



WHAT YOU NEED TO KNOW ABOUT ACTING AS A DESIGNATED COLLABORATING ORGANIZATION (DCO)

In the Protecting Access to Medicare Act of 2014 (PAMA), Congress authorized the Certified Community Behavioral Health Clinic (CCBHC) demonstration. Twenty-four (24) states have received planning grants from the Substance Abuse and Mental Health Services Administration (SAMHSA) within the federal Department of Health and Human Services (HHS) to work toward implementing the CCBHC demonstration. HHS will select eight (8) states to carry out the two-year CCBHC demonstration, beginning in 2017.

What Is a CCBHC?

As part of the CCBHC planning grant process, the planning grant states will “certify” community behavioral health providers within the state that have demonstrated they can carry out the functions of a CCBHC during the two-year demonstration. Under this demonstration, the CCBHC will serve as a hub for comprehensive safety-net behavioral health services for its consumers. Its functions include the following:

1. Provides a comprehensive array of services. Each provider certified as a CCBHC must demonstrate that it can furnish the full set of nine (9) required CCBHC services:

- Crisis mental health services including 24-hour mobile crisis teams, emergency crisis intervention and crisis stabilization
- Screening, assessment and diagnosis
- Patient-centered treatment planning
- Outpatient mental health and substance use disorder services
- Primary care screening and monitoring*
- Targeted case management*
- Psychiatric rehabilitation services*
- Peer support services and family support services*
- Services for members of the armed services and veterans*

These services are required to be provided by CCBHCs in every state regardless of whether they are independently covered under the Medicaid state plan. Services marked with an asterisk (*) above may be provided via designated collaborating organization (DCO).

2. Functions as a true safety-net behavioral health provider. Each CCBHC must meet rigorous requirements for making the required services available and accessible to all consumers. These include:

- Not refuse services to any consumer (regardless of form of coverage or uninsured status) based on inability to pay or place of residence.
- Offer CCBHC services based on a sliding fee discount schedule to make the services affordable for low-income consumers.
- Provide each CCBHC consumer with a preliminary screening and risk assessment at time of first contact and develop and update a person-centered treatment plan.
- Provide crisis management services that are accessible 24/7.

3. Billing Medicaid through a prospective payment system (PPS) methodology. For CCBHC services provided to Medicaid beneficiaries, the CCBHC will bill Medicaid based on a PPS. A PPS reimbursement methodology includes the following features:

- Payment is made according to a fixed rate per visit (the details of what types of visits are billable will vary state by state).
- The per-visit payment rate is based on the CCBHC's costs of furnishing the full scope of CCBHC services in a base time period, as documented in a cost report.

The federal Centers for Medicare and Medicaid Services (CMS) has issued [guidance on the details of the CCBHC PPS](#).

Where Do DCOs Fit In?

The federal law requires that each CCBHC make the set of nine (9) CCBHC services available either directly or "through formal relationships with other providers."⁹⁷ SAMHSA, in conjunction with CMS, has issued guidance concerning the requirements for a CCBHC to furnish a required service through a relationship with another provider, termed a DCO. The basic requirements for the DCO relationship are the following:

1. Only certain services may be furnished via DCO. Only five (5) of the required CCBHC services (primary care screening and monitoring, targeted case management, psychiatric rehabilitation services, peer support services and services for members of the armed forces and veterans) may be furnished through a DCO relationship. The remaining four (4) CCBHC services must be provided directly by the CCBHC, except in special circumstances where crisis care may be provided via a state-sanctioned crisis system acting as a DCO.⁹⁸

⁹⁷ Protecting Access to Medicare Act § 223(a)(2)(D).

⁹⁸ In addition, in some circumstances, crisis behavioral health services may be furnished via DCO. See RFA for SAMHSA Planning Grants for CCBHC, Appendix II – Criteria for the Demonstration Program to Improve Community Mental Health Centers and to Establish Certified Community Behavioral Health Clinics (RFA, Appendix II), Criterion 3.c.3.



2. The DCO relationship is a purchase of services arrangement. The CCBHC enters a contractual agreement with the DCO under which the CCBHC pays the DCO to furnish CCBHC services to CCBHC consumers. The contract must provide for reimbursement at a fair market value (FMV) rate. The consideration paid by the CCBHC to the DCO should not reflect a pass-through of the CCBHC's PPS rate.

3. The CCBHC is clinically responsible for services furnished via DCO. The CCBHC holds itself out to CCBHC consumers as the provider of the service rendered by the DCO. The CCBHC must ensure (through the contract) that the DCO furnishes CCBHC services in a manner such that they are accessible to consumers and delivered consistently with all CCBHC requirements, including application of the sliding fee discount schedule to CCBHC consumers.

4. The CCBHC is financially responsible for services furnished via DCO. For example, the CCBHC bears financial risk for collection of consumer out-of-pocket contributions for CCBHC services rendered by the DCO.

5. The CCBHC bills Medicaid for services furnished via DCOs. The costs to the CCBHC of purchasing services from the DCO are included on the CCBHC's Medicaid cost report. When the DCO renders a CCBHC service that qualifies as a billable CCBHC "visit," the CCBHC bills and receives reimbursement from Medicaid for the visit.

What Are the Advantages of Acting as a DCO?

1. Participating in a behavioral health home. As a DCO, your organization will play a critical role in providing a comprehensive array of behavioral health services for CCBHC consumers. You will learn more about the services furnished by the CCBHC in this process, and in the process, you may choose to refer the consumers you routinely serve to the CCBHC for services that your organization does not provide.

2. Getting paid for services that your organization might otherwise provide free-of-charge. Some of the services included in the CCBHC benefit are not otherwise covered under Medicaid in most states, and are not commonly reimbursed by Medicare or third-party payors. Instead, your organization may currently receive federal, state or local grant funds to defray some of the uncompensated costs of providing these services. By serving as a DCO, your organization will have the opportunity to be reimbursed at fair market value for providing these critical behavioral health services.

3. Being reimbursed by one payor (the CCBHC) for the purchased service(s). Because the CCBHC will be responsible for billing various payors for the service or services furnished via DCO, the DCO's responsibility is only to deliver the services in keeping with the contract and to bill the CCBHC as provided in the contract. The DCO will not be required to meet the requirements of numerous payors beyond furnishing requested information to the CCBHC.



4. CCBHC patients who receive CCBHC services via DCO may come to you for other services. As a DCO, your organization will serve CCBHC consumers under contract with the CCBHC. In the process of receiving the contracted services, the consumer may learn about other services furnished by your organization and seek other types of care from you.

What New Responsibilities Are Required of DCOs?

In addition to furnishing the contracted CCBHC services under all the same quality, accessibility and clinical requirements that apply to the CCBHC, the DCO will be required to convey data to the CCBHC to enable the CCBHC to bill Medicaid and other payors for CCBHC services and to fulfill SAMHSA quality reporting requirements.

How Can Organizations Interested in Becoming A DCO Prepare?

Organizations can prepare to partner with CCBHCs as DCOs in the demonstration. In addition to learning more about the requirements of the CCBHC demonstrations, potential DCOs may wish to consider the following key questions:

- With what organizations in your service area does your organization collaborate?
- What organizations in your service area are best situated to become CCBHCs and are any of these organizations current partners?
- How will your organization identify and approach potential CCBHC partners?
- What is the capacity of your organization to take on additional consumers?
- Can your organization implement the clinical and financial requirements of the CCBHC demonstration, including but not limited to, application of the sliding fee discount schedule to CCBHC consumers and collection of cost sharing obligations from consumers?
- What CCBHC services does your organization offer that a potential CCBHC partner may not be able to provide?
- What costs are associated with the CCBHC services that you would provide?
- What constitutes adequate reimbursement for CCBHC services to ensure your organization's capacity?
- How will your organization exchange information electronically with a CCBHC?

For more information about the CCBHC demonstration program, please consult the websites of CMS (www.cms.gov) and SAMHSA (www.samhsa.gov).