

# CCBHC Financial Management and Sustainability Learning and Action Series, Session 3: Evaluating the “Anticipated Costs” of becoming a

Wednesday, June 28<sup>th</sup>, 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*

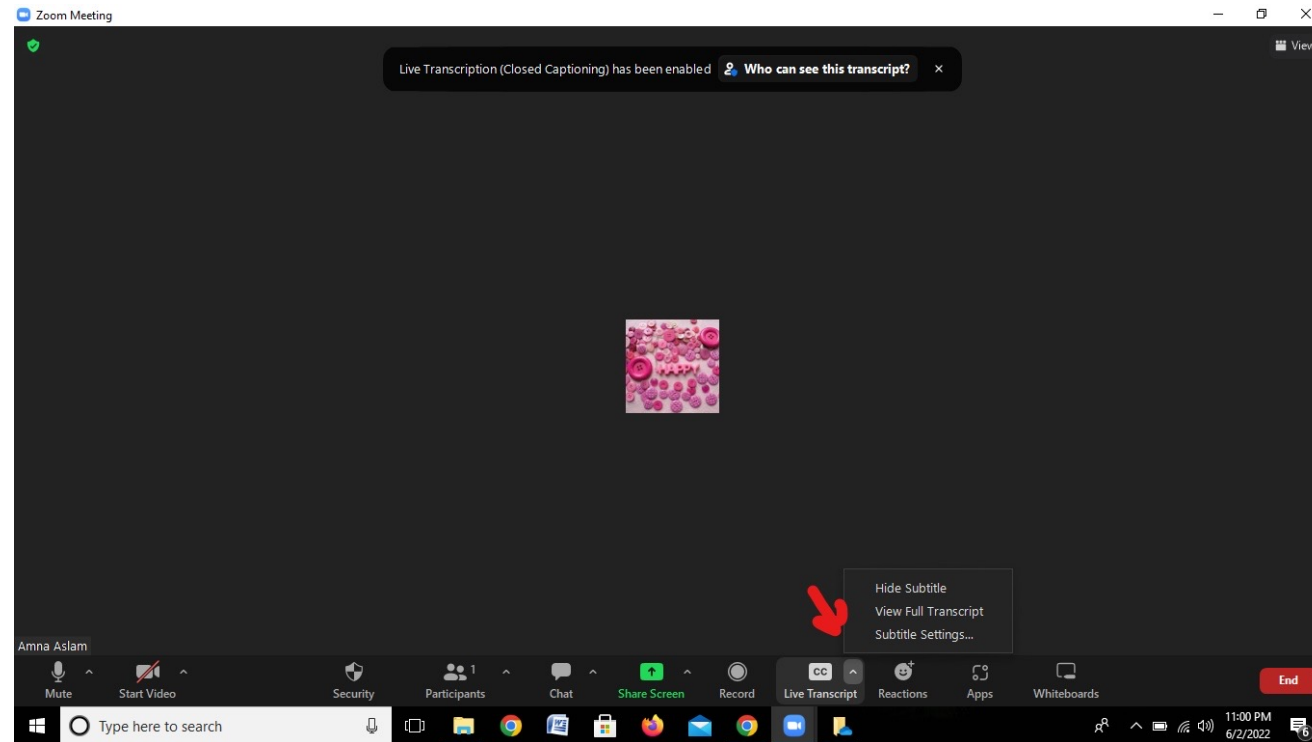
# Acknowledgements and Disclaimer

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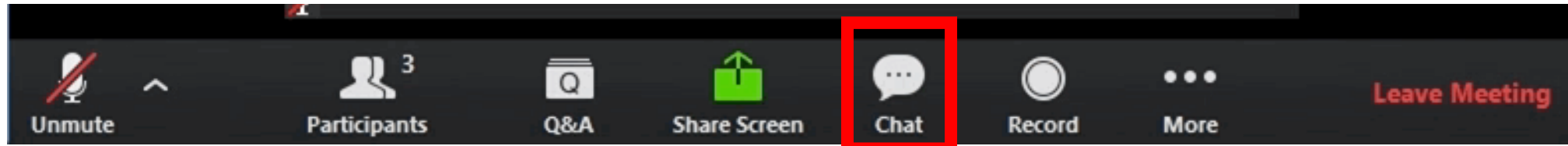


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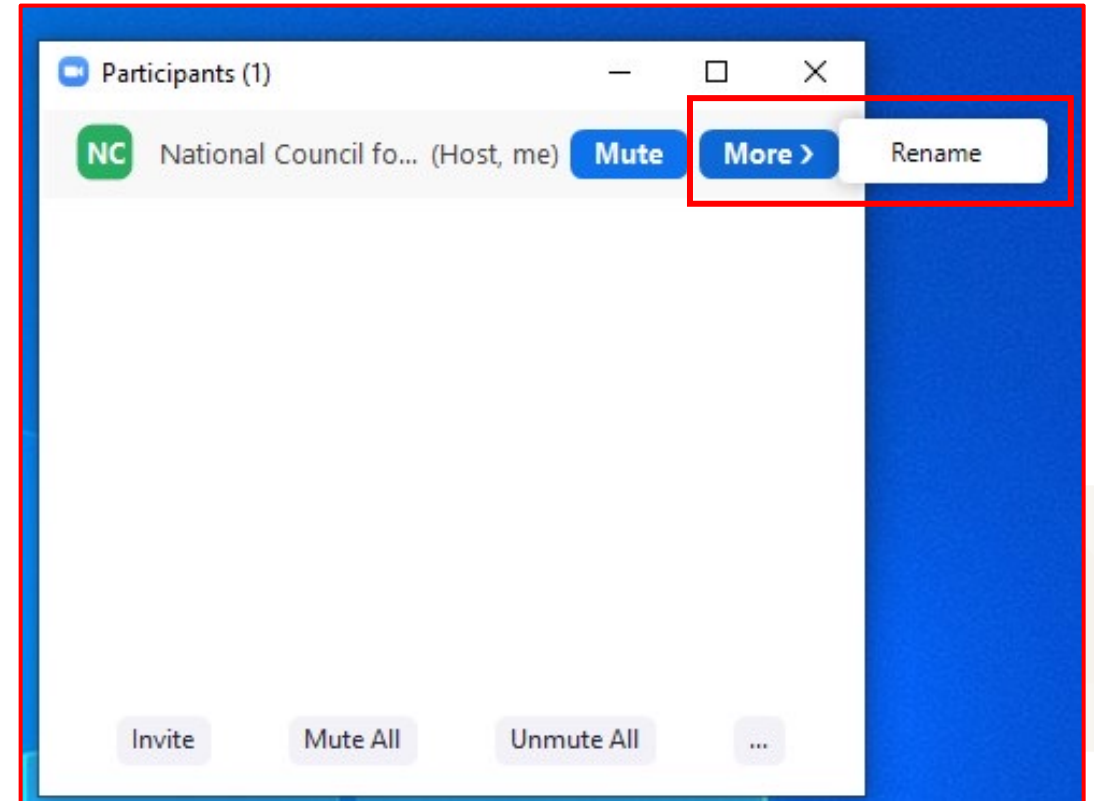
# How to Ask a Question



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**



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# 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 shown, with a red arrow pointing to the "Training & Events" link. The main content area features a "Calendar of Events" section with search filters for "Search", "Start Date", "End Date", and "Select Event". A dropdown menu is open, showing "Future Events" and "Past Events" (highlighted in blue), with an "Apply" button below it. A red arrow points from the "Past Events" option in the dropdown to the "Past Events" link in the navigation menu.



# Today's Agenda

- Welcome and logistics
- Review of agenda, learning objectives, and presenters
- Discussion – Homework Assignment from Session #2
- Review of Sustainability Plan & CCBHC Total Budget Concepts
- Determining CCBHC Anticipated Costs
  - Evaluating organizational gaps against CCBHC Certification Criteria
  - Approaches for forecasting demand for services and cost of service delivery
  - Projecting impact on non-clinical personnel costs and non-personnel costs
- Projecting anticipated revenue
- Homework Assignment for next Session
- Questions



# Learning Objectives

- Learn approaches for forecasting future clients served as a CCBHC and their impact on future services provided and staffing needs
- Understand the overall growth in direct program costs/staffing and their impact on additional infrastructure costs
- Review tools to identify gaps between the existing service baseline and what is required to become CCBHC compliant





# Today's Presenters



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



**Joanne McNamara, JD**  
*Senior Manager,*  
*Healthcare Consulting*  
*Services*  
CohnReznick LLP

# Evaluating the “Anticipated” Costs of Becoming a CCBHC

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

Joanne McNamara, JD  
*Senior Manager,  
Healthcare Consulting  
Services*  
CohnReznick LLP

# Homework Assignment from Session #2

In Session #2, we discussed:

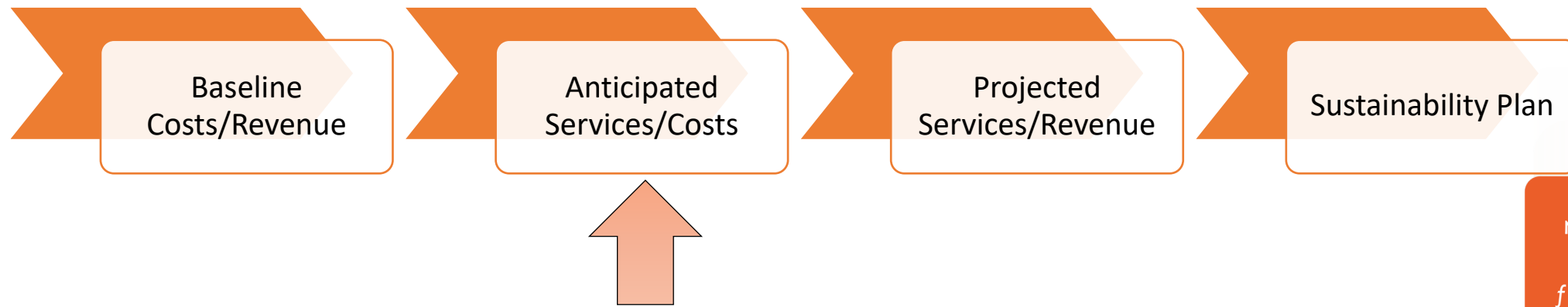
- CCBHC Baseline Costs, including Personnel and Other Than Personnel Services (OTPS) Costs
- Requirements of finance and operations systems

Homework from the prior session:

- 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?
- Did any questions arise in determining CCBHC vs. non-CCBHC costs?
- Other concerns?

# Review - Elements of a CCBHC Sustainability Plan

- An Executive Summary that describes, in narrative form, the elements of the Business Plan discussed in session #1
- It is recommended that the Sustainability Plan “narrative” 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



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# Components of the CCBHC Total Budget

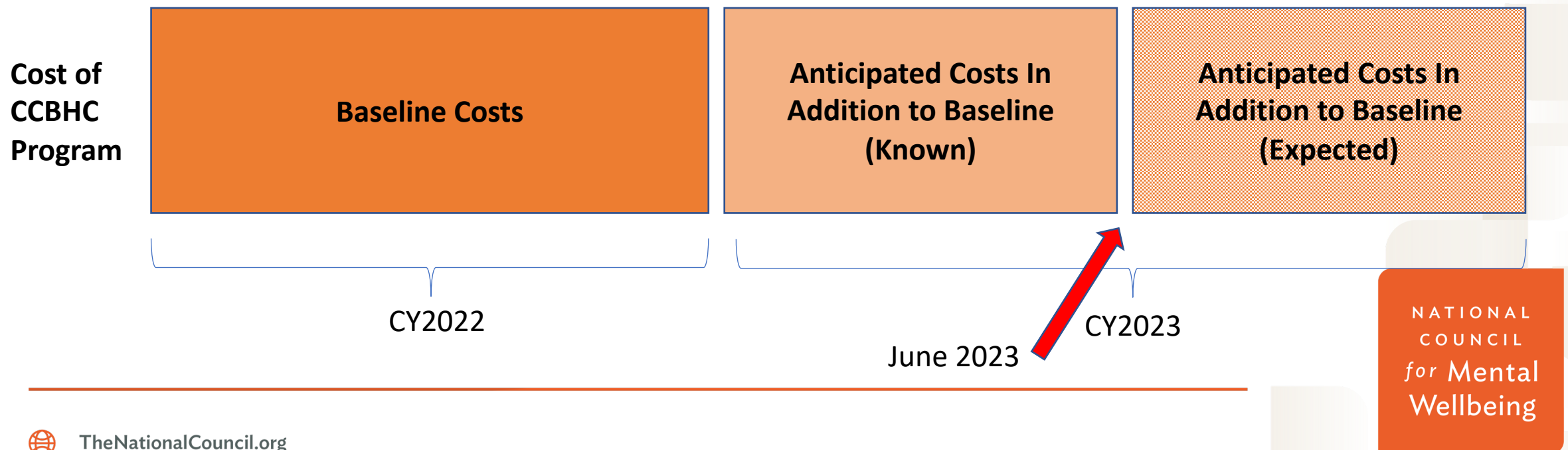
	CCBHC	Non-CCBHC	Indirect/Overhead	TOTALS
<u>Salaries &amp; Wages:</u>				
Base Year, Adjusted	\$ 7,500,000	\$ 1,000,000	\$ 1,500,000	\$ 10,000,000
Anticipated	\$ 5,000,000	\$ -	\$ 500,000	\$ 5,500,000
Total Salaries & Wages	\$ 12,500,000	\$ 1,000,000	\$ 2,000,000	\$ 15,500,000
<u>Fringe Benefits &amp; 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)	\$ -
<b>Total Expenses, After Allocation</b>	<b>\$ 20,871,452</b>	<b>\$ 1,966,048</b>	<b>\$ -</b>	<b>\$ 22,837,500</b>

Components of Anticipated Costs to be Identified/ Captured



# Anticipated/Budgeted CCBHC Costs

- Development of anticipated costs includes costs that have been, or will be incurred after the base year that are additive to baseline costs
- Example: if Calendar Year 2022 was used as the Base Year for assessing baseline costs, anticipated costs would include incremental actual costs through present and projected through 2023



# Anticipated/Budgeted Services & Costs

- *Project/Manage Year 1 budgeted costs to comply with CCBHC requirements as well as existing baseline services!*
- Review the 9 core CCBHC services with operations, clinical, and financial personnel to determine:
  - Which services are currently provided to identify gaps
  - Determine whether the CCBHC will expand to provide the new service directly or through a Designated Collaborating Organization (DCO)

Service Requirement	Services Currently Provided	Services Not Currently Provided	Gap to be Covered Internally	Gap to be Covered Thru DCO

- Review additional activities outside of the 9 core CCBHC services to determine whether additional services needed to be considered in a cost accounting exercise (e.g., care coordination, quality reporting)

# Anticipated/Budgeted CCBHC Costs

- Assessment of your agency against the CCBHC Certification Criteria will identify organizational gaps
- Finance staff should work with program and operations staff to understand needs associated with filling gaps and to inform cost projections
- Progress toward meeting Certification Criteria and timeline associated will inform budgeted projections

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

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

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# Anticipated/Budgeted Services & Costs

- For those services that need to be added, determine:
  - Will your agency be performing the services directly or working with a partner/DCO
  - What type of staff will be providing services and how many additional staff will be required
  - The number/type of new services to be provided
  - How will addition of services impact need for support staff and back-office functions (e.g., scheduling, front desk/call center, outreach, billing, etc.)
  - How will addition of services impact other agency costs (e.g., supplies, EMR licensure, utilities and other facility costs, etc.)
  - How to best quantify the Anticipated New Costs of services
- Are market adjustments to current salary levels required?
- Review additional infrastructure needs required to comply with the CCBHC requirements (e.g., reporting, care coordination, CQI)



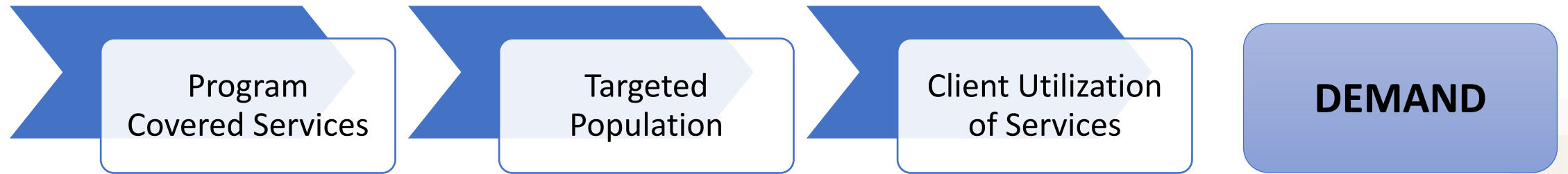
# Anticipated/Budgeted Services & Costs

- Assess current agency capabilities and capacity across both mental health and substance use services lines, as well as among targeted populations
- Reminder: the majority of services (51%+) must be delivered directly by the CCBHC

<i>Example Gap Assessment</i>	<i>Mental Health</i>		<i>Substance Use</i>	
	<i>Adult Population</i>	<i>Youth/Adolescent Population</i>	<i>Adult Population</i>	<i>Youth/Adolescent Population</i>
<b>CCBHC Scope of Services</b>				
<b>Core Services</b>				
24/7 Crisis Services	✓	⊘	⊘	⊘
Screening, Assessment, and Diagnosis	✓	✓	⊘	⊘
Person-Centered Treatment Planning, including Risk/Crisis Planning	✓	✓	⊘	⊘
Outpatient Mental Health and Substance Use Services	✓	✓	⊘	⊘
Outpatient Primary Care Screening and Monitoring	✓	✓	✓	✓
Targeted Case Management Services	✓	✓	⊘	⊘
Psychiatric Rehabilitation Services	✓	✓	✓	✓
Peer Supports, Peer Counseling, and Family/Caregiver Supports	✓	⊘	⊘	⊘
BH care for members of the Armed Forces and Veterans	✓	N/A	⊘	N/A
<b>Additional Components</b>				
Care Coordination	✓	✓	✓	✓
Quality Improvement/Reporting	⊘	⊘	⊘	⊘

# Anticipated/Budgeted Services & Costs

Process for defining demand for services identified in gaps:



**What are the types of services covered by the CCBHC program that your agency needs to add access to?**

**What populations are you targeting with the CCBHC services to be added?**

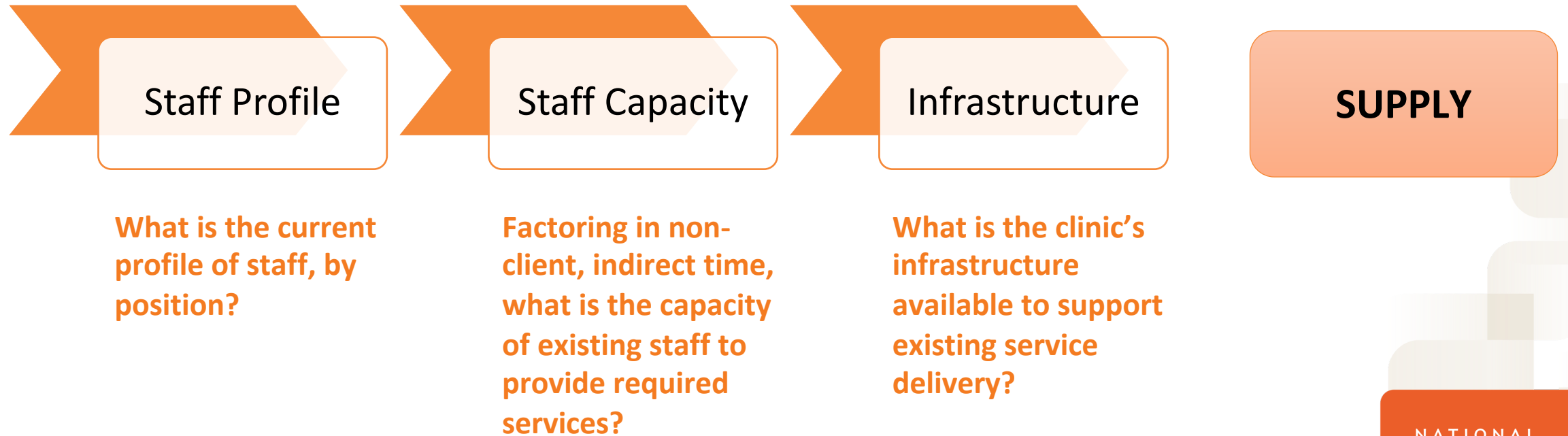
**How often do you anticipate a client in the target population would need to access services, by type?**

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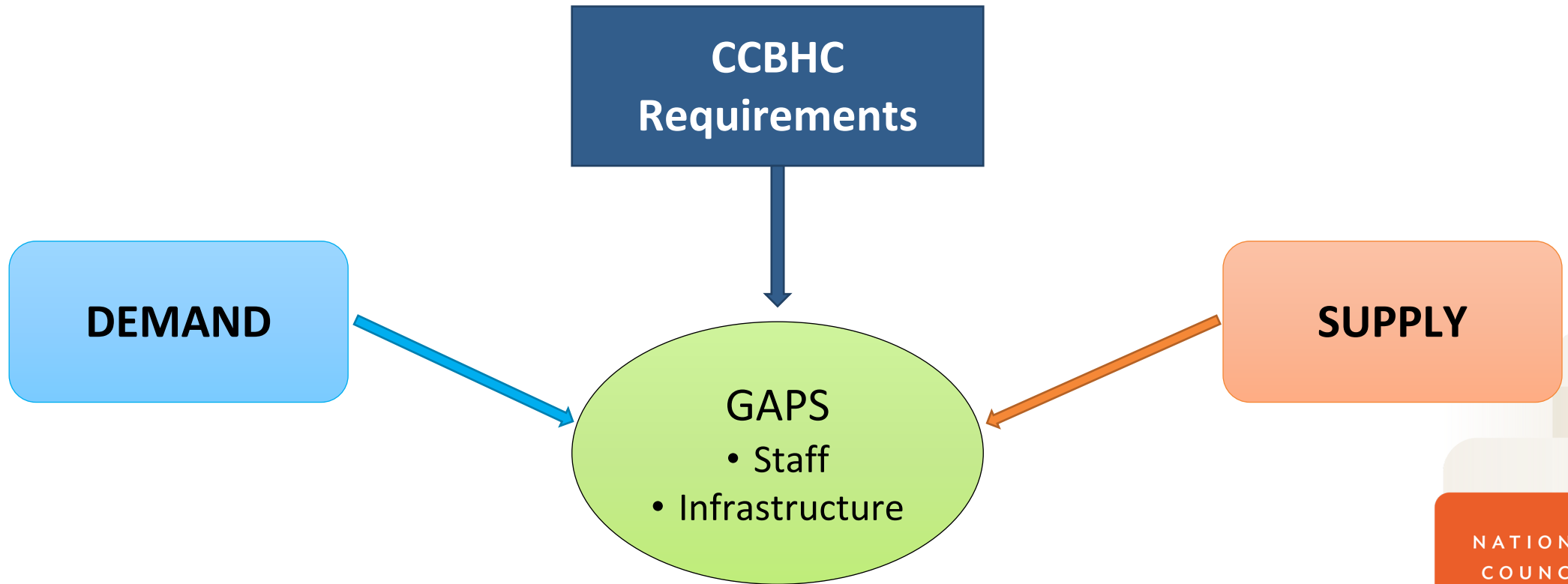
# Anticipated/Budgeted Services & Costs

Process for defining supply (capacity) needed to deliver services:



# Anticipated/Budgeted Services & Costs

**Difference between Demand and Supply = Resources Required to Implement CCBHC**



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# Anticipated/Budgeted Services & Costs

- Determine approach for developing assumptions for population to be served (e.g., calculating demand)
  - Evaluate needs of current client population
  - Conduct needs or market assessment to determine unmet need in the area
  - Collaborate with community partners to identify unmet need
- Develop assumptions for personnel needed (e.g., calculating supply)
  - Use current utilization data for existing services
  - Utilize benchmarking data for panel size or utilization
  - Determine salaries based on current or market data for the area



# Anticipated/Budgeted Services & Costs

Example: Utilizing current client population to determine anticipated cost of services

**Example:** CCBHC grantee provided outpatient mental health services but did not provide outpatient SUD services. Based on current client diagnoses for co-occurring disorders and referrals to outside providers, CCBHC grantee identified current population that would benefit from integrated SUD services

**Example CCBHC grantee**

Clients by Service Needs	# of Clients
Total Clients	17,961
Clients with SUD Needs	1,657
40% estimated underserved	663

**Approach:** Identify team capacity needed to provide outpatient SUD treatment to approximately 660 unique patients

- What types of team members are needed? How often will they provide services?

	Service Level Needed PER CLIENT			Time Required per Service	Annual Service Hours Required	Annual Direct Service FTE Required	Staff Providing Service	Annual Salary Cost	Total Salary Cost
	SUD Treatment		Total Annual Services						
	Avg. Per Client								
	# Services	By Time Period							
<b>Direct Services</b>									
MAT management	1	Per Month	7,920	15 min	1,980	0.9	Psychiatric NP	\$ 140,000	\$ 126,000
Substance use counseling	2	Per Month	15,840	30 min	7,920	3.8	Licensed SUD Counselor	\$ 57,000	\$ 217,038
Case Management	2	Per Month	15,840	20 min	5,227	2.5	Case Manager	\$ 50,000	\$ 125,654
									<b>\$ 468,692</b>

# Anticipated/Budgeted Services & Costs

Example: Utilizing county/regional needs assessment data to develop population assumptions

**Example:** CCBHC grantee sought to develop youth services for children ages 60 months and younger experiencing behavioral challenges across a rural three-county service area to address unmet needs directly

- State needs assessment data provided data on unmet needs within age range, which formed the basis for the population to be served

Geographic Area	# of Individuals
Total Youth Population < Age 5	11,506
Estimated # in Poverty (18%)	2,071
Estimated # with unserved Behavioral Health needs (10%)	207

Data Sources to Leverage:

- State, regional, or county Needs Assessments
- Needs Assessments or consumer surveys developed by local healthcare partners (e.g., hospitals)
- Nonprofit and/or research-based data sources for prevalence, incidence data, etc.



# Anticipated/Budgeted Services & Costs

Example: Utilizing county/regional needs assessment data to develop population assumptions (cont.)

- Once target population is identified, current clinician productivity can provide a benchmark for projecting supply needs to fill this identified gap in services

Geographic Area	# of Individuals
Total Youth Population < Age 5	11,506
Estimated # in Poverty (18%)	2,071
Estimated # with unserved Behavioral Health needs (10%)	207

## Applying Current Clinician Productivity to Estimate Number and Cost of Staff Needed

Calculating Baseline Benchmarking Data

A. Current Licensed MH Providers (FTE)	B. Annual Clinic Visits	C. MH Provider Productivity (B / A)	D. Annual Unique Clients Served	E. Current Utilization (B / D)
24.95	27,524	1,103	3,391	8.1

Applying Benchmarking Data to new Targeted Population

A. New Clients to be Served in Target Population	B. Expected Utilization (Visits per Client)	C. Annual Projected Visits from New Target Population (A * B)	D. FTE Needed (Based on Productivity)	E. Annual Salary	F. Projected Cost (D * E)
207	8.1	1,677	1.5	\$ 60,000	\$ 91,194

# Anticipated/Budgeted Services & Costs

Example: Discussions with community partners to inform anticipated service costs

**Example:** CCBHC grantee sought to contract for after-hours and weekend mobile crisis response services in area where no mobile crisis response services currently existed

**Approach:** Discussions with local EMS providers offered data on the number of calls related to mental health and SUD crisis that could be served by crisis response, if developed

Crisis Calls reported to EMS service	Number
Total Mental Health Crisis Calls	3,200
Estimated Attributable to Service Area (5%)	160
Average Number of Calls Weekly	3

Assumptions Developed from Partner Discussions:

- Up to 3 calls/week (2.5 hours/response) = 7.5 hours/week, 390 hours annually in crisis response
- After-hours coverage times included 8pm-7am weekdays (55 hours) and off-weekend hours (37 hours) = 4,784 hours of coverage required annually

Staff Utilized in Mobile Crisis Response	A. Hours Estimated for Mobile Crisis Response	B. Remaining Hours Estimated (Total Coverage Hours - Response Hours)	C. Contract Rate for Response Hours	D. Contract Rate for On-Call Hours	E. Estimated Cost (A*C + B*D)
Licensed Mental Health Counselor	390	4,394	\$34	\$ 25	\$123,110
Peer Support Specialist/Recovery Coach	390	4,394	\$20	\$ 17	\$82,498

**\$205,608**

# Anticipated/Budgeted Services & Costs

## Projecting Anticipated Costs for Non-Clinical Personnel

- Changes in service delivery will impact other agency staff needs that will need to be considered in developing anticipated costs

Type of Non-Clinical Personnel Costs	Example of Methodologies for Cost Projections
Scheduling/front desk staff	Current staff per visit * incremental visits
Call Center staff	Current staff per visit * incremental visits
Training or quality management staff	Current staff per clinical FTE * new FTEs
HR/People & Culture staff	Current staff per agency FTE * new FTEs
Billing staff	Current staff per visit * incremental visits
Facility staff	Current staff per square footage * new space
IT staff	Current staff per agency FTE * new FTEs

Anticipated Costs:  
Based on non-clinical personnel usage in your agency, utilize baseline information to project incremental needs based on new service delivery model

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# Anticipated/Budgeted Services & Costs

- Determine Anticipated Non-Personnel Costs (Other than Personnel, or OTPS) based on Cost Methodology
  - Variable costs based on agency/clinic FTE increase
  - Variable costs based on patient increase
  - Variable costs based on visit volume increase
- Other OTPS costs considerations
  - Facility/utility costs
  - Infrastructure costs

# Anticipated/Budgeted Services & Costs

## Projecting Anticipated Costs for Non-Personnel (OTPS Costs)

- Changes in service delivery will impact other agency costs outside of personnel that will need to be considered in developing anticipated costs

Type of Non-Personnel Costs (OTPS Costs)	Example of Methodology for Cost Projections
Consumable Supplies	Cost per Visit
Clinical Staff Transportation Cost	Cost per Community-Based Provider FTE
Liability Insurance	Cost per Clinical Staff FTE
Communications	Cost per Staff FTE
Client Transportation Cost	Cost per Client
Training	Cost per Staff FTE
Office Supplies	Cost per Staff FTE

Anticipated Costs:  
Based on current non-personnel cost experience in your agency, utilize baseline information to project incremental needs based on new service delivery model

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# Anticipated/Budgeted Services & Revenue

- Anticipated activities may also generate anticipated revenue received to support the expanded CCBHC operations that are billable under today's payment models
- Projected services that were utilized to calculate anticipated costs for new service providers will form the basis for projecting anticipated revenue
  - Anticipated revenue may also incorporate new grant funding opportunities
- Projecting anticipated patient services revenue requires the following information:
  - Number of anticipated services (units of service)
  - Payer mix of services
  - Payment rates
- Payment rates may differ based on the unit of service included in the payment model
  - Fee-for-service revenue = # of service units × payment rate per service
  - Capitation revenue = # of clients/members served per month × payment rate PMPM



# Anticipated/Budgeted Services & Revenue

Example: New behavioral health services targeted to youth:

- Annual projected visits from new targeted population = 1,677

Payer Source	Visits	Payer %	Pymt. Rates	Revenue
Medicaid	1,174	70%	\$75	\$ 88,043
Other Third Parties	335	20%	\$45	\$ 15,093
Self-pay	168	10%	\$15	\$ 2,516
Total Patient Revenue	1,677	100%	\$63	\$ 105,651

# Homework Assignment for Session #4

The first section of Session #4 will be a discussion with participants on what was learned during this session and comments on building anticipated CCBHC costs. Please review these questions and be prepared to discuss next time:

- Have you developed a gap analysis of services that need to be implemented to become CCBHC compliant? Have you attempted to put a cost to these gaps? What difficulties have you experienced?
- In projecting anticipated costs, have you linked it to anticipated services to be provided? If not, what obstacles do you foresee?
- Do your anticipated costs include non-clinical services and infrastructure? Do you have any questions on what types of additional costs should be considered?

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# Coming up:

## Session 1: Sustainability Overview

- Overview of CCBHC Sustainability Planning
- Framework for development of total budget and total revenue concepts
- Overview of approaches to sustain CCBHC operations

## Session 2: Understanding Baseline Operations

- Identification of baseline (current) services and allocation between CCBHC and non-CCBHC programs
- Review of data capture systems and discussion of modifications to existing systems to support data capture

## Session 3: Evaluating “Anticipated” Costs

- Framework for evaluating costs for new or expanded services
- Approaches for projecting need for services based on identified gaps, utilization patterns, and staffing requirements

## Session 4: Capturing CCBHC Services/Visits

- Translating visits and utilization to costing units and identifying impact on financial management systems
- Linkage of utilization to various payment models and impact to sustainability planning

## Session 5: Pulling All the Elements Together

- Review of foundational elements across sessions to project costs and evaluate approaches to sustainability planning
- Process for monitoring and updating sustainability plans

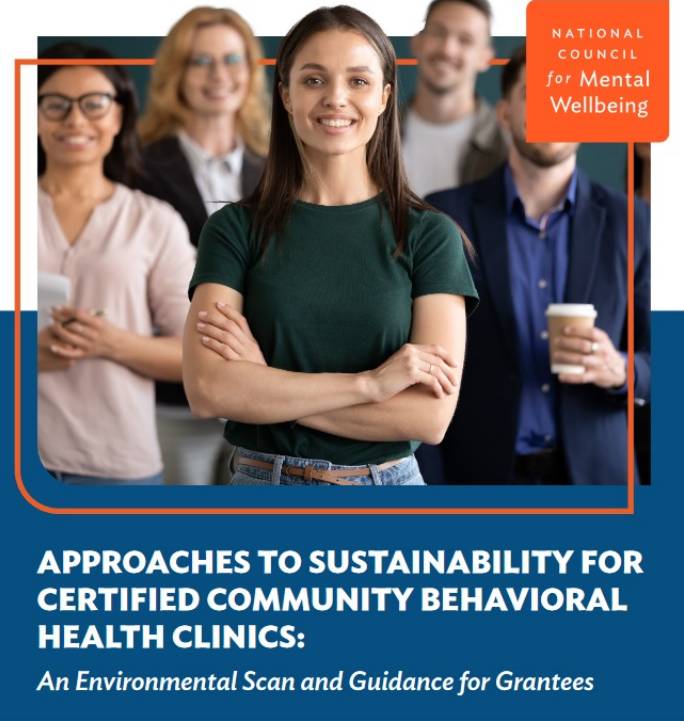
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Questions?

# 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 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.

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# Thank You!





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