AUDIT PROPOSAL

Reviewing Certified Community Behavioral Health Clinics' Funding and Outcomes

SOURCE

This audit proposal was requested by Representative Sean Tarwater and Senator Caryn Tyson.

BACKGROUND

Certified Community Behavioral Health Clinics (CCBHCs) in Kansas are designed to provide a comprehensive system of mental health and substance use care. They serve as central access points where individuals can receive a wide range of services, including crisis intervention, screening and diagnosis, outpatient treatment, case management, and psychiatric rehabilitation. The clinics coordinate with physical health and social service providers to deliver services. CCBHCs aren't new providers; they're existing providers that have received a new designation. Currently, the 26 community mental health centers in Kansas have been certified by the Kansas Department for Aging and Disability Services (KDADS) as CCBHCs.

CCBHCs emphasize access and integration. Clinics must serve anyone who seeks care regardless of their ability to pay. They also often extend services beyond traditional clinic settings—such as through telehealth, home visits, and community outreach—and connect patients to other supports—such as housing, employment assistance, and primary care. The CCBHC model was developed by the U.S. Department of Health and Human Services with the intent to reduce fragmentation in the behavioral health system, expand access, and ensure use of evidence-based treatment practices.

Kansas shifted to the CCBHC model of care through a phased approach that started in 2021. Under the previous structure, many providers reported issues with underfunding, workforce shortages, and limited service access, especially in rural areas. Kansas adopted the CCBHC model from the federal government to try to address these issues through better care coordination and accountability.

The shift to the CCBHC model included a major funding change. Under the previous structure, providers were reimbursed for each individual service they provided, but the reimbursement rate did not cover providers' administrative costs. Under the current structure, CCBHCs are reimbursed through a prospective payment system. This system pays clinics a fixed daily rate designed to cover the full cost of care for a comprehensive set of behavioral health services, including administrative expenses. The fixed daily rate varies across CCBHCs. CCBHCs are funded primarily through Medicaid but also receive federal grant money, state general funds, and private fees.

Legislators have expressed interest in understanding more about how CCBHCs are funded and how that compares to the way other behavioral health service providers are funded as well as what outcomes CCBHCs have produced.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: How do Certified Community Behavioral Health Clinics' (CCBHCs') funding structures compare to other providers' funding? Our tentative methodology would include the following:

- Work with staff from the Kansas Department for Aging and Disability Services (KDADS) and the Kansas Department of Health and Environment (KDHE) and review relevant documentation to determine how CCBHCs are funded. This work would include understanding the reimbursement rate structure CCBHCs use and identifying their funding sources such as Medicaid, federal grants, state appropriations, and private pay.

- Review KDADS data to provide aggregated statewide information about all 26 CCBHCs' funding amounts and sources and reimbursement rates.

- Use that statewide data to select a small number of CCBHCs to review in more detail. For the selected CCBHCs, work with clinic staff and KDADS staff to determine what their reimbursement rates are and how they determined those rates. This would include understanding what the clinics' costs are to provide the services that they do as well as the associated administrative costs such as executive salaries. Also work with the selected CCBHCs to understand their processes for collecting medical debt including how much debt they collect, how they determine what gets sent to collections, and how that affects their reimbursement rates.

- If possible, compare the selected CCBHCs' reimbursement rates over time and to other providers to identify notable trends and key differences. For example, to the extent the data is available, compare how each CCBHC's funding, costs, and reimbursement rates changed before and after they changed to the CCBHC model. Also compare the selected CCBHCs' rates to other providers' rates for a selection of similar services for the most recent year to identify key differences (e.g., compare the Medicaid rate to the CCBHC rate for the same service).

- Talk to KDADS, KDHE, and CCBHC staff about the results of the funding comparison to understand the context for and meaning of key differences.

Objective 2: What outcomes have CCBHCs produced in recent years? Our tentative methodology would include the following:

- Conduct a literature review to identify studies that the federal government or other mental health and substance use stakeholders have conducted to measure CCBHCs' performance and outcomes nationally or for individual states. This work would

include identifying those studies' conclusions on the effectiveness of the CCBHC model.

- Talk to KDADS, CCBHC, and U.S. Health and Human Services staff to understand what data they collect on outcomes or performance measures. This would include developing an understanding of how long they've collected the data and any significant changes in how it's tracked and reported.

- Review the data that state and federal agencies maintain to provide high-level performance metrics for all 26 CCBHCs in the most recent year.

- Also review the data that federal and state agencies maintain to provide more detailed performance metrics for the CCBHCs selected in Objective 1 for several years. Compare the data over time to identify notable changes to their outcomes or performance metrics from before and after they changed to the CCBHC model. This could include measures like the number of people they serve, their responsiveness (e.g., average days from initial outreach to service being provided, length of wait lists), and service utilization (which services are being used and not being used).

- Talk to KDADS and CCBHCs to understand their perspectives on the causes of any notable changes in outcomes or performance.

ESTIMATED RESOURCES

We estimate this audit would require a team of **4 auditors** for a total of **6 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).