



**HFS**

Illinois Department of  
Healthcare and Family Services



**MYERS AND  
STAUFFER** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

# Illinois Medicaid Certified Community Behavioral Health Clinic (CCBHC) Initiative

## *Frequently Asked Questions*

August 31, 2023<sup>1</sup>

### *Questions related to Payment*

#### **1. How does the CCBHC prospective payment system (PPS) reimbursement work?**

Medicaid reimburses CCBHCs using a provider specific prospective payment that account for the costs of service expansion and providing services to all persons who seek care. The PPS rate is intended to sufficiently cover costs and offer improved financial predictability.

The PPS is a per encounter Medicaid rate based on provider cost reports that document annual allowable costs and patient encounters on either a daily or monthly basis. It is calculated as the total costs of allowable services divided by the total visits for allowable services, paid to the CCBHC when an encounter occurs. Inflation is also applied for the applicable rate period. Providers will receive the PPS rate for eligible services billed for **Medicaid** members.

#### **2. How many PPS Options are there?**

There are 4 PPS rate options. PPS-3 and PPS-4 rates are [newly proposed CMS methodologies](#) as of May 2023 and are pending final CMS approval.

**PPS-1 Rate Methodology:** A fixed daily encounter rate for all CCBHC services provided to Medicaid beneficiaries regardless of the intensity or number of services. Quality bonus payments are [optional](#).

**PPS-2 Rate Methodology:** A fixed monthly rate tied to a defined population (i.e. SED, SMI) and paid when there is at least one encounter with a Medicaid beneficiary during the month. Quality bonus payments are [required](#).

**New Proposed PPS-3 Rate Methodology:** A fixed daily visit rate similar to PPS but includes at least one separate crisis service rate. Quality bonus payments are [optional](#).

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<sup>1</sup> Responses provided as of August 31, 2023 are based on information available based on the current demonstration guidance, and may be modified dependent upon the release of any new guidance.

**New Proposed PPS-4 Rate Methodology:** Monthly clinic rate similar to PPS-2 but includes at least one separate crisis service rate. Quality bonus payments are required.

**3. Has HFS selected the PPS methodology approach?**

HFS will use a daily PPS rate but is waiting for CMS to publish final PPS-3 guidance before making a final determination of whether to use the PPS-1 or PPS-3 approach. Stay tuned for additional information.

**4. How can a provider best prepare for Prospective Payment System (PPS) rate setting?**

Providers should maintain data on their costs and units to share with the state. Additionally, planning and consideration for costs of staff, supplies, and services that may need to be added to meet the CCBHC criteria should be considered. Information will be requested in the form of a cost report or cost survey. Providers can review existing claims information to consider how combining daily services into one reimbursement unit may impact cash flow and reporting. For further information on CCBHC cost reports go to:

<https://www.medicaid.gov/medicaid/downloads/ccbhc-cost-report-instruction.pdf>.

**5. How will CCBHC services be reimbursed by managed care organizations (MCOs)? Will organizations be required to seek reimbursement through the MCOs during the demonstration? What might it look like after the demonstration project?**

Yes, managed care organizations will be required to cover CCBHC services during the Medicaid Demonstration. HFS will reimburse the services by building the full PPS amount into the MCO capitation rate with the MCOs then reimbursing the CCBHC the full PPS amount.

In terms of what reimbursement might look like after the Medicaid Demonstration, that will depend upon the performance outcome of the project.

**6. Will PPS payments include the costs of the scope of services covered by DCOs?**

Yes, payment for DCO services is included within the scope of the CCBHC PPS and encounters will be treated as CCBHC encounters for purposes of the PPS. CCBHCs will incorporate the cost, or expected cost, of all DCO services to their cost report and negotiate payments based on their contractual arrangements.

**7. Will PPS rates be paid for non-Medicaid member services?**

No, PPS rates do not directly reimburse non-Medicaid member services. The PPS rate is calculated using total allowable CCBHC costs divided by total allowable CCBHC units, inclusive of all payors, however, the rate is only paid for Medicaid members.

**8. Will organizations be able to receive multiple reimbursement types during the demonstration?**

Yes, eligible services that are not covered under the Medicaid CCBHC demonstration PPS rate can be claimed for reimbursement.

**Additional questions can be submitted by email at**

**[ILCCBHC@mslc.com](mailto:ILCCBHC@mslc.com)**

**Please continue to monitor the FAQ for more information.**