STATE OF IOWA DEPARTMENT OF
Health AND Human
SERVICES

Iowa Certified Community Behavioral Health Clinic (CCBHC) Demonstration Program

FREQUENTLY ASKED QUESTIONS -UPDATED: JULY 26, 2023

1. **What is a PPS?**

   PPS (Prospective Payment System) is a Medicaid per-encounter rate that is set based on a cost report that documents a CCBHC's allowable costs and qualifying patient encounters (either on a monthly or daily basis) over a year.

   CCBHCs complete a cost report including both current costs and anticipated future costs associated with complying with the CCBHC certification criteria.

   The costs are divided by the number of qualifying encounters to arrive at a clinic-specific rate, which is paid to the CCBHC each time an encounter occurs, regardless of the number or intensity of services provided.

2. **What are the PPS Options?**

   PPS 1 is a daily "threshold" encounter rate that pays CCBHCs a daily rate that is a fixed amount for all CCBHC services provided on any given day to a Medicaid beneficiary. The numerator is the annual cost of operations; the denominator is the total number of daily encounters. PPS 1 has an optional quality bonus payment.

   PPS 2 is a monthly rate paid in any month with an encounter. Costs are reported by defined population groups (i.e. people with SMI, children), and each CCBHC has a different rate for each population. Quality bonus payments are required. A CCBHC receives the monthly rate whenever at least one CCBHC service is delivered during the month to a Medicaid beneficiary by the CCBHC.

   PPS 3 is a **newly proposed** daily clinic rate (like PPS 1), but with a special crisis services rate. PPS 3 also offers the option for a quality bonus payment.

   PPS 4 is a **newly proposed** monthly clinic rate (like PPS 2), but with an additional set of rates for crisis services. PPS 4 also requires a quality bonus payment.

3. **What are the advantages to adopting the PPS 3 rate?**

   Because crisis services will be calculated separately in the PPS 3 model, PPS 3 would be an opportunity to emphasize crisis services, and fund them sustainable, particularly in rural regions.

4. **How do PPS payments flow through to the DCOs?**

   CCBHCs incorporate any DCO services into their cost report, so that DCO costs are captured in the PPS rate. The CCBHCs receive the PPS payment when a DCO provides a CCBHC service. CCBHCs and DCOs negotiate payment arrangements/contracts unique to their relationships.

5. **How will PPS rates apply for non-Medicaid members?**

   PPS rates do not apply for non-Medicaid members.

6. **Are all costs included in the cost report for all encounters across payers?**

   CCBHCs will adhere to the guidance in Certified Community Behavioral Health Clinic Cost Report Instructions published by CMS on December 14, 2015. Additional state guidance may be forthcoming.

7. **Is the PPS rate inclusive of the costs of serving the uninsured?**

   CCBHCs will adhere to the guidance in Certified Community Behavioral Health Clinic Cost Report Instructions published by CMS on December 14, 2015. Additional state guidance may be forthcoming.

8. **Can the quality assurance function for CCBHCs be included in the costs to determine PPS rate?**

   CCBHCs will adhere to the guidance in Certified Community Behavioral Health Clinic Cost Report Instructions published by CMS on December 14, 2015. Additional state guidance may be forthcoming.

9. **Can CCBHCs have other sources of funding besides the PPS rate?**

   Yes. CCBHCs are expected to have a range of funding sources.

10. **Does each DCO contract need approval by state?**

    The DCO contract does not have to be approved, but the rate will be reviewed by HHS through the cost reporting process.

11. **If CCBHCs make DCO arrangements to provide some of the required services, the CCBHC must be able to provide at least 51% of the services; DCOs can provide at most, 49% of the services. How is this calculated?**

    The requirement is for the CCBHC to provide 51% (or more) of all of the encounters across the CCBHC-required services, exclusive of crisis.

12. **How will network adequacy be monitored for each CCBHC?**

    HHS will have a procurement process for each CCBHC catchment area. In collaboration with stakeholders, HHS will develop network adequacy standards for CCBHC certification.

13. **How is the State going to ensure that CCBHC providers work with the established agencies in the area? Is the State going to search out each program by licensure to ensure that each agency is included in the DCO agreements? Will there be a penalty for those who do not comply?**

    CCBHCs will have to show compliance with defined network adequacy standards; there is no obligation for CCBHCs to make DCO arrangements with every provider in their catchment area.

14. **For consumers who see providers outside the CCBHC system and its DCO(s) – can they continue those non-CCBHC services?**

    Consumers have the choice to continue seeing their providers.

15. **How will CCBHC demonstration implementation change the funding structure for existing crisis services in the regions?**

    Some crisis services are outside the CCBHC service array, i.e., crisis respite, crisis residential -- these will continue to be funded as they are currently. In collaboration with stakeholders, HHS is currently defining the requirements for mobile crisis services and will provide details at a later date.

16. **If the service exists in the catchment area does the CCBHC need a DCO to facilitate the "partnership with existing services" or would a standard MOU suffice?**

    A DCO is an entity that is not under the direct supervision of the CCBHC but is engaged in a formal relationship with the CCBHC to deliver one or more (or elements of) of the required services. CCBHC services provided through a DCO must conform to the relevant applicable CCBHC criteria. The formal relationship is evidenced by a contract, Memorandum of Agreement (MOA), Memorandum of Understanding (MOU), or such other formal, legal arrangements describing the parties' mutual expectations and establishing accountability for services to be provided and funding to be sought and utilized. The formal relationship between CCBHCs and DCOs creates the platform for seamlessly integrated services delivered across providers under the umbrella of a CCBHC. DCO agreements shall include provisions that assure that the required CCBHC services that DCOs provide under the CCBHC umbrella are delivered in a manner that meets the standards set in the CCBHC certification criteria. To this end, DCOs are more than care coordination or referral partners, and there is an expectation that relationships with DCOs will include more regular, intensive collaboration across organizations than would take place with other types of care coordination partners.

    Demonstration CCBHCs must have referral/care coordination arrangements in place (in addition to DCO arrangements, if applicable) with all required provider types to facilitate connection to appropriate treatment and services. Refer to the SAMHSA CCBHC Criteria under Criteria 3C. Care Coordination Partnerships for the full list of required provider types.

17. If I want to expand my services to provide access in a CCBHC catchment area, can I open a new clinic/satellite facility and still receive PPS for it?

SAMHSA defines a satellite clinic of a CCBHC as a facility that was established by the CCBHC, operated under the governance and financial control of that CCBHC, and provides the following services: crisis services; screening, diagnosis, and risk assessment; person and family centered treatment planning; and outpatient mental health and substance use services as specified in CCBHC certification criteria Program Requirement 4. For CCBHCs participating in the Section 223 Demonstration, the Protecting Access to Medicare Act of 2014 stipulates that "no payment shall be made to a satellite facility of a CCBHC established after April 1, 2014, under this Demonstration." This definition does not limit the provision of services in non-clinic settings such as shelters and schools or at other locations managed by the CCBHC that do not meet the definition of a satellite facility.