

Subject: PPS-1 Daily Rate

Requirements

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1. **Programs Affected:** All CCBHC Demonstration participants.
2. **Background and Purpose:** Community Mental Health Centers (CMHC) designated by the Alabama Department of Mental Health (ADMH) as Certified Community Behavioral Health Clinics (CCBHCs) will bill a bundled daily Prospective Payment System (PPS). ***This bulletin describes this PPS structure.***
3. **SAMHSA CCBHC Criteria Authority**
 - 3.1. SAMHSA CCBHC certification criteria states ‘For CCBHCs participating in the Section 223 Demonstration only, 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.
4. **PPS-1 Rate Structure and Cost Reports**
 - 4.1. “Under this Demonstration, participating states must select from among four PPS rate methodologies to reimburse CCBHC providers the expected cost of delivering CCBHC services. The PPS methodology will be required Demonstration-wide for participating CCBHCs to set cost-based, clinic-specific rates. The PPS methodology the state selects when applying for the Demonstration must be the methodology used for the entire Demonstration year (DY) and may not be changed without approval from CMS. States are not permitted to make any additional payments to CCBHCs for services included within the scope of this Demonstration outside of the Certified Clinic (CC) PPS payment, outlier payments, or Quality Bonus Payments (QBPs) as applicable to the PPS methodology”.
 - 4.2. ADMH has selected the PPS-1 rate structure for its CCBHC Demonstration Program, through which all CCBHCs certified by ADMH under the Demonstration Program will be paid.
 - 4.2.1. PPS-1 is a daily clinic-specific PPS rate composed of all CCBHC Services, CCBHC costs, and visits for CCBHC services covered under a state’s CCBHC

scope of services.

- 4.2.2. For this purpose, ADMH have elected to utilize the federal CCBHC Cost Report template developed and promulgated by CMS. For detailed instructions about how to complete the Cost Report, see:

<https://www.medicaid.gov/medicaid/financial-management/downloads/ccbhc-cost-rpt-instr.pdf>

- 4.3. Upon the completion of the detailed Cost Report review and application of any adjustments to the Cost Report, the final cost and visit information is used to compute the provider's PPS rate. Costs are also inflated from the Cost Report period to DY1 by applying the Medicare Economic Index (MEI) on a midpoint-to-midpoint basis.

5. Re-Basing PPS Rates

5.1. ADMH will re-base each CCBHC's clinic-specific PPS rate in alignment with CMS CCBHC PPS requirements. With AL Medicaid, we will trend each CCBHC's PPS rate forward by the MEI after DY1. After DY2 CCBHCs must have their PPS rates rebased with actual cost and visits. After that, PPS rates must be rebased no less frequently than every three (3) years.

5.1.1. Regardless of whether the rates are going to be re-based, CCBHCs are required to submit an annual Cost Report to the ADMH no later than six (6) months after the end of each demonstration year. For DY1, cost reports are due by 12/31/2025.

6. Quality Bonus Payments

6.1. Alabama does not plan to incorporate Quality Bonus Payments as part of the payment system at this time. Should this decision change in future Demonstration Years, ADMH will provide updated guidance to CCBHCs via a revised Bulletin and/or other communications.

Disclaimer: The information contained in this implementation bulletin is for general information purposes only. For more details on the specific subject area covered in this bulletin, please refer to the Certified Community Behavioral Health Clinic (CCBHC) Certification Updated March 2023.