



## Comprehensive Outpatient Program Services (COPS) Level II Description

**NOTE: Please be advised the Level II COPS has been eliminated, effective 10/1/13 for Continuing Day Treatment and Day Treatment programs, and effective 11/1/13 for Mental Health Clinic programs. Level II COPS revenue reconciliations will still be performed through the end Level II COPS existence.**

Level II Comprehensive Outpatient Program Services (Level II COPS) is a program which allows an Article 31 provider of licensed mental health outpatient services to be eligible for supplemental medical assistance reimbursement for certain outpatient mental health clinic, continuing day treatment, and/or day treatment programs. This reimbursement provides supplemental Medicaid funding for the outpatient programs listed above, which do not receive Level I COPS Medicaid funding in exchange for the provision of enhanced outpatient services in accordance with 14 New York Codes, Rules and Regulations (NYCRR) Part 592.10 (the Level II COPS regulations).

Receipt of Level II COPS revenue is contingent upon either (a) the maintenance of a Tier I or Tier II designation (on the applicable outpatient program's operating certificate, as issued by OMH), or, in the event that a program has a Tier III designation, (b) submission of an acceptable plan of corrective action. During any period of time that a provider may be in Tier III status, prior to submission of an acceptable plan of corrective action, the supplement will be removed from your reimbursement. This is a permanent reduction to the provider's reimbursement. Continued receipt of Level II COPS revenue is also contingent upon the provision of the additional services as detailed in 14 NYCRR Part 592.10.

Level II COPS is paid to providers through the Medicaid payment system. Specifically, by Computer Sciences Corporation (CSC) – the State's Medicaid paying agent, through the Medicaid Management Information System (MMIS), by way of a program-specific Level II COPS Medicaid rate add-on (the Level II COPS rate).

### Historical Context

The 2000-2001 enacted Aid to Localities budget included a Medicaid initiative which provided supplemental Medicaid funding for certain Article 31 outpatient mental health clinic, continuing day treatment, and/or day treatment programs which did not receive Level I COPS Medicaid funding. By agreement to provide additional mental health services (through signature and submission of the Supplemental Medicaid Funding Agreement form), the provider received a fee supplement equivalent to 12.5% of the base Medicaid fee for the above programs, effective April 1, 2000.

The Level II COPS fees have been increased due to Cost of Living Adjustments (COLA) effective for the following periods: December 1, 2002 a 3% increase; October 1, 2006 a 2.8% increase; April 1, 2007 a 2.3% increase; and April 1, 2008 a 3.2% increase. Due to a change in OMH regulations effective April 1, 2006, Level II COPS providers are permitted to bill Medicaid for the Level II COPS supplement for recipients that enrolled in Medicaid Managed Care Plans. This policy was clarified in 2008 in a notification to providers that such billing shall only be permitted if the service has been approved and/or paid for by the Medicaid Managed Care Company.

Effective for services beginning July 1, 2008 the Clinic Treatment Level II COPS Supplement was increased such that the minimum reimbursement level (Base Medicaid PLUS Level II COPS Supplement) for a regular clinic visit in a Quality Improvement participating agency in the Downstate area would be \$100.00. All other regions, and non Quality Improvement participating programs, had their Level II COPS Supplement proportionately adjusted based on the ratio of the particular area's base fee to the Downstate Quality Improvement participating Base Fee. In this same initiative the same Level II COPS Supplement will be used in all mental health clinic rate codes, as is done with Level I COPS programs.

Effective April 1, 2009, the CDT Level II COPS Medicaid fees were adjusted to reflect conversion of the “base” fees from hourly reimbursement to half day/full day reimbursement.

This Level II COPS fee is added to the Medicaid rates already in effect for that provider, for that program.

**Providers are responsible for accounting for the amount of Level II COPS they receive.** In order to properly account for Level II COPS, it is essential providers become familiar with the Medicare/Medicaid crossover payment methodology. In most cases, Level II COPS per paid claim is equal to the Level II COPS rate. However, for paid claims that involve Medicare, the determination of how much Level II COPS is received per paid claim depends upon the extent of the Medicare payment. Please refer to the crossover methodology explained later in this document.

Providers should also be aware that when Level II COPS rates are recalculated retroactively, due to data and timing factors, there will be an effect on their Medicaid checks. When the new rate is lower than the previous rate, MMIS will recoup the difference between the two rates for all paid services retroactive to the effective date of the rate change. When the new rate is higher than the previous rate, MMIS will send a check for the difference between the two rates for all paid services retroactive to the effective date of the rate change. **These actions by MMIS are initiated by a change in rate and are unrelated to the Level II COPS revenue reconciliation outlined later in this document.**

### **Level II COPS Threshold**

The amount of Level II COPS a provider can retain in any local fiscal year, for a particular Level II COPS program, is equal to that program’s Level II COPS threshold. The initial Level II COPS threshold is a provider and program-specific amount, and is calculated by multiplying the applicable outpatient program units of service (i.e., clinic, CDT, day treatment) by their corresponding fee supplements and adjusted thereafter for any Cost of Living Adjustments (COLA) or major changes such as the regulation change in 2006 to allow Level II COPS provider to bill Medicaid for those recipients enrolled in Medicaid Managed Care, as mentioned above. The Thresholds have been recalculated for Upstate and Long Island providers for calendar years 2006 - 2012 and NYC providers 2005-06 – 2011-2012 to reflect the Medicaid Managed Care changes, implementation of all COLAs effective October 1, 2006 at 2.8%, April 1, 2007 at 2.3%, and April 1, 2008 at 3.2% as well as any CDT closures and/or conversions to PROS. If an agency is receiving a fee supplement for more than one type of outpatient program, then the threshold is calculated by accumulating the program-specific thresholds into one agency-specific threshold.

### **Level II COPS Revenue Reconciliation**

OMH maintains a Medicaid payment database that reflects payments made to providers by service date, payment date and rate code specific detail. This payment data base assumes the most recent rate is in effect at the time of payment, and therefore accounts for any retroactive rate adjustments in the same fiscal year as the original claim was paid. **Providers must keep track of Level II COPS revenue receipts. Any Level II COPS revenue received in excess of the Level II COPS threshold must be kept in a reserve account for future recovery by the OMH.**

Level II COPS received in a local fiscal year in excess of that year’s Level II COPS threshold will be recouped by the State through MMIS. A Level II COPS payment report will be sent to each provider detailing the amount of Level II COPS that OMH has determined the provider received, as compared to their threshold for the program for the fiscal year, during the reconciliation process. Providers will have an opportunity to verify the data used to calculate the recovery amount by the OMH before implementation of the recovery by MMIS. Included in any notice of recovery of overpayment will be a description of the recovery process, as well as the date the request for recovery would be sent to MMIS.

### **Level II COPS Medicaid Revenue Reconciliation Example**

1. On January 1, 2010, the Level II COPS clinic rate is \$20.

2. On January 1, 2010, the clinic provides a clinic service to a Medicaid-eligible person.
3. In March 2010 the clinic receives a check from Medicaid – dated March 1, 2010 – that contains \$20 of Level II COPS for this January 1, 2010, service (this is the first-instance payment)
4. In June 2010, the clinic's Level II COPS rate is changed retroactive to January 1, 2010, to \$30.
5. In June 2010, MMIS will automatically pay the clinic the \$10 increment associated with this rate change.
6. The OMH's Medicaid data base repatriates the \$10 such that the Level II COPS payment made for this service on March 1, 2010, is \$30 (the database does not consider the \$10 payment made in June 2010, but in March 2010).

For Upstate and Long Island Article 31 and D&TC providers, the Level II COPS payment report will detail the provider's calendar year Level II COPS threshold, and corresponding Level II COPS paid amount.

For NYC Article 31 and D&TC providers, the Level II COPS payment report will detail the local fiscal year – July through June – Level II COPS threshold, and corresponding Level II COPS paid amount.

For all providers, if an overpayment is indicated it will be recovered by the State through MMIS. If an underpayment is indicated, no action is taken.

**All Clinic services rendered on or after July 1, 2008 will no longer be subject to the Level II COPS reconciliation process. All periods prior to July 1, 2008 will be reconciled.**

### **Medicare/Medicaid Crossover Payment Methodology**

In order to determine the individual Medicaid components (base Medicaid, Level I COPS, CSP and/or Level II COPS) of a Medicaid payment made on a Medicare/Medicaid Crossover (crossover) paid claim you will need to know the following information:

- The crossover logic – Medicaid payment on a crossover paid claim is limited to the difference between either the Medicare approved amount and Medicare paid amount, or the Medicaid rate and Medicare paid amount, whichever is greater;
- The Medicare approved amount associated with the particular rate code the crossover logic is being applied against –Note: Medicare approved, and Medicare allowed, are synonymous;
- The Medicare paid amount for the particular rate code in question;
- The base Medicaid rate/fee - all Article 31 providers, and some D&TC providers, have base Medicaid fees for clinic, CDT, and day treatment;
- The Level I COPS rate, if applicable;
- The CSP rate, if applicable;
- The Level II Level II COPS fee supplement, if applicable;
- The total Medicaid rate for a particular outpatient program; and
- The total amount paid (Medicare plus Medicaid),

### Methodology

For providers who receive Level I COPS and CSP on the same rate code

1. Determine the Medicaid payment by subtracting Medicare paid from the total amount paid.
2. Determine the base Medicaid component:
  - If the base Medicaid rate is greater than or equal to Medicare approved, then the base Medicaid component is equal to the difference between the base Medicaid rate, and Medicare paid.
  - In all other cases, the base Medicaid component is equal to the difference between Medicare approved, and Medicare paid.

3. Determine the base Medicaid plus Level I COPS component:
  - If the sum of the base Medicaid rate and the Level I COPS rate is greater than or equal to Medicare approved, then the base Medicaid plus Level I COPS component is equal to the difference between the sum of the base Medicaid rate and the Level I COPS rate, and Medicare paid.
  - In all other cases, the base Medicaid plus Level I COPS component is equal to the difference between Medicare approved and Medicare paid.
4. Determine the Level I COPS component by subtracting the base Medicaid component from the base Medicaid plus Level I COPS component.
5. Determine the CSP component by subtracting the base Medicaid plus Level I COPS component from the Medicaid payment.

For providers who receive CSP and Level II COPS on the same rate code, apply the same logic as above, substituting Level II COPS for Level I COPS.

For providers who receive just Level I COPS, CSP, or Level II COPS on a particular rate code, apply the same logic as above, assuming all unused rate components are equal to \$0.00.

Please note:

In no instance can the Level I COPS, CSP, or Level II COPS payment credited through the application of this logic be less than \$0.00.

### **Level II COPS Reporting & Claiming**

Article 31 and D&TC providers should account for Level II COPS on the Level II COPS cash basis. This is the accounting basis the OMH employs for the purpose of determining how much Level II COPS Article 31 and D&TC providers are paid in a particular local fiscal year. According to this accounting basis, Level II COPS is considered paid consistent with the date on the Medicaid check, and assumes that any retroactive Level II COPS rate changes are repatriated to their original payment date by the provider.

#### **For example:**

Please see Appendix DD of the CBR and CFR manuals for budgeting and claiming guidelines.

#### **Resources:**

- [Information for Service Providers](#) -references for COPS, CSP and DSH Descriptions
- [Part 587 Regulations Operation of Outpatient](#) 
- [Part 588 Regulations Medical Assistance for Outpatient](#) 
- [Part 592 Regulations Comprehensive Outpatient Programs](#) 
- [Clinic Restructuring Implementation Plan](#)

[Appendix DD of the CBR manual](#) (contains Level I COPS, Level II COPS and CSP fiscal reporting) is available online.