CCBHC Prospective Payment System (PPS)

CCBHC requires the use of a prospective payment system (PPS) to pay the clinics for provision of CCBHC services and requires the Centers for Medicare & Medicaid Services (CMS) to issue guidance to states. The CCBHC PPS applies to services delivered either directly by a CCBHC or through a formal relationship between a CCBHC (including related sites eligible to participate) and Designated Collaborating Organizations (DCOs) as that term is defined in the criteria.

The PPS methodology selected in Minnesota is the Certified Clinic Prospective Payment System (CC PPS-1). This means that CCBHCs receive a fixed daily, clinic-specific rate when at least one of the nine required demonstration services has been provided to a Medical Assistance beneficiary. The rate is intended to reimburse providers their expected cost of care.

CCBHCs receive a supplemental payment based on a cost-based PPS rate for each clinic. The rate is based on a cost report, using federal cost reporting rules. The cost report includes costs which are necessary to comply with CCBHC criteria. The report also includes historical and projected numbers of qualifying encounters or visits. DHS and a contracted accounting firm audit and certify all CCBHC cost reports and determine PPS rates for each CCBHC. Total approved costs for a year divided by total anticipated encounters arrive at a PPS rate per encounter. The rate represents an average cost per encounter for all clients receiving CCBHC services from a particular CCBHC. The rate includes the cost of providing services listed in the Scope of Services table (link).

A qualifying encounter is the first billable unit for a CCBHC service on a given service date, for dates of service on or after the clinic’s certification date. Billable unit is defined by billing policies that apply to each procedure code. Since MH-TCM is currently paid in monthly units, only one service date per month counts as a qualifying CCBHC encounter. Likewise, other services (such as extended diagnostic assessments) that may involve more than one day of actual service, but only one billing unit, are counted as one encounter for purposes of the wrap payment. Staff travel (H0046) is included only if it is required to provide a CCBHC service.

For additional guidance, please consult the MN PPS FAQ.