CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINIC (CCBHC)

A Growth Story

C.J. Davis, CEO
OFFERING MORE SERVICES.
SERVING MORE PEOPLE.
SAVING MORE LIVES.

200 Locations
4 States
19 Subsidiaries and/or Affiliates
5K+ Employees
$391M Revenue
DON’T BURY THE HEADLINE

You will...
Transform the behavioral health system in Indiana

You will...
Become nationally more competitive with pay for providers

You will...
See more clients than ever before

You will...
Be introduced to a new Rubik’s Cube

You will...
Improve access to services

You will...
Forge more partnerships

You CAN...
Be financially rewarded

You will...
Find re-basing a challenge to executives and boards
## CMHC Fee-for-Service vs. CCBHO Cost-Based System

<table>
<thead>
<tr>
<th>Type</th>
<th>Hours Vs Daily Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMHC Fee-for-Service</td>
<td>Paid for each service/hours</td>
</tr>
<tr>
<td>CCBHO Cost-Based System</td>
<td>Paid a daily rate</td>
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</tbody>
</table>

Paid based on the number of hours a provider served a client. Incentivizes volume of services, especially by low-cost providers.

Rate is daily per person rather than hours. Incentivizes volume, but prioritizes many different clients rather than one client for many hours.
## CMHC Fee-For-Service vs. CCBHO Cost-Based System

<table>
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<tr>
<th>Type</th>
<th>Service/Provider</th>
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<tr>
<td>CMHC Fee-for-Service</td>
<td>Make or lose money based on service/provider</td>
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<tr>
<td>CCBHO Cost-Based System</td>
<td>Get paid same rate for all CCBHC services</td>
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</table>

- Psychiatry – High Cost (Salary) = LOSE MONEY
- Therapy/Counseling – Moderately High Cost (Salary) = BREAK EVEN
- Community Services – Low Cost/High Volume = LOTS OF MONEY

Same reimbursement rate for all CCBHC services because cost is built into the PPS rate.
THE GOLDEN TICKET

- This is good for the system, but doesn’t cure all issues and perhaps only delays them

- Those who are operationally strong/efficient rule the day

- The “transition to” is a key period

- Maximize market share/penetration for five years

- Competitive advantage is in larger markets

- Harder to underserve a county
LEVELING THE PLAYING FIELD

- Big systems will grow faster, but all will grow
- More equitable than FFS for larger and smaller systems
- Spending is rewarded
- Scaling up is a process
<table>
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<th>Symbol</th>
<th>Directions</th>
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<tbody>
<tr>
<td>Prepare from day 1</td>
<td></td>
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<tr>
<td>Mergers, affiliations, partnership in efforts to pool resources</td>
<td></td>
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<tr>
<td>Lean on the ICCMHC and partnership with DMHA</td>
<td></td>
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<tr>
<td>We can’t afford this?</td>
<td></td>
</tr>
<tr>
<td>Understand your competition</td>
<td></td>
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</table>
The REAL Lessons Learned

- Don’t become Disney World
- Board management (board optics and preparation)
- Plan your anticipated spending and re-basing year
- Have a brilliant finance team and CFO who understands cost reports and anticipated costs
- Stay plugged in with state and association
- Data analytics
- The wage conundrum (incentives, wage increases, benefits)
WHAT YOU SHOULD BE DOING NOW

Prepare and/or build:

Analytics Team
Board of Directors
Market Intelligence
Operational Efficiencies
THE BOTTOM LINE

- It is SO worth it!
- Services will be transformed.
- Every CCBHC in MO has grown!
QUESTIONS?

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THANK YOU

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