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**Background**

Effective July 1, 2021, The Department and the CSB agree to implement the following requirements for management and utilization of all regional state mental health acute care (LIPOS) funds to enhance monitoring of and financial accountability for LIPOS funding, divert individuals from admission to state hospitals when clinically appropriate, and expand the availability of local inpatient psychiatric hospital services for state facility diversions.

*HB1800 P*. *Out of this appropriation, 7,688,182from the general fund the second year is provided from a transfer from Item 322 for Community Services Boards and a Behavioral Health Authority to divert admissions from state hospitals by purchasing acute inpatient or community-based psychiatric services at private facilities. This funding shall continue to be allocated to Community Services Boards and a Behavioral Health Authority for such purpose in an efficient and effective manner so as not to disrupt local service contracts and to allow for expeditious reallocation of unspent funding between Community Services Boards and a Behavioral Health Authority.*

# A. The CSB Responsibilities

1. All regional state mental health LIPOS funds allocated within the region shall be managed by the regional management group (RMG) and the regional utilization management and consultation team (RUMCT) on which the CSB agrees to participate. i.

1. The CSB, through the RMG and RUMCT on which it participates, shall ensure that other funds or resources such as pro bono bed days offered by contracting local hospitals and Medicaid or other insurance payments are used to offset the costs of local inpatient psychiatric bed days or beds purchased with state mental health LIPOS funds so that regional state mental health LIPOS funds can be used to obtain additional local inpatient psychiatric bed days or beds.

1. If an individual’s primary diagnosis is SA (Substance Abuse) and a TDO (Temporary Detention Order) is issued to a private psychiatric facility LIPOS may be used by the CSB.

1. CSBs and/or regions are expected to maintain contracts or memorandum of agreement with local facilities that at minimum specifies funding is to be utilized as funding of last resort, authorization procedures, timeliness of invoicing, the rate, and any other limitations. These contracts or MOU’s shall be available to DBHDS upon request for review.

1. Annually regions will provide DBHDS with contracted rates for facilities. This will be due with the first quarter report.

# B. The Department Responsibilities

1. The Department, may conduct utilization reviews of the CSB or region at any time to confirm the effective utilization of regional state mental health LIPOS funds.

1. The Department shall provide technical assistance when requested by the CSB.

# C. Payment Terms

1. LIPOS allocations are distributed to the regional fiscal agent. The RMG/ RUMCT and Regional fiscal agent retain responsibility to ensure equitable access to the regional allocation by CSB and report to DBHDS any funding deficits or re allocation by CSB. Funding for regions will be determined by DBHDS in collaboration with the region based on regional spending from previous year.

1. For initial allocation to be distributed within 15 day of the beginning of the fiscal year DBHDS will allocated the higher of: either Average spending for previous fiscal year quarters 1, 2 and 3 **OR** the highest quarter spent.
2. For the quarters 2, 3 and 4 of the fiscal year determination of the allocation will be based on the previous quarter amount spent. *For example: Quarter 2 funding is a reimbursed amount of quarter 1 LIPOS spending.*
3. At any time during the year should expenses exceed funding regions may request assistance from DBHDS. Additionally DBHDS will monitor expenses and encumbrance to ensure regions have adequate funding for invoices received after the end of the fiscal year per contract/MOA agreements.

2. Administration fees for LIPOS are based on the following:

*a)* The Regional Fiscal Agent is entering into a subcontract with another entity which will allow the third party to administer the service or program, the Regional Fiscal Agent may retain up to 5% of the allocation/expenditures for Administrative Costs.

OR

The annualized cost of the employed Regional manager.

1. The determination of which administration fee methodology utilized will be discussed and documented by regional leadership and DAP specialist with DBDHS. Should the region choose the 5% this 5% will be determined based on the amount spent the previous fiscal year.
2. The administration fee that is agreed upon will be sent in full to the region at the beginning of the fiscal year.

3. Any balance of LIPOS funds at the end of quarter 4 may be accounted for in the following fiscal year allocation. Unspent balances are not to be utilized without approval from DBHDS.

# D. Reporting

1. The region will provide quarterly data on an agreed upon LIPOS data collection tool each quarter no later than 30 Days after the end of the quarter. Regions will maintain documentation of invoices from providers. These invoices and documentation shall be available to DBHDS upon request.

1. Any changes to the LIPOS reporting tool will be reviewed and discussed with CSB Regional Managers and they will be given a 30-day time frame to implement changes.

1. CSBs are responsible for maintaining reporting in the electronic health record for individuals receiving LIPOS contracted services.