

Budget Estimator – ECM User Guide

Introduction to the ECM User Guide

Welcome to the Enhance Care Management (ECM) User Guide for the Budget Estimator. This guide is designed to assist organizations in conducting a comprehensive financial assessment ahead of launching an ECM program. ECM is a high-touch, individualized care coordination program funded through Medical Managed Care Plans (MCPs) that provides services to individuals with complex needs. By using this budget estimator, organizations can better understand both the revenue generating opportunities and the financial resources required to successfully implement and sustain ECM services, allowing for informed decision-making and strategic planning.

This document will walk you through each stage of the budgeting process, providing clear instructions on how to use the estimator, gather necessary data, and analyze the financial implications.

(Link to Budget Estimator when hosted)

PATH Resources

Providing Access and Transforming Health (PATH) supports the expansion of the capacity and infrastructure needed to implement Enhanced Care Management and Community Supports, and increase access to services statewide. This involves three initiatives focused on supporting ECM provider organizations:

- **Technical Assistance Initiative** (<https://www.ca-path.com/ta-marketplace>): virtual “marketplace” that offers hands-on technical support and off-the-shelf resources from vendors to establish the infrastructure needed to implement Enhanced Care Management and Community Supports.
- **Collaborative Planning and Implementation Initiative (CPI)** (<https://www.ca-path.com/collaborative>): regional collaborative planning and implementation efforts among managed care plans, providers, CBOs, county agencies, hospitals, tribes, and others to promote readiness for Enhanced Care Management and Community Supports.
- **Capacity and Infrastructure Transition, Expansion, and Development (CITED) Initiative** (<https://www.ca-path.com/cited>): direct funding to support the delivery of Enhanced Care Management and Community Supports services.

About the Camden Coalition

We are a multidisciplinary nonprofit working to improve care for people with complex health and social needs in Camden, NJ, and across the country. The [Camden Coalition](#) is a nationally recognized leader in the field of complex care. For over twenty years, we have been innovators in addressing people’s complex health and social needs and delivering relationship-centered, community-based, data rich solutions. Through our [National Center for Complex Health and Social Needs](#) (National Center), an initiative of the Camden Coalition, we build the capacity of individuals, organizations, and communities to deliver complex care through strong, equitable ecosystems of health and social services.

Table of Contents

User Guide	3
Stage 1: Assess opportunity	3
Assess program requirements and determine organizational alignment	3
Select Desired Populations of Focus	3
Calculate Internal Engagement Opportunities	3
Calculate Referral Opportunities	4
Identify Managed Care Plans in Your Counties	4
Stage 2: Engage Managed Care Plans	4
Confirm Managed Care Plan Interest	4
Understand Payment Structure and Rates	5
Clarify Enrollment Duration and Requirements	5
Understand Community Demand	5
Assess Opportunity for Proactive Outreach (MIF)	5
Stage 3: Calculate Expenses	6
Develop your Staffing Plan	6
Input Non-Personnel Expenses	6
Reflect on Expenses	6
Stage 4: Calculate Revenue	7
Input PMPM Rates	7
Understand potential for indirect revenue	7
Identify one-time funding opportunities	7
Stage 5: Develop Scenarios	7
Questions for Managed Care Plans	8
Service Need	8
Payment Structure	8
Member Assignment	9
ECM Care Delivery	9
Utilization of ECM Services	10

User Guide

Stage 1: Assess opportunity

The first step in building a budget is to understand the core components of the ECM (Enhanced Care Management) program. ECM is designed to serve high-risk individuals and includes services like care coordination, health education, and community outreach. This stage will help you assess whether your organization is positioned to activate and manage ECM, identify the right populations of focus, and understand the required resources and activities for financial planning.

Steps to Follow:

Assess program requirements and determine organizational alignment

- *Guidance:* Consider both long-term and short-term organizational goals and capabilities. While becoming an Enhance Care Management provider does not guarantee enrollment, if you are able to achieve a stable panel it is a sustainable source of revenue.
- *Reflection questions:*
 - Are you eligible to serve as an ECM provider?
 - Do you have programs that currently serve these populations?
 - Do you already provide care planning or care management?
- *Resources:*
 - CalAIM Enhanced Care Management Policy Guide
(<https://www.dhcs.ca.gov/CalAIM/ECM/Documents/ECM-Policy-Guide.pdf>)

Select Desired Populations of Focus

- *Guidance:* Start by focusing on populations you already serve and compare eligibility criteria for those programs with ECM eligibility.
- *Reflection questions:*
 - Which ECM populations of focuses will you serve?
 - Are you already serving these populations in current programs?
 - Does your team understand the challenges these populations experience when maintaining their health and wellbeing?
- *Resources:*
 - Enhanced Care Management Population of Focus Eligibility
(<https://www.dhcs.ca.gov/formsandpubs/Documents/MMCDAPsandPolicyLetters/APL2021/APL21-012-ECM-Att.pdf>)

Calculate Internal Engagement Opportunities

- *Guidance:* Start by focusing on populations you already serve and compare eligibility criteria for those programs with ECM eligibility. In the Engagement ECM tab, use the ECM Engagement Planning table to estimate ongoing monthly enrollment opportunities. These could be those you have established relationships, expected opportunities for new engagement, or both. Converting these to an “average monthly enrollment” will be imperfect, but helpful in estimating how you will increase panel size.

- *Reflection questions:*
 - How many individuals currently receive services in your programs?
 - Of these individuals, how can you estimate the number of those are enrolled in Medi-Cal with your Managed Care Plan (MCP) and that would be eligible for ECM?
 - How could you estimate what portion of individuals you serve may already be enrolled in ECM through other providers?
 - How many new opportunities for engaging new, eligible individuals do you expect each month?
 - How many of these individuals do you expect to engage or enroll in ECM each month?

Calculate Referral Opportunities

- *Guidance:* Use the ECM Engagement Planning table to estimate referral-based engagement and enrollment. New referral partnerships take time to activate. Start with existing referrals.
- *Reflection questions:*
 - Do you receive referrals from partner organizations?
 - How many referrals do you typically get each month?

Identify Managed Care Plans in Your Counties

- *Guidance:* Research MCPs in your area, focusing on the largest ones first.
- *Resources:*
 - Medi-Cal Managed Care Plans by County
(<https://www.dhcs.ca.gov/CalAIM/Documents/MCP-County-Table-2023-2024.pdf>)

Stage 2: Engage Managed Care Plans

This stage focuses on engaging with Managed Care Plans (MCPs) to assess interest and explore potential collaborations. These discussions will help clarify reimbursement, revenue opportunities, and the demand for ECM services.

See the [Questions for Managed Care Plans](#) section below for a comprehensive interview guide.

Steps to Follow:

Confirm Managed Care Plan Interest

- *Guidance:* MCPs aim to adequately meet the needs of their diverse membership through local provider networks. This entails contracting with enough providers that offer a range of services to diverse populations of focus. If there's no immediate need for additional providers, there may be opportunities in the future.
- *Questions for Managed Care Plan(s):*
 - Is there a need in our area for more ECM providers for our target population(s)?
 - Is my organization eligible for contracting?
 - Is there a readiness assessment or questionnaire that potential new providers should complete?

Understand Payment Structure and Rates

- *Guidance:* The majority of ECM revenue will come from PMPM (Per Member Per Month) payments. However, MCPs may offer additional revenue opportunities related to outreach or other elements of the workflow. Input these rates in the Revenue ECM tab.
- *Questions for Managed Care Plan(s):*
 - What are the PMPM (Per Member Per Month) rates? How does this differ by population of focus? County?
 - Is there reimbursement for outreach and engagement? If so, what are those rates?
 - Are there incentive payments available?

Clarify Enrollment Duration and Requirements

- *Guidance:* Ensure you understand the duration and requirements for ECM enrollment. Review the Managed Care Plan's ECM Manual for detailed operational requirements. The Managed Care Plan may also have standard contract templates available.
- *Questions for Managed Care Plan(s):*
 - What is the MCP's initial authorization period for ECM?
 - What is the maximum duration a member can stay enrolled in ECM services?
 - What activities are required to maintain enrollment in ECM?
 - What are the required activities to keep them enrolled?
- *Resources:*
 - Managed Care Plan-specific ECM Manual
 - Managed Care Plan-specific provider contract

Understand Community Demand

- *Guidance:* Analyze the existing demand for ECM services in your counties as this will impact your opportunity to enroll.
- *Questions for Managed Care Plan(s):*
 - How many providers are already contracted with MCPs to serve your populations?
 - What is the average caseload these providers are currently managing?
- *Resources:*
 - Managed Care Plan-specific provider directory

Assess Opportunity for MCP-assigned Outreach (MIF)

- *Guidance:* Clarify the process for proactive outreach for those assigned by the Managed Care Plan, including development and updating of Member Identification Files (MIF). It is likely that this outreach will only account for a small % of those enrolled.
- *Questions for Managed Care Plan(s):*
 - How will members be assigned to your organization for ECM outreach?
 - What is the anticipated monthly volume for outreach?

Stage 3: Calculate Expenses

Now, focus on calculating the expenses associated with delivering ECM services. This includes staffing, non-personnel costs, and any tools or space required to implement the program.

Steps to Follow:

Develop your Staffing Plan

- *Guidance:* In the Budget Estimator's Expenses tab, input staffing information, including roles, salaries, FTE (Full-Time Equivalent) values, and indirect rates. If you are hiring new staff, remember to adjust the FTE for year one to reflect the delay associated with recruiting and onboarding. Otherwise, the budget will assume that this expense is incurred at the start of the assessment period.
- *Reflection questions:*
 - Who will serve as the ECM Lead Care Coordinators?
 - Are you hiring new staff? If so, what is the timeline for recruiting and onboarding?
 - What other roles will support your ECM delivery (e.g., social workers, administrative assistants, supervisors)?
 - ECM requires documentation and billing to the Managed Care Plan. Who will perform these functions?

Input Non-Personnel Expenses

- *Guidance:* Record all non-personnel expenses under the Program Budget section in the ECM Expenses tab, indicating whether indirect expenses are included.
- *Reflection questions:*
 - What are the non-salary costs associated with frontline roles in your organization (e.g., licenses, office supplies, laptops, etc.)?
 - How will staff be trained?
 - Do you have the necessary systems to bill Medi-Cal? Do you have an Electronic Medical Record (EMR) platform? Does it have the ability to capture engagement and enrollment? Can it bill Medi-Cal?
 - Where will patient engagement primarily occur? If in your office, do you have the space? If in the community, what vehicles will you use?
 - Will you need new space or vehicles to deliver in-person services?

Reflect on Expenses

- *Guidance:* Assess whether scaling options are available to lower expenses in the early stages of the program (e.g. use existing staff in the initial months).
- *Reflection questions:*
 - Are these expenses covered by ECM/Community Supports reimbursements, or do you have other revenue sources?
 - Can you scale the program gradually, resulting in lower costs in the initial year?

Stage 4: Calculate Revenue

In this stage, you will calculate the potential revenue from your ECM program by understanding reimbursement rates and exploring other revenue opportunities.

Steps to Follow:

Input PMPM Rates

- *Guidance:* The Budget Estimator offers a simple calculator that generates revenue based on PMPM rates. If multiple rates apply (e.g., for different populations or counties), input each separately. If you haven't already, input PMPM rates into the Revenue ECM tab.
- *Reflection questions:*
 - What are the PMPM rates for the populations you will serve?
 - Do these rates differ across plans? Populations? Counties?

Understand potential for indirect revenue

- *Guidance:* Estimate additional revenue that ECM could generate from other services/programs and input it in the One-Time Variable Revenue table. For example, increased referrals into a Community Supports program your organization provides.
- *Reflection questions:*
 - Can the ECM program generate revenue in other areas of your organization?

Identify one-time funding opportunities

- *Guidance:* Add any one-time funding opportunities in the designated section of the Revenue ECM tab.

Stage 5: Develop Scenarios

Finally, you will create different budget scenarios to evaluate various financial strategies and determine the most effective approach for your ECM program.

Adjust the rates and member months under the revenue tab until you reach profitability. To estimate revised member months, update the assumptions inputted in the Engagement ECM tab.

Questions for Managed Care Plans

The following is a set of questions to ask your Managed Care Plan(s) when assessing the opportunity to become an ECM provider or during the contracting process. Some of these questions align with the steps in the user guide above and have been included there for reference. This section is designed to compile these questions in an accessible way for MCP discussions. Please note that Managed Care Plans may not be open to these conversations until a provider readiness assessment has been completed.

Service Need

These questions aim to evaluate the current landscape of providers and assess whether there is a gap in service provision for the target populations.

1. **How many existing providers are contracted to serve our planned Populations of Focus?**
 - What is the current distribution of ECM providers across different geographic areas or communities?
 - Are these providers meeting the demand for services in terms of capacity and patient outcomes?
2. **What is the current caseload and stated capacity of these providers?**
 - Can you provide data on the average caseload per ECM provider?
 - What is the maximum capacity for ECM providers within the network, and are they currently at or near that capacity?
3. **Is there a need for additional ECM providers serving the stated Populations of Focus?**
 - What factors contribute to the need for more ECM providers in these areas (e.g., geographic gaps, high-risk populations not currently served)?
 - How are you assessing unmet needs in the target populations?
4. **Do you currently have a contracted provider for [specific service]? Are you looking for additional capacity?**
 - Are there specific ECM services (e.g., mental health, substance use disorder services, or chronic disease management) where additional provider capacity is needed?
 - Are there any specialties or expertise you are seeking from potential new ECM providers?

Payment Structure

These questions dive into how the payment structure for ECM services works and whether there are different models or rates depending on population needs, geographic location, or other factors.

1. **What is your ECM payment structure?**

- How do you determine payment rates for ECM services, and what factors influence those rates (e.g., population size, complexity of care, geographic region)?
 - Do you have different payment structures for varying Populations of Focus (e.g., higher rates for complex care needs)?
- 2. Are there outreach payments associated with ECM?**
- What is the financial support provided for outreach activities, including patient engagement, initial assessments, and ongoing outreach efforts?
 - Are there performance-based incentives tied to successful outreach or engagement activities?
- 3. What are the incentive payments, and how are they calculated?**
- Can you elaborate on the types of incentive payments available (e.g., for quality metrics, enrollment, or patient retention)?
 - How are incentive payments linked to performance indicators, and what benchmarks must be met to qualify for these payments?

Member Assignment

This section looks at the process for member assignment, helping us understand how patients are referred to ECM providers and whether the assignment process is likely to yield additional enrollments into ECM.

- 1. How will you assign members for ECM outreach?**
- What criteria or processes do you use to identify and assign patients to ECM programs?
 - Are there specific tools or data sources (e.g., claims data, predictive analytics) that inform member assignment?
- 2. How many members do you anticipate sending in the MIF (Member Identification File) each month?**
- Can you provide estimates for the volume of members who may be referred to ECM services each month?
 - How do these numbers vary by geographic region or population segment, and how are these numbers expected to evolve over time?

ECM Care Delivery

These questions focus on the operational aspects of ECM care delivery, including the panel sizes for care managers and the typical duration of enrollment in ECM services.

- 1. What do you consider an appropriate or desired panel size for an ECM lead care manager?**

- What is the ideal number of patients a lead care manager should handle to ensure quality care and prevent burnout?
- Does the panel size vary depending on the complexity of the patient population or the specific needs of the care plan?

2. How long are members in these Populations of Focus typically enrolled in ECM?

- What is the average duration of enrollment for different Populations of Focus in ECM, and what factors influence the length of time patients remain in the program?
- Are there different timelines for enrollment based on the intensity of care or clinical needs?

Utilization of ECM Services

These questions explore how ECM services have been utilized within the desired populations, identifying trends in enrollment and understanding the barriers and strategies for expanding services. They also investigate how the Managed Care Plan (MCP) is facilitating community referrals to increase access to ECM services.

1. How many members in the desired Populations of Focus were enrolled in ECM in 2024?

- What was the total enrollment in ECM programs for the specified populations last year?
- How does the enrollment compare to prior years, and are there trends indicating growth or decline in the demand for ECM services?

2. What do you attribute to the low penetration rate for ECM in the county and statewide?

- What are the barriers to expanding ECM services in certain regions or among specific populations (e.g., lack of provider availability, lack of awareness, cultural barriers)?
- How does the MCP plan to address these challenges and increase ECM penetration rates?

3. What is the MCP doing to support or facilitate community referrals to ECM programs?

- What strategies or initiatives are in place to encourage referrals from community organizations, primary care providers, and other service providers to ECM?
- Are there specific referral pathways, partnerships, or community outreach efforts to ensure that individuals in need of ECM services are connected to the program?