



**COLORADO**

Department of Health Care  
Policy & Financing

303 E. 17<sup>th</sup> Ave. Suite 1100  
Denver, CO 80203

# ARPA Project 2.03, Institute of Mental Disease Exclusion, Risk Mitigation Policy

*Fact Sheet November 2024*

## Work & Purpose

The Colorado Department of Health Care Policy & Financing (HCPF) contracted with Health Management Associates (HMA) to explore the current landscape in Colorado related to care of Health First Colorado members with Serious Mental Illness (SMI) and Severe Emotional Disturbance (SED) at facilities subject to the federal defined Institutes of Mental Disease (IMD) exclusion. HMA completed national research and conducted provider surveys, interviews, and other stakeholder engagement to better understand programming and campus structures of facilities subject to IMD guidelines as well as identify barriers to care. This project explored ways to mitigate current IMD risk and determine ways providers could expand access to step-down services to facilitate discharge as early as clinically appropriate as well as potentially preventing admission into higher levels of care.

## Outcomes

As a part of this effort, HMA completed national research, interviews, reviews of policy, and provider surveys to identify possible opportunities for policy revision and operational improvements. HMA research and reports led to the development of the [Behavioral Health Campus Policy](#). This policy became effective Jan 1, 2024. Additionally, HCPF launched a monthly IMD Forum to address identified Barriers to Care by IMD providers. Both efforts were launched to help providers better navigate federal rules regarding IMDs and review and revise internal and external policies and procedures to improve operational efficiencies across the mental health continuum of care.

As a result of this work, it became clear that seeking an 1115 Waiver to reimburse services within IMDs would be critical to Health First Colorado Members and providers at this level of care. HCPF moved forward with including an [SMI/SED amendment](#) as part of Colorado's 1115 SUD Waiver submitted in the spring of 2024. HMA supported developing the documentation necessary to complete a request for this SMI/SED 1115 Waiver amendment.

## Key Project Activities and Achievements:

Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.  
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- Produced A National Landscape Report and Stakeholder Survey Summary focused on ways to build the continuum of care
- Created the Behavioral Health Campus Policy to assist providers looking to expand residential services, including step-down services, within their communities in a manner that allows for Medicaid reimbursement.
- Established policy recommendations with a focus on an 1115 SMI Waiver amendment to extend IMD stay reimbursement eligibility to stays up to 60 days

## Continued Work

HCPF will focus on the following ongoing efforts to continue improving support for members in need of the highest level of psychiatric intervention:

- Facilitation of an ongoing IMD Stakeholder Forum.
- Provide ongoing guidance and clarity for behavioral health providers regarding the Behavioral Health Campus Policy.
- Implementation of the 1115 Demonstration Waiver upon approval by the Centers for Medicare and Medicaid Services (CMS) with an anticipated effective date in 2025.

Please reach out [HCPF\\_IMD@state.co.us](mailto:HCPF_IMD@state.co.us) to request access to HMA produced reports from the ARPA 2.03 project.

Additional project and IMD programming information can be found at:  
<https://hcpf.colorado.gov/imd>.

**For more information contact**

[HCPF\\_IMD@state.co.us](mailto:HCPF_IMD@state.co.us)

