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House Committee on Health and Human Services
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Testimony on House Bill 2160

Chairperson Landwehr and Members of the Committee:

The Kansas Department of Health and Environment Division of Health Care Finance (KDHE-DHCF) appreciates the opportunity to provide neutral testimony on House Bill 2160, which would establish certified community behavioral health clinics (CCBHCs) in Kansas and require KDHE to create a prospective payment system (PPS) to reimburse CCBHCs. KDHE is neutral on the policy question of whether to implement CCHBCs in Kansas; however, we would respectfully ask for more time to implement the program responsibly.

The federal Protecting Access to Medicare Act of 2014[1] authorized demonstration programs to improve the delivery of behavioral health services through CCBHCs. In 2015, federal planning grants totaling $22.9 million were awarded to 24 states to help those states prepare to participate in a two-year CCBHC demonstration program. In late 2016, eight states were selected for the two-year demonstration program and received enhanced federal match to operate their demonstration. Kansas did not apply for either the CCBHC planning grant or the demonstration program, which means that we do not have the benefit of prior planning and research to assist us in quickly establishing the CCBHC model in Kansas.

We believe there is value in exploring the CCBHC model to see if it is worth pursuing in Kansas; however, we are concerned that the short implementation deadline leaves too little time for the state to address necessary details, including:

- Drafting a Medicaid state plan amendment or 1115 waiver amendment and receiving approval from CMS.
    - CMS typically approves our state plan amendments within several months; an 1115 waiver amendment takes roughly 12 months for CMS review and approval (or rejection).
- Assessing the impact of the CCBHC program on 1115 waiver budget neutrality and taking necessary steps to address any budget neutrality concerns.
- Designing an evaluation plan to demonstrate to policymakers the effectiveness of the CCBHC model.
- Developing a unique PPS rate for each CCBHC. The PPS planning and rate development process should include:
    - Training and technical assistance for CCBHC applicants on how to complete cost reports in accordance with federal rules;

[1] Pub. L. 113-93.

    - Obtaining each CCBHC applicant's facility-specific cost data and determining what portion of those costs may be included in that CCBHC's PPS rate under CMS rules;
    - Determining whether to use a daily or monthly PPS rate based on actual utilization and, appropriations;
    - Developing each CCBHC's PPS rate in partnership with KDHE-DHCF's actuaries; and
    - Establishing rules and regulations governing procedures for cost reporting and PPS rate-setting.
- Completing necessary changes to the complex Medicaid claims payment system to create new provider types and individual payment rules for each CCBHC.
    - KDHE is in the middle of transitioning our antiquated Medicaid claims system (MMIS) to a modernized modular system (KMMS). We are under tight CMS deadlines to complete the project by the end of state fiscal year 2022.
    - To avoid disrupting this critical infrastructure work and causing expensive cost overruns, CCBHC-related coding changes should not occur before July 2022.

If HB 2160 becomes law in its current form, Kansas will be one of the only states, if not the only state, to attempt to implement the CCBHC model without the benefit of extensive advance planning. For example, at the October 30, 2020, meeting of the Special Committee on Mental Health Modernization and Reform, a representative from the Texas Council of Community Centers testified that the first 11 CCHBCs are scheduled to begin operation in August 2021, more than six years after Texas first received a CCBHC planning grant in 2015.[2]

To responsibly accomplish the tasks described above, which are necessary for a meaningful, compliant, and financially sound CCBHC program in Kansas, all involved parties would likely need at least 18 months for planning and implementation. If the committee wishes to advance this bill, we would respectfully ask that subsection (e) be revised to allow KDADS, KDHE, and their CMHC partners enough time to design and implement a successful CCBHC program.

Thank you for the opportunity to share information on this important topic. I would be happy to answer any questions the committee may have.

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[2] *Minutes*, Special Committee on Mental Health Modernization and Reform, October 30, 2020, Attachment 18, slide 8, available at: Microsoft PowerPoint - Texas Council Presentation to Kansas Mental Health Modernization and Reform 103020.pptx (kslegislature.org).