

# Behavioral Health & Substance Use Disorders

## Healthcare Risk Management & Advisory

Behavioral Health (“BH”) and Substance Use Disorder (“SUD”) programs, treatments and regulations have received a lot of attention over the past several years and are rapidly changing. According to the Substance Abuse and Mental Health Services Administration (“SAMHSA”), one in five adults (PDF) in the United States have a clinically significant mental health or substance use disorder.<sup>1</sup> The rise and prevalence of mental health conditions and the SUD epidemic has led to new funding and programmatic opportunities for regulators and public and private companies. As healthcare companies continue to build their capabilities in this sector, including leveraging AI and other emerging technologies, companies will encounter business and regulatory challenges that extend beyond the scope of BH/SUD service delivery.

FTI Consulting’s Healthcare Risk Management & Advisory practice has significant expertise in all operational and regulatory areas related to the BH/SUD industry. We provide our clients, including state and federal regulators, plans, providers, clinics and private equity firms, assistance with program design and implementation, performance improvement, overcoming operational challenges, due diligence review, risk analysis, compliance certification and more.

Our team includes experts who deliver technical assistance program design, BH/SUD operations, risk assessments and national-level expertise regarding key federal programs/regulations, including Certified Community Behavioral Health Clinics (“CCBHC”) and Mental Health Parity and Addiction Equity Act (“MHPAEA”) requirements, as well as addressing revenue constraints, tightening liquidity and leveraged capital structures.

### CASE STUDY

#### SITUATION

FTI Consulting was engaged to assist a large private equity fund with due diligence related to the acquisition of a multilocation, multistate company that provides behavioral health services to adults with learning disabilities.

Our due diligence assistance included quality of earnings analysis, compliance oversight and infrastructure assessments and reviewing a sample of billing/coding on paid service claims.

#### OUTCOME/IMPACTS

Our work resulted in the successful closing of the acquisition and our report included recommendations for compliance program enhancements and refinements as well as recommendations for documentation improvement and training to providers, post-close.



### Provider Operational Expertise

We have advised leading behavioral healthcare providers and helped mitigate operational challenges related to claims, payer mix, billing practices, revenue reconciliation and other issues. Our areas of focus include inpatient treatment, methadone treatment, partial hospitalization, and outpatient treatment.

Our experts specialize in analyzing data to identify patterns and trends in the coding, as well as assessing the medical records to determine whether the services billed and paid are supported by the medical record documentation. Our certified coders and clinicians, as well as our network of physicians and nurses, routinely review records to assess documentation related to treatment goals, nursing assessment, interdisciplinary progress notes, record of service, treatment plan review, adult residential treatment profile, therapy module notes — group therapy and therapy module notes — and individual therapy. Additionally, we assess related compliance programs and offer recommendations for improvements to the compliance oversight function of these providers.

We also specialize in helping providers establish innovative, value-based reimbursement programs, including bundled payments, quality incentives and integration with primary care, with expertise in in cost reporting and cost allocation, provider contracting and clinical quality.

### Private Equity

Our team can develop and execute risk analysis focused on BH and SUD operations, regulatory compliance and financial reviews to support private equity evaluations and investment activities.

We support private equity-focused analyses that evaluate plan and clinic performance, maximize investment returns and mitigate risks. We provide financial and tax diligence, as well as clinical and compliance diligence, to proactively identify issues with revenue recognition, quality of earnings, financial reporting, billing and coding, liquidity and leveraged capital structures.

### Program Design and Technical Assistance

Our expert team helps regulators and organizations plan, design and execute BH, SUD and intellectual development disabilities/developmental disabilities (“IDD/DD”) programs, BH transformation supports, program designs and implementation support across delivery systems. This includes financial, compliance, informatics and quality experts specializing in Medicaid, Medicare and private BH/SUD and mental health programs.

We provide federal, state, and private entities support and evaluation assistance focused on BH program operations, strategic planning/designs, funding/grant mechanism(s) and payment integrity controls.



### Certified Community Behavioral Health Clinics

Our team of national experts, including CPAs and financial professionals, provides strategy and compliance support around the cost-based rate-setting process, understanding short-term and long-term goals, designing and executing CCBHC programs and delivering technical assistance with Medicaid rules to facilitate sustainable, efficient and successful CCBHC programs.

Since the passage of the Protecting Access to Medicare Act in 2014, our experts have supported the CCBHC program, designing the past and current cost report templates and instructions used by states in the demonstration. We have unmatched experience managing growth and cash flow to transform CCBHC operations, managing daily and bundled prospective payments with CCBHCs under demonstration and state plan operations.

We also have expertise in CCBHC programmatic contracting requirements and arrangements, CCBHC and Designated Collaborating Organization (“DCO”) operations, quality bonus payment design, execution and program oversight.

### Mental Health Parity and Addiction Equity Act

Our practice supports plans and regulators with compliance assistance, training, analyses and strategy development related to MHPAEA. We provide targeted trainings to help all levels of an organization understand key MHPAEA terms such as financial requirements (“FRs”), Quantitative treatment Limitations (“QTLs”) and Non-Quantitative Treatment Limitations (“NQTLs”), as well as expectations and requirements for testing, documentation and data handling.

Our team of experts aids plan regulators with independent review services that assess MHPAEA compliance plans, mitigation strategies and comparative analyses. We review each FR, QTL and NQTL conducted and associated compliance determinations, and provide detailed feedback on any gaps or concerns with finalizing the analysis. We also support plans and regulators in completing FR, QTL and NQTL testing across delivery systems, along with completion of required comparative analysis and documentation requirements.



1 <https://www.samhsa.gov/data/sites/default/files/cbhsq-reports/NSDUHFFR2017/NSDUHFFR2017.pdf>

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