP        | Individual        | ¼ hr.             | \$16.65 | \$19.31  | Hourly            | \$66.60  | \$77.24  |
| Case management - Mandated Follow Up                     | MHP        | Individual        | ¼ hr.             | \$16.65 | \$19.31  | Hourly            | \$66.60  | \$77.24  |
|  | QMHP       | Individual        | ¼ hr.             | \$18.02 | \$20.90  | Hourly            | \$72.08  | \$83.60  |
| Case management - Mental Health                          | RSA        | Individual        | ¼ hr.             | \$13.68 | \$15.87  | Hourly            | \$54.72  | \$63.48  |
|  | MHP        | Individual        | ¼ hr.             | \$16.65 | \$19.31  | Hourly            | \$66.60  | \$77.24  |
| Case management -  |            |                   |                   |         |          |                   |          |          |
| LOCUS Assessment   | MHP        | Individual        | Event             | \$41.04 | \$47.61  | N/A               | N/A      | N/A      |
| Case management- Transition, Linkage and Aftercare       | MHP        | Individual        | ¼ hr.             | \$16.65 | \$19.31  | Hourly            | \$66.60  | \$77.24  |
|  | QMHP       | Individual        | ¼ hr.             | \$18.02 | \$20.90  | Hourly            | \$72.08  | \$83.60  |

## Behavioral Health Assessment - Children

### The CANS Assessment Tool (Child and Adolescent Needs and Strengths (5 to 17 years of age)

The CANS assessment tool measures strengths as well as mental health risk and needs factors for children 5 to 17 years of age. The CANS is a public domain instrument and is supported by the Praed Foundation. The tool has 42 questions that are designed to assess the child and the child's family environment that measure risk behaviors, behaviors/emotions, and child functioning.

*Needs* are assessed on a scale that is based on:

- A.) No evidence;
- B.) Prevention/Monitoring;
- C.) Action (services plan indicated); and
- D.) Immediate/Intensive action.

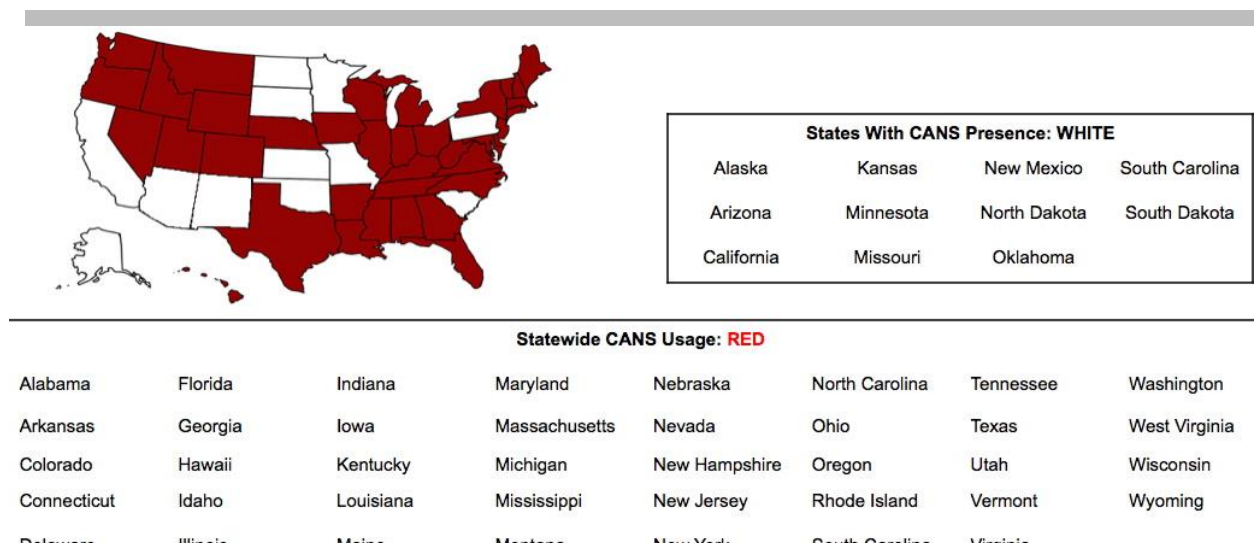
*Strengths* are assessed on a scale that is based on:

- A.) Core strength; strength you can use in planning;
- B.) Identified strength that requires support;
- C.) No evidence.

The recent DHS RFI for Independent Assessment Services indicated several national companies currently use the CANS and other assessment instruments and these instruments are embedded in their current IT systems. Additionally, the instrument is used in fifty states for child welfare,

mental health, juvenile justice, and early intervention applications. It is currently used by Child Welfare system in Arkansas. See “Figure 2. CANS Assessment Usage in the United States” for information related to its use across the country.

**Figure 2. CANS Assessment Usage in the United States.**



## Use Cases

### *Indiana*

The State of Indiana developed a business case for the statewide Implementation of the CANS Assessment. It will be the basis for planning individualized services for children and adolescents and will document the level of care (services) needed by the child and family. Indiana will implement two Inter-related web-based applications. One is a web-based training application that will provide the training and related materials, establish certification, and store credential information for all persons who will be using the CANS. The second application is a data base to collect and store the assessment data, calculate level of care algorithms and create routine and ad hoc quality management reports for providers, managed care organizations, and state agencies serving children and their families (e.g. OMPP, DMHA, and Division of Child Services (DCS). CANS is addressing the following needs for Indiana:

1. An assessment instrument that can cross programmatic barriers by creating a common assessment language while addressing the child and family status in a comprehensive manner was identified in Indiana as the first step toward improving service delivery for youth and their families in Indiana.
2. A major complaint of families and other stakeholders is that they have to answer the same questions over and over as they gain access to different organizations/agencies. Demographic information and assessment data that can be access by any agency working with the child and family is expected to minimize the confusion and frustration of these families while also creating a bridge among the agencies.

3. The Managed care programs operating in Indiana typically need a process to define what the child/family needs — what services in what amount and at what level of intensity (Level of Care Determination). Additionally:

- Indiana needs to know whether or not children/adolescents are receiving the services they actually need and where gaps exist in the mental health service delivery system.
- The Department of Child Services needs to know what type of placement is in the best Interest of the child for safety and permanency planning.
- The Department of Correction needs to know what community integration services are required to reduce recidivism.

The CANS enables each of these agencies/ organizations to have these needs met.

4. Finally, national outcome measures are being required by each state that receives mental health block grant funding from the federal Department of Health and Human Services, Substance Abuse and Mental Health Administration. For most states, including Indiana, obtaining data regarding these aspects of the youth's life is very difficult. The CANS provides the data needed to report on these outcome measures.

## COST ESTIMATES

### Supports Intensity Scale (SIS) Assessment Tool

**Table 3. Estimated Annual Costs for the SIS Assessment in Arkansas.**

| <u>Delivery System</u>             | <u>Assumptions</u>  | <u>Number of Annual Assessments</u> | <u>Estimated Cost Per Assessment</u> | <u>Estimated Annual Costs</u>  |
|------------------------------------|---|-------------------------------------|--------------------------------------|--|
| Procurement of contractor services | <ol style="list-style-type: none"> <li>1. Cost estimates based on the entire population per year. <b>Note:</b> General practice is to assess every 3 years equating to 1/3 of the state's total DDS population being assessed annually</li> <li>2. <i>Does not include labor costs of case management services associated with assessment.</i></li> </ol> | 4,200                               | \$480 - \$510                        | <p><b>\$2,016,000 - \$2,142,000</b></p> <p><i>(Note \$504,000 - \$535,500 of General Revenue if AR pursues 75% matching federal funds)</i></p> |

#### *Delivery System*

TSG recommends that Arkansas procure the services of a vendor to administer standardized needs assessment for individuals receiving DDS services through the state Medicaid program. The vendor should be responsible for the completion of standardized needs assessments to assist in ensuring necessary services and supports are consistently and appropriately delivered to individuals.

#### *Assumptions*

The state will complete assessments for the entire DDS population in a single calendar year. Generally, practice in other states is to complete a SIS every three years or at change of condition. Once all assessments are completed for the entire DDS population, Arkansas can cycle through a third of the assessments needed and significantly reduce annual costs for performing these assessments. Additionally, Pennsylvania and other state using the SIS are partnering with vendors and forming a quality oversight board (QIO entity) in hopes increasing federal matched dollars at match rate up to 75%. TSG is willing to perform more research on this match initiative and offer additional information and insight to the task force if directed.

This cost estimate does not include these case management, care coordination, prior authorization or utilization management services, rather, it is specific to the allocation of funds to establish and complete a statewide individual assessment plan alone.

#### *Number of Annual Assessments needed*

It is estimated that approximately 4,200 SIS assessments need to be completed.

#### *Estimated Costs per Assessment*

Figures from multiple vendors ranged from \$480 - \$510 per assessment. Cost determinates included quality control and assurance practices, IT systems differences, hosting services and other market differentiators that had an impact on price estimates.

## Estimated Annual Costs

\$2,016,000 - \$2,142,000 should Arkansas pursue the formation of a Quality Oversight Board to secure 75% matching federal funds annual cost estimates would total approximately \$504,000 - \$535,500.

## The LOCUS Assessment Tool

**Table 4. Estimated Annual Costs for the LOCUS Assessment in Arkansas.**

| <u>Delivery System</u>   | <u>Assumptions</u>  | <u>Annual Assessments</u> | <u>Estimated Cost Per Assessment</u>   | <u>Estimated Annual Costs</u> |
|--|---|---------------------------|--|-------------------------------|
| <ol style="list-style-type: none"> <li>Procurement of Software by exclusive provider (Deerfield Solutions);</li> <li>State oversees and operates administration of assessment</li> </ol> | <ol style="list-style-type: none"> <li>Assessments completed for entire population in one calendar year and at change of condition</li> <li><u>Completion Estimates</u> <ol style="list-style-type: none"> <li>Average time to gather/review assessment data: 37 mins</li> <li>Average time to score LOCUS: 22 mins</li> <li>Total labor = 1 hour</li> </ol> </li> <li><u>Labor Costs*</u> <ol style="list-style-type: none"> <li>Majority of assessment completed by a mental health professional (e.g., clinical social worker or advanced nurse practitioner)</li> <li>Average labor costs estimated at \$45/assessment</li> </ol> </li> </ol> | 10,500                    | <ol style="list-style-type: none"> <li>Service Manager Software License: \$22,000 (one-time fee)</li> <li>Facility Licensing Codes: \$300 per user (for 75 counties = \$22,500)</li> <li>Monthly User Fee = \$1.50 per user per month. Assume 2 users per county: \$2,700</li> <li>Training costs (one person per county) \$160,000</li> <li>Labor costs: \$45/assessment</li> <li>Quality assurance standards and validation: \$100,000</li> <li>IT systems enhancements and maintenance: \$150,000</li> <li>Total estimated costs per assessment: \$89 - \$95</li> </ol> | \$934,500 - \$997,500         |

## Delivery System

TSG recommends that Arkansas procure the services of a vendor to provide a computerized version of the LOCUS instruments to administer standardized needs assessment for *adults* receiving BH services through the state Medicaid program. The exclusive vendor for the LOCUS assessment is Deerfield Solutions. They should be responsible for providing a software platform that assists the clinician in performing and completing the LOCUS assessment. In addition, the software platform should have the capability to retrieve, aggregate, and report on the data collected during each LOCUS evaluation. The design of a usable software platform should be predicated on the understanding that the clinical picture for a patient change throughout their treatment experience. Therefore, capability to store longitudinal data for each patient stored in a database is crucial. A patient tracking system where progress can be observed is another important element for a successful treatment plan and should be incorporated into the Arkansas delivery system.

## Assumptions

The state will complete assessments for the entire adult BH population assessments in a single calendar year. In the state of Illinois, it has taken, on average, 37 minutes to gather and review assessment material and another 22 minutes to score the LOCUS assessment totaling 1 full hour

of labor. Labor costs for Mental Health Professionals (i.e., clinical social workers and advanced nurse practitioners) is estimated at around \$45 per hour. The majority of assessments are being completed by these types of professionals.

This cost estimate does not include these case management, care coordination, prior authorization or utilization management services, rather, it is specific to the allocation of funds to establish and complete a statewide individual assessment plan alone.

## *Number of Annual Assessments needed*

It is estimated that 10,500 LOCUS assessments need to be completed.

## *Estimated Costs per Assessment*

Dividing the annual number of assessments by estimated costs in the table above, each LOCUS assessment is approximated to cost between \$89 and \$95.

## *Estimated Annual Costs*

\$934,500 to nearly \$1,000,000. Subsequent to the first year of the LOCUS assessment being conducted the state should see a token decrease in costs as some of the initial costs are a one-time start-up fees. Additionally, IT systems, along with and quality control and assurance policies and procedures are cost heavy on the front end as needed for implementation. The longer Arkansas participates in the initiative, the more time it has to learn about how to be efficient, reduce costs, improve operations, and eventually transform care delivery.

## **The CANS Assessment Tool**

**Table 5. Estimated Annual Costs for the CANS Assessment in Arkansas.**

| <u>Delivery System</u>  | <u>Assumptions</u>   | <u>Annual Assessments</u> | <u>Estimated Cost Per Assessment</u>  | <u>Estimated Annual Costs</u>  |
|---|--|---------------------------|---|--------------------------------|
| 1. Procurement of platform application by contractor / vendor;<br>2. State oversees and operates administration of assessment | 1. Assessments completed assessment for entire population in one calendar year and at change of condition<br>2. <u>Completion Estimates</u><br>2.1. Average time to score CANS: 30 mins<br>2.2. Total labor = .50 hour<br>3. <u>Labor Costs**</u><br>3.1. Assessments can be completed by any trained assessor including peer and parent support. Labor costs estimated at <b>\$22.50 per assessment</b> | 24,500                    | 1. Platform application & host support vendor options:<br>1.1. E-CANS \$50,000<br>1.2. AMS Systems \$100,000 - \$150,00<br>1.3. Objective Arts \$200,000-250,000<br>2. Training costs two options:<br>2.1. Training online certification \$10.00 / person (more than 5000 then \$5 per person). Assume 5-7 trainers per county: \$5000<br>2.2. Train the trainer option: \$3000 + travel expenses per training session (limited to 100 people per session) assume: 5-7 trainers: \$12,000 (4 sessions)<br>3. Labor costs: \$22.50 per assessment<br>4. Quality assurance standards and validating: \$100,000<br>5. IT Systems enhancements and maintenance: \$150,000<br>Total estimated costs per assessment: <b>\$34.97 - \$43.42</b> | <b>\$856,765 - \$1,063,790</b> |

*Delivery System*

TSG recommends that Arkansas procure the services of a vendor to provide a platform application and host support for the CANS assessments instruments allowing for the administration of the CANS assessment for *children* receiving BH services through the state Medicaid program. There are numerous vendors for the CANS assessment and cost variance (from \$50k to \$250K) is wide-ranging. The selected vendor should be responsible for providing a software platform that assists the CANS assessor in performing and completing the CANS assessment electronically. In addition, the software platform should have the capability to retrieve, aggregate, and report on the data collected during each CANS evaluation. The design of a usable software platform should be predicated on the understanding that the clinical picture for a patient change throughout their treatment experience. Therefore, capability to store longitudinal data for each patient stored in a database is crucial. A patient tracking system where progress can be observed is another important element for a successful treatment plan and should be incorporated into the Arkansas delivery system.

### *Assumptions*

The state will complete assessments for the entire child BH population assessments in a single calendar year. On average it takes 20-30 minutes to review and score a CANS assessment totaling a ½ hour of labor. Labor costs for the assessment are widespread as well. Considering all who can perform a CANS assessment, after appropriate training is completed, labor costs are estimated at around \$22.50 per hour.

This cost estimate does not include these case management, care coordination, prior authorization or utilization management services, rather, it is specific to the allocation of funds to establish and complete a statewide individual assessment plan alone.

### *Number of Annual Assessments needed*

It is estimated that 24,500 LOCUS assessments need to be completed.

### *Estimated Costs per Assessment*

Dividing the annual number of assessments by estimated costs in the table above, each CANS assessment is approximated to cost between \$35 and \$44.

### *Estimated Annual Costs*

\$856,765 to \$1,064,000. Subsequent to the first year of the CANS assessment being conducted the state should see a token decrease in costs as some of the initial costs are a one-time start-up fees. Additionally, IT systems, along with and quality control and assurance policies and procedures are cost heavy on the front end as needed for implementation. The longer Arkansas participates in the initiative, the more time it has to learn about how to be efficient, reduce costs, improve operations, and eventually transform care delivery.