

Guidance on Addition of CCBHCs to Section 223 State Demonstration Programs (Updated 07/10/2024)

States¹ participating in the Section 223 Protecting Access to Medicare Act of 2014, Certified Community Behavioral Health Clinic (CCBHC) Demonstration Program are permitted as of February 21, 2023 to add new CCBHCs to their demonstration programs.

In the previous version of this guidance, in 2024 and moving forward states participating in the CCBHC Demonstration Program were only permitted to add new CCBHCs to their demonstration programs in alignment with the start of their demonstration year (DY). Effective July 15, 2024, demonstration states are permitted to add new CCBHCs to their demonstration programs, subject to the following guidance.

In order to be included in the Demonstration, new clinics must meet the certification criteria and prospective payment system (PPS) guidance in effect and be certified as a CCBHC by the state at the time they join the Demonstration.

Effective July 15, 2024, in calendar year (CY) 2024 and going forward, states are allowed to add CCBHCs to the Demonstration at the beginning of any fiscal quarter during a state's Demonstration Year (DY). States adding CCBHCs beginning in 2024 should submit the following materials to CCBHC@samhsa.hhs.gov for approval by the Substance Abuse and Mental Health Services Administration (SAMHSA) and the Centers for Medicare & Medicaid Services (CMS).

Approval decisions will be made within 30 calendar days after receipt of a **complete** submission that includes all of the elements listed below, therefore we encourage states to submit materials as early as possible to ensure that their submissions are complete and able to be approved prior to the start of the quarter in which the clinic is requested to be added.

The following materials must be included as part of the state's submission in order for it to be considered complete.

- a. The list of new CCBHCs to be added, including the date when the state intends to add the clinic(s) to the CCBHC Demonstration (Please include the address of the main location, NPI, Medicaid ID, and UEI number for each CCBHC).
- b. A timeline for conducting a needs assessment for each new CCBHC, as required in the CCBHC Certification Criteria.
- c. A timeline for certifying the clinics as CCBHCs that the state is planning to add to the Demonstration. Note: States must verify that CCBHCs being added to their

¹Including the District of Columbia, which is eligible to participate in the Demonstration.

Demonstration programs are certified by the state prior to joining the demonstration program.

- d. A timeline for collecting and reporting state-level and clinic-level Quality Measures in the first and subsequent DYs for new CCBHCs added in or after CY 2024.
- e. A description of the certification process for new CCBHCs participating in the state demonstration program, using the CCBHC Certification Criteria that are in effect when the state intends to add the new CCBHCs to the Demonstration (note: New clinics added to the demonstration should meet the updated CCBHC Certification Criteria released in 2023). As part of this response the state should ensure their submission includes:
 - The CCBHC Criteria Checklist (available at <https://www.samhsa.gov/sites/default/files/cbhc-compliance-checklist-july-2023.pdf> with ratings of new CCBHCs in the state as “ready to implement,” “mostly ready to implement,” “ready to implement with remediation,” and “unready to implement.”
 - A description of the selection processes and review procedures that the state is using to certify clinics including attention to quality of care, access, and availability of services.
 - A description of how the state facilitated cultural, procedural, and organizational changes to CCBHCs that will result in the delivery of high quality, comprehensive, person-centered, and evidence-based services that are accessible to the target population.
 - A description of how the CCBHC needs assessment process addresses the following: (a) input from individuals with lived experience of mental health and substance use challenges, and other stakeholders; (b) behavioral health needs and resources in the service area; and (c) transportation, income, culture, and any significant barriers not addressed under a, b, and c of this prompt.
 - A description of the guidance to CCBHCs regarding the CCBHC’s organization governance that ensures meaningful input by clients, people with lived experience of mental health and substance use conditions, and family members.
- f. A description of how the state is preparing new CCBHCs to use data to inform and support continuous quality improvement processes, including fidelity to evidence-based practices; delivery of person-centered, recovery-oriented care; and tracking and addressing health disparities during the Demonstration.

A description of how the state is assisting new CCBHCs with collection and reporting of the CCBHC Behavioral Health Clinic Quality Measures to comply with the existing state reporting schedules for these measures. New CCBHCs are expected to participate in collection and reporting of the clinic-level measures during the first DY,

or the portion of the DY in which they participate in the demonstration. CCBHCs are expected to report quality measures to the state for the DY in which they join the demonstration program.

- g. A description of how the state is assisting new CCBHCs to ensure they are using either CCBHC- or state-specific billing codes to identify CCBHC service level details on claims.
- h. A description of how the state is assisting new CCBHCs with the cost reporting process and how the rates will be set.
- i. Estimates of the clinic-specific rates for each new CCBHC to be added under the state's existing demonstration program and the timeframe in which these new CCBHCs' initial PPS rates will be in effect.
- j. States should submit final rates for the new clinic(s) one month prior to the date on which the state intends to add them.

Please Note:

- CCBHCs may provide services in multiple locations and in community-based settings; however, there is a restriction on satellite facilities in statute. If a facility meets the definition of a satellite facility on SAMHSA's website (<https://www.samhsa.gov/sites/default/files/section-223-satellite-facility.pdf>) and it was established after April 1, 2014, it cannot receive payment as a part of the Demonstration.
- New CCBHCs are expected to participate in all aspects of the existing state demonstration program, including but not limited to quality measurement and reporting, cost reporting, evaluation activities, and state CCBHC demonstration program requirements such as use of state-specified evidence-based practices.
- The state is the only entity that can certify CCBHCs; the SAMHSA attestation process for the CCBHC expansion grants is not sufficient to constitute state certification.
- The state must use the existing approved state demonstration PPS methodology for any added CCBHCs. Reimbursement under the CCBHC Demonstration for new CCBHCs will not be retroactive and will only start on the approved effective date for new clinics being added to the CCBHC Demonstration.
- The state must use the CMS CCBHC cost report (<https://www.medicaid.gov/medicaid/financial-management/section-223-demonstration-program-improve-community-mental-health-services/index.html>) to set initial rates for new CCBHCs, unless the state has a state-specific CCBHC cost report that has been previously approved by CMS to use in the Demonstration.

- The state is expected to follow the CMS PPS guidance and any subsequent updates to the policy for rebasing PPS rates.
- When adding clinics, the state should aim to align the addition of new clinics with the start of a state's Demonstration year (DY). Given that certain clinics may not be ready at the start of the state's DY, states may add clinics to the Demonstration on a quarterly basis to align with quarterly claiming.
 - For newly added clinics in alignment with the start of a state's DY, PPS rates must be updated in accordance with the PPS Guidance for annual updates.
 - For newly added clinics not starting at the beginning of a DY, the new clinic initial cost report (including anticipated costs) should cover the partial DY and trend the rate forward with the MEI for the next full DY. The required cost reports submitted to the state within six months after the end of DY1 and to CMS within nine months after the end of DY1, will only include a partial year's worth of data. Both full and partial year cost reports from newly added CCBHCs should be submitted along with cost reports for existing CCBHCs by email to CMS (CCBHC-Demonstration@cms.hhs.gov) and ASPE (CCBHCEvaluation@hhs.gov).
- States are required to follow [SAMHSA's Quality Measure Transition guidance](#) released July 9, 2023. States must calculate and pay QBPs for clinics added in the 2024 transition period following the guidance outlined in the [SAMHSA QBP Transition guidance](#) released September 28, 2023.
- Questions can be submitted to: CCBHC@samhsa.hhs.gov