

## Guidance on Addition of CCBHCs to Section 223 State Demonstration Programs

States<sup>1</sup> 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, 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.

In calendar year (CY) 2023, states will be able to allow CCBHCs to begin participating in the Demonstration at any time during the year. States adding CCBHCs in 2023 should submit the following materials to [CCBHC@samhsa.hhs.gov](mailto: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.

For states that are planning to add CCBHCs to their demonstration programs in CY 2024 or after, states must align their participation in the Demonstration with the annual start of their demonstration year (DY).<sup>2</sup> Therefore, states shall submit the following materials at least 30 calendar days prior to the beginning of the DY in which the state would like the CCBHCs to join the Demonstration. As approval decisions will be made within 30 calendar days after receipt of a **complete** submission, 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 their DY.

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

---

<sup>1</sup>Including the District of Columbia, which is eligible to participate in the Demonstration.

<sup>2</sup> For example: Oklahoma (OK) DY year starts April 1. In CY 2023, OK would be able to add new CCBHCs, pending approval, anytime during CY 2023 subject to the timeframes detailed in this document. In CY 2024 and in future years, OK would only be able to add new CCBHCs starting on April 1.

- d. 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: states may certify new CCBHCs being added to state demonstration programs using the updated certification criteria being released in 2023 ahead of the other CCBHCs in their demonstration program that are still operating under the existing Certification Criteria). 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/state-compliance-ccbhbc-criteria-checklist.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 other barriers.
  - 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.
- e. 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.
- f. 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. While new CCBHCs are expected to participate in collection and reporting of these measures during the first full DY, they will not be expected to report on quality measures before their first full DY if they join the demonstration program in calendar year 2023 out of alignment with the state’s DY cycle.

- 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 CCBHC's 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>), it cannot receive payment as a part of the Demonstration if it was established after April 1, 2014.
- New CCBHCs are expected to participate in all aspects of the existing state demonstration program, including but not limited to quality measurement and 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.medicare.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 related to updating and rebasing PPS rates. States are expected to update the PPS rates for CCBHCs after their first full DY using actual costs. These updated rates should be effective for the following DY. Payments will only be made in alignment with Demonstration PPS guidance.