



DDSN Executive Memo

**TO: EXECUTIVE DIRECTORS, DSN BOARDS
CEOS, CONTRACTED SERVICE PROVIDERS**

FROM: ASSOCIATE STATE DIRECTOR SUSAN KREH BECK *SKB*

DATE: JANUARY 15, 2019

RE: Market Rate Case Management Issue – December 2018 Billing Reports

Attached are the following reports: December 2018 Billing Efficiency Report; June-November 2018 Billing Efficiency Comparison Report; and a new report titled, "Sensitivity Analysis of Case Management Market Rate Risk."

The December 2018 Billing Efficiency Report average provider market rate revenue was 38.4% of the current monthly capitated band payment. This was the second straight month of a decline in average provider market rate revenue. This was not unexpected. During the fall 2017, all consumer plans had to be updated in Therap by October 31, 2017. As a result, many of these same plans were updated in the August-October 2018 time frame this year, which created the expected drop in billing efficiency in November and December 2018. Certainly, the Christmas holidays also had a damper on December efficiency.

Below is a chart of each month's average provider market rate revenue compared to the current monthly capitated band payment since the beginning of tracking this issue.

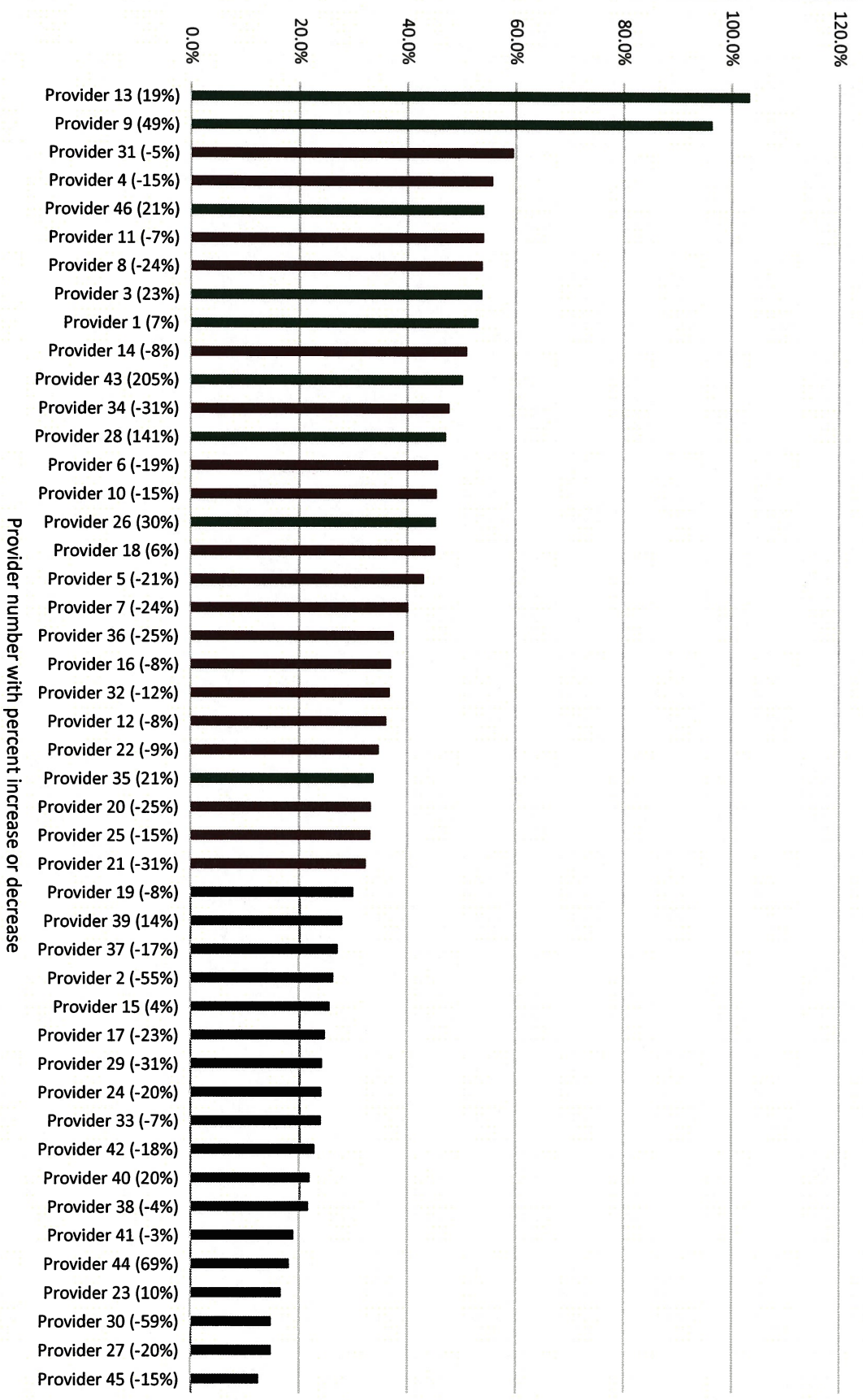
Month of 2018	Average Provider Market Rate Revenue	Estimated Revenue/Consumer	Estimated Revenue/Reduction/Consumer
December	38.4%	\$53	\$86
November	42.4%	\$59	\$80
October	52.1%	\$72	\$67
September	45.4%	\$63	\$76
August	52.8%	\$73	\$66
July	47.6%	\$66	\$73
June	43.1%	\$60	\$79
May	39.9%	\$55	\$84
April*	--	--	--
March (Month Prior to Change)	31.5%	\$44	\$95
			*Month of Change (not measured)

The new report titled, "Sensitivity Analysis of Case Management Market Rate Risk," places each provider's average billing efficiency over the past three months (October–December, 2018) in a high to low ranked quartile (consumers served). This may help provide context to evaluating each provider's current situation.

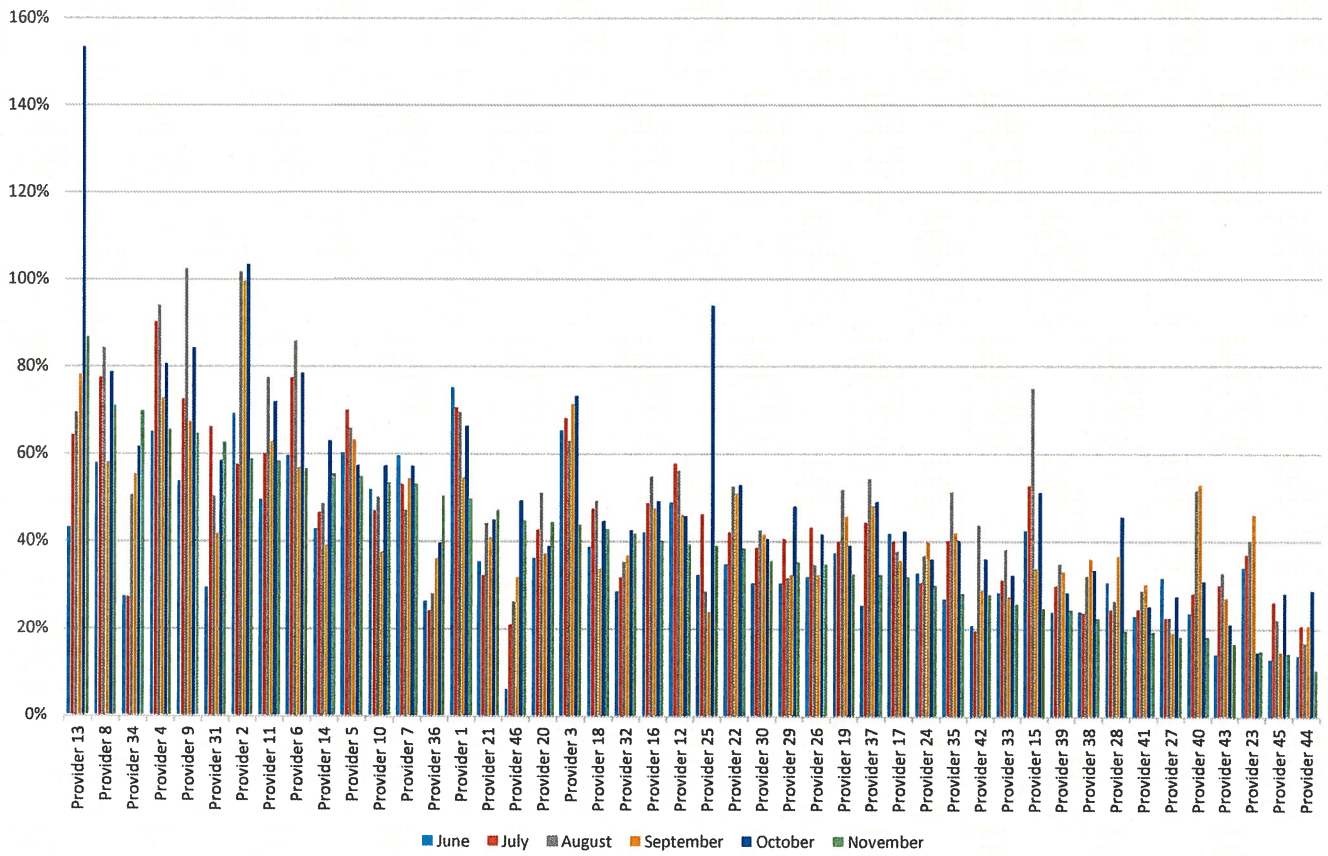
As a reminder, each provider's unique provider number has been previously given to each ED/CEO. If you have misplaced your number, please send email to Sandra Delaney (sdelaney@ddsn.sc.gov) who can provide you with your unique number.

If you have questions on the reports, please contact Ben Orner at borner@ddsn.sc.gov or (803) 898-3520.

**Percent of Current Band Payments if Waiver Billed at \$25/\$15
December 2018**



Percent of Current Band Payments if Waiver Billed at \$25/\$15 June-November Comparison



Sensitivity Analysis of Case Management Market Rate Risk (1/9/2019)			
Provider Name	Average Market Rate (25/15) Rev. Compared to band Payment for October- December 2018	Provider Size (Comparatively)	25% Quartiles (Based on about 3,000 Waiver Consumers per Quartile)
Provider 13	114.3%	Very Small	Top Quartile 55.3%-114.3%
Provider 9	81.7%	Very Small	
Provider 8	67.8%	Small	
Provider 4	67.2%	Medium	
Provider 2	62.7%	Very Small	
Provider 11	61.3%	Small	
Provider 6	60.2%	Medium	
Provider 31	60.1%	Very Small	
Provider 34	59.6%	Very Small	
Provider 3	56.9%	Large	
Provider 14	56.4%	Small	
Provider 1	56.3%	Large	
Provider 25	55.3%	Very Small	
Provider 10	52.0%	Large	
Provider 5	51.7%	Medium	
Provider 7	50.1%	Very Small	
Provider 46	49.3%	Very Small	
Provider 18	44.1%	Medium	
Provider 36	42.4%	Very Small	
Provider 16	42.1%	Large	Lower Middle Quartile 34.0%-42.1%
Provider 22	42.0%	Large	
Provider 21	41.4%	Small	
Provider 26	40.5%	Very Small	
Provider 12	40.3%	Small	
Provider 32	40.3%	Small	
Provider 20	38.8%	Medium	
Provider 28	37.4%	Very Small	
Provider 37	36.1%	Very Small	
Provider 29	35.7%	Small	
Provider 35	34.0%	Very Small	Bottom Quartile 15.4%-33.8%
Provider 19	33.8%	Large	
Provider 15	33.7%	Very Small	
Provider 17	32.9%	Small	
Provider 30	30.2%	Very Small	
Provider 24	29.9%	Medium	
Provider 43	29.2%	Very Small	
Provider 42	28.8%	Small	
Provider 33	27.2%	Very Small	
Provider 39	26.8%	Very Small	
Provider 38	25.8%	Small	
Provider 40	23.6%	Small	
Provider 41	21.1%	Medium	
Provider 27	20.0%	Very Small	
Provider 44	19.1%	Very Small	
Provider 45	18.2%	Very Small	
Provider 23	15.4%	Small	
Totals	43.3%	-	100%

<u>Size</u>	<u>Number</u>
Large	500+
Medium	300-499
Small	150-299
Very Small	0-149