

Medicaid and CHIP State Plan, Waiver, and Program Submissions
Certified Community Behavioral Health Clinic (CCBHC)
2024 State Proposal Demonstration Application
CMS-10398 #45, OMB 0938-1148

This January 2024 iteration is a revision of an active collection of information request.

A. Background

Based on recent extension and expansion of the CCBHC Demonstration under section 11001 of Bipartisan Safer Communities Act¹ (BSCA) of 2022, the State Proposal Demonstration Application is required to be completed by existing CCBHC grantee states and submitted to the Centers for Medicare & Medicaid Services (CMS) and the Substance Abuse and Mental Health Services Administration (SAMHSA) to determine state readiness and eligibility to be selected as one of the 10 new states added to the CCBHC demonstration in 2024 and every two years thereafter per the BSCA legislation. The information below provides detailed background on the program since its inception and how the success of the demonstration has led to recent program expansion under the BSCA.

On April 1, 2014, the Protecting Access to Medicare Act² of 2014 (Public Law 113-93) was enacted. The law included “Demonstration Programs to Improve Community Mental Health Services” at Section 223 of the Act. The program requires:

- (1) the establishment and publication of criteria for clinics to be certified by a state as a certified community behavioral health clinic (CCBHC) to participate in a demonstration program;
- (2) the issuance of guidance on the development of a Prospective Payment System (PPS) for testing during the demonstration program; and
- (3) the awarding of planning grants for the purpose of developing proposals to participate in a time-limited demonstration program.

The overall goal was to test demonstration programs in up to eight states that would establish CCBHCs according to specified criteria that would make them eligible for enhanced Medicaid payment through the PPS.

CCBHCs serve adults with serious mental illness, children with serious emotional disturbance, those with long term and serious substance use disorders, as well as others with comorbid mental illness and substance use disorders. By meeting the certification criteria, CCBHCs across the country provide comprehensive, coordinated, trauma-informed, and recovery-oriented care for mental health and substance use conditions.

On October 19, 2015, SAMHSA awarded 24 Planning grants to states to provide funding through a one-year (October 2015 – October 2016) planning phase of the demonstration. Federal grant funding was used by states to certify community behavioral health clinics, establish a PPS

¹ [Bipartisan Safer Communities Act](#)

² [Protecting Access to Medicare Act](#)

for Medicaid reimbursable behavioral health services, and prepare an application approved through the OMB PRA process #45 Section 223 State Proposal Application, to participate in a two-year demonstration program. At the end of the 2016 planning phase of the demonstration, states were required to apply through application to show that they met all demonstration requirements set by SAMHSA and CMS.

On December 21, 2016, based on SAMHSA, CMS, and the Assistant Secretary for Planning and Evaluation (ASPE), review of applications submitted by 19 CCBHC planning grant states, the three Federal Agencies announced the selection of the following eight states (Minnesota, Missouri, New York, New Jersey, Nevada, Oklahoma, Oregon, and Pennsylvania) to be the first participant states in the CCBHC demonstration able to receive enhanced federal match for the provision of 9 statutorily required behavioral health services over a period of two years. Demonstration programs in selected states were launched between the months of April 1, 2017 and July 1, 2017.

Since 2017, CMS continues to work collaboratively with the SAMHSA to ensure federal oversight of the CCBHC demonstration and to provide ongoing policy direction and technical assistance to states currently participating in the program. In addition, the ASPE partners with CMS and SAMSHA and conducts annual evaluations of CCBHC demonstration programs in states and also prepares annual Reports to Congress on the status of the program including cost and quality outcomes associated with states' ability to meet statutory requirements and those included in the SAMHSA CCBHC Criteria and CMS Prospective Payment System Guidance which supports ongoing maintenance of the program.

In August 2020, the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) expanded the demonstration to two new states (Kentucky and Michigan). The demonstration has been extended several times and it is currently authorized under the BSCA in the original eight states through September 2025, and effective as early as July 1, 2024, for the first cohort of 10 new BSCA states added to the program and again in 2026 for the next cohort of 10 states selected for CCBHC program participation.

In March 2023, the certification criteria were updated to reflect changes based on lessons learned from initial Demonstration activities and advances in the provision of services for mental and substance use disorders. Furthermore, pursuant to BSCA, on March 16, 2023, SAMHSA awarded 15 additional planning grants to states.

The 15 states are using the funds in the following ways:

- to certify community behavioral health clinics;
- to establish a Prospective Payment System (PPS) for Medicaid reimbursable behavioral health services; and
- to prepare an application (due March 20, 2024) to participate in the Demonstration program, slated to begin in 2024, with up to 10 additional states to be added to the Demonstration from planning grant participants.

The awarding of Planning Grants to states was the first phase of a two-phase process. Phase II will consist of participation in the demonstration.

B. Description of Information Collection

The information collection includes two components: 1) the CCBHC State Proposal Demonstration Application and 2) An application to add additional CCBHCs to existing state demonstration programs, providing updates to the information previously submitted in the state's original state application. Both component collections include many of the same questions, however the State Proposal Demonstration Application has limited use to facilitate state eligibility and Federal selection to participate in the CCBHC demonstration, while the application to add CCBHCs is ongoing and can be used by states annually once a clinic meets state certification and can later be added to the program at the start of a state's annual demonstration year.

Section 223 State Demonstration Application

At the end of the planning phase of the demonstration, states are required to submit an application to show that they can meet all demonstration requirements set by SAMHSA and CMS. States must complete the one-time application template that includes criteria for a clinic to become certified prior to being selected for the demonstration program and requirements around setting PPS rates including submission of a completed cost report to demonstrate the state's understanding of the manner in which providers are to report their clinic specific costs in the reporting template and set their clinic specific PPS rate. The template will serve as the application for consideration to participate in the demonstration. The same two-phase planning grant award and demonstration application process will take place in FY 2025 and 2026.

Application to Add Additional CCBHCs

Existing states participating in the Section 223 Protecting Access to Medicare Act of 2014, CCBHC Demonstration Program are permitted as of February 21, 2023 to add new CCBHCs to their demonstration programs, subject to the following guidance [Addition of CCBHCs to State Demonstration Programs](#). States applying to participate in the demonstration will be required to detail the process for any future addition of clinics not added during the state's first demonstration year which includes completion of the Criteria Compliance Checklist.

C. Deviations from Generic Request

n/a

D. Burden Hour Deduction

D.1 Wage Data

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2022 National Occupational Employment and Wage Estimates for all salary estimates (https://www.bls.gov/oes/2022/may/oes_nat.htm). In this regard, Table 1 presents BLS' mean

hourly wage, our estimated cost of fringe benefits and other indirect costs (calculated at 100 percent of salary), and our adjusted hourly wage.

Table 1: Occupational Employment and Wage Estimates

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefits and Other Indirect Costs (\$/hr)	Adjusted Hourly Wage
Financial Manager	11-3031	79.83	79.83	159.66
Financial Specialists, All Other	13-2099	40.18	40.18	80.36
General and Operations Manager	11-1021	59.07	59.07	118.14
Medical and Health Services Manager	11-9111	61.53	61.53	123.06

As indicated, we are adjusting our employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and other indirect costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. We believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

D.2 Collection of Information Requirements and Associated Burden Estimates

State Demonstration Application A state must be awarded a planning grant to qualify to apply to participate in the demonstration. Planning grants were awarded to 15 states. There are an additional 12 states that had previously received a planning grant in 2016 but were not selected for the Demonstration, did not receive another planning grant in 2023, and are eligible to apply to the demonstration. Therefore, up to 27 states (15 awarded states + 12 unawarded states) may utilize the demonstration application, and we anticipate two thirds (18 states = 27 states x 0.6667) will exercise this option.

To complete the application, we estimate it will take 8.5 hours at \$80.36/hr for a Financial Specialist to provide data underlying the proposal, 6.5 hours at \$159.66/hr for a Financial Manager to complete part of the PPS Methodology Description, and 61 hours at \$118.14/hr for a General and Operations Manager to oversee the collection of information and prepare most of the proposal.

Consequently, the burden for states to complete the application is estimated to average 76 hours per response (see Table 2). There is a potential of 1 response per State for 2 clinics. Most components of the proposal will be a single amount per state, with only a few components requiring more time and resources if more than two clinics are certified.

Each response will be submitted by the state from 2 clinics per state. We have a potential universe of 20 respondents. In aggregate, we estimate a burden of 1,520 hours (20 responses x 76 hours) at a cost of \$178,548.

Table 2: State Demonstration Application Burden

Occupation Title	Respondents	Responses	Time per Response (hr)	Total Time (hr)	Adjusted Hourly Wage (\$/hr)	Total Cost (\$)
Financial Specialists, All Other	20	20	8.5	170	80.36	13,661
Financial Manager	20	20	6.5	130	159.66	20,756
General and Operations Manager	20	20	61	1,220	118.14	144,131
Total	20	20	varies	1,520	varies	178,548

Additional CCBHC Application States have the option of applying to add additional CCBHC to their demonstration programs. States that apply for additional CCBHC sites after the initial Demonstration application will incur additional burden.

To complete the application, we estimate it will take 4 hours at \$80.36/hr for a Financial Specialist to provide data underlying the proposal, 3 hours at \$123.06/hr for a Medical and Health Services Manager to assist in completing the CCBHC Compliance Checklist and the Application for Additional CCBHCs, and 20 hours at \$118.14/hr for a General and Operations Manager to oversee the collection of information and prepare most of the proposal. Consequently, the burden for states to complete the application for additional CCBHCs is estimated to average 27 hours per response (see Table 3).

There is a potential of 1 response per State regardless of the amount of CCBHCs being added. We have a potential universe of 20 respondents currently with an additional 10 states entering the Demonstration in July 1, 2024, leaving the option of 20 states to apply for additional CCBHCs. Assuming that half of those states will apply for additional sites in the near future, this would estimate 10 respondents. In aggregate, we estimate 270 hours (10 responses x 27 hours) at a cost of \$30,534.

Table 3: State Additional CCBHC Application Burden

Occupation Title	Respondents	Responses	Time per Response (hr)	Total Time (hr)	Adjusted Hourly Wage (\$/hr)	Total Cost (\$)
Financial Specialists, All Other	10	10	4	40	80.36	3,214
Medical and Health Services Manager	10	10	3	30	123.06	3,692
General and Operations Manager	10	10	20	200	118.14	23,628
Total	10	10	varies	270	varies	30,534

D.3 Burden Summary

Table 4: Total Burden

Information Collection	Respondents	Total Responses	Time per Response (hr)	Total Time (hr)	Adjusted Hourly Wage (\$/hr)	Total Cost (\$)
Application	20	20	76	1,520	varies	178,548
Additional Site Application	10	10	27	270	varies	30,534
Total	30	30	varies	1,790	varies	209,082

D.4 Collection of Information Instruments and Instructions

- Application and Guidance to Participate in the Section 223 CCBHC Demonstration Program (Revised)

The Application to Add Additional Clinics uses a subset of the same questions in the full Section 223 State Demonstration Application that states must submit for consideration to be selected for participation in the demonstration.

- Guidance on Addition of CCBHCs to Section 223 State Demonstration Programs (New)

Using the Application to Add Additional Clinics, states can add clinics throughout the lifetime of the state’s program.

To apply, states must complete the application and use the Adding Clinics Guidance to identify any future clinics to be added that were not included at the point the state became a new selectee. States can add clinics at the start of each demonstration year following their admission to the CCBHC demonstration program.

- Criteria Compliance Checklist (Revised)

The checklist was revised to meet the updated criteria.

E. Timeline

We would like to make the revised Demonstration Application and the new Adding Clinics Guidance available for state use as soon as possible but no later than February 9.

Our 14-day notice published in the Federal Register on January 9, 2024 (89 FR 1095). Comments were received and are attached to this collection of information request along with our response.