



CPAs / ADVISORS



CCBHC, Cost Reports & Your Behavioral Health Organization

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Agenda

1. Prospective Payment System (PPS) Rates

2. Cost Report Definitions

3. Cost Report Principles

4. Service Line and Program Costs

5. CCBHC Cost Report Examples

Note: Content included in this presentation follows issued guidance provided by the Centers for Medicare & Medicaid Services (CMS) and is subject to change based on criteria developed at the state level.



Prospective Payment System (PPS) Rate Models

PPS Rate Models Comparison

Rate/Payment Elements	PPS-1	PPS-2
Base rate (Standard Rate)	Daily rate	Monthly rate
Payments for services provided to clinic users with certain conditions (Special Rate)	N/A	Separate monthly PPS rate for the higher costs associated patients with more serious needs defined by the state
Outlier payment	N/A	Reimbursement for portion of participant costs in excess of threshold determined by the state
Quality bonus payment	<u>Optional</u> bonus payment for CCBHCs that meet quality measures	<u>Required</u> bonus payment for CCBHCs that meet quality measures
Update factor	Medicare Economic Index (MEI) or rebasing	MEI or rebasing

PPS-1 Daily Rate Models

- Cost-based per clinic reimbursement model that pays a fixed **daily** rate when one or more CCBHC services are provided regardless of the intensity of the services provided or needs of the patient.
 - Rates would be updated yearly using the MEI or rebasing.
 - Quality Bonus Payments (QBP) could be paid depending on the state's decision.

Total Annual Allowable CCBHC Costs

Total Annual CCBHC Daily Visits

PPS-2 Monthly Rate Models

- Cost-based per clinic reimbursement model that pays a standard **monthly** rate per beneficiary service, with separate monthly rates and/or payments made depending on the intensity of the services provided or needs of the patient.
- PPS-2 Requirements:
 - Monthly base rate paid for CCBHC services (Standard Payments)
 - Separate monthly rate paid for higher CCBHC services provided to patients with certain clinical conditions (Special Population Payments)
 - Rates may be updated yearly using the Medicare Economic Index (MEI) or rebasing
 - Outlier payments made in addition to threshold defined by the state
 - Quality Bonus Payments (QBP) paid in addition to PPS rates

PPS-2 Monthly Rate Models

Step 1: PPS Standard Rate

Total Annual Allowable CCBHC Costs Excluding Costs for Patients with Certain Conditions & Outliers

Total CCBHC Unduplicated Monthly Visits Per Year Excluding Patients with Certain Conditions

Step 2: PPS Rate for Special Populations

Total Annual Allowable CCBHC Costs Including Only Costs for Patients with Certain Conditions but Excluding Outliers

Total CCBHC Unduplicated Monthly Visits Per Year Including Only Patients with Certain Conditions



Cost Report Basics

Purpose of the Cost Report?

- A document used to compile information needed to calculate a final rate.
- Information input is summarized within the document and the result is a rate calculated using a simple formula which includes a numerator and a denominator.

$$\frac{\text{Numerator (Costs)}}{\text{Denominator (Qualifying Unit)}} = \frac{\$2,000,000}{10,000 \text{ Visits}} = \text{\$200 Rate}$$

Cost Report Definitions

Direct Costs

- “Costs that can be identified specifically with a particular final cost objective”
- Costs incurred to deliver services:
 - Direct care staffing
 - Supplies
 - Contract labor
 - Liability insurance
 - Some depreciation
 - Transportation

Indirect Costs

- “Costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective”
- Generally, split into 2 categories of costs:
 - Facilities
 - Administrative
- These costs may support multiple service lines outside of just the CCBHC
- Need to be allocated to multiple programs using reasonable allocation basis

Cost Report Definitions

Anticipated Costs

- Additional expected costs related to services that are required to be offered as a CCBHC that were not previously offered
- Increases in costs related to CCBHC services that were not captured in the reporting period used to complete the cost report
- Examples may include estimates for:
 - New equipment purchases
 - Training/recruitment costs
 - EHR upgrades/billing software
 - Additional staffing salary and benefit costs
 - New outreach department
- May also consider any potential reductions in current costs due to increased care and reductions in utilization of higher levels of care services

"Hybrid" Costs

- Made up term for today's discussion – these are costs that are direct costs, but because of accounting or payroll report limitations look like indirect expenses
- Examples are utilities, equipment depreciation, certain administrative staffing
- Proper matching of service line costs to general ledger departments can help identify these costs as direct costs

Cost Report Principles

Regulations

- Consolidates several OMB circulars for Nonprofits (OMB A-122) & State, Local & Tribal Governments (OMB A-87)
- 42 CFR §413 Principles of Reasonable Cost Reimbursement
- 45 Code of Federal Regulations (CFR) §75 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for the U.S. Department of Health and Human Services (HHS) Awards

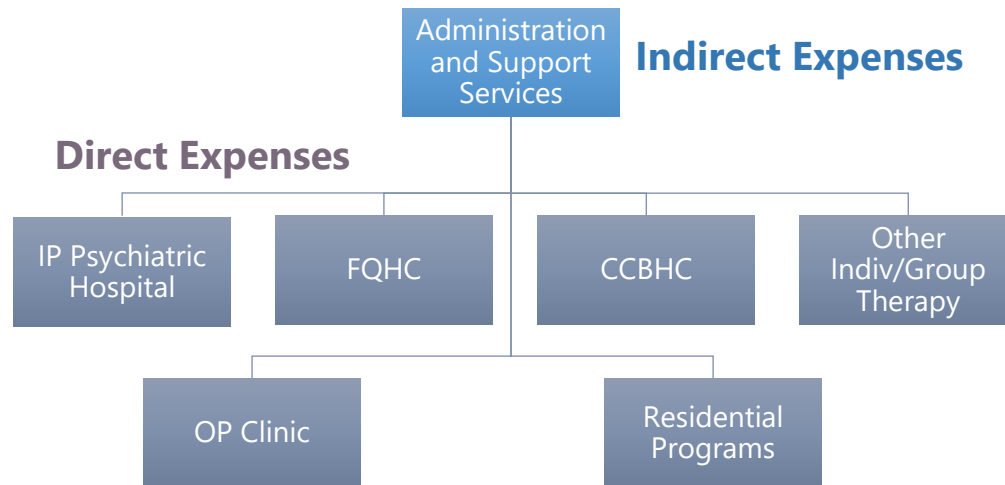
Reporting Cost Principles

- *Reasonable* – Is the cost necessary and is the price comparable from multiple vendors?
- *Allowable* – Is cost permitted within federal regulations?
- *Allocable* – Does the cost benefit the program, or can the cost be distributed to the program using reasonable basis?
- *Consistently Treated* – Are costs incurred for the same purpose and treated uniformly?

Matching Principles (Revenue & Expenses)

- All cost reports have a numerator (costs) and denominator (service unit of measure) that are needed for filing.
- Ensure that you are identifying specific costs that match service revenues.
- What costs are or will be incurred to deliver the services/revenue to your clients?

Service Line Expense Identification



Examples of Indiana Providers

- Numerous programs all with different federal and state oversight.
- Within each program, multiple departments and service lines may exist.
- Consistent and proper identification of service line costs to the general ledger provides best capture of direct costs.
- Indirect costs flow from administration and other support areas.
 - Most of the time these departments do not generate revenue.
- Need to consider allocations for indirect cost for a diverse group of programs and service lines.

Cost Report Preparation

Basic Items Needed

Trial Balance

Detail Patient
Census Reports

Home Office/
Related Party
Expenses

Anticipated
Costs/Visits

Allocation Statistics
(e.g., square
footage, time
studies)

Provider NPI
Information

Basic Clinic
Location
Information

Hours of Operation

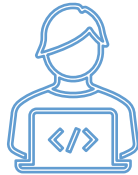
Payroll Reports

Cost Report Preparation

CCBHC Cost Report Layout



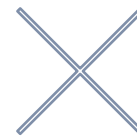
Excel based



A lot of manual inputs
required



Amounts input do not always
link to other tabs

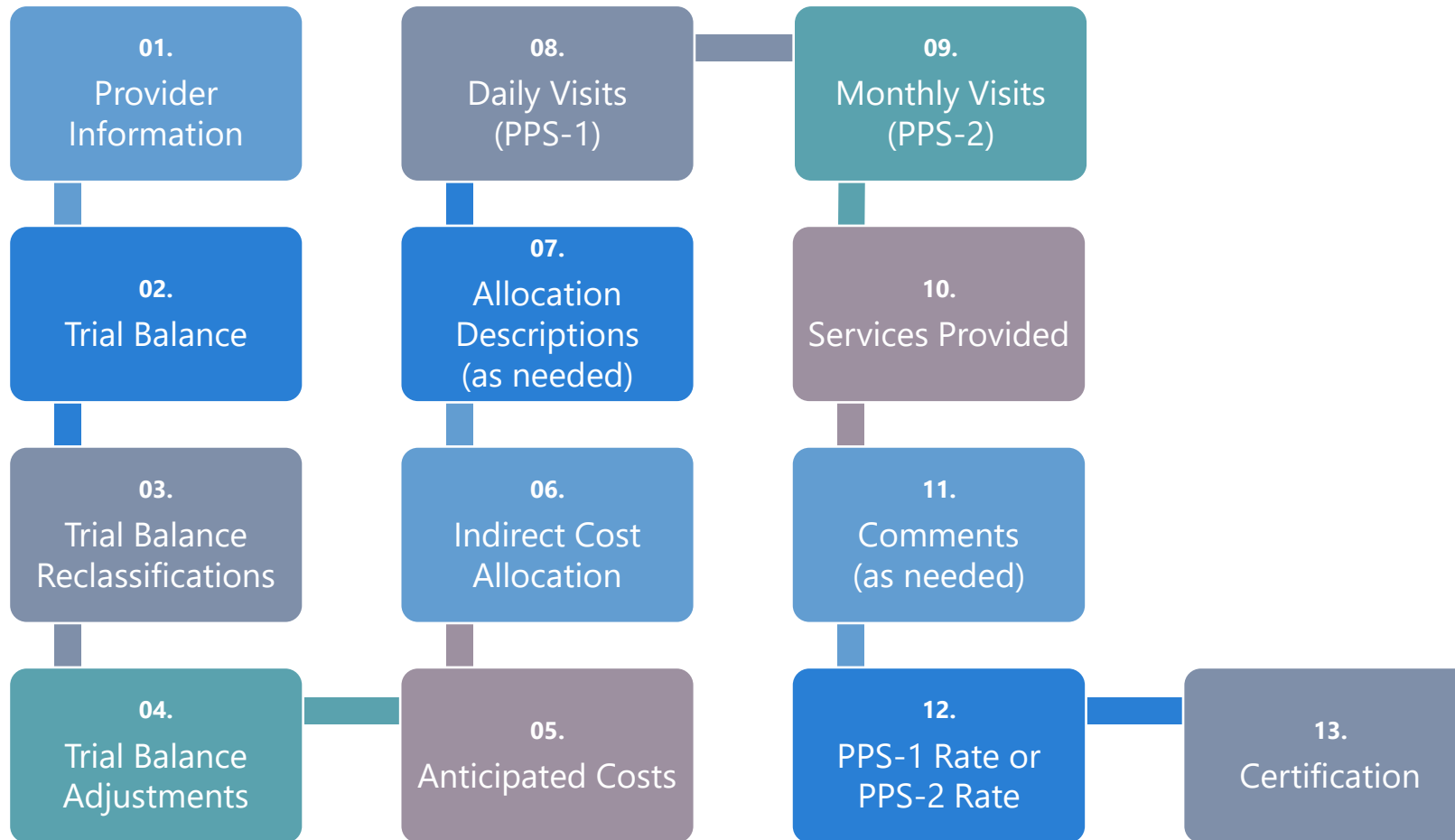


One template used to
calculate both PPS rates
therefore some tabs may not
be applicable depending on
rate used



Excel is protected which
limit's ability to make
changes within the workbook

Cost Report Tabs





Cost Report Examples

Provider Information

CCBHC Cost Report	
MEDICAID ID:	
NPI:	
REPORTING PERIOD:	From: <input type="text"/> To: <input type="text"/>
RATE PERIOD:	From: <input type="text"/> To: <input type="text"/>
WORKSHEET:	Provider Information
PPS METHODOLOGY:	
This box for state use only - LEAVE BLANK	
Select type of oversight:	<input type="checkbox"/> Audited <input type="checkbox"/> Desk Reviewed
Date reviewed:	

Twelve months of data recommended.

PART 1 - PROVIDER INFORMATION (Consolidated)	
1. Name:	
2. Street:	P.O. Box: <input type="text"/>
3. City:	State: <input type="text"/> Zip Code: <input type="text"/>
4. County:	
5. Medicaid ID:	
6. NPI:	
7. Location designation (see Cost Report Instructions):	
8. Organizational authority (see Cost Report Instructions):	
9. Behavioral health professionals (see Cost Report Instructions):	
Name 1	NPI 2
9a	
9b	
9c	
9d	
9e	
9f	

Provider Information

10. Is the CCBHC dually certified as a 1905(a)(9) clinic?			
11. Does the site operate as other than CCBHC?			
12. If line 11 is "Yes" specify the type of operation (e.g., clinic, FQHC, other):			
13. Identify days and hours the site operates as a CCBHC by listing the time next to the applicable day:			
	Days	Hours of Operation From	Hours of Operation To
13a	Sunday		
13b	Monday		
13c	Tuesday		
13d	Wednesday		
13e	Thursday		
13f	Friday		
13g	Saturday		
14. Identify days and hours the site operates as other than a CCBHC by listing the time next to the applicable day:			
	Days	Hours of Operation From	Hours of Operation To
14a	Sunday		
14b	Monday		
14c	Tuesday		
14d	Wednesday		
14e	Thursday		
14f	Friday		
14g	Saturday		
15	List any excluded satellite facilities and reasons for exclusion. Use the Comments Sheet for additional details.		
16. Is this site filing a consolidated cost report for multiple locations? If yes, see Cost Report Instructions.			
17. How many sites are reported for the consolidated entity?			

If yes, must complete information about additional location(s).

Trial Balance

General Layout

Input from working trial balance support

Should reconcile to anticipated costs tab and include detail supporting schedules explaining amounts included

Description	Compensation	Other	Total (Col. 1 + 2)	Reclassifications	Reclassified Trial Balance (Col. 3 + 4)	Adjustments Increases (Decreases)	Adjusted Amount (Col. 5 + 6)	Adjustments for Anticipated Cost Changes	Net Expenses (Col. 7 + 8)
	1	2	3	4	5	6	7	8	9
1. Psychiatrist	\$100,000	\$50,000	\$150,000	-\$25,000	\$125,000		\$125,000	\$75,000	\$200,000

- Used to move expenses between classifications or add/remove expenses
- Should reconcile to reclassification and adjustment tabs

Amounts impacting the numerator in both PPS rate calculations

Trial Balance

Staff Costs

PART 1 - DIRECT CCBHC EXPENSES									
PART 1A - CCBHC STAFF COSTS									
Description	Compensation	Other	Total (Col. 1 + 2)	Reclassifications	Reclassified Trial Balance (Col. 3 + 4)	Adjustments Increases (Decreases)	Adjusted Amount (Col. 5 + 6)	Adjustments for Anticipated Cost Changes	Net Expenses (Col. 7 + 8)
	1	2	3	4	5	6	7	8	9
1. Psychiatrist			\$0		\$0		\$0		\$0
2. Psychiatric nurse			\$0		\$0		\$0		\$0
3. Child psychiatrist			\$0		\$0		\$0		\$0
4. Adolescent psychiatrist			\$0		\$0		\$0		\$0
5. Substance abuse specialist			\$0		\$0		\$0		\$0
6. Case manager			\$0		\$0		\$0		\$0
7. Recovery coach			\$0		\$0		\$0		\$0
8. Peer specialist			\$0		\$0		\$0		\$0
9. Family support specialist			\$0		\$0		\$0		\$0
10. Licensed clinical social worker			\$0		\$0		\$0		\$0
11. Licensed mental health counselor			\$0		\$0		\$0		\$0
12. Mental health professional (trained and credentialed for psychological testing)			\$0		\$0		\$0		\$0
13. Licensed marriage and family therapist			\$0		\$0		\$0		\$0
14. Occupational therapist			\$0		\$0		\$0		\$0
15. Interpreter or linguistic counselor			\$0		\$0		\$0		\$0
16. General practice (performing CCBHC services)			\$0		\$0		\$0		\$0
17. Subtotal other staff costs (specify details in Comments tab)			\$0		\$0		\$0		\$0
18. Subtotal staff costs (sum of lines 1-17)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Trial Balance

Costs Under Agreement

PART 1B - CCBHC COSTS UNDER AGREEMENT									
Description	Compensation	Other	Total (Col. 1 + 2)	Reclassifications	Reclassified Trial Balance (Col. 3 + 4)	Adjustments Increases (Decreases)	Adjusted Amount (Col. 5 + 6)	Adjustments for Anticipated Cost Changes	Net Expenses (Col. 7 + 8)
	1	2	3	4	5	6	7	8	9
19. CCBHC costs from DCO			\$0		\$0		\$0		\$0
20. Subtotal other CCBHC costs (specify details in Comments tab)			\$0		\$0		\$0		\$0
21. Subtotal costs under agreement (sum of lines 19-20)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

- Designated Collaborating Organization (DCO) costs should be included since the CCBHC is financially responsible for the services.

Trial Balance

Other Direct Costs

PART 1C - OTHER DIRECT CCBHC COSTS									
Description	Compensation	Other	Total (Col. 1 + 2)	Reclassifications	Reclassified Trial Balance (Col. 3 + 4)	Adjustments Increases (Decreases)	Adjusted Amount (Col. 5 + 6)	Adjustments for Anticipated Cost Changes	Net Expenses (Col. 7 + 8)
	1	2	3	4	5	6	7	8	9
22. Medical supplies			\$0		\$0		\$0		\$0
23. Transportation (health care staff)			\$0		\$0		\$0		\$0
24. Depreciation - medical equipment			\$0		\$0		\$0		\$0
25. Professional liability insurance			\$0		\$0		\$0		\$0
26. Telehealth			\$0		\$0		\$0		\$0
27. Subtotal other direct costs not already included (specify details in Comments tab)			\$0		\$0		\$0		\$0
28. Subtotal other direct CCBHC costs (sum of lines 22-27)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29. Total cost of CCBHC services (other than overhead) (sum of lines 18, 21, and 28)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

- Total direct costs used in the numerator of both PPS-1 and PPS-2 rates.
- Also used in Option 2 of the indirect cost allocation.

Trial Balance

Indirect Facility Costs

PART 2 - INDIRECT COSTS									
PART 2A - SITE COSTS									
Description	Compensation	Other	Total (Col. 1 + 2)	Reclassifications	Reclassified Trial Balance (Col. 3 + 4)	Adjustments Increases (Decreases)	Adjusted Amount (Col. 5 + 6)	Adjustments for Anticipated Cost Changes	Net Expenses (Col. 7 + 8)
	1	2	3	4	5	6	7	8	9
30. Rent			\$0		\$0		\$0		\$0
31. Insurance			\$0		\$0		\$0		\$0
32. Interest on mortgage or loans			\$0		\$0		\$0		\$0
33. Utilities			\$0		\$0		\$0		\$0
34. Depreciation - buildings and fixtures			\$0		\$0		\$0		\$0
35. Depreciation - equipment			\$0		\$0		\$0		\$0
36. Housekeeping and maintenance			\$0		\$0		\$0		\$0
37. Property tax			\$0		\$0		\$0		\$0
38. Subtotal other site costs (specify details in Comments tab)			\$0		\$0		\$0		\$0
39. Subtotal site costs (sum of lines 30-38)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

May include various types of costs and anticipated costs that need to be supported in detail workpapers.

- Depending on complexity of your organization, these could include a lot of "Hybrid" costs.

Trial Balance

Indirect Administrative Costs

PART 2B - ADMINISTRATIVE COSTS									
Description	Compensation	Other	Total (Col. 1 + 2)	Reclassifications	Reclassified Trial Balance (Col. 3 + 4)	Adjustments Increases (Decreases)	Adjusted Amount (Col. 5 + 6)	Adjustments for Anticipated Cost Changes	Net Expenses (Col. 7 + 8)
	1	2	3	4	5	6	7	8	9
40. Office salaries			\$0		\$0		\$0		\$0
41. Depreciation - office equipment			\$0		\$0		\$0		\$0
42. Office supplies			\$0		\$0		\$0		\$0
43. Legal			\$0		\$0		\$0		\$0
44. Accounting			\$0		\$0		\$0		\$0
45. Insurance			\$0		\$0		\$0		\$0
46. Telephone			\$0		\$0		\$0		\$0
47. Subtotal other administrative costs (specify details in Comments tab)			\$0		\$0		\$0		\$0
48. Subtotal administrative costs (sum of lines 40-47)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49. Total overhead (sum of lines 39 and 48)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Used to calculate both Option 3 or Option 4 of the indirect cost allocations discussed later.

- May also include a lot of "Hybrid" costs.

Trial Balance

Non-CCBHC Direct Costs & Non-reimbursable Costs

PART 3 - DIRECT COSTS FOR NON-CCBHC SERVICES

PART 3A - DIRECT COSTS FOR SERVICES OTHER THAN CCBHC SERVICES

Description	Compensation 1	Other 2	Total (Col. 1 + 2) 3	Reclassifications 4	Reclassified Trial Balance (Col. 3 + 4) 5	Adjustments Increases (Decreases) 6	Adjusted Amount (Col. 5 + 6) 7	Adjustments for Anticipated Cost Changes 8	Net Expenses (Col. 7 + 8) 9
50. Subtotal direct costs for non-CCBHC services covered by Medicaid (specify details in Comments tab)			\$0		\$0		\$0		\$0

PART 3B - NON-REIMBURSABLE COSTS

Description	Compensation 1	Other 2	Total (Col. 1 + 2) 3	Reclassifications 4	Reclassified Trial Balance (Col. 3 + 4) 5	Adjustments Increases (Decreases) 6	Adjusted Amount (Col. 5 + 6) 7	Adjustments for Anticipated Cost Changes 8	Net Expenses (Col. 7 + 8) 9
51. Subtotal direct costs for non-CCBHC services not covered by Medicaid (specify details in Comments tab)			\$0		\$0		\$0		\$0
52. Total costs for non-CCBHC services (sum of lines 50-51)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53. Total costs (sum of lines 29, 49, and 52)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

- Line 53, column 3 should reconcile to trial balance costs or other support provided.
- Column 9 amount used in Option 3 of the indirect cost allocation.

- Depending on indirect allocation method used, these could factor into the allocation percentage.
- If an allocation of indirect expenses was calculated outside of the cost report, make sure this allocation is not also included in the cost report calculation to avoid duplicate allocations.

Trial Balance Reclassifications

Explanation of Entry	Increase: Expense Category 1	Increase: Line Number 2	Increase: Amount* 3	Decrease: Expense Category 4	Decrease: Line Number 5	Decrease: Amount* 6
1.						
2.						
3.						
4.						
5.						
6.						

- Example would be a Psychiatrist that performs administrative tasks.
 - This portion of their expenses would need to be moved from direct costs to indirect administrative costs.
- This schedule is a summary only and does not link to the previous trial balance tab.

Trial Balance Adjustments

Common Adjustments

PART 1 - COMMON ADJUSTMENTS

Description	Basis for Adjustment*	Amount**	Expense Classification***	Line Number
	1	2	3	4
1. Investment income on commingled restricted and unrestricted funds				
2. Trade, quantity, and time discounts on purchases				
3. Rebates and refunds of expenses				
4. Rental of building or office space to others				
5. Home office costs				
6. Adjustment resulting from transactions with related organizations				
7. Vending machines				
8. Practitioner assigned by National Health Service Corps				
9. Depreciation - buildings and fixtures				
10. Depreciation - equipment				
11. Subtotal of other common adjustments (specify details in Comments tab)				
12. Subtotal of common adjustments (sum of lines 1-11)		\$0		

- DO NOT remove any Professional Component/ Part B costs that would be excludable under Medicare hospital cost reporting principles.
- If home office/related party costs are not included in the trial balance amounts, add them here (could impact numerous line numbers).
- If removing expenses, verify they are included in columns 1 & 2 of the trial balance schedules.
- This schedule is a summary only and does not link to the previous trial balance tab.

Trial Balance Adjustments

Non-allowable Costs

PART 2 - COSTS NOT ALLOWED (Must be removed from allowable costs)				
Description	Basis for Adjustment*	Amount**	Expense Classification***	Line Number
	1	2	3	4
13. Bad debts	A			
14. Charitable contributions	A			
15. Entertainment costs, including costs of alcoholic beverages	A			
16. Federal, state, or local sanctions or fines	A			
17. Fund-raising costs	A			
18. Goodwill, organization costs, or other amortization	A			
19. Legal fees related to criminal investigations	A			
20. Lobbying costs	A			
21. Selling and marketing costs	A			
22. Subtotal of other costs not allowed (specify details in Comments tab)	A			
23. Subtotal of costs not allowed (sum of lines 13-22)	A	\$0		
24. Total Adjustments (sum of lines 12 and 23)		\$0		

- If removing expenses, verify they are included in columns 1 & 2 of the trial balance schedules.

Anticipated Costs

Anticipated Staff Costs

PART 1 - DIRECT CCBHC EXPENSES				
PART 1A - CCBHC STAFF COSTS				
Description	Additional Required Full-Time Equivalent (FTE) Staff	Additional Expense Amount	Reduced Expense Amount	Anticipated Changes in Costs Due to Addition of CCBHC Services* (Col. 2 - 3)
	1	2	3	4
1. Psychiatrist				\$0
2. Psychiatric nurse				\$0
3. Child psychiatrist				\$0
4. Adolescent psychiatrist				\$0
5. Substance abuse specialist				\$0
6. Case manager				\$0
7. Recovery coach				\$0
8. Peer specialist				\$0
9. Family support specialist				\$0
10. Licensed clinical social worker				\$0
11. Licensed mental health counselor				\$0
12. Mental health professional (trained and credentialed for psychological testing)				\$0
13. Licensed marriage and family therapist				\$0
14. Occupational therapist				\$0
15. Interpreters or linguistic counselor				\$0
16. General practice (performing CCBHC services)				\$0
17. Subtotal other staff costs (specify details in Comments tab)				\$0
18. Subtotal staff costs (sum of lines 1-17)	0	\$0	\$0	\$0

- Anticipated costs may include either additional or a reduction in expenses as a result of providing required CCBHC services that may not have been offered previously.
- Totals in column 4 should reconcile to amounts in column 8 on the trial balance tab.
 - These will need to be manually input and do not link between tabs.

Anticipated Costs

Anticipated Costs Under Agreement & Other Direct Costs

PART 1B - CCBHC COSTS UNDER AGREEMENT				
Description	Additional Required Full-Time Equivalent (FTE) Staff	Additional Expense Amount	Reduced Expense Amount	Anticipated Changes in Costs Due to Addition of CCBHC Services* (Col. 2 - 3)
	1	2	3	4
19. CCBHC costs from DCO				\$0
20. Subtotal other CCBHC costs (specify details in Comments tab)				\$0
21. Subtotal costs under agreement (sum of lines 19-20)		\$0	\$0	\$0

PART 1C - OTHER DIRECT CCBHC COSTS				
Description	Additional Required Full-Time Equivalent (FTE) Staff	Additional Expense Amount	Reduced Expense Amount	Anticipated Changes in Costs Due to Addition of CCBHC Services* (Col. 2 - 3)
	1	2	3	4
22. Medical supplies				\$0
23. Transportation (health care staff)				\$0
24. Depreciation - medical equipment				\$0
25. Professional liability insurance				\$0
26. Telehealth				\$0
27. Subtotal other direct costs not already included (specify details in Comments tab)				\$0
28. Subtotal other direct CCBHC costs (sum of lines 22-27)		\$0	\$0	\$0
29. Total cost of CCBHC services (other than overhead) (sum of lines 18, 21, and 28)	\$0	\$0	\$0	\$0

Anticipated Costs

Anticipated Indirect Facility & Administrative Costs

PART 2 - INDIRECT COSTS

PART 2A - SITE COSTS

Description	Additional Required Full-Time Equivalent (FTE) Staff	Additional Expense Amount	Reduced Expense Amount	Anticipated Changes in Costs Due to Addition of CCBHC Services* (Col. 2 - 3)
	1	2	3	4
30. Rent				\$0
31. Insurance				\$0
32. Interest on mortgage or loans				\$0
33. Utilities				\$0
34. Depreciation - buildings and fixtures				\$0
35. Depreciation - equipment				\$0
36. Housekeeping and maintenance				\$0
37. Property tax				\$0
38. Subtotal other site costs (specify details in Comments tab)				\$0
39. Subtotal site costs (sum of lines 30-38)		\$0	\$0	\$0

PART 2B - ADMINISTRATIVE COSTS

Description	Additional Required Full-Time Equivalent (FTE) Staff	Additional Expense Amount	Reduced Expense Amount	Anticipated Changes in Costs Due to Addition of CCBHC Services* (Col. 2 - 3)
	1	2	3	4
40. Office salaries				\$0
41. Depreciation - office equipment				\$0
42. Office supplies				\$0
43. Legal				\$0
44. Accounting				\$0
45. Insurance				\$0
46. Telephone				\$0
47. Subtotal other administrative costs (specify details in Comments tab)				\$0
48. Subtotal administrative costs (sum of lines 40-47)		\$0	\$0	\$0
49. Total overhead (sum of lines 39 and 48)		\$0	\$0	\$0

Anticipated Costs

Anticipated Non-CCBHC Direct Costs & Non-reimbursable Costs

PART 3 - DIRECT COSTS FOR NON-CCBHC SERVICES				
PART 3A - DIRECT COSTS FOR SERVICES OTHER THAN CCHBC SERVICES				
Description	Additional Required Full-Time Equivalent (FTE) Staff	Additional Expense Amount	Reduced Expense Amount	Anticipated Changes in Costs Due to Addition of CCBHC Services* (Col. 2 - 3)
	1	2	3	4
50. Subtotal direct costs for non-CCBHC services covered by Medicaid (specify details in Comments tab)				\$0
PART 3B - NON-REIMBURSABLE COSTS				
Description	Additional Required Full-Time Equivalent (FTE) Staff	Additional Expense Amount	Reduced Expense Amount	Anticipated Changes in Costs Due to Addition of CCBHC Services* (Col. 2 - 3)
	1	2	3	4
51. Subtotal direct costs for non-CCBHC services not covered by Medicaid (specify details in Comments tab)				\$0
52. Subtotal costs for non-CCBHC services (sum of 50-51)		\$0	\$0	\$0
53. Total costs (sum of lines 29, 49, and 52)	0	\$0	\$0	\$0

Indirect Cost Allocation

CCBHC Cost Report		
MEDICAID ID:		
NPI:		
REPORTING PERIOD:	From: <input type="text"/>	To: <input type="text"/>
RATE PERIOD:	From: <input type="text"/>	To: <input type="text"/>
WORKSHEET:	Indirect Cost Allocation	
Description		
1. Does the CCBHC have a indirect cost rate approved by a cognizant agency (see Cost Report Instructions)? If no, go to line 7.		
2. Which cognizant agency approved the rate?		
3. Describe the base rate with respect to the indirect cost rate.		
4. Enter the basis amount subject to the rate agreement		
5. Enter the approved rate amount		
6. Calculated indirect costs allocable to CCBHC services (line 4 multiplied by line 5)		\$0
7. Does the CCBHC qualify to use the federal minimum rate and elect to use the rate for all federal awards? See instructions for qualifications. If no, go to line 11.		
8. Direct costs for CCBHC services (Trial Balance, column 9, line 29)		\$0
9. Minimum rate		10.0%
10. Calculated indirect costs allocable to CCBHC services (line 8 multiplied by line 9)		\$0
11. Will the CCBHC allocate indirect costs proportionally by the percentage of direct costs for CCBHC services versus total allowable costs less indirect costs? If no, go to line 15.		
12. Percentage of direct costs versus total allowable direct costs (Trial Balance, column 9, line 29 divided by the sum of Trial Balance, column 9, line 29 and Trial Balance, column 9, line 52)		0.0%
13. Indirect costs to be allocated (Trial Balance, column 9, line 49)		\$0
14. Calculated indirect costs allocable to CCBHC services (line 12 multiplied by line 13)		\$0
15. If none of the lines 1, 7, or 11 are entered as Yes, provide a thorough description of the cost allocation method used. Include attachments for descriptions and calculations. Include references to line items included in the Trial Balance tab. Enter the amount of indirect costs allocated to providing CCBHC services here:		
16. Total indirect costs allocated to CCBHC services		\$0

Four options to identify a method used for allocating indirect costs related to CCBHC specific services.

- Option 1: Indirect rate approved by a Federal agency.
- Option 2: 10% minimum rate of all direct costs for qualifying entities.
- Option 3: Proportionate allocation by percentage of direct costs:

Direct CCBHC Costs

Total Costs – Indirect Costs

- Option 4: "Other" – Must be able to justify and describe the methodology.

Allocation Descriptions

CCBHC Cost Report			
MEDICAID ID:			
NPI:			
REPORTING PERIOD:	From:		To:
RATE PERIOD:	From:		To:
WORKSHEET:	Allocation Descriptions		
PLEASE EXPLAIN METHODS USED FOR ALLOCATING RESOURCES TO DIRECT OR INDIRECT COSTS			
Justification for allocation:			
OMB #0398-1148 CMS-10398 (#43)			
End of Worksheet			

Used for describing calculations and methodologies used to support and allocate direct or indirect costs.

- Detail explanations to support:
 - Reclassifications
 - Adjustments (Home Office, Related Party)
 - Indirect Allocation Method (Option 4)
 - Anticipated Costs/Visits

Provide any additional documentation used to support explanations separately.

Daily Visits – PPS-1

PATIENT DEMOGRAPHICS CONSOLIDATED	
Include ALL visits for CCBHC services; do not limit it to those covered by Medicaid.	Patient Visits 1
1. Number of daily visits for patients receiving CCBHC services provided directly from staff	
2. Number of daily visits for patients receiving CCBHC services directly from DCO (not included above)	
3. Number of additional anticipated daily visits for patients receiving CCBHC services	
4. Total daily visits for patients receiving CCBHC services (sum of lines 1-3)	0

- A patient with multiple CCBHC service visits on the same day should only be counted once per day.
 - This would include a patient that receives service directly from a DCO and from the CCBHC on the same day.
- Total used in the denominator of PPS-1.
- Detail patient census logs will be extremely important!
- Include visits furnished by your health care staff and by physicians under agreement.
- Include all payor types in these totals.
- Include additional anticipated visits.

Daily Visits – PPS-1 Example

Patient Name	Service Date	Account Number	Procedure/CPT Code	Billed Amount	Paid Amount	Total Visits	CCBHC Visits
Mrs. Smith	10/27/2022	1234	99999	170	70	1	1
Mrs. Smith	10/27/2022	1234	99998	150	50	1	
Mr. Jones	10/25/2022	1235	99999	170	70	1	1
Mr. Jones	10/27/2022	1235	99999	170	70	1	1
				Included for PPS-1 Calculations			3

PPS-1 Rate

PART 1 - DETERMINATION OF TOTAL ALLOWABLE COST APPLICABLE TO THE CCBHC

Description	Amount 1
1. Total direct cost of CCBHC services (Trial Balance, column 9, line 29)	\$1,500,000
2. Indirect cost applicable to CCBHC services (Indirect Cost Allocation, line 16)	\$500,000
3. Total allowable CCBHC costs (sum of lines 1-2)	\$2,000,000

Line 1 is directly from the trial balance and includes all reclasses, adjustments, and anticipated direct costs.

Line 2 will depend on the methodology used to allocate indirect costs.

PART 2 - DETERMINATION OF CC PPS-1 RATE

Description	Amount 1
4. Total allowable CCBHC costs (line 3)	\$2,000,000
5. Total CCBHC visits* (Daily Visits, column 1, line 4)	10,000
6. Unadjusted PPS rate (line 4 divided by line 5)	\$200
7. Medicare Economic Index (MEI) adjustment from midpoint of the cost period to the midpoint of the rate period	0.000%
8. CC PPS-1 rate (line 6 adjusted by factor from line 7)	\$200

* Total should reflect the total count of CCBHC visits provided and not be restricted to Medicaid visits

OMB #0398-1148 CMS-10398 (#43)

Total Annual Allowable CCBHC Costs

Total Annual CCBHC Daily Visits

Monthly Visits – PPS-2

PATIENT DEMOGRAPHICS CONSOLIDATED <small>Patient demographics should be analyzed to identify Certain Conditions. Because CC PPS-2 requires monthly detail, patient data must be aggregated by patient by month to determine eligibility for Certain Conditions. Months should be captured for ALL CCBHC services provided; do not limit the information to Medicaid members.</small>							
Description	Standard Population Visit Months All 1a	Standard Population Visit Months Above the Outlier Threshold 1b	Certain Conditions 1 Visit Months All 2a	Certain Conditions 1 Visit Months Above the Outlier Threshold 2b	Certain Conditions 2 Visit Months All 3a	Certain Conditions 2 Visit Months Above the Outlier Threshold 3b	Monthly Patient Visit (Sum of col. a's) Total
1. Describe population							
2. Number of months patients received CCBHC services directly from staff							0
3. Number of months patients received CCBHC services directly from DCO (not included above)							0
4. Number of additional anticipated months patients received CCBHC services (not included above)							0
5. Total months patients received CCBHC services (sum of lines 2-4)	0	0	0	0	0	0	0

- A patient with multiple visits at multiple locations in the same month should only be counted once for that applicable month.
- Totals used in the denominator of PPS-2 on Part 2.
- Detail patient census logs will be extremely important!
- Summarize monthly visits by the following:
 - Standard population and Special population with certain conditions
 - Separately identify all visits about the outlier threshold
 - Services provided by CCBHC staff directly or DCO
- Include visits furnished by your health care staff and by physicians under agreement.
- Include all payor types in these totals.
- Include additional anticipated visits.

PPS-2 Rate

Cost-to-Charge Ratio Allocation

PART 1 - COST-TO-CHARGE RATIO ALLOCATION							
Description	Standard Population Charges and Costs for CCBHC Services: At or Below the Outlier Threshold 1a	Standard Population Charges and Costs for CCBHC Services: Above the Outlier Threshold 1b	Certain Conditions 1 Charges and Costs for CCBHC Services: At or Below the Outlier Threshold 2a	Certain Conditions 1 Charges and Costs for CCBHC Services: Above the Outlier Threshold 2b	Certain Conditions 2 Charges and Costs for CCBHC Services: At or Below the Outlier Threshold 3a	Certain Conditions 2 Charges and Costs for CCBHC Services: Above the Outlier Threshold 3b	Total Population Charges and Costs (Sum of all Columns) Total
1. Actual charges							\$0
2. Anticipated additional charges (DY1 only)							\$0
3. Total charges (sum of lines 1-2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. Total direct costs (Trial Balance, column 9, line 29)							\$0
5. Indirect cost applicable to CCBHC services (Indirect Cost Allocation, line 16)							\$0
6. Total allowable costs for CCBHC services (sum of lines 4-5)							\$0
7. Cost-to-charge ratio services (line 6 divided by line 3)							0%
8. Total cost of CCBHC services (line 3 times line 7)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cross Check: Total costs should tie to the total direct and indirect costs applicable to CCBHC services (line 6)							\$0

- Worksheet calculates a cost-to-charge ratio used to determine the CCBHC cost included in the numerator for the PPS-2 Standard & Special population rates.
- Summarize all applicable CCBHC charges by:
 - Standard population at or below outlier threshold
 - Standard population above outlier threshold
 - Certain conditions at or below outlier threshold
 - Certain conditions above outlier threshold
- Matching principle making sure all CCBHC related charges are included to match appropriate CCBHC costs previously identified.

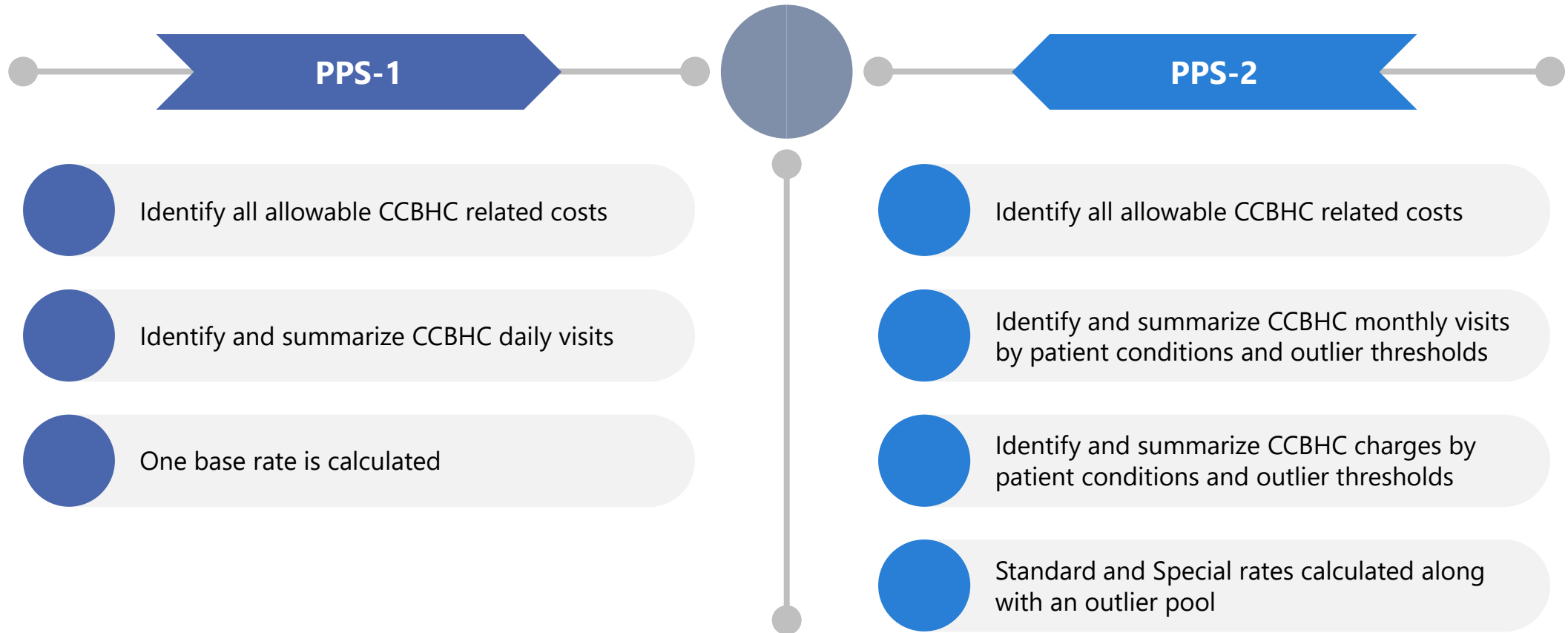
PPS-2 Rate

Determination of PPS-2 Rate

PART 2 - DETERMINATION OF CC PPS-2 RATE				
Description	Standard Population Costs for CCBHC Services: At or Below the Outlier Threshold 1a	Standard Population Costs for CCBHC Services: Above the Outlier Threshold 1b	Certain Conditions 1 Costs for CCBHC Services: At or Below the Outlier Threshold 2a	Certain Conditions 1 Costs for CCBHC Services: Above the Outlier Threshold 2b
9. Total allowable CCBHC costs (line 8)	\$1,500,000	\$100,000	\$350,000	\$50,000
10. Total months patients received CCBHC services (Monthly Visits, line 5)*	1500		250	
11. Total allowable cost per visit (line 9 divided by line 10)	\$1,000		\$1,400	
12. Medicare Economic Index (MEI) adjustment from midpoint of the cost period to the midpoint of the rate period				
13. CC PPS-2 rate (line 11 adjusted by factor from column Total, line 12)	\$1,000		\$1,400	
14. Outlier pool (line 9)		\$100,000		\$50,000

- Worksheet calculates the final PPS-2 Standard & Special population rates as well as summarizes the total "outlier pool".

Summary of Models



Services Provided

PART 1 - SERVICES PROVIDED (Consolidated)

PART 1A - CCBHC STAFF SERVICES				
Description	Number of Full-Time Equivalent (FTE) Staff	Total Number of Services Provided for CCBHC Services	Direct Cost (from Trial Balance, Col. 9)	Average Cost per Service by Position (Col. 3 divided by Col. 2)
	1	2	3	4
1. Psychiatrist			\$ -	\$ -
2. Psychiatric nurse			\$ -	\$ -
3. Child psychiatrist			\$ -	\$ -
4. Adolescent psychiatrist			\$ -	\$ -
5. Substance abuse specialist			\$ -	\$ -
6. Case manager			\$ -	\$ -
7. Recovery coach			\$ -	\$ -
8. Peer specialist			\$ -	\$ -
9. Family support specialist			\$ -	\$ -
10. Licensed clinical social worker			\$ -	\$ -
11. Licensed mental health counselor			\$ -	\$ -
12. Mental health professional (trained and credentialed for psychological testing)			\$ -	\$ -
13. Licensed marriage and family therapist			\$ -	\$ -
14. Occupational therapist			\$ -	\$ -
15. Interpreters or linguistic counselor			\$ -	\$ -
16. General practice (performing CCBHC services)			\$ -	\$ -
17. Subtotal other staff services (specify details in Comments tab)			\$ -	\$ -
18. Subtotal staff services (sum of lines 1-17)	0	0	\$ -	\$ -

PART 1B - CCBHC SERVICES UNDER AGREEMENT

Description	Number of Full-Time Equivalent (FTE) Staff	Total Number of Services Provided for CCBHC Services	Direct Cost (from Trial Balance, Col. 9)	Average Cost per Service by Position (Col. 3 divided by Col. 2)
	1	2	3	4
19. CCBHC services from DCO			\$ -	\$ -
20. Subtotal other CCBHC services (specify details in Comments tab)			\$ -	\$ -
21. Subtotal services under agreement (sum of lines 19-20)		0	\$ -	\$ -
22. Total services (sum of lines 18 and 21)	0	0	\$ -	\$ -

- Provide practitioner FTE and number of CCBHC services provided to calculate an average cost per service by position.
- Services provided should reflect the actual number of CCBHC services provided from all encounters and is a total quantity unlike the visit counts used to set the PPS rates.

Comments

[illegible]

- "Use this worksheet to explain any considerations (such as cost anomalies or explanations for deviations from accrual accounting principles) to inform further the justification of expenses used to determine the payment rate."

Certification

for Certified Community Behavioral Health Clinics

MISREPRESENTATION OR FALSIFICATION OF ANY INFORMATION CONTAINED IN THIS COST REPORT MAY BE PUNISHABLE BY CRIMINAL, CIVIL, AND ADMINISTRATIVE ACTION; FINE; AND/OR IMPRISONMENT UNDER FEDERAL LAW. FURTHERMORE, IF SERVICES IDENTIFIED IN THIS REPORT WERE PROVIDED OR PROCURED DIRECTLY OR INDIRECTLY THROUGH THE PAYMENT OF A KICKBACK OR WERE OTHERWISE ILLEGAL, CRIMINAL, CIVIL, AND ADMINISTRATIVE ACTION; FINES; AND/OR IMPRISONMENT MAY RESULT. CERTIFICATION BY OFFICER OR ADMINISTRATOR IS REQUIRED.

I HEREBY CERTIFY that I have read the above certification statement and that I have examined the accompanying electronically filed or manually submitted cost report and that to the best of my knowledge and belief, this report and statement are true, correct, complete, and prepared from the books and records of the Provider in accordance with applicable instructions, except as noted. I further certify that I am familiar with the laws and regulations regarding the provision of health care services, and that the services identified in the cost report were provided in compliance with such laws and regulations.

Signature of Officer:	
Title:	
Clinic:	
Medicaid ID:	
From Period:	
To Period:	
Preparer (If other than Officer):	

Final Thoughts



1

- Be prepared, be thorough, and take the process seriously.
- Unless a “rebasing” is approved, the result of this initial rate could impact reimbursement for many years.

2

- Document and explain.
- The easier it is to follow your methodology and supporting schedules, the better.

3

- Don’t under-report costs that could end up being CCBHC related.

4

- Does your final rate appear reasonable?
- If not, did you over or under state the costs or visits?

Sources

- <https://www.hhs.gov/guidance/sites/default/files/hhs-guidance-documents/ccbhc-cost-report-instruction.pdf>
- <https://www.samhsa.gov/section-223/certification-resource-guides/prospective-payment-system>
- <https://www.medicaid.gov/medicaid/financial-management/section-223-demonstration-program-improve-community-mental-health-services/index.html>

Questions



Kyle Smith,
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Director

Mr. Smith is a Director with Blue. Kyle primarily assists with Medicare and Medicaid cost report compilations and intermediary relationships. He also manages and provides assistance with wage index reviews, 340B consulting, provider-based arrangements, Medicare and Medicaid disproportionate share engagements, and many other various reimbursement projects in the healthcare industry. He has experience working with large health systems, Critical Access Hospitals, Rural Health Clinics, Federally Qualified Health Centers, and Home Health Agencies.

Kyle graduated with a Bachelor of Science in Accounting from Indiana University in Kokomo, IN and received an Associate of Arts from Kellogg Community College in Battle Creek, MI. He is also an active member of the Healthcare Financial Management Association.

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