

Contracting with Health Plans: Key Considerations for Behavioral Health-Focused LTSS Providers

Many states are implementing managed long-term services and supports (LTSS) for their Medicaid populations, including those experiencing mental illness, addiction, or intellectual and developmental disabilities. For this reason, health plans in your area may be seeking providers who can deliver services such as health navigation, peer support, and developmental therapy, to their members with behavioral health needs. Working with a health plan, rather than directly with the state, may be a new experience for your organization. Similarly, health plans may have limited experience contracting with behavioral health LTSS providers. This brochure outlines considerations for organizations such as yours when contracting with health plans.

Key Considerations

- **Learn about your state’s approach to managed care.** States will specify many features of their managed care programs that may affect your organization’s involvement. Health plans may be required, for example, to provide the full range of Medicaid benefits, including acute care, behavioral health care, and LTSS; to contract with specific providers; to pay specified amounts for services; or to contract with ‘any willing provider’ that will accept the plan’s rates and conditions of participation.
 - When transitioning to managed LTSS, states often hold stakeholder meetings and focus groups open to both LTSS providers and health plans. These may be early opportunities for your organization to offer feedback to state officials, learn about technical assistance or training opportunities, and meet with health plans.
- **Prepare to negotiate the terms of participation with the health plan.** First, understand the state’s requirements and what the health plan is looking for, and then assess your organization’s ability to meet those needs. In addition, it would be useful to:
 - **Evaluate your costs.** Evaluating your costs for providing each of your services will help in negotiating appropriate fees. Consider, for example, whether your average cost per service is lower when you are assured of providing a specified number of services. Think about travel costs and whether costs are higher for providing services to individuals with particular characteristics or needs. You may need to establish a clear fee schedule covering the scope of potential services and your basis for quantifying services performed.

Understand Which Health Plans are Contracting with Your State

Call or visit your state Medicaid agency website to identify the health plans that will manage LTSS in your state. The Medicaid agency can clarify which populations the health plans will be managing and the services they will cover. Relevant requests for proposals (RFPs) will provide valuable background on how health plans must administer the LTSS programs, including beneficiary protections, continuity of care requirements, and contract rules. These RFPs are often available on your state’s Medicaid website.

- **Ensure you completely understand the plan’s billing requirements.** Health plans typically require providers to use standard medical claims forms. The information the health plan requires for paying bills may differ from what your organization is used to providing. To ensure timely processing and payment, make sure you understand all aspects of the billing process, including the information you need to submit to the health plan.
- **Understand the state’s requirements for how the plans must contract with providers.** States may establish the basis for plan payments to providers. For example, some may require health plans to pay a base rate for particular services, with various adjustments, or require health plans to pay no less than the state had paid. States may require plans to ensure that members can maintain their current direct service workers.
- **Review the provider manual.** Be sure that the health plan’s requirements for participation, bill (or claims) submission, and payment are conveyed in writing, such as in the provider manual, and that the provider manual becomes part of your contract or agreement through reference. Review the definitions and ensure “medical necessity” is clearly defined in order to help avoid denials. Also be clear on how often the provider manual changes and assure you are notified of any changes.
- **Consider how the health plan can support your organization.** The health plan is responsible for ensuring that its providers have the resources and information to deliver quality care to its members. You may want to consider working with the health plan to offer incentives and assistance to engage in competency-based training for your staff (such as that available from the [Institute for Recovery](#)). Your organization may also request concrete assistance in the claim submission process, guidance in measuring and meeting performance standards, training on the needs of clients with particular conditions or diagnoses, or other topics.
- **Establish communication protocols with the health plan.** Your organization will want timely updates on your clients’ services and coverage as well as health plan policies. Identify the individuals in the health plan who will communicate service authorizations for your clients and will notify you if any of your clients change plans. Consider asking the plan to provide notification of hospitalizations and emergency department visits to help you coordinate care.
- **Take advantage of the opportunity to work with the health plan.** Remember that health plans may have little experience contracting for behavioral health LTSS. Your organization brings first-hand knowledge of your clients and their needs as well as knowledge of independent living, health navigation, and recovery models of care. Use this information to work with the health plan to improve how care is delivered, better support and meet the needs of your clients, and implement efficiencies in care delivery. Your suggestions of other potential providers with whom the health plan might consider contracting may also contribute to the plan’s efforts to build an effective network.

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