

Neutral Testimony on HB 2578
Senate Public Health & Welfare Committee
Monday, March 18, 2024

Madam Chair and Members of the Committee,

Thank you for the opportunity to provide testimony on HB 2578. The bill makes several changes, including:

- Allow only community mental health centers that are licensed by the department that provide specific, required services to be eligible for certification of community behavioral health centers (CCBHCs). Current law does not bar other providers from being considered for certification from the department. A House floor amendment added a sunset to this provision in 2027.
- Adds language that requires the secretary for the department for aging and disability services “shall” adopt rules and regulations as necessary to implement and administer the program. KDADS is currently developing and drafting rules and regulations.
- Adds language that may allow the KDADS to renew certification of CCBHCs based upon previous certification and/or accreditations. KDADS certify the CCBHCs that apply as appropriate. Currently KDADS has a process for application, review, and certification and does not currently recognize any accreditations for option of certification renewal.

Regarding certification, KDADS and KDHE are required by statute to apply to the federal Centers for Medicare and Medicaid Services (CMS) to create a process by which the state certifies Certified Community Behavioral Health Centers (CCBHCs) and to certify all 26 Community Mental Health Centers (CMHCs) as CCBHCs by July 1, 2024. To date, KDADS and KDHE have been successful in implementing a certification process that has certified 24 CMHCs as CCBHCs. There are 2 remaining CCBHCs that are expected to receive at least a provisional certification by July 1, 2024.

Since the legislation was passed in Kansas, the federal government agencies CMS and SAMHSA have updated the CCBHC criteria for certification and that set of criteria will go into effect on July 1, 2024. Under the new set of criteria, regardless of how a CCBHC is funded they must meet the criteria to gain CCBHC Certification and benefit from the Medicaid Prospective Payment System.

A Prospective Payment System (PPS) is a method of reimbursement in which Medicaid payment is made based on a predetermined, fixed amount. The payment amount for a particular service is derived based on the classification system of that service (for example, diagnosis-related groups for inpatient hospital services). CMS uses separate PPS structures for reimbursement to acute inpatient hospitals, home health agencies, hospice, hospital outpatient, inpatient psychiatric facilities, inpatient rehabilitation facilities, long-term care hospitals, and skilled nursing facilities. This PPS rate for CCBHCs is cost-based and pays CCBHCs an average rate for each qualified patient encounter they provide.

In exchange for the PPS rate, CCBHCs must meet standards for the range of services they provide and they are required to get people into care quickly. An important feature of the CCBHC model is that it requires crisis services that are available 24 hours a day, 7 days a week. CCBHCs are required to provide a comprehensive array of behavioral health services so that people who need care don't have to piece together the behavioral health support they need across multiple providers. In addition, CCBHCs must provide care coordination to help people navigate behavioral health care, physical health care, social services, and the other systems they are involved in.

CCBHCs can be supported through the Section 223 CCBHC Medicaid Demonstration, through SAMHSA administered CCBHC Expansion (CCBHC-E) Grants, or through independent state programs separate from the Section 223 CCBHC Medicaid Demonstration. In Kansas, our current authority to certify CCBHCs falls in this third category. KDADS and KDHE are currently working to prepare an application to participate in the Section 223 CCBHC Medicaid Demonstration.

Under current State and Federal criteria for CCBHC certification, there are several types of organizations that are eligible to apply for CCBHC certification. Section 223 of the Protecting Access to Medicare Act (PAMA) (PL 113-93) requires that a CCBHC be one of the following entities:

1. A nonprofit organization.
2. Part of a local government behavioral health authority.
3. An entity operated under authority of the IHS, an Indian tribe, or tribal organization pursuant to a contract, grant, cooperative agreement, or compact with the IHS pursuant to the Indian Self-Determination Act.
4. An entity that is an urban Indian organization pursuant to a grant or contract with the IHS under Title V of the Indian Health Care Improvement Act (PL 94-437).

The entity being certified as a CCBHC must also hold all the necessary licenses to provide the required nine services or have a Designated Collaborating Organization (DCO) that holds those licenses and provides those services to the CCBHC's patients on their behalf. CCBHCs may not provide more than 51%, or 4 of the 9 required services, through DCOs. Currently Kansas has placed no additional limits on what entities can become certified as a CCBHC, beyond these federal requirements.

The CCBHC criteria does not allow states to use independent accreditation to replace the state's CCBHC certification of Medicaid providers status. New CCBHC Criteria 6. C. 3. reads "States are encouraged to require accreditation of the CCBHCs by an appropriate independent accrediting body (e.g., the Joint Commission, the Commission on Accreditation of Rehabilitation Facilities [CARF], the Council on Accreditation [COA], the Accreditation Association for Ambulatory Health Care [AAAHC]). Accreditation does not mean "deemed" status.

Currently KDADS has only received and reviewed applications from CMHCs for CCBHC certification. Those CMHCs fall into the first and second eligible entity definitions.

Thank you for the opportunity to provide background information on the changes included in HB 2578.

Sincerely,

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