

SESSION OF 2021

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2160**

As Amended by House Committee on Health  
and Human Services

**Brief\***

HB 2160, as amended, would establish certification and funding processes for certified community behavioral health clinics (CCBHCs) and prescribe the powers, duties, and functions of the Kansas Department for Aging and Disability Services (KDADS) and the Kansas Department of Health and Environment (KDHE) with regard to CCBHCs.

The bill would be in effect upon publication in the *Kansas Register*.

***KDADS Responsibilities***

The bill would require KDADS to establish a process to certify and fund CCBHCs.

The bill would require KDADS to certify as a CCBHC any community mental health center (CMHC) licensed by KDADS that provides the following services: crisis services; screening, assessment, and diagnosis, including risk assessment; person-centered treatment planning; outpatient mental health and substance use services; primary care screening and monitoring of key indicators of health risks; targeted case management; psychiatric rehabilitation services; peer support and family supports; medication-assisted treatment; assertive community treatment; and community-based mental health care for military service members and veterans.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

### ***KDHE Responsibilities***

The bill would require KDHE to establish a prospective payment system (PPS) under the Kansas Medical Assistance Program to fund CCBHCs. Daily or monthly rate payments would be allowed in the PPS.

The bill would require KDHE to submit to the Centers for Medicare and Medicaid Services (CMS) any approval request necessary to implement the PPS for CCBHCs.

### ***Rules and Regulation Authority***

The bill would authorize KDADS and KDHE to adopt rules and regulations as necessary to implement and administer CCBHCs.

### ***Date of Implementation***

The bill would require KDADS and KDHE to implement the CCBHC certification and funding processes and the PPS by May 1, 2022.

### **Background**

The bill was introduced by the House Committee on Health and Human Services at the request of Representative Lynn. The bill was one of the recommendations made by the 2020 Special Committee on Mental Health Modernization and Reform.

[*Note:* A companion bill, SB 138, has been introduced in the Senate.]

### ***House Committee on Health and Human Services***

In the House Committee hearing, **proponent** testimony was provided by representatives of the Association of Community Mental Health Centers of Kansas, Inc.; COMCARE of Sedgwick County; Four County Mental Health Center, Inc.; High Plains Mental Health Center; Johnson County Mental Health Center; Kansas Mental Health Coalition; and Wyandot Behavioral Health Network. The proponents generally stated the CCBHC model would provide a comprehensive range of mental health and substance use disorder 24-hour crisis care services and receive an enhanced Medicaid reimbursement rate based on the anticipated costs of expanding services to meet the needs of these complex populations. The proponents noted the state's shortage of mental health professionals, which is further challenged by being surrounded on all four borders by states that have either expanded Medicaid, implemented the CCBHC model, or both; providing those states with additional resources and the ability to recruit away already scarce Kansas behavioral health professionals. The proponents also noted an increased demand for services and stagnant reimbursement rates and stated the CCBHC model would provide an integrated and sustainably financed model for care delivery. The Four County Mental Health Center representative testified to the success of its CCBHC "look alike" program funded through a CCBHC-expansion grant from the Substance Abuse and Mental Health Services Administration and its goal to become a CCBHC by the end of the two-year grant cycle. Written-only **proponent** testimony was provided by the KanCare Advocates Network and the Kansas Association of Addiction Professionals.

**Neutral** testimony was provided by a representative of KDHE. The KDHE representative stated concerns with implementing the CCBHC model by July 1, 2021, and indicated, ideally, 18 months would be needed for implementation. The representative stated the CCBHC model was discussed at a high level during the 2020 Special Committee on Mental Health Modernization and Reform, but

establishing the program would be more complex. The representative stated CMS had requested 18 months to review and approve any 1115 waiver amendments or substantial state plan amendments. The PPS planning and rate setting process would involve the completion of multiple steps, including assessing the impact of the CCBHC model on 1115 waiver budget neutrality and addressing any budget neutrality concerns and developing a unique PPS rate would need to be developed for each CCBHC based on each facility's cost. Written-only **neutral** testimony was provided by KDADS.

No **opponent** testimony was provided.

The House Committee amended the bill to change the implementation date from July 1, 2021, to May 1, 2022.

### ***Fiscal Information***

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, although the bill would require a start date of no later than July 1, 2021, CMS recommends at least 18 months to allow for the drafting of a Medicaid state plan amendment or 1115 waiver amendment and an impact assessment of the CCBHC program on the State's 1115 waiver budget neutrality. This recommendation would make a fiscal year (FY) 2022 implementation date highly challenging. However, the fiscal effect is calculated assuming the July 2021 date. KDHE and KDADS estimate the combined cost for the agencies would range from \$43.0 million to \$74.2 million from all funding sources, including \$17.4 million to \$29.9 million from the State General Fund (SGF) for FY 2022. The expenditures are detailed below.

KDADS estimates that administrative costs would be \$1.1 million from SGF for FY 2022 associated with the creation of the CCBHC program. Included in these costs, KDADS estimates it would require an additional 14.00 FTE positions at a cost of \$616,858 for salaries and benefits.

These positions would include those needed to adequately support all certification, rate setting, and monitoring functions. Also, Medicaid support contracts would increase because of system changes that would need to be implemented to account for the new program. KDADS estimates the cost of consultant work to develop and design the program structure would be \$37,500, technology system changes and rate setting would be \$277,000, and actuarial services would be \$150,000.

Medicaid services would be projected to range from \$40.8 million to \$71.9 million from all funding sources, including a range of \$16.3 million to \$28.8 million from SGF. It is assumed that over time, 26 CMHCs would eventually transition to CCBHCs. At that point, the agency estimates that the cost would be the projected high end of the range.

Any fiscal effect associated with the bill is not reflected in *The FY 2022 Governor's Budget Report*.

Certified community mental health clinics; community mental health centers; certification and funding; prospective payment system; mental health services; substance abuse services; rules and regulations