

CCBHC Financial Management and Sustainability Learning and Action Series, Session 2: Understanding Your Baseline CCBHC Program

Wednesday, June 14th, 2023

2:30-4:00 pm E.T.

CCBHC-E National Training and Technical Assistance Center

Funded by Substance Abuse and Mental Health Services Administration and operated by the National Council for Mental Wellbeing

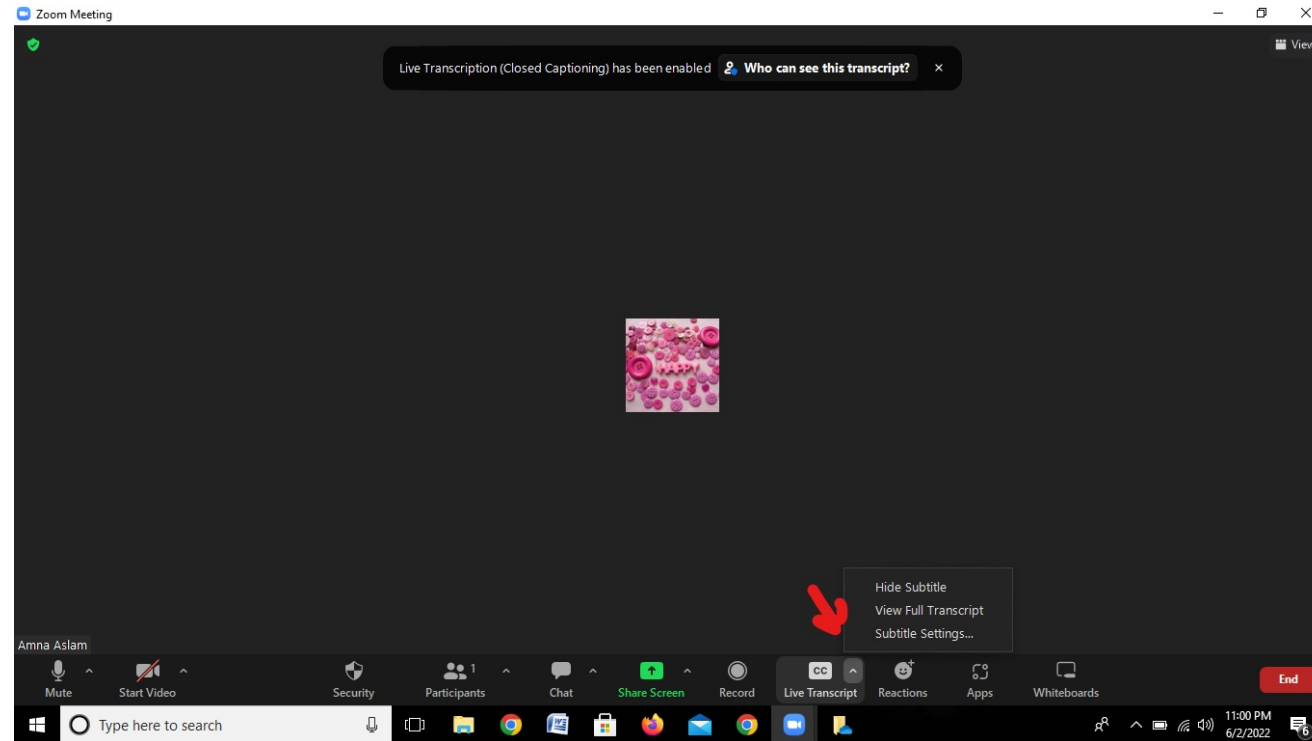
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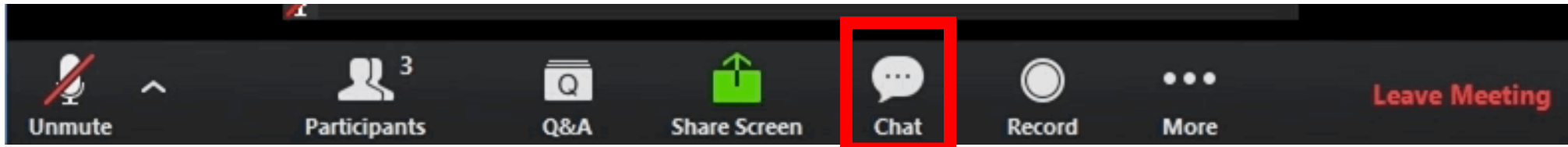


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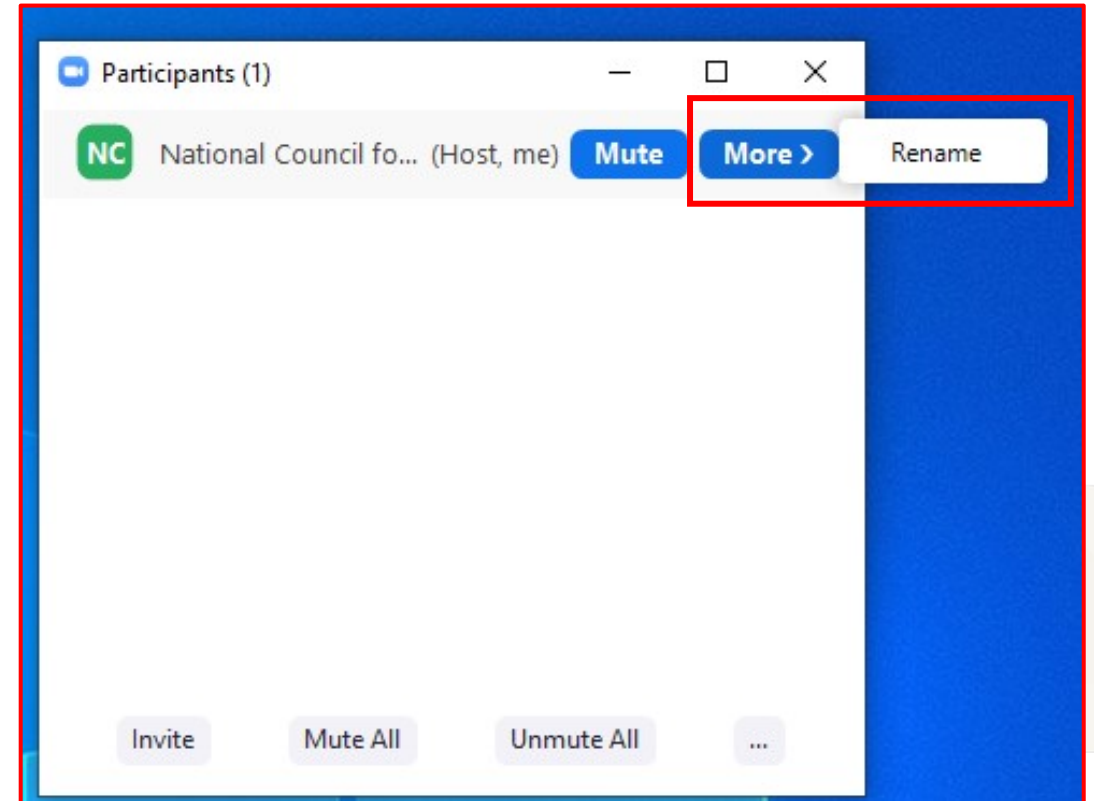
How to Ask a Question



Please share questions throughout today's session using the **Chat Box** on your Zoom toolbar. We'll answer as many questions as we can throughout today's session.

Name and Organization

- Please join by video if you are able!
- Please rename yourself so your name includes your organization.
 - *For example:*
 - **Hope Rothenberg, National Council**
 - *To rename yourself:*
 - Click on the **Participants** icon at the bottom of the screen
 - Find your name and hover your mouse over it
 - Click **Rename**
- If you are having any issues, please send a Zoom chat message to **Ritu Dhar, National Council**



Today's Session: Slides and Recording

Slides and the session recording link will be available on the [CCBHC-E NTTAC website](#) under “Training and Events” > “Past Events” within 2 business days.

The screenshot displays the website interface. On the left, a navigation menu titled "Training & Events" is highlighted with a red arrow. The menu items include "About Us", "Resources", "Training & Events" (which is selected), "Learning Communities", "On-Demand Modules/Lessons", "Learning and Action Series", and "Request Training/Assistance". To the right, a "Calendar of Events" section is shown. It features a search bar, "Start Date" and "End Date" filters with calendar icons, and a "Select Event" dropdown menu. The dropdown menu is open, showing "Future Events" (selected), "Future Events", "Past Events" (highlighted in blue), and an "Apply" button. A red arrow points from the "Past Events" option in the dropdown to the "Training & Events" menu item.



Today's Agenda

- Welcome and logistics
- Review of agenda, learning objectives, and presenters
- Discussion – Homework Assignment from Session #1
- Review of Sustainability Plan and underlying financial plan
- CCBHC Baseline
 - Personnel costs
 - Other than personnel services (OTPS) costs
- Requirements of finance and operations systems
- Homework Assignment
- Questions



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Learning Objectives

- Define baseline services and allocation between CCBHC and non-CCBHC services and activities
- Identify techniques to allocating baseline costs between CCBHC and non-CCBHC programs/services
- Review the data capture and reporting requirements for CCBHC sustainability and understand potential modifications to existing systems



Today's Presenters



Peter R. Epp, CPA
*Partner,
Community Health –
Practice Leader*
CohnReznick LLP



Joanne McNamara, JD
*Senior Manager,
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Understanding Your Baseline CCBHC Program

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*Partner, Community
Health – Practice
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Joanne McNamara, JD
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Homework Assignment from Session #1

In Session #1, we discussed:

- Sustainability Plans and the elements of the underlying financial model
- The CCBHC “Total Budget Concept”
- Costing-out the CCBHC Total Budget
- Potential revenue streams available to sustain the CCBHC program

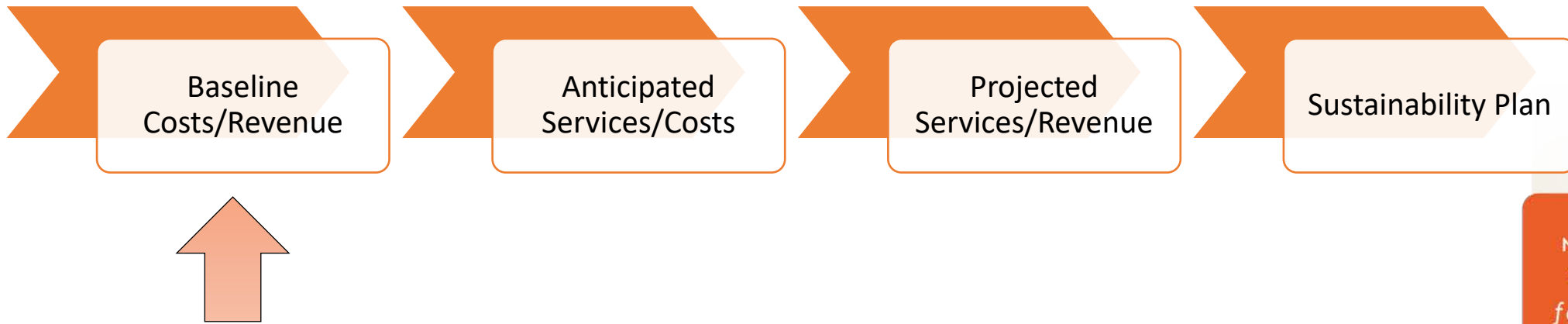
Homework for Session #2:

- What services should be included and excluded from the CCBHC Total Budget?
- What are your current thoughts on revenue streams that may support the implementation of the fully-compliant CCBHC program? What are the obstacles?
- Other comments?



Summary – Potential Elements of a CCBHC Sustainability Plan

- An Executive Summary that describes, in narrative form, the previously described elements of the Business Plan
- The Sustainability Plan should be supported by a financial plan/projection covering the CCBHC “Total Budget” concept with the following components:
 - Summary revenue and expense projections
 - Client and services/volume budget



Components of the CCBHC Total Budget

	CCBHC	Non-CCBHC	Indirect/Overhead	TOTALS
<u>Salaries & Wages:</u>				
Base Year, Adjusted	\$ 7,500,000	\$ 1,000,000	\$ 1,500,000	\$ 10,000,000
Anticipated	\$ 5,000,000	\$ -	\$ 500,000	\$ 5,500,000
Total Salaries & Wages	\$ 12,500,000	\$ 1,000,000	\$ 2,000,000	\$ 15,500,000
<u>Fringe Benefits & Payroll Taxes:</u>				
Base Year	\$ 1,500,000	\$ 200,000	\$ 300,000	\$ 2,000,000
Anticipated	\$ 1,312,500	\$ 25,000	\$ 150,000	\$ 1,487,500
Total Fringe Benefits & Payroll Taxes	\$ 2,812,500	\$ 225,000	\$ 450,000	\$ 3,487,500
<u>Other Than Personnel Services:</u>				
Base Year	\$ 2,500,000	\$ 500,000	\$ 250,000	\$ 3,250,000
Anticipated Costs	\$ 500,000	\$ -	\$ 100,000	\$ 600,000
Total Other Than Personnel Services	\$ 3,000,000	\$ 500,000	\$ 350,000	\$ 3,850,000
Total Expenses, Before Allocation	\$ 18,312,500	\$ 1,725,000	\$ 2,800,000	\$ 22,837,500
<i>Direct Program Expense %s</i>	<i>91.39%</i>	<i>8.61%</i>		<i>100.00%</i>
Allocation of Indirect/Overhead	\$ 2,558,952	\$ 241,048	\$ (2,800,000)	\$ -
Total Expenses, After Allocation	\$ 20,871,452	\$ 1,966,048	\$ -	\$ 22,837,500

Components of Base Year Costs to be Identified/ Captured



Steps to Capturing CCBHC Baseline Costs

1st Understand CCBHC Covered Services*

- Review CCBHC core required services in the CCBHC Certification Criteria

2nd Compare Existing Services Versus CCBHC Covered Services*

- Identify what CCBHC Covered Services are currently provided and where captured in the financial and billing systems

3rd Allocate Direct Costs to CCBHC, non-CCBHC and Agency Overhead

- Personnel costs (salaries & wages, and fringe benefits)
- Other than personnel costs (OTPS)

4th Allocate Overhead Costs (Agency Wide)

- Overhead costs that benefit both CCBHC and non-CCBHC services should be allocated

** These steps must be performed through a multi-disciplinary effort of the clinical, operational and financial teams!*

Identifying Current CCBHC Covered Services

- CCBHC Covered Services are identified in the SAMHSA CCBHC Certification Criteria
- Program and operations staff generally develop a tracking template containing the CCBHC Certification Criteria and documentation of compliance with the Criteria
- Finance staff should work with program and operations staff to understand the CCBHC services that are currently provided by the agency

Criteria	Description of Item Meeting Requirement	Documentation of Evidence	Status of Completion
GENERAL SERVICE PROVISIONS			
4. a. 1 - CCBHC Scope of Services			
4. a. 2 - DCO Accessible Services			
4. a. 3 - CCBHC/DCO Grievance Procedures			
4. a. 4 - DCO Service Quality Standards			
4. a. 5 - CCBHC/DCO Care Coordination			
4. b. 1 - CCBHC Person-centered/Family-centered Care			
4. b. 2 - Culturally Sensitive Care			
4. c. 1 - Crisis Behavioral Health Services			
4. d. 1 - Screening/Assessment/Diagnosis			

Excerpt from “CCBHC New Grantee Resource Package, Appendix C: CCBHC Attestation Certification Criteria Compliance Template” – National Council for Mental Wellbeing

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Identifying Current CCBHC Covered Services

- Finance staff need to then translate the CCBHC Covered Services provided analysis to where these activities (revenue and expenses) are captured in the accounting records (general ledger)
- Program activities are generally captured in the accounting records utilizing subaccounts, cost centers or department codes
- A crosswalk linking the CCBHC Covered Services to accounting record account codes can assist with capturing the costs of CCBHC Covered Services

CCBHC Certification Criteria	General Ledger Sub-account Description	General Ledger Sub-account	X = CCBHC Core Service	X = Non-CCBHC Service	X = Both CCBHC & Non-CCBHC Services	X = Central Agency Administration (Overhead)
Crisis Behavioral Health Services	Crisis Clinic	1000	X			
Screening/Assessment/Diagnosis	Outpatient Clinic	2000	X			
Residential Treatment	Treatment Facility	3000		X		
Accounting Department	Accounting	8000				X



Identifying Current CCBHC Covered Services

Trial Balance			CCBHC Financial Plan	
<u>CCBHC Direct Cost Item:</u>				
Program A	\$ 100,000			
Program B	75,000			
Program C	50,000			
TOTAL	\$225,000			\$225,000
<u>Non-CCBHC Direct Cost Item:</u>				
Program D	\$50,000			\$50,000
<u>Overhead Cost Item:</u>				
Department 1	\$75,000			
Department 2	50,000			
TOTAL	\$125,000			\$125,000

Example of accounting records (trial balance) CCBHC crosswalk

- Group expenses for subaccounts aligned with the CCBHC program to capture direct costs for CCBHC, non-CCBHC, and Overhead



Steps to Review Current Subaccount Coding Structure

- If a subaccount contains cost items in more than one category, the CCBHC has 2 options
 - 1st Allocate costs in a separate schedule (Excel spreadsheet) to the appropriate cost category
 - 2nd Separate the current subaccount category into 2 or more “new” subaccounts
- Most CCBHCS opt for option 1
- Special Note on Salary Cost:
 - The allocation of salaries in the accounting records by subaccount is often not reflective of the movement of staff between programs and services
 - Most CCBHCs allocate salary cost utilizing a separate schedule with a detailed salary list by individual name, job title, salary paid, FTE and services provided, if any, and allocate between the 3 cost categories in consultation with program and operations staff

Identifying Current CCBHC Covered Services

- To assist with allocating clinical staff between CCBHC and non-CCBHC services, consider building a template assigning CPT codes to the CCBHC Covered Services list
- This CPT code list will also assist with sustainability planning
 - Allocate patient revenue to the CCBHC program
- States in the CCBHC Medicaid Demonstration program have developed CCBHC CPT code sets to assist CCBHCs with billing

HCPC S/CPT	Mod 1	Mod 2	Description of Service	ProvType
DEMONSTRATION SERVICES (ENCOUNTERS THAT TRIGGER PPS RATE) - T1041				
EMERGENCY CRISIS INTERVENTION, 24 HOUR MOBILE				
H0030	HH/HF		Crisis Intervention Services, Telephone	LBHP
H2011	HH/HF		Crisis intervention services	LBHP
H2011	HH/HF	GT	Crisis intervention services - Telehealth	LBHP
90839	HH/HF		Mobile Crisis - first 60 minutes	LBHP
90839	HH/HF	GT	Mobile Crisis - first 60 minutes - Telehealth	LBHP
90840	HH/HF		Mobile Crisis - additional 30 minutes	LBHP
90840	HH/HF	GT	Mobile Crisis - additional 30 minutes - Telehealth	LBHP

Identifying Current CCBHC Covered Services

Personnel Costs – Salaries & Wages

- Prepare an Excel worksheet with the following information to allow for an accurate allocation of staff costs between CCBHC, non-CCBHC and overhead
 - Staff name
 - Job position/title
 - Full-time equivalent (FTE) *
 - Salary paid
 - Allocation of salary cost between CCBHC, non-CCBHC and overhead
 - Percentage and Amount

* *FTE is a calculation of an individual's time spent working at the agency as compared to a full-time employee. For example, if a full-time employee works 40 hours a week for 53 weeks, they are working 2,080 hour per year. If an individual works 1,040 hour per year, they are considered a .50 FTE (1,040 ÷ 2,080 hours)*



Identifying Current CCBHC Covered Services

Personnel Costs – Salaries & Wages (Example Template)

Job Title	FY2022 Base Year		% Allocation				Actual Salary / Amount Paid Allocation			
	Actual FTE Amount	Actual Salary / Amount Paid	Direct CCBHC %	Direct Non-CCBHC %	Indirect / Overhead %	Total (100%)	Direct CCBHC \$	Direct Non-CCBHC \$	Indirect / Overhead \$	Total \$
	231.50	\$ 10,000,000					\$ 7,500,000	\$ 1,000,000	\$ 1,500,000	\$ 10,000,000
Psychiatrist	1.00	\$ 200,000	75%		25%	100%	\$ 150,000	\$ -	\$ 50,000	\$ 200,000
Psychiatrist	0.50	\$ 125,000		100%		100%	\$ -	\$ 125,000	\$ -	\$ 125,000
Licensed Clinical Social Worker	1.00	\$ 90,000	100%			100%	\$ 90,000	\$ -	\$ -	\$ 90,000
Residential Treatment Support Staff	1.00	\$ 50,000		100%		100%	\$ -	\$ 50,000	\$ -	\$ 50,000
CCBHC Program Director	1.00	\$ 100,000	100%			100%	\$ 100,000	\$ -	\$ -	\$ 100,000
Accountant	1.00	\$ 50,000			100%	100%	\$ -	\$ -	\$ 50,000	\$ 50,000

NOTE: For staff shared between multiple categories, time can be allocated based on time studies, schedules or billable activity as indicated in the electronic health record/billing systems

Identifying Current CCBHC Covered Services

Personnel Costs – Fringe Benefits & Payroll Taxes

- Fringe benefits and payroll taxes expenses are typically aligned with salary expense
- There are 2 options for allocating fringe benefits and payroll taxes to CCBHC, non-CCBHC and overhead
 - Charging each expense to each individual and allocating consistent with the salary allocation template
 - Develop a fringe benefit/payroll tax rate (total fringe benefits & payroll taxes as a % of total salary expense) and allocate fringe benefits to each category based on this %

$$\frac{\text{Total Fringe Benefits \& Payroll Taxes Expense}}{\text{Total Salary Expense}} = \text{Fringe Rate (\%)}$$

- The 2nd alternative is often utilized as it is administratively less burdensome

Identifying Current CCBHC Covered Services

Personnel Costs – Fringe Benefits & Payroll Taxes (Example)

- Calculation of the fringe rate

Salaries & Wages	\$ 10,000,000
Fringe Benefits & Payroll Taxes <i>Fringe Rate ></i> 20.00%	\$ 2,000,000
Total Personnel Costs	\$ 12,000,000

- Allocation of fringe benefits and payroll taxes

	CCBHC	Non-CCBHC	Indirect/Overhead	TOTALS
<u>Salaries & Wages:</u>				
Base Year, Adjusted	\$ 7,500,000	\$ 1,000,000	\$ 1,500,000	\$ 10,000,000
<u>Fringe Benefits & Payroll Taxes:</u>				
Base Year @ 20%	\$ 1,500,000	\$ 200,000	\$ 300,000	\$ 2,000,000
TOTAL PERSONNEL COSTS - BASE YEAR	\$ 9,000,000	\$ 1,200,000	\$ 1,800,000	\$ 12,000,000

Identifying Current CCBHC Covered Services

Other Than Personnel Services (OTPS) Costs

- Similar to salary costs, prepare an Excel worksheet with the following information to allow for an accurate allocation of OTPS costs between CCBHC, non-CCBHC and overhead
 - Account and subaccount number
 - Description of expense
 - Expense amount
 - Allocation of OTPS cost between CCBHC, non-CCBHC and overhead
 - Percentage and Amount

Identifying Current CCBHC Covered Services

Other Than Personnel Services (OTPS) Costs (Example Template)

Expense Account Number	Subaccount Number	Expense Description	\$ Amount	% Allocation				Expense Allocation			
				Direct CCBHC %	Direct Non-CCBHC %	Indirect / Overhead %	Total (100%)	Direct CCBHC \$	Direct Non-CCBHC \$	Indirect / Overhead \$	Total \$
Other Than Personnel Services:			\$ 3,250,000					\$ 2,500,000	\$ 500,000	\$ 250,000	\$ 3,250,000
1000	250	Clinical Supplies	\$ 250,000	100%			100%	\$ 250,000	\$ -	\$ -	\$ 250,000
1000	500	Residential Supplies	\$ 50,000		100%		100%	\$ -	\$ 50,000	\$ -	\$ 50,000
1000	750	Office Supplies	\$ 25,000			100%	100%	\$ -	\$ -	\$ 25,000	\$ 25,000
2000	600	Rent Expense	\$ 750,000	75%		25%	100%	\$ 562,500	\$ -	\$ 187,500	\$ 750,000
2000	500	Rent - Residences	\$ 100,000		100%		100%	\$ -	\$ 100,000	\$ -	\$ 100,000
5000	800	Telephone Expense	\$ 50,000	50%	10%	40%	100%	\$ 25,000	\$ 5,000	\$ 20,000	\$ 50,000

NOTE: For OTPS expenses shared between multiple cost categories, expenses can be allocated based on statistics that have a “cause-and-effect” relationship (e.g., allocate rent expense based on square footage)

Identifying Current CCBHC Covered Services

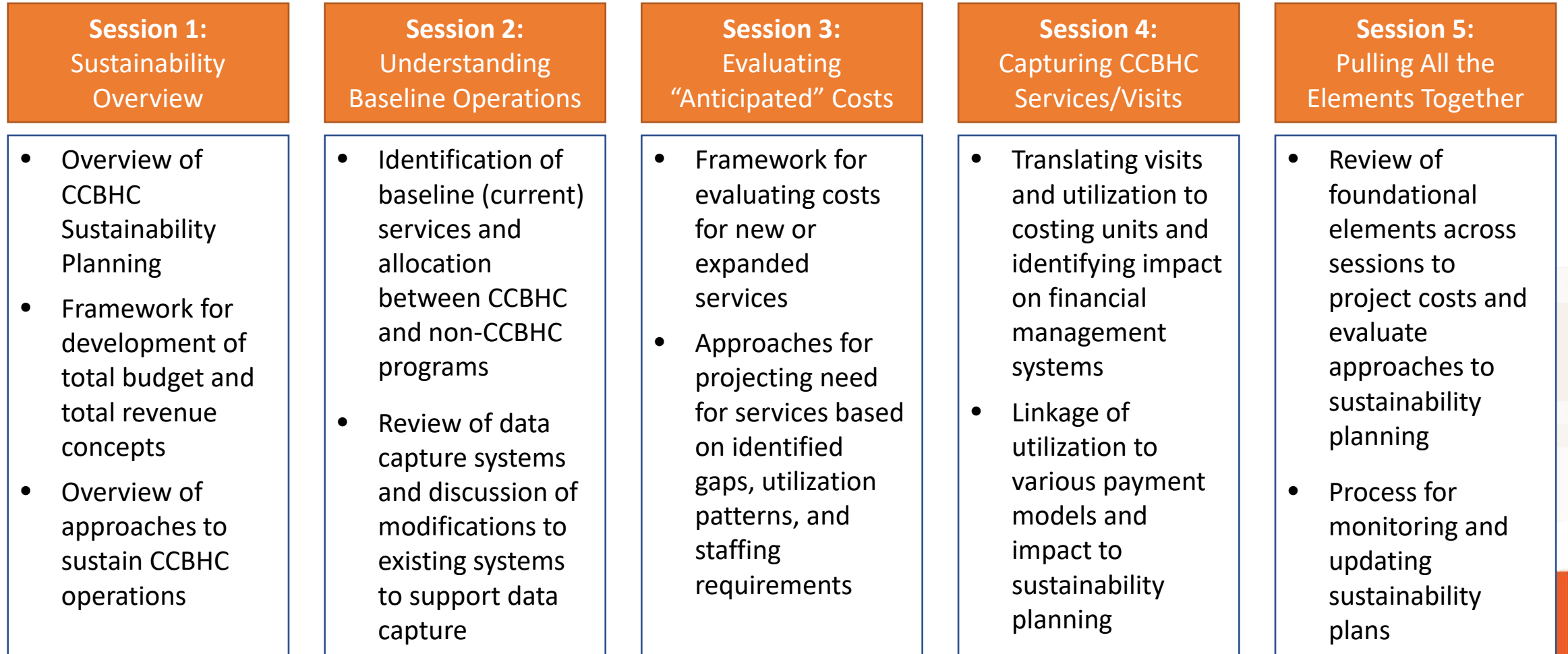
Revenue

- Aside from building the baseline costs of the CCBHC program, current revenue received to support the current operations included in the CCBHC Total Budget must also be determined
- These revenue items are required to understand existing revenue streams that will support the CCBHC program, once fully implemented, and quantify the unfunded portion of the CCBHC program
- The building of the CCBHC revenue template would look the same as the OTPS template identifying from the accounting records
 - Revenue account and subaccount numbers
 - Revenue description
 - Revenue amount
 - Allocation between CCBHC and non-CCBHC activities

Review of Financial/Operating Systems and Potential Modifications

- Develop templates to guide the identification of CCBHC covered services and allocation of revenue and expenses to the CCBHC program
 - Crosswalk of CCBHC Certification Criteria to programs captured in the finance systems
 - CPT code set of CCBHC Covered Services
- Accounting System
 - Review general ledger subaccount coding system to align with the CCBHC program
- Develop allocations methodologies for certain expense types utilizing statistics that have a “cause-and-effect” relationship
- Electronic Health Record/Billing System has capability to segregate activities between CCBHC and non-CCBHC programs

Coming up:



Homework Assignment for Session #3

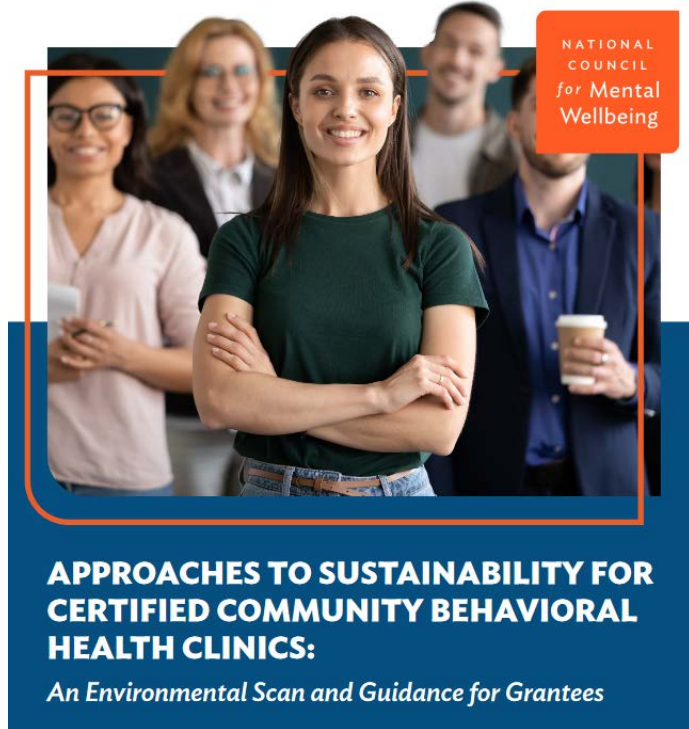
The first section of Session #3 will be a discussion with participants on what was learned during this session and comments on building the CCBHC baseline for the Sustainability Plan. Please review these 2 questions and be prepared to discuss next time:

- Have you created a multi-disciplinary team of the finance, program and operation functions to collectively develop a CCBHC Sustainability Plan?
- Are your financial and operational systems designed and functioning to support the development of a Sustainability Plan? If not, what gaps were identified and what are your plans to modify those systems?
- Other concerns?



Questions?

Additional Resources



[Approaches to Sustainability for CCBHCs: Guidance for Grantees](#)

This resource identifies strategies being utilized by CCBHC grantees to achieve sustainable funding for model implementation.



Upcoming Events

Financial Management and Sustainability (May-August 2023)

- **Session Three:** [Evaluating the “Anticipated” Costs of Becoming a CCBHC](#) – June 28, 2:30-4 p.m. ET. Learn approaches for forecasting future clients served as a CCBHC and their impact on future services provided and staffing needs.
- **Session Four:** [Capturing CCBHC Services/Visits](#) – July 12, 2:30-4 p.m. ET. Understand CCBHC Medicaid Prospective Payment System (PPS) and learn how to project future clients and services that will impact future potential revenue streams.
- **Session Five:** [Pulling It All Together](#) – August 2, 2:30-4 p.m. ET. Understand the different approaches of sustaining the CCBHC program and learn the elements and structure for pulling together a sustainability plan.

Population Health Management Learning Series (June-August 2023)

- The CCBHC-E NTTAC is hosting a three session Learning and Action series focused on Population Health Management. Building on foundational concepts covered in the Optimizing Data Series, this series will expand and advance on effective population health management approaches and strategies to drive clinical care decisions focusing on topics including risk stratification to identify gaps in care, continuous quality improvement to identify and address health disparities and using advance data analytics assess patient needs and support.
 - **Session One:** [Population Health Management \(PHM\) and the Role of Health Information Technology](#) – June 29, 3-4:30 p.m. ET.
 - **Session Two:** [Risk Stratification](#) – July 27, 3-4:30 p.m. ET.
 - **Session Three:** [Preventative Health Care and Predictive Data Analytics](#) – August 24, 3-4:30 p.m. ET.

Zero Suicide Academy (June)

- The Zero Suicide Academy training consists of two days of eight-hour online sessions on June 20 and 21, 2023. A pre-Academy online session will be conducted on June 13, 2023, to introduce participants to the Zero Suicide framework. CCBHC grantee clinics interested in this opportunity can [apply here!](#)

CCBHC-E TTA Center Website



Access our ever-growing resource library, upcoming trainings and events, and request for individualized support.

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Thank You!

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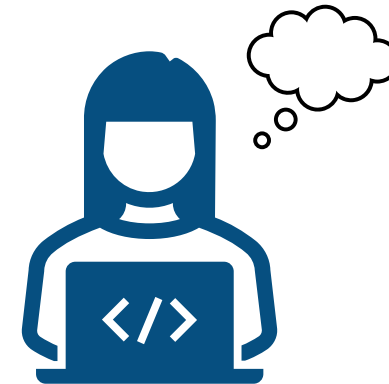
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