

### **Appendix D.3: NJ CCBHC Outlier Methodology**

#### **A. Cost Outlier Identification**

The State will identify cost outliers as described below:

1. The State will use the CCBHC's combined monthly claim volume to estimate participant costs.
2. Estimated participant costs will be calculated by multiplying the CCBHC-specific, cost-to-charge ratio (CCR) by the total covered charges of the combined monthly claims for each CCBHC consumer.
3. CCBHC-specific CCRs, used to develop the final rates, were calculated using DY1 cost report submissions. These will be updated at the State's discretion.
4. The State will identify the consumer as a cost outlier if the estimated participant cost exceeds the State-established cost outlier threshold for the population affiliated with the consumer.

#### **B. Cost Outlier Calculation and Payment**

The State's process for calculating and making outlier payments is as follows:

1. The State will make a cost outlier payment to the CCBHC when the estimated cost exceeds the State-designated cost outlier threshold amount (as shown in the table in part C below).
2. The amount of the cost outlier payment to the CCBHC will be the estimated cost in excess of the applicable cost outlier threshold multiplied by a "marginal cost percentage" (75%).
3. The marginal cost percentage is a State-designated percentage used to determine the proportion of estimated cost that will be reimbursed as a cost outlier payment. The State-designated percentage is 75% and was selected because it is consistent with the standard outlier payment hospital reimbursement percentage used by the State.
4. The State-designated marginal cost percentage applies to all CCBHC's and all populations.
5. The State will make cost outlier payments to the CCBHC in addition to the standard monthly-PPS payment amount.
6. Outlier payments will be made on an annual basis and will be paid within 13–15 months after the end of each state fiscal year. The 13–15 month lag in payment will allow for timely submission of claims per 42 CFR 447.45.
7. The outlier payments to be paid to the CCBHCs by population for DY1 will be equal to at least the set aside amounts indicated on Exhibit 2 of the application. After the set aside amounts are met, the State will continue to make outlier payments to CCBHCs for 75% of costs exceeding the established outlier threshold.

8. Cost outlier thresholds are updated annually.

**C. Outlier Threshold Exhibit**

<b>Population</b>	<b>Prior to DY07 Threshold</b>	<b>DY07 and After Threshold</b>
Standard	\$700	\$820
SMI	\$800	\$937
SUD	\$1,900	\$2,225
PTSD	\$1,500	\$1,757
SED	\$1,300	\$1,522