

Expanding CCBHC SUD Care With the ARMH Alternative Payment Model



Certified Community Behavioral Health Clinics (CCBHCs) play a critical role in addressing the addiction crisis by providing a wide array of outpatient services and recovery supports for people with substance use disorders (SUDs). They also expand staffing and partnerships to better connect people with care. Although data shows significant gains in access to SUD care under the CCBHC model, its outpatient behavioral health focus means certain essential substance use services are not fully covered under the CCBHC prospective payment system (PPS). Certain levels of withdrawal management, residential treatment and opioid treatment programs (OTPs) fall outside the federally defined PPS reimbursement for the CCBHC Demonstration, making it challenging for CCBHCs to provide a full continuum of care for SUD patients.

The Addiction Recovery Medical Home Alternative Payment Model (ARMH-APM) is a wraparound model designed to supplement the CCBHC PPS by funding services that extend beyond traditional reimbursement structures. Rooted in chronic disease management principles, ARMH encourages long-term recovery by integrating financial incentives for sustained engagement. This approach allows CCBHCs to provide a more comprehensive system of care while maintaining financial stability.

The ARMH-APM creates a pathway for financing services that the PPS alone may not fully support:

- Primary care services beyond screening and monitoring.
- Methadone for opioid use disorder treatment in CCBHCs that are not licensed OTPs.
- Medical withdrawal (detox) management that falls outside of American Society of Addiction Medicine (ASAM) levels 1-2.1.
- Intensive specialty SUD services (e.g., ASAM Levels 3 or 4).
- Inpatient psychiatric and hospital-based SUD treatment.
- Certain extended recovery support services.

Calculate your potential savings with the [value opportunity calculator](#).



How ARMH Works

ARMH organizes payments into three episodes of care, shifting from crisis-based treatment to sustained recovery management, and is adaptable so that state CCBHCs can clearly distinguish what is covered under the PPS rate and what is covered under the ARMH-APM.

- 1. Pre-recovery and Stabilization** services are typically reimbursed through fee-for-service, leveraging existing coding and payment structures for emergency department, intensive care unit and primary care settings. The model can fill any gaps in outreach and engagement payments or pay-for-performance incentives for providers. These incentives support early identification and patient transition into structured recovery services using evidence-based screening tools.
- 2. Recovery Initiation and Active Treatment** includes bundled payments that are adjusted for patient severity and designed to cover high-intensity care, including inpatient treatment, withdrawal management, residential services and intensive outpatient programs. The bundled payments are allocated for up to 12 months or until the patient has stabilized and transitions into the next phase of care. Payments can be structured prospectively or retrospectively, with quality achievement payments and shared savings bonuses tied to patient engagement, treatment adherence and transition into sustained recovery.
- 3. Community-based Recovery Management** shifts payments to a bundled structure that incorporates recovery disruptions rather than reimbursing each relapse/recurrence as a separate event. This phase prioritizes long-term engagement and can plug any holes in coverage for outpatient recovery services, peer support, social determinants of health interventions and relapse prevention efforts. Because setbacks are anticipated within the bundled payment, providers are incentivized to offer proactive recovery support and coordinate care to prevent unnecessary transitions back to higher-intensity treatment.



Is ARMH Right for Your State?

The ARMH models holds the potential to expand the continuum of SUD care available across the nation by layering additional financial resources onto existing CCBHC initiatives

Consider these questions:

- Are you looking to fill gaps in access to SUD services?
- Do you want to improve outcomes through an integrated approach?
- Do you want to expand or improve reimbursement for a wider range of SUD services across the care continuum?

If the answer is yes to any of these, the ARMH-APM is a flexible framework to structure payments that support a broader range of SUD services while maintaining financial stability and growth.

To learn more, visit the Alliance for Addiction Payment Reform at incentivizerecovery.org or email Sr. Director Eric Bailly at Eric@ThirdHorizon.co.