

**HHS Committee and  
Developmental Disabilities Special Investigative Committee  
LR 300  
December 9, 2013**

**Scot Adams, PhD, Director  
DHHS Division of Behavioral Health**

Good morning, Senator Campbell, Senator Lathrop, and members of the HHS and DD Special Investigative Committees. My name is Scot Adams (S-c-o-t A-d-a-m-s) and I serve as the director of the Division of Behavioral Health in the Department of Health and Human Services.

I am here today to provide information about the state's public behavioral health system and its response to people who have a dual diagnosis of intellectual or developmental disabilities and mental illness.

Nationally, 1 in 10 persons with a Substance Use Disorder receive treatment, 65 percent of those with Severe and Persistent Mental Illness receive treatment, and about 35 percent of all persons with any mental illness receive treatment.

According to state statute 71-803, the DHHS Division of Behavioral Health is responsible to ensure:

- public safety and the health and safety of persons with behavioral health disorders,
- statewide access to behavioral health services,
- high quality behavioral health services, and
- cost effective behavioral health services.

As you know, Nebraska's services are provided through a structure of six Behavioral Health Regions with the Division of Behavioral Health providing funding, oversight and technical assistance to them. A board made up of a county commissioner from each county in the Region governs the Regions.

The Regions are responsible to determine the services that will be provided in their Region. Those decisions are sometimes difficult to make and are based on the available funding and the needs present in the various Regions. They contract with local service providers for public inpatient, outpatient and emergency services as well as community mental health and substance abuse services. Based on Regional identified needs and decisions, not all services are available across the state.

The Division, through the Regions, pays for services for people who:

- have little or no ability to pay,

- are not covered by third party insurance, which includes Medicaid unless the service isn't part of the Medicaid service array,
- meet clinical eligibility designated in the service requested, and/or
- are mentally ill and dangerous to themselves or others, or
- are publicly intoxicated or under the influence and dangerous to themselves or others.

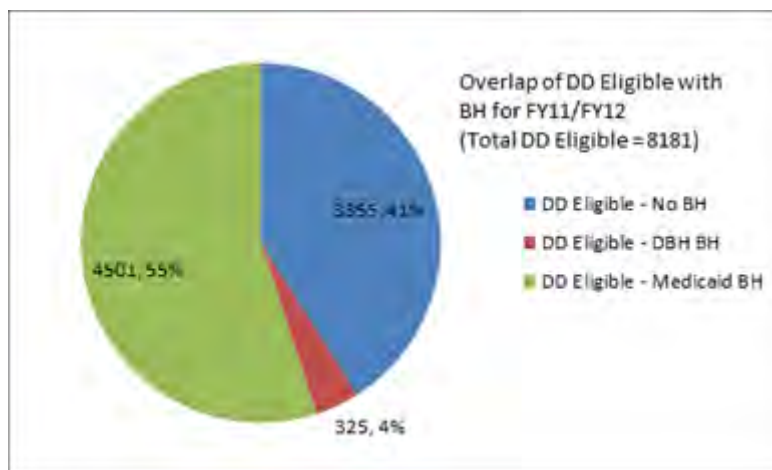
Financial eligibility for Behavioral Health is defined in the Division's financial eligibility policy (copy attached).

Clinical eligibility is based on the 90-page Division of Behavioral Health and Division of Medicaid and Long-Term Care Adult Behavioral Health Service Definitions, commonly referred to as the Yellowbook. It's available on the DHHS website at [http://dhhs.ne.gov/behavioral\\_health/Documents/BH-Medicaid-Svc-Def-2006.pdf](http://dhhs.ne.gov/behavioral_health/Documents/BH-Medicaid-Svc-Def-2006.pdf)

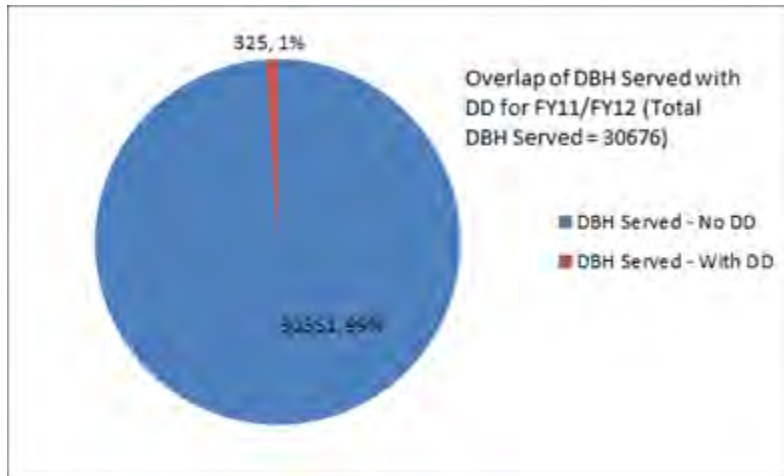
The National Association for the Dually Diagnosed has estimated that 30 to 35 percent of all individuals with intellectual or developmental disabilities also have a psychiatric disorder of any degree. We believe this estimate has been widely accepted by professionals. How does this compare to Nebraska?

In Nebraska, for the two state fiscal years 2011 and 2012, 8,181 individuals were eligible for services through the Department's Division of Developmental Disabilities.

Of these, 55 percent (or 4,501 people) accessed behavioral health services through Medicaid and 4% (or 325 people) accessed behavioral health services through the Division of Behavioral Health, for a total of 59 percent (4,826) of the total. As mentioned above, the Division of Behavioral Health does not pay for services that are eligible for Medicaid reimbursement. This breakout is shown in the following chart:



The next chart shows that during the two state fiscal years, 2011 and 2012, the Division of Behavioral Health served 30,676 people, of which 1 percent (the 325 referred to above), are also eligible for services with the Division of Developmental Disabilities:



The array of services provided through the Division of Behavioral Health and the Regions has continued to expand. The attached array of services list begins with the services provided prior to fiscal year 2004 and shows the additions each consecutive year to implement LB 1083.

I want to note that there will be no new services in FY 2014 based on legislative language in LB 195 (2013). It states: "It is the intent of the Legislature that funds appropriated in this section for FY 2013-14 and FY 2014-15 shall not be utilized to add behavioral health services, other than for normal inflationary increases and rate increases approved by the Legislature. This shall not preclude a shift in the use of funds for less intensive services."

Of the services funded through the Division of Behavioral Health, the top five for those with a dual diagnosis of intellectual or developmental disabilities and mental illness include:

- EPC Hold (this is never funded by Medicaid) 131 people
- Community Support Mental Health 87 people
- Out Patient Mental Health 71 people
- Day Rehab – full day 63 people
- Medication Management 56 people

Regardless of eligibility, an individual may present in the behavioral health emergency system, including through involvement with law enforcement, when a person has been determined to be dangerous to themselves or others, such as in the EPC number above.

As I mentioned earlier, the Regions contract with local service providers for services. They also all have directors of network services, emergency system coordinators and youth system

coordinators who are available for problem solving how best to serve an individual with complex needs, such as individuals with DD/MI.

The Regional Centers also serve people who were previously found eligible for services through the Division of Developmental Disabilities, who may be found eligible in the future, and people who are low functioning but do not meet specific DD criteria.

Twenty-two people at the Norfolk Regional Center may fit these descriptions; three people previously received DD services and 19 people may or may not meet DD eligibility, but have not previously received DD services in Nebraska. Sixteen people at the Lincoln Regional Center may fit these descriptions; two people previously received DD services and 14 people may or may not meet DD eligibility, but have not previously received DD services in Nebraska.

As you can see, the DHHS Divisions of Behavioral Health, Developmental Disabilities, and Medicaid and Long-Term Care provide and/or pay for a significant number and variety of services to meet the needs of individuals who have both developmental disabilities and co-occurring behavioral health needs, and who meet the requirements of each Division for those services.

It is also important to recognize that while the Department is the largest source of payment for behavioral health services, at least six other systems of care exist in Nebraska, including the federal Veterans' Administration, federally qualified health centers, private insurance companies, four Tribal authorities, and public and private hospital systems.

As Jodi mentioned in her testimony, our Divisions work together on systems issues, and there are also times and circumstances when we collaborate across divisions to find solutions to difficult individual needs.

That said, we must follow our legislative mandates and program missions. That means that while our systems currently serve nearly 5,000 Nebraskans who have both developmental disabilities and a behavioral health diagnosis, there are some people who may be low functioning but do not meet DD criteria, have behavior issues but not a behavioral health diagnosis, and who are not eligible for Medicaid or other state-level behavioral health systems. Despite this, we make every effort to work on an individual basis, case by case, to find options that may best help those we are aware of.

I'm happy to answer any questions you have.

Attachments:

- Service Array by Fiscal Year
- Behavioral Health Financial Policy

SERVICES BY FISCAL YEAR

FY96 - FY04 SERVICES			FY05 - NEW SERVICES	
Day Treatment	Halfway House-Men	Home-Based	Inpatient Acute	
Partial Care in 96/97	Halfway House-Women	Respite Care	Inpatient Subacute	
Day Rehabilitation	Crisis Assessment (23/59)	Therapeutic Consultation	Emergency-Crisis Response Teams	
Outpatient Therapy (Ind/Fm/Grp)	Crisis Assessment (CADAC)	Therapeutic Community	Emergency Urgent Crisis Treatment	
Outpatient Therapy (ind)	Emerg Shelter-Psych Respite	Partial Care	Emergency-Urgent Outpatient	
Medication Management	Emerg Shelter-Social Detox	OP Therapy Ind/FmGrp	Emergency urgent Med Management	
Med Maintenance-Methodone	Emerg Comm Support	Med Management	Emergency Stab/Treatment (Vol)	
Psychological Testing	Emerg Protective Custody Crisis	Intensive Outpatient		
Voc Support	Civil Protective Custody	Youth Assessment		
Day Support	Community Support-Lv 2	Community Support		
Intermediate Res	Assertive Community Treatment			
Psych Res Rehab	Prevention			
Dual Disorder Res	Professional Partner			
Short Term Res				
Short Term Res-Native Americans				
Therapeutic Comm				
Halfway House-Men				
Halfway House-Women				
FY06 SERVICES	FY07 SERVICES	FY08 SERVICES	FY09 SERVICES	FY10 SERVICES
Post Commit Days	Intensive Case Mgmt	Secure Res	Voucher Program	Housing Related Assistance
Urgent Assessment	Supported Employment		Supported Living	Services Evaluation/Med Support
Nurse-Day Rehab	Short Term Res LMHP/RN		Bi-Lingual/Bi-Cultural OP	Hospital Diversion
Telemedicine			ERCS Youth Transition	Recovery Support
Adolescent IOP			Comm Support-Spec Pop	BH Integration w/Primary care
			Peer Support	Homeless Support
			Geriatric Therapeutic Cor	Underserved Populations
			Network of Care	Family Support - SA
				Youth Special Services

SERVICES BY FISCAL YEAR

FY11 Services	FY12 Services	FY13 Services	FY14 Services	FY15
Medication Support	Youth Transitional Support	Day Support TAY	NO NEW SERVICES	NO NEW SERVICES WILL BE ADDED PER LB195
TAY Supported Employment	Young Adult Partner	Family Support/advocacy		
Parent Child Interaction Therapy	SOAR			
Housing related assistance SA	Emerg. Dept. Connections			

Department of Health and Human Services (DHHS)  
Division of Behavioral Health (DBH)


POLICIES AND PROCEDURES

---

Effective Date: 3/1/98

Revision Date: 6/1/01, 4/1/02, 1/30/03, 11/13/07, 7/18/12; 11/20/12

Approved:

  
Scot L. Adams Ph.D., Director  
DHHS Division of Behavioral Health

---

**Subject: Financial Eligibility**

**Purpose:** The Department of Health & Human Services Division of Behavioral Health has established Financial Eligibility Standards for consumers of behavioral health services. The Division of Behavioral Health will reimburse service providers for mental health and substance abuse services for consumers who meet clinical eligibility criteria and who meet the following financial eligibility criteria.

**Rationale:** Pursuant to Nebraska Revised Statutes §71-806; §71-804 and §71-838 as amended; to ensure compliance with same.

**Policy:**

**I. Payer of Last Resort**

A. The Division of Behavioral Health is the Payer of Last Resort for behavioral health services for consumers who meet:

1. Financial eligibility criteria as specified in this policy and Fee Schedules;
2. Citizenship/lawful presence as defined by Neb. Rev. Stat. §4-108 to 4-114 and living in the state voluntarily with the intent of making Nebraska his/her home; and,
3. For individuals regardless of citizenship/lawful presence status receiving emergency services or inpatient or outpatient treatment mandated by Mental Health Board or for individuals mandated into the care of DHHS by a court order.

B. The Division of Behavioral Health will not reimburse:

1. For Medicaid eligible services provided to Medicaid consumers. If the consumer has accrued personal needs allowance and creates savings that disqualify him/her from a benefit such as Medicaid, the full cost of the service must be assessed to the consumer until he/she qualifies for the Medicaid benefit.

2. For any portion of services required to be paid by a Medicaid recipient to meet a share of cost obligation.
3. For mental health, substance abuse or gambling addiction services that are eligible for or covered under other health insurance benefits, that were denied by an insurance company due to provider error or insufficient documentation, that were not submitted to the insurance company as outlined in Section II. B or that was not submitted to the insurance company by request of the consumer.
4. For any service in which the consumer is deemed eligible to pay the cost of the service.
5. For any authorized service in which the consumer does not have documented authorization as required by the Division and its Administrative Service Organization (ASO).

## **II. Services Paid by the Division of Behavioral Health**

A. For persons who meet the Division's clinical eligibility and financial eligibility criteria, the provider will be:

1. Paid the rate set by the Division of Behavioral Health for services provided which are pre-authorized with the ASO or registered services that have a statewide rate established;
2. Paid a Region-determined rate for services provided which are registered with the Administrative Services Organization (ASO); or
3. Paid or reimbursed for allowable uncompensated expenses (expense reimbursement) for services provided which are registered with the ASO or otherwise documented as required by the Division of Behavioral Health, not to exceed the actual cost of the service less any copayment and third party payment received for the service.

B. The provider may bill the Region for services performed for consumers eligible for DHHS funded services after the denial of insurance benefit has been received as long as the denial is not due to provider error or for failure to submit required information. The provider may also, at the risk of violating any third party or insurance company agreement, bill allowable costs incurred in the performance of services that may be covered by the Division prior to billing any third party or insurance company. In doing this, the provider assumes all risk and penalties associated with any act that may be deemed a violation of a third party agreement or insurance company agreement, and may not bill any penalty or subsequent loss of revenue for services to individuals ineligible for DBH services to the Division. The Division reserves the right to seek reimbursement for any payment for which it would have been eligible for if the third party agreement or insurance company agreement had not been violated.

1. Except when it may pose a danger to the consumer (see II.B.7), before any cost incurred in the performance of services that may be covered by a consumer's insurance can be billed to the Division, all services performed must be submitted to the insurance company within 30 working days after the date of service and the date of submission documented for subsequent review and tracking.



2. After the service is billed to the Division, if the service is subsequently deemed to be covered by insurance and payment is remitted to the provider for the provision of the service, all funds received from the Division for the date of service being reimbursed must be reimbursed back to the Division on the next payment request to the Region.
3. If the service is deemed to be not covered by insurance or payment is denied due to the consumer's deductible not being met, a copy of the Explanation of Benefits must be placed in the consumer's file;
4. Once a consumer deductible has been met and the insurance company submits payment for services to the provider, no additional costs beyond this payment may be billed to the Division.
5. A provider may bill for services rendered to a consumer that has exhausted all insurance benefits if the person continues to meet financial eligibility criteria and it is deemed clinically eligible for treatment.
6. In the event a provider receives insurance payments after the end of the fiscal year for services paid by the Division in the previous year, the provider must reimburse the Division these funds on the next payment request to the Region.
  - a. In the event an agency is ceasing operation or will no longer be under contract with a Region prior to all insurance claims for DBH eligible consumers being processed, prior to the end of the contract, the Region must review all documentation to determine an estimated amount of funds that may be due to the Division and this amount be subtracted from the final bill submitted by the provider to the Region for payment by the Division. The Division also reserves the right to conduct this review and determine the amount to be reimbursed for any service provided by the Region or if a Region fails to conduct the review.
7. A provider may waive the filing of insurance forms if doing so will pose a danger to the consumer and the waiver is documented on the eligibility worksheet provided by DHHS or in the consumer's file if an alternative worksheet is utilized. Situations where this can happen include instances when domestic violence or child abuse is happening in the home.

### **III. Terms**

#### **A. For the purposes of financial eligibility:**

1. **Taxable Income** is defined as alimony, wages, tips, or other money received for a good or service. This information can be obtained by review of, paycheck records, SSI/SSDI eligibility, Medicaid eligibility, and/or a signed statement from the client. For purposes of the Eligibility Worksheet, the taxable income of the consumer and other adult dependents should be used to determine Taxable Monthly Income. For the purposes of completing the Eligibility Worksheet, the following items are not included as taxable income: SSI, SSDI, child support or monetary assistance received from family or non-family members.

b. If the person receiving services is under the age of 19 and has not been designated by a court as emancipated, the custodial parent(s) alimony, wages, tips or other money received for a good or service must be used to determine financial eligibility.

2. **Liability** is defined as money owed to another person or agency to secure items such as housing or transportation, and is limited to liabilities included on the Eligibility Worksheet. The information can be obtained by review of previous monthly statements or a signed statement from the consumer.

3. **Client Fees** is defined as any Co-pay, Room and Board Fee that is required to be paid to receive the service.

c. **Co-pay:** Also known as copayment; fixed amount required to be paid for each appointment or unit of service. The co-pay amount may not exceed the amount designated by the DBH or the Region for the service.

d. **Room and board fee:** Fixed per day amount required to be paid by the consumer for meals and the use of a bed in residential facilities. The room and board fee may not be in excess of actual costs incurred for these services by the provider.

4. **Dependent:** Any person married or cohabitating with the consumer or any child under the age of 19 who depends on the consumer's income for food, shelter and care. Dependents may include parents, grandparents or adult children if the individual(s) are living with the consumer and they are dependent on the consumer's income for their food, shelter, or care.

5. **Daycare:** Refers to the funds paid to a place, program, organization or other third party for the care and well-being of one or more children under the age of 19 while parent(s) or other primary caregiver is working, in school, or in treatment.

6. **Rate** is defined as a) the rate set by the Division of Behavioral Health for services provided which are pre-authorized with the Administrative Services Organization or registered services that have a statewide rate established; b) a Region-determined rate for services provided which are registered with the Administrative Services Organization (ASO) or otherwise documented as required by the Division or Region.

7. **Cost** refers to the specific expenses incurred by an agency for providing a unit of service or the average costs of serving all customers within a given service when a Division or Region rate has not been determined for reimbursement purposes. This includes personnel, occupancy, supplies, administrative expenses, and similar types of expenditures. In determining the specific costs, a provider may include a substantiated allowance for uncollectible client fees but may not include funds in excess of actual cost (i.e., profit) per state regulations.

**IV. Consumer Eligibility:**

A. Prior to billing the Region and/or Department, the provider must determine if the consumer is financially eligible for the Division of Behavioral Health to pay for services. The Division of Behavioral Health and/or the Network Manager may request verification of consumers' financial eligibility from any provider.

B. To determine if a consumer meets financial eligibility criteria, on the HHS/Division of Behavioral Health Financial Eligibility & Fee Schedule:

1. Complete the Eligibility Worksheet for the consumer to determine the Adjusted Monthly Income amount.
2. Locate the adjusted monthly income amount on the schedule.
3. Locate the total number of family members dependent on the taxable income.
  - a) Consumers who by Adjusted Monthly Income and number of family members dependent on the taxable income fall within the shaded areas on the chart are eligible for services funded by Division of Behavioral Health. Costs (as defined in Section 1D) associated with performance of services to eligible consumers may be billed to the Division.
  - b) Consumers who by Adjusted Monthly Income and number of family members dependent on the taxable income fall within the un-shaded area of the HHS/Division of Behavioral Health Financial Eligibility Schedule are not financially eligible for payment by the State. No costs associated with performance of these services may be billed to the Division.

**V. Copayment Amount:**

A. To determine the maximum copayment to be requested from a consumer, on the DHHS/Division of Behavioral Health Financial Eligibility Schedule:

1. Locate the Adjusted Monthly Income amount on the appropriate schedule:
  - a) **Hardship Fee Schedule:** For individuals who have met one or more of the hardship criteria;
  - b) **Emergency Access Services Fee Schedule:** For individuals receiving assistance from Crisis Response Team, Emergency Community Support, Housing Related Assistance, 24-hour hotlines, or in a peer run hospital diversion program where individuals can stay less than 24 hours;
  - c) **Financial Eligibility Fee Schedule:** For all individuals eligible to receive DBH funded services but who are not eligible for other approved fee schedules.
2. Locate the total number of family members dependent on the taxable income.

3. The box where the column and row intersect is the amount or rate that can be charged to the consumer for each appointment or unit of service.

B. The RBHA shall adopt a policy for use in determining the financial eligibility of all consumers and shall adopt a uniform schedule of fees and copays, based on the policy and schedule developed by the Division, to be assessed against consumers utilizing community based behavioral health services in the region. Each RBHA shall assure that its policy and schedule of fees and copays are applied uniformly by the providers in the region.

C. A provider may not deny service to an individual solely on the basis of inability to pay a copayment. If a consumer is determined to have the ability to pay and is charged a copay amount, as determined by applying the Adjusted Monthly Income from the Eligibility Worksheet for NBHS Funded Service to the appropriate Fee Schedule (see Section V, Item A), but refuses to pay or is in arrears for the copayment amount, the provider may decline services to the individual until they have remitted payment(s).

D. The assessment of a consumer's financial eligibility is an ongoing process. The consumer's financial eligibility status must be re-assessed annually or when known changes occur such as changes in taxable income or number of dependents. The re-assessment may increase or decrease the co-pay obligations of the consumer.

E. Consumers who refuse to provide financial information shall be charged full cost of services. The provider may not bill the Division of Behavioral Health for any service for which the consumer is responsible due to failure to provide financial information or signed statement.

F. Any fees or copayments for Substance Abuse Education and Diversion programs are determined by the Region or other provider and are not subject to provisions of this policy.

G. Residential levels of care will receive payment based on the Division's established rates. In addition to room and board fees, a copayment may also be assessed. The room and board fee may not be in excess of actual costs (as defined in Section III.4) incurred for these services by the provider. All copayments charged must be in compliance with the DHHS Division of Behavioral Health Financial Eligibility and Fee Schedule.

H. For persons on whom payment of such fees would impose extreme hardship, an alternative fee schedule developed by the Division may be used following the same method as describe in Sections IV and V. Criteria for "hardship" will include:

1. Severe and persistent mental illness
2. Serious emotional disorder in youth 19 or under
3. Medical bills or medical debt in excess of 10% of the taxable annual income (as determined by taking (Taxable Monthly Income x 12) x 10%). A hardship may not be granted for non-medical related debt. If required, documentation of the debt may be obtained from statements or invoices from hospitals, doctors, labs, pharmacy, or similar medical related entities. Debt that is not medical in nature may not be used to determine eligibility for hardship.

Eligibility for the alternative hardship fee must be clearly documented on the Eligibility Worksheet.