**REIMBURSEMENT RATES WORKGROUP MEETING #2**

**Meeting Discussion Summary**

**8/9/23, 10:30 – 11:30**

The NYS Council Reimbursement Rates Workgroup convened for their second meeting on August 9, 2023. The central theme revolved around the future strategy for rate increases and the challenges faced by various agencies concerning these rates. The group began by reviewing the outcome of the first meeting, which pointed to the need for a survey to collect further insights. This survey is in addition to the information already gathered from a 2019 exercise, which gave rise to a Rate Reform proposal for Article 31,32-Part 822 Outpatient Clinics.

The broader context of the meeting emphasized the financial strains organizations experience, with Lauri Cole highlighting that many agencies often live from week to week, grappling with expenses such as payroll. A revelation from a past survey disclosed that agencies, on average, were owed over $100,000 on any given day. Such financial challenges are further exacerbated when issues arise with significant payers, as noted by Ranjeet. Such issues often demand additional resources and staff involvement.

The costs associated with billing also took center stage. Outsourcing billing has proven to be expensive, with Megan Thompson sharing that quotes ranged from $10,000 to $28,000 monthly. Additionally, the influence of managed care organizations was underscored, given that they constitute approximately 30% of the payers. Megan also spotlighted the broader costs of resolving billing issues, which sometimes necessitated the involvement of the executive team and even the hiring of attorneys.

The group also touched upon the participation of contractors, especially attorneys and financial advisors. Their inclusion often incurs costs that need to be factored into the overall financial landscape. The challenges surrounding accounts receivable were broached, with a focus on cleaning up AR data and understanding the portion associated with managed care.

On the staffing front, observations were made about professionals' preference for private practice due to perceived benefits, causing a shift that poses challenges for maintaining specialized workforces. Lauri Cole also acknowledged staffing challenges as a widespread issue, not confined to any specific demographic or service.

The potential for future surveys was also discussed. While data on commercial rates had been collected previously, Lauri pointed out that this topic had not been discussed in current sessions but would be addressed in upcoming meetings.

**Tactics & Tools:**

* **Survey**: A primary tool identified was the use of a survey to collect additional information on challenges faced by organizations. This survey would help understand the nuances of the current rate system and its implications on various agencies.
* **Accounts Receivable Data**: Clarity and other organizations have been working on cleaning up their AR data to understand the challenges better.
* **Contractors**: The involvement of attorneys and financial advisors as valuable resources was highlighted. These professionals can provide insights into the financial challenges faced and help navigate the complexities of rate reforms.

**Action Steps:**

* **Survey Creation**: The group will work towards identifying relevant data points and questions for the survey, collaborating with Lauri for finalization during subsequent meetings.
* **Data Collection on Commercial Rates**: While previously collected, this data will be revisited in future meetings to understand its implications better.

**Longer-Term Next Steps:**

* **Rate Reform Proposals**: The group identified the need to address continuous needs for Outpatient Clinics, HCBS, CFTSS, with an understanding that a new methodology for calculating rates might be proposed in the future.

**Miscellaneous:**

* The meeting discussed the trend of professionals moving to private practice due to perceived lucrativeness, leading to staffing challenges across various sectors.
* The APG government rate and children's clinic satellites rate were also topics of discussion, shedding light on potential discrimination and areas for future discussion.
* Lauri expressed gratitude for the active participation and input from the members during the meeting, highlighting the value of such discussions.
* Discussions around the need for carving out of managed care to distribute money more evenly, and challenges related to commercial rates, opened doors for further deliberations.