

# State Learning Collaborative

## Aligning Crisis Response Systems & CCBHCs

*Session 4: CCBHC Financing Options and The Crisis Continuum of Care*

June 17, 2024



**CCBHC S-TAC**

**CCBHC State Technical Assistance Center**

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# Agenda

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Welcome back!

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Presentation: Supporting a Crisis Continuum of Care - CCBHC Financing Options

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Breakout Groups: Visioning Exercise

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Discussion & Reflections

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Close Out & Next Steps

# CCBHC Financing Options and The Crisis Continuum of Care

# CCBHCs' Financing Structure

- CCBHCs in the Medicaid demonstration are paid using a prospective payment system, or PPS. PPS supports clinics' costs of expanding services and increasing the number of clients they serve, while improving clinics' flexibility to deliver client-centered care.
- Note: CMS provides oversight and guidance for PPS. These slides are based on the [Section 223 CCBHC Demonstration PPS Guidance](#), but may be abbreviated for clarity. The linked guidance should be considered the final authority on all CCBHC PPS guidance.



# Traditional vs PPS

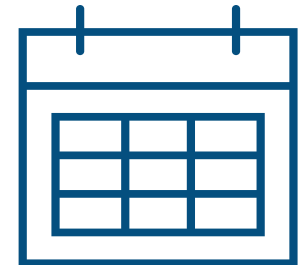
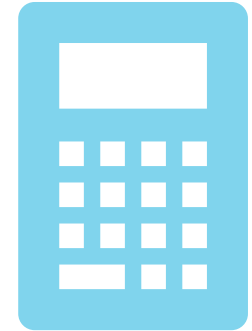
A traditional Medicaid system works off a **fee for service** system, whereby a pre-determined rate is paid by service type per encounter.

A Medicaid PPS rate is set based on a cost report that documents a clinic's allowable costs and qualifying patient encounters over a year.

- The costs are divided by the number of qualifying encounters to arrive at a single rate (for PPS-1) or multiple rates (for PPS-2, PPS-3, and PPS-4) which is paid to the clinic each time a monthly or daily encounter occurs, regardless of the number or intensity of services provided.

# How is it Calculated?

- CCBHCs complete a cost report including both current costs and anticipated future costs associated with becoming a CCBHC. Rates are clinic-specific, but through the process of documenting anticipated costs, state Medicaid agencies have an opportunity to benchmark clinics against one another and ensure comparable services are being provided at comparable cost.
- CCBHCs receive one PPS payment for each daily (or monthly) encounter. They cannot bill multiple PPS encounters for the same day/month (unless one of the encounters is a crisis encounter under PPS-3 or PPS-4).



# PPS-1 – Daily Encounter Rate

- PPS-1 has one standard base PPS rate and pays CCBHCs a daily rate that is a fixed amount for all CCBHC services provided on any given day to a Medicaid beneficiary.
- PPS-1 utilizes the cost report, previous services provided, and anticipated costs to project a daily encounter rate for a CCBHC.
  - When an eligible encounter is billed, the PPS is paid.
- No more than 1 PPS payment is made each day for a person receiving CCBHC Demonstration services, regardless of the number of eligible services provided
  - There are no payments made on days when an eligible encounter is not completed.



# PPS-2—Monthly Encounter Rate

- A CCBHC receives the monthly rate whenever at least one CCBHC service is delivered (regardless of the number of days or quantity of services received) during the month to a Medicaid beneficiary by the CCBHC
- PPS-2 includes 4 elements:
  - A required monthly standard base PPS rate to reimburse the CCBHC for Demonstration services provided to the standard population,
  - Optional separate monthly Special Population (SP) PPS rates to reimburse CCBHCs for higher costs associated with providing Demonstration services to people with certain conditions
  - Required outlier payments made in addition to the PPS for participant costs in excess of a threshold defined by the state, and
  - Required QBPs made in addition to the PPS

# PPS-3—Daily + Crisis

- PPS-3 is a cost-based, per clinic daily rate that applies uniformly to all CCBHC services rendered by a certified clinic, including all qualifying satellite facilities of the certified clinic.
- PPS-3 includes two required elements:
  1. A standard daily clinic-specific PPS base rate to reimburse the CCBHC for Demonstration services not included in the **Special Crisis Services (SCS)** PPS rate(s), and
  2. Separate daily SCS PPS rate(s) to reimburse CCBHCs for the provision of crisis services.

# PPS-4—Monthly + Crisis

- PPS-4 is a cost-based, per clinic monthly rate that applies uniformly to all CCBHC services rendered by a certified clinic, including all satellite facilities of the certified clinic.
- PPS-4 includes these five elements:
  1. A required standard monthly base PPS rate to reimburse the CCBHC for Demonstration services provided to the standard population,
  2. Optional separate monthly Special Populations (SP) PPS rates to reimburse CCBHCs for higher costs associated with providing Demonstration services to higher needs special populations,
  3. Required separate monthly Special Crisis Services (SCS) PPS rates to reimburse CCBHCs for the provision of crisis services,
  4. Required outlier payments made in addition to the PPS for participant costs in excess of a threshold defined by the state, and
  5. Required QBPs made in addition to the PPS.

# Special Crisis Service Rates

Under PPS-3 and PPS-4, the **special crisis service (SCS)** rates allow states to set at least one of three separate monthly rates for CCBHCs providing crisis services.

The three categories of crisis services for which SCS rates can be set are:

1. Mobile crisis services as outlined under section 9813 of (American Rescue Plan) ARP,
2. CCBHC mobile crisis services that do not meet the criteria above but meet criteria described in section 4.C of the updated SAMHSA CCBHC Criteria (CCBHC Demo Mobile Crisis services)
3. On-site CCBHC crisis stabilization services.

# Additional Considerations

- Quality bonus payments are mandatory under the monthly PPS models (PPS-2 & PPS-4) and have been voluntarily adopted by nearly all states using the daily PPS.
- Depending upon the PPS, states will rebase the PPS after a period of time in the demonstration and at set times thereafter (i.e., at least every 3 years and after a year with anticipated costs for PPS-1 & PPS-3), in addition to annual MEI adjustments.
- **States should give special attention to providing TA to their clinics (especially new demo states and their new CCBHCs) for cost reporting in the early stages**
  - This includes reviewing their CCBHC cost reporting in detail and discussing any red flags you may need to be aware of as a state.

# An Oklahoma Story

Utilizing PPS-2 to continue to grow and sustain a statewide crisis continuum of care

# Oklahoma's Story



**OKLAHOMA**  
Mental Health &  
Substance Abuse

- The structure of Oklahoma
- The crisis system prior to CCBHC
- The CCBHC journey
- Utilizing PPS-2 to support the expansion of the crisis continuum
- The financial advantages of PPS-2
- Lessons learned



# A Nevada Story

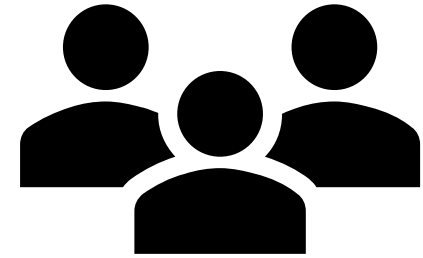
Utilizing PPS-1 to continue to grow and sustain a statewide crisis continuum of care



# Nevada's Story

- The structure of Nevada
- The crisis system prior to CCBHC
- The CCBHC journey
- Utilizing PPS-1 to support the expansion of the crisis continuum
- The financial challenges of PPS-1
- Lessons learned

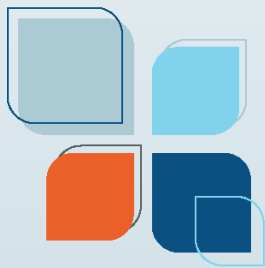
# Breakouts – Visioning in Practice



- Faculty-led facilitated discussion
- Topic: Financing the Crisis System
- Questions to consider:
  - **Which came first?** Does your state already have a statewide crisis system that CCBHC will layer onto? Will CCBHCs support crisis infrastructure in some places but not all? Or will you be building crisis infrastructure essentially from the ground up?
  - **What's the role of PPS?** What opportunities do you see for crisis system financing through CCBHC? Do you intend to preserve existing crisis system financing exactly as-is, or leverage PPS to infuse new resources into the system?
  - **What's the role of DCOs?** Have you identified a role for crisis DCOs or will CCBHCs meet all crisis requirements directly?
- Reconvene and share out

# How did we do?

*Please answer a few questions to let us know how we did and what we can do to support you in future sessions.*



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*CCBHC State Technical Assistance Center*

# Thank you!

Next Session: Wednesday, August 14, 2024

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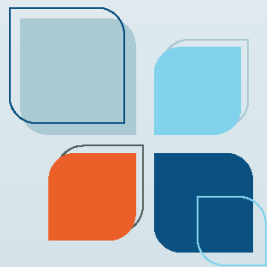
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