



<b>To:</b>	<b>BHS Contracted Service Providers</b>
<b>From:</b>	<b>Behavioral Health Services</b>
<b>Date:</b>	<b>September 3, 2024</b>
<b>Title</b>	<b>Behavioral Health Payment Reform - Updates to Flex Funds and Housing Funds</b>

This memo provides updates to the Mental Health Flex Funds and Housing funds policy communicated via the BHS Provider memo on May 31, 2024. Information in this memo supplements the information provided **on May 31, 2024**.

This memo only applies to Mental Health contracts transitioning/transitioned to a Fee-for-Service (FFS) payment structure under Behavioral Health Payment Reform.

**Revised - Mental Health Flex Funds** (Only applicable to the program that currently have flex fund budgets, additional funding will not be added at this time due to budgetary challenges):

**Updates to Memo from 5/31/24:**

- Flex Funds annual caps will remain at \$1,300 per client. However, the limit per categories (Housing, Housing Support and Other Items) is removed. Any need to exceed the \$1,300 limit per client will require COR approval.

**Additional Information:**

- Gift cards, including bus passes shall be claimed under Flex Funds. Providers must follow the BHS Gift Card Guidelines, including pre-approval requirements, internal controls and policies, tracking, etc. Gift Card Pre-Approval form is attached to this communication.

**Revised - Mental Health Housing Costs:**

**Updates to Memo from 5/31/24:**

- Full-month stay (including bed-holds) will continue to be paid at an all-inclusive rate of \$1,500 per month.
  - Contractors who have maintained a COR approved “Master Lease” will be paid at an all-inclusive rate of \$1,500 per month per unit/per bed regardless of occupancy.
  - Subsidized or partly subsidized housing component will no longer be covered/reimbursed. However, the administrative housing support for the subsidized and partly subsidized clients will be paid at a flat rate of \$300 per client per month.
- Rent received from clients shall be reinvested to continue supporting housing needs of clients.
- Partial-Month Stay/Move-In/Move-Out:
  - Maximum will be \$1,500 per month per client (including administrative housing support cost).
  - Administrative housing support will be paid at a flat rate of \$300 per client per month.
  - Direct client housing will be reimbursed at \$40 increments per client:
    - Minimum amount is \$40 per day
    - Additional units may be added if mid-point rates (of \$20 increments) are reached.
  - Examples:
    - Cost of housing is \$60 per day. Since mid-point is reached (\$40 plus \$20), two units may be claimed at \$40 per unit for \$80.
      - Scenario: A client was housed at a hotel from 7/1/24 through 7/10/24 at a rate of \$60 per day. This would be billed as 2 units per day for 10 days, for a total of 20

**For More Information:**

- Contact your Contracting Officer’s Representative (COR)



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- units in the month.
- Cost of housing is \$55 per day. Since mid-point is not reached (\$40 plus \$20), only one unit may be claimed for \$40.
  - Scenario: A client was housed at a hotel from 7/1/24 through 7/10/24 at a rate of \$55 per day. This would be billed as 1 unit per day for 10 days, for a total of 10 units in the month.

We will update the budget/invoice template to align the terminology and to reflect FY2425 rates when your contract is amended.

**Attachments**

- *Gift Card Pre-Approval (pdf)*
- *BHS Housing Ledger (Excel)*

**Questions?**

Thank you for your patience and continued support. For questions, please contact your COR.

<b>For More Information:</b> <ul style="list-style-type: none"><li>• Contact your Contracting Officer’s Representative (COR)</li></ul>
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