

Pursuing a statewide certified community behavioral health clinic Initiative in Washington

Continued development and implementation planning of CCBHC

Engrossed Substitute Senate Bill 5950; Section 215(71); Chapter 376; Laws of 2024

December 31, 2024

Legislative summary

The Health Care Authority (HCA) is submitting this report as directed by ESSB 5950; Section 215(71); Chapter 376; Laws of 2024:

\$400,000 of the general fund—state appropriation for fiscal year 2024 and \$600,000 of the general fund—state appropriation for fiscal year 2025 are provided solely for the authority to continue development and implementation of the certified community behavioral health clinic model for comprehensive behavioral health services. Funding must be used to secure actuarial expertise, conduct research into national data and other state models, including obtaining resources and expertise from the national council for mental well-being certified community behavioral health clinic success center; and engage stakeholders, including representatives of licensed community behavioral health agencies and Medicaid managed care organizations, in the process. The authority must provide a report to the office of financial management and the appropriate committees of the legislature with findings, recommendations, and cost estimates by December 31, 2024. The study must build on the preliminary report submitted to the legislature in December 2022 and include:

- (a) Overviews of options and considerations for implementing the certified community behavioral health clinic model within Washington state, including participation as a certified community behavioral health clinic demonstration state or for independent statewide implementation;
- (b) An analysis of the impact of expanding the certified community behavioral health clinic model on the state's behavioral health systems;
- (c) Relevant federal regulations and options to implement the certified community behavioral health clinic model under those regulations;
- (d) Options for implementing a prospective payment system methodology;
- (e) An analysis of the benefits and potential challenges for integrating the certified community behavioral health clinic reimbursement model within an integrated care environment;
- (f) Actuarial analysis on the costs for implementing the certified community behavioral health clinic model, including opportunities for leveraging federal funding; and

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(g) Recommendations to the legislature on a pathway for statewide implementation including a plan for implementation no later than fiscal year 2027 that must include the following:

(i) Implementation of the certified community behavioral health clinic model with clinics that adhere to the program standards under the federal substance abuse and mental health services administration demonstration program established under section 223 of the federal protecting access to Medicare act of 2014 (42 U.S.C. Sec. 1396a 37 note), as amended by the bipartisan safer communities act (P.L. 38 117-159);

(ii) Incorporation in the planned funding model of at least one of the prospective payment system methodologies approved by the Centers for Medicare and Medicaid Services;

(iii) The plan may allow for the certified community behavioral health clinic funding model to be implemented either by applying for and joining the federal demonstration program referenced in (g)(i) of this subsection, applying to the Centers for Medicare and Medicaid Services for a Medicaid state plan waiver or amendment, or both;

(iv) Continued consultation with the national council for mental wellbeing's certified community behavioral health clinic success center for technical assistance and meaningful opportunities for community behavioral health agencies to participate and offer feedback throughout the implementation process; and

(v) Inclusion of services to children, youth, and families through the certified community behavioral health clinic funding model through providers that serve individuals of all ages as well as specialty providers that serve children, youth, and families.

Background

HCA contracted and collaborated with Milliman to develop the [full report](#). Milliman was chosen based on their work developing [the initial report](#) and their existing contract with HCA for other actuarial exercises.

The report discusses the legislative requirements for certified community behavioral health clinics (CCBHCs), the national context, local behavioral health context, Washington state vision, regulatory options, and interested party engagement. It covers the CCBHCs care model, services, collaborating organizations, care coordination, staffing, payment models, crisis services, quality bonus payments, impact analysis, and an auditorial overview. The report also covers methodology, status quo reimbursement, clinical, non-clinical, enhanced service, quality bonus and administrative payments, federal and state responsibilities, data, behavioral health system impacts, conclusions and recommendations, state policy, managed care considerations, and operational impacts.

On December 31, 2024, Washington State was selected by the Substance Abuse and Mental Health Services Administration (SAMHSA) to receive a state planning grant. From here, HCA will select a

contractor to support the collection of cost reports and establishment of a CCBHC rate, with the goal of starting demonstration implementation in July 2026.

Key findings

The Centers for Medicare and Medicaid Services (CMS) has been allowing two regulatory pathways for implementing a statewide CCBHC initiative. The federal demonstration provides four years of enhanced federal funding, matching CCBHC expenses at the state Children's Health Insurance Program (CHIP) rate. Alternatively, states can obtain authority from CMS to establish CCBHCs as a provider type and reimburse for CCBHC services through a state plan amendment (SPA) or 1115 waiver. The successful implementation of this initiative will depend on continued legislative and budgetary support.

The federal CCBHC demonstration requires states to adopt a Prospective Payment System (PPS) rate methodology to reimburse for CCBHC services. **Washington is expected to adopt a Prospective Payment System (PPS)-1 methodology for its CCBHC initiative**, calculated by dividing total annual allowable clinic-specific CCBHC costs by the number of daily visits per year. The state fiscal year 2027 CCBHC program costs will be contingent upon the number of CCBHCs participating in the program. The state's share of Medicaid additional costs for an average CCBHC is **\$0.6M to \$2.1M per clinic if selected for the Demonstration**, and **\$2.7M to \$4.7M per clinic** if pursuing a CCBHC program through an alternative pathway.

Key recommendations

State legislative action

- The Washington state legislature has supported the development and implementation of a statewide CCBHC initiative.
- HCA will require ongoing support from the legislature as the agency prepares for the CCBHC planning grant and demonstration, including regulatory authority to expand services if a demonstration is awarded.

Next steps

State agency action

- HCA plans to participate in the federal CCBHC demonstration program.
- Washington state received a CCBHC planning grant from SAMHSA on December 31, 2024.
- HCA plans to leverage the planning grant for ongoing planning and implementation activities.

CCBHC implementation plan

- Task 1: Demonstration Planning Grant: HCA submitted a planning grant application in September 2024.
- Task 2: State Policy Making: HCA will submit a report to the legislature to fulfill obligations under Proviso 71 of ESSB 5950, Section 215.
- Task 3: CCBHC Certification: HCA will finalize the Washington CCBHC certification standards in early 2025.

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- Task 4: CCBHC Rate Setting: HCA will develop and publish PPS guidance and PPS cost reporting instructions to prospective CCBHCs in the spring of 2025.
- Task 5: Engagement with Subject Matter Experts: HCA will develop an interested party engagement plan in early 2025.

Managed care considerations

- The CCBHC program aligns with HCA's vision for integrated managed care.
- HCA intends to implement a CCBHC initiative within the context of an integrated managed care delivery system.
- HCA expects to develop a claiming structure that accounts for service encounter claiming, triggers the appropriate PPS payment, fulfills federal encounter data tracking requirements, and minimizes administrative complexity for CCBHC providers.
- Payments for each rendered CCBHC service will be included in the managed care capitation rates.

State operational impacts of CCBHC initiative

- HCA staff will manage administrative processes across department areas to implement and sustain the CCBHC initiative.
- Activities include managing the CCBHC certification process, administering and analyzing cost reports, monitoring encounter and quality reporting, and complying with federal financial and programmatic reporting requirements.
- A robust interested party engagement process will be maintained to allow providers, payers, members, and others to provide input into programmatic decisions and identify pain points.
- The planning grant opportunity will support many of these staff functions in the short term.
- HCA will need to monitor internal capacity and ensure adequate staffing across the agency to implement the CCBHC initiative with rigor and fidelity.
- Updates to ProviderOne, Washington's Medicaid Management Information System (MMIS), will be required to operationalize the claiming process.
- Systems requirements to operationalize CCBHC payment and reporting will be further explored in the planning grant process.

Milliman report

Read the full report [Pursuing a Statewide Certified Community Behavioral Health Clinic Initiative in Washington: Continued Development and Implementation Planning](#).