KY Section 223 Waiver Demonstration for Certified Community Behavioral Health Clinics

CCBHC Designated Collaborating Organization (DCO) Guidance

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Purpose of this Guidance

Section 223 of the Protecting Access to Medicare Act (PAMA) of 2014 outlines the creation of a demonstration program to implement Certified Community Behavioral Health Clinics (CCBHCs) and assess their effectiveness. In December 2016, eight states were initially selected to participate in the original demonstration program. In August 2020, as a result of the passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Kentucky and Michigan were selected as part of a two-state expansion of the demonstration. CCBHCs were developed to provide comprehensive quality care that is reimbursed through a prospective rate payment system.

CCBHC providers are required to provide nine core services including: 1) crisis mental health services including 24-hour mobile crisis teams; 2) screening, assessment, and diagnosis services; 3) treatment planning; 4) outpatient mental health and substance use disorder services; 5) outpatient primary care screening and monitoring; 6) targeted case management; 7) psychiatric rehabilitation services; 8) peer support services and family support services; and 9) outpatient behavioral health care for veterans.

Regardless of condition, CCBHCs must provide services to anyone seeking help for a mental health or substance use condition, regardless of their place of residence, ability to pay, or age.

- This guidance is designed to provide information related to Designated Collaborating Organization (DCO) relationships and processes under the KY Section 223 CCBHC Demonstration.
- Notifications regarding updates to this guidance will be provided to CCBHCs when warranted.

1. Designated Collaborating Organization (DCO) Requirements

1.A. DCO Overview

As supported by the Community Needs Assessment, CCBHCs in Kentucky may utilize DCOs to increase capacity to provide core services and respond to fluctuating service demands. A DCO is an entity that is not under the direct supervision of the CCBHC but is engaged in a formal relationship with the CCBHC and delivers services under the same requirements as the CCBHC. DCOs may be private, for-profit organizations. Persons receiving CCBHC services from DCO personnel under the contract are considered CCBHC recipients.

Services provided by DCOs must meet CCBHC requirements for scope of services and credentialing requirements for rendering practitioners. From the perspective of the person receiving services and their family members, services received through a DCO should be part of a coordinated package with other CCBHC services and not simply accessing services through another provider organization. CCBHCs and their DCOs are further directed to work towards inclusion of additional integrated care elements (e.g., including DCO providers on CCBHC treatment teams).

The CCBHC maintains responsibility for assuring that people receiving services from the CCBHC receive services in a manner that meets the requirements of CCBHC certification criteria. The CCBHC must have, and maintain, the capacity to directly provide mental health and substance use services to people with serious mental illness and serious emotional disorders, as well as developmentally appropriate mental health and substance use care for children and youth separate from any DCO relationship. The CCBHC must maintain some internal capacity to service children and youth and must employ staff with expertise in addressing trauma and promoting the recovery of children and adolescents with serious emotional disturbance (SED) and adults with serious mental illness (SMI).

The CCBHC may provide SUD treatment services through a DCO agreement, but the CCBHC must maintain an internal capacity to provide SUD treatment. The CCBHC must have staff, either employed or under contract, who are licensed or certified substance use treatment counselors or specialists. CCBHC criteria 1.b.2 requires that CCBHC staff must include a medically trained behavioral healthcare provider, either employed or available through formal arrangement, who can prescribe and manage medications independently under state law, including buprenorphine and other FDA-approved medications used to treat opioid, alcohol, and tobacco use disorders. In addition, criteria 4.f.1 states that the CCBHC directly, or through a DCO, provides outpatient behavioral health care, including psychopharmacological treatment. This would not include methadone, unless the CCBHC is also an Opioid Treatment Program (OTP).

The CCBHC may provide crisis services through a DCO agreement with an existing state-sanctioned, certified, or licensed system or network. If no state sanctioned system is in place, the CCBHC must provide crisis services that meet the standards for crisis services included in CCBHC Criteria 4.c.1. Whether provided directly by the CCBHC or by a state-sanctioned DCO, all three crisis services must be provided as part of the CCBHC: emergency crisis intervention services, 24-hour mobile crisis teams, and crisis receiving/stabilization. DCOs may provide one or more of the required crisis services.

To fulfill the requirements under CCBHC criteria 4.G Outpatient Clinic Primary Care Screening and Monitoring, the CCBHC should have the ability to collect biologic samples directly, but may provide these services through a DCO arrangement, or through formal protocols established with an independent clinical lab organization. Regardless of arrangements made with other organizations, the CCBHC has responsibility for assuring that the requirements under criteria 4.G are fulfilled.

Quality measures to be reported for the Section 223 Demonstration program may relate to services individuals receive through DCOs. It is the responsibility of the CCBHC to arrange for access to such data as legally permissible upon creation of the relationship with DCOs. CCBHCs should ensure that consent is obtained and documented as appropriate, and that releases of information are obtained for each affected person.

The CCBHC must ensure that all DCO providers that furnish services under arrangement with the CCBHC, are legally authorized in accordance with federal, state, and local laws, and act only within the scope of their respective state licenses, certifications, or registrations and in accordance with all applicable laws and regulations. This includes any applicable state Medicaid billing regulations or policies. Pursuant to the requirements of the statute (PAMA § 223 (a)(2)(A)), DCOs acting as CCBHC providers under formal arrangement must have and maintain all necessary state-required licenses, certifications, or other credentialing. When CCBHC providers are working toward licensure, appropriate supervision must be provided in accordance with applicable state laws.

1.B. General DCO Requirements

1.B.1. Eligibility to Utilize DCOs

Based on community needs as evidenced in the CCBHC's community needs assessment, CCBHCs are permitted to enter into a formal relationship and utilize a DCO to provide any of the nine (9) core services for up to 49% of encounters. The CCBHC must directly deliver the majority (51% or more) of encounters across the required services (excluding Crisis Services) rather than through DCOs.

Requests to add a DCO should include justification that identifies service gaps and CCBHC capacity as informed by the Community Needs Assessment. The

CCBHC should evaluate DCO agreements at regular intervals throughout the term of the agreement. If the DCO is a KY Medicaid provider, they must be in good standing with the KY Department for Medicaid Services. The CCBHC will provide all current DCO agreements to DMS for review as part of CCBHC certification activities.

CCBHCs may enter into DCO agreements with other CCBHCs participating in the demonstration to address service gaps, as well as to meet requirements associated with Evidence Based Practices or use of the state-sanctioned crisis provider *(See Section 3.D of SAMHSA CCBHC Criteria (updated March 2023).*

KY DMS must approve all DCO agreements prior to service delivery. The CCBHC must submit the Kentucky CCBHC Demonstration Designated Collaborating Organization (DCO) Request form, as well as all required supporting documentation, to KY DMS for approval to ensure compliance with requirements as outlined in CCBHC criteria Section 3.B.3. *(See Section 3.D of SAMHSA CCBHC Criteria (updated March 2023).*

1.B.2. DCO Agreement Requirements

A formal relationship between a CCBHC and a DCO is evidenced by a contract, Memorandum of Agreement (MOA), Memorandum of Understanding (MOU), or other formal written arrangement describing the parties' mutual expectations and establishing accountability for services to be provided and funding to be sought and utilized. This includes payment for DCO services.

The DCO agreement should outline methods for reducing administrative burden on people receiving services and their family members when accessing DCOs services, such as a coordinated intake process, coordinated treatment planning, information sharing, and direct communication between the CCBHC and DCO to prevent the person receiving services or their family from having to relay information between the CCBHC and DCO.

DCO Agreements must include the following components:

- References to specific DCO service requirements,
- Rate of purchased service and corresponding KY DMS CCBHC service codes,
- Data sharing expectations and methodology for collecting required metric information.
- Evidence that key DCO personnel have completed a basic CCBHC training and understand the goals of the model, responsibilities of a DCO, and service and billing requirements as directed by CCBHC criteria and KY DMS regulation(s) and billing requirements.
- Expectations around service delivery and monitoring, including evidence that the DCO delivers all services to fidelity at the time the agreement is executed,

- Payment terms,
- Method and frequency for sharing any updated CCBHC policy updates.

1.B.3. 51% Requirement

Per the 2023 SAMHSA CCBHC Certification Criteria, the CCBHC itself must provide the majority (51% or more) of service encounters rather than through DCOs. Service encounters are identified using the T1040 code. Crisis services are excluded from the calculation. Service encounter totals must include all non-crisis CCBHC services for all payers, including private payers and non-Medicaid.

CCBHCs will attest to meeting this requirement at certification, and the proportion of services will be verified using encounter reporting at year end. Verification will occur at an interval following year-end that allows for encounter submission run-off. CCBHCs must also provide evidence of the current CCBHC vs. DCO service distribution when requesting the addition of a new DCO agreement.

CCBHCs who fail to meet the 51% majority of services requirement for the full demonstration year will be issued a Corrective Action Plan request to bring the CCBHC into compliance within a reasonable timeframe. Continued failure to meet the 51% service requirement may jeopardize your agency's CCBHC certification.

1.B.4. Designated DCO Lead Role

The CCBHC must have a designated DCO Lead to ensure all DCO requirements are being met .The DCO Lead can be a new or existing CCBHC team member and have other responsibilities or roles within the organization. The following oversight must be provided by the CCBHC through a DCO Lead:

- DCO follow through with service delivery as it relates to an individual's referral needs, person-centered planning, and care coordination in support of the current treatment plan,
- Ensure documentation is available to the clinical team, when a shared EHR is not available,
- Contract monitoring,
- CCBHC training adherence,
- Ensure those receiving DCO services are informed of and have access to the CCBHC's existing grievance procedures,
- Ensure DCO-provided services for people receiving CCBHC services meet the same quality standards as those provided by the CCBHC,
- Assurance of a seamless and streamlined referral process,
- Maintain active and open lines of communication between the CCBHC and the DCO as provider.

The DCO Lead will act as the liaison between the CCBHC and the DCO provider and will be able to respond to questions about existing DCO relationships.

1.B.5. Care Coordination and HIE

The CCBHC must also be involved in care coordination activities with DCOs, including improving health information exchange (HIE) to facilitate coordination and care transfers across organizations, and arranging access to data necessary for metric reporting. The CCBHC must clearly identify processes in place in the contract for exchanging health information related to CCBHC persons served and how DCO data collection is reflected in CCBHC required reporting, if not utilizing a shared health IT system.

CCBHCs and DCOs may choose to share health records and IT systems, but it is not required. If not utilizing a shared IT system, the CCBHC must clearly identify processes in place for exchanging health information and maximizing care coordination. CCBHCs must also outline plans to collect data for Clinic-Reported Quality measures and incorporate into quarterly and annual metric reporting.

CCBHCs and DCOs must develop a two-year plan to further effectuate HIE and improve care coordination between parties. The HIE should support data sharing related to billing and payment, quality measures, service activity and methods to support care coordination and clinical/quality monitoring.

1.B.6. DCO Adherence to CCBHC Criteria

As the direct contracting agency, CCBHCs are responsible for informing DCOs of any program changes. Prior to requesting a DCO, CCBHCs must develop a plan for ensuring DCOs receive up-to-date information regarding their responsibilities and role within the CCBHC demonstration. CCBHCs must be able to demonstrate that appropriate DCO staff have received training on DCO requirements and the role of a DCO within the CCBHC demonstration. CCBHCs are ultimately responsible for DCO compliance with CCBHC criteria.

CCBHCs are responsible for ensuring the DCO complies with the following requirements:

- The DCO must have the necessary certifications, licenses and/or enrollments to provide the services,
- The staff providing CCBHC services within the DCO must have the proper licensure and/or certification for the service provided,
- The DCO meets CCBHC cultural responsiveness and other training requirements,
- The DCO must follow all federal, state and CCBHC requirements for confidentiality and data privacy,
- The DCO must follow the grievance procedures of the CCBHC,
- The DCO must follow the sliding fee scale of the CCBHC,
- The DCO must follow the CCBHC requirements for person and family-centered, recovery- oriented care, being respectful of the individual

person's needs, preferences, and values, and ensuring involvement by the person being served and self-direction of services received. Services for children and youth are family-centered, youth-guided, and developmentally appropriate,

- People seeking services must have freedom of choice of providers,
- The DCO must engage in efforts to enhance health information exchange (HIE) to facilitate coordination between the DCO and the CCBHC (see Section 3.B.5).
- The CCBHC and the DCO must have safeguards in place to ensure that the DCO does not receive a duplicate payment for services that are included in the CCBHC's PPS rate.

1.B.7. CCBHC Service Delivery Oversight

CCBHCs must oversee clinical service delivery at the DCO to ensure services are provided at the same standard as the CCBHC. To this end, CCBHCs must:

- Ensure the DCO meets quality standards and performs services to fidelity.
- Coordinate care for individuals served by a DCO, including obtaining the appropriate consent forms and following HIPAA requirements.
- Ensure DCO licensure and credentialing are accurate and current and monitor for service delivery compliance,
- Immediately notify KY DMS if DCO service delivery is non-compliant, disrupted, or terminated.

1.B.8. Financial Responsibilities

Payment for DCO services is included within the scope of the CCBHC PPS, and DCO encounters will be treated as CCBHC encounters for purposes of the PPS. Costs associated with DCO contracts included in the CCBHC Cost Report must correspond correctly to DCO contracts. Payment will be provided directly to the DCO from the CCBHC based on agreed upon contractual service rates. These rates must be reflective of fair market value and must take into account the costs of meeting the additional requirements of being a DCO.

CCBHCs are responsible for billing all CCBHC services rendered under contract by a DCO, including third party collections. CCBHCs must collect and submit DCO encounters to KY DMS as well as ensure persons served at a DCO are included in quality data reporting.

Financial arrangements are required for DCO partnerships, except for DCO agreements between a CCBHC and a state-sanctioned crisis provider.

1.B.9. Encounter Reporting

Encounters for services delivered by DCOs must be submitted to KY DMS with identifying DCO information, using loop 2420C. Loop 2420C contains information about the rendering, referring, or attending provider on the

service line level. This field is required when the location of the service is different than that carried in loop 2010AA Billing Provider.

1.C. Expectations for DCO Relationships among CCBHCs

CCBHCs can enter into DCO agreements with other CCBHCs participating in the demonstration for the purpose of meeting requirements associated with Evidence Based Practices. Purchased services must be delivered directly by the CCBHC acting as a DCO.

CCBHCs cannot enter into DCO agreements with other CCBHCs who have not implemented Evidence Based Practices to fidelity or who have active CCBHC Corrective Action Plans related to the proposed DCO services.

1.D. Adding New DCO Relationships

Adding new DCO relationships after initial certification requires approval by KY DMS. CCBHCs must submit the Kentucky CCBHC Demonstration Designated Collaborating Organization (DCO) Request form and all supporting documentation to KY DMS prior to any CCBHC service delivery. The addition of a new DCO must be directly supported by the Community Needs Assessment in terms of agency capacity to meet the treatment and recovery needs of those who reside in the service area.

The CCBHC confirms within the Kentucky CCBHC Demonstration Designated Collaborating Organization (DCO) Request form that they are continuing to provide the majority of CCBHC encounters at 51% or more. KY DMS will approve or deny the submitted request.

1.E. Termination of DCO Relationships

CCBHCs must provide written notice to KY DMS by submission of the Kentucky CCBHC Demonstration Designated Collaborating Organization (DCO) Termination Request form, at least 30 calendar days prior to a DCO relationship termination. Additionally, CCBHCs must provide KY DMS with a transition plan to include service continuity for all individuals served by the DCO and how capacity of services provided by the DCO will continue at the CCBHC.