

**Cabinet for Health and Family Services
Office of Inspector General (OIG)
Division of Health Care**

Behavioral Health Services Organizations (BHSO)

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January 30, 2015



BHSO Licensure Regulation

- A copy of the Office of Inspector General's BHSO licensure regulation, *902 KAR 20:430, Facilities specifications, operation and services; behavioral health services organizations*, may be downloaded from the following link:
<http://www.lrc.ky.gov/kar/902/020/430reg.htm>
- The final BHSO licensure regulation was officially adopted on December 17, 2014.

Enhanced Patient Access

The BHSO is a new licensure category created by the Cabinet to increase the number of entities licensed in Kentucky to provide behavioral health services in community-based programs to Medicaid recipients and other individuals with substance use disorder, mental health disorder, or a co-occurring disorder, thereby enhancing patient access to needed services and helping prevent unnecessary admissions to facility-based care.

Who should apply for licensure as a BHSO?

- Any clinical behavioral health services entity not licensed by the OIG's Division of Health Care or an entity licensed in a category not eligible for enrolling in Medicaid, such as an Alcohol and Other Drug Entity (AODE), may obtain licensure as a BHSO pursuant to 902 KAR 20:430.
- BHSOs are eligible to enroll in the Kentucky Medicaid Program for reimbursement of covered behavioral health services provided to Medicaid recipients.

Licensure Process

Application for Initial Licensure

To apply for initial licensure as a BHSO, applicants providing services in Kentucky must submit the following to the OIG:

- Application for License to Operate a Behavioral Health Services Organization
- \$750 made payable to the Kentucky State Treasurer, and
- Proof of Fire Marshal approval for the location where services will be provided. (*Fire Marshal's approval is considered current if received within the 12 month period prior to the date the OIG receives the licensure application.*)

Submitting the Application

The licensure application, fee, and proof of Fire Marshal's approval must be submitted to:

Attn: Robin Rowe
Division of Health Care
Office of Inspector General
275 East Main Street, 5E-A
Frankfort, Kentucky 40621

NOTE: An incomplete application or failure to submit the fee or Fire Marshal's approval will result in return of the application, which may be re-submitted by the applicant upon completion of all required information.

Inspections and Effective Date of License

- Upon receipt of the application, fee, and Fire Marshal's approval, the OIG will place the facility on the survey schedule for inspection.
- The initial survey typically occurs within about 45 days of receipt of the application for licensure and will take place during the facility's normal business hours.
- If there are no deficiencies found during the initial survey, licensure is effective on the date of the last day of the survey.
- If deficiencies are found during the initial survey:
 - The applicant must submit an acceptable plan of correction, and
 - Licensure is effective as of the last "alleged compliance date" identified on the applicant's plan of correction.

Licensure Requirements

Dual Licensure

- If a BHSO provides outpatient behavioral health services to treat individuals with substance use disorder or a co-occurring disorder in which substance use disorder is the primary diagnosis, the BHSO is required to obtain a separate license as an alcohol and other drug abuse treatment entity (AODE) under 908 KAR 1:370.
- If a BHSO provides residential services to clients with a substance use disorder, the BHSO is required to obtain a residential AODE license under 908 KAR 1:370.
- A copy of 908 KAR 1:370 may be downloaded from:
<http://www.lrc.ky.gov/kar/908/001/370.htm>

Medications for Opioid Addition

Excluding methadone-based treatment which is restricted to regulation under 908 KAR 1:340, a BHSO may employ or have an affiliation with a physician or physicians who prescribe FDA-approved drugs for the treatment of opioid addiction in adult patients.

Medications for Opioid Addition, continued

If medications (*excluding methadone*) for opioid addiction are prescribed, BHSOs must comply with the following requirements:

- Ensure that the physician documents in the patient's record whether the patient is compliant with prescribed dosing as evidenced by the results of a KASPER report released to the physician and drug testing;
- Offer individual and group outpatient therapy as a service and document monitoring of compliance with recommended non-medication therapies even if the therapies are provided in another behavioral health setting; and
- Ensure that the physician complies with the prescribing and dispensing standards established in the Kentucky Board of Medical Licensure's forthcoming regulation (201 KAR 9:270) for FDA-approved drugs used for the treatment of opioid addiction.

BHSO Services

Licensed BHSOs **must provide one or more of the following services:**

- Screening
- Assessment
- Psychological testing
- Crisis intervention
- Mobile crisis
- Day treatment
- Peer support
- Intensive outpatient services
- Individual, group, family, or collateral outpatient therapy

BHSO Services, continued

- Service planning for mental health disorders
- Screening, brief intervention and referral to treatment for substance abuse
- Assertive community treatment for mental health disorders
- Targeted case management
- Comprehensive community support services, or
- Therapeutic rehabilitation for adults with a serious mental illness or children with severe emotional disabilities

Accreditation

- BHSOs must become accredited within one year of licensure by the:
 - Joint Commission;
 - Commission on Accreditation of Rehabilitation Facilities;
 - Council on Accreditation; or
 - A nationally recognized accreditation organization.
- **NOTE:** An extension to complete the accreditation process may be granted if accreditation is not obtained within the one year timeframe.
- BHSOs that do not become accredited or fail to maintain accreditation will be subject to revocation of the license.

Staffing – Licensed BHSOs must have:

- Executive Director: Responsible for the administrative management of the organization and may serve as the Program Director
- Program Director: Must be one of the following:
 - Psychiatrist
 - Physician
 - Certified or licensed psychologist
 - Licensed psychological practitioner
 - Advanced practice registered nurse
 - Licensed professional clinical counselor
 - Licensed marriage and family therapist
 - Licensed professional art therapist
 - Licensed board certified behavior analyst, or
 - Licensed clinical social worker

Staffing, continued

BHSO's must have a sufficient number of personnel, which may include:

- Behavioral health professionals
- Behavioral health professionals under clinical supervision
- Licensed behavior analysts and licensed assistant behavior analysts
- Case managers
- Peer support specialists
- Certified alcohol and drug counselors, or
- Community support associates

General Requirements

In addition to service and staffing requirements, 902 KAR 20:430 establishes standards related to:

- Plan of care
- Client records
- Confidentiality
- Client rights
- Grievance process
- Employee background checks
- Staff training
- Quality assurance
- Safe and accessible physical environment

For more information about BHSOs on the Cabinet's website:

<http://dbhdid.ky.gov/dbh/bhso.aspx>

Office of Inspector General

Maryellen B. Mynear, Inspector General
Connie Payne, Deputy Inspector General

For questions regarding the BHSO and AODE licensure application process, contact:

Robin Rowe, Analyst, Division of Health Care
Robin.rowe@ky.gov
(502) 564 – 7963, extension 3302

For general questions, contact:

Melanie Poynter, Assistant Director, Division of Health Care
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