

High Intensity Outpatient (HIOP) Services Expansion Final Report

ARPA 3.06 Expand the Behavioral Health Safety Net

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COLORADO
Department of Health Care
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Executive Summary

Through American Rescue Plan Act (ARPA) funds, the Department of Health Care Policy and Financing (HCPF) distributed a total of \$26 million to Colorado's seven Regional Accountable Entities (RAEs) to support the expansion of High Intensity Outpatient (HIOP) behavioral health services. Each RAE received and granted \$3.7 million to Health First Colorado (Colorado's Medicaid program) providers, between 2023 and 2025, for the purpose of expanding access to HIOP services.

This project offered valuable lessons on how to effectively execute a grant by highlighting the importance of offering clear and comprehensive directives and guidance to RAEs and providing training and technical assistance to providers on grant administration. Although these lessons created some challenges, they did not inhibit the grantees' ability to successfully expand HIOP services across the state and to historically underserved and under-resourced communities. Many Medicaid providers were able to grow their existing HIOP services and establish new programs, while another 17 new HIOP providers were added statewide. The expansion of these services was made possible by the numerous grant activities that focused on workforce development and infrastructure building.

Project Overview

[Senate Bill 19-222](#) directed HCPF, in partnership with the Department of Human Services (CDHS), to develop a plan to increase the number of high-intensity behavioral health treatment programs in the state. This coincided with federal funding appropriations through the American Rescue Plan Act (ARPA) for states to address healthcare access and availability. Through these federal funds, HCPF created the ARPA 3.06 grant project, 'Expand the Behavioral Health Safety Net'. HCPF distributed \$26 million to Colorado's Regional Accountable Entities (RAEs) for the purpose of expanding access to High Intensity Outpatient (HIOP) behavioral health services.

HIOP services are defined as intensive community-based, member and family-centered services designed to engage adults and youth with severe mental health and/or substance use conditions who are at risk for, or are experiencing, complicating problems such as physical health problems, developmental challenges, involvement in criminal and juvenile justice systems, and/or institutionalization. Examples of HIOP services that are covered by Medicaid include:

- High Fidelity Wraparound Services
- Functional Family Therapy (FFT)
- Multisystemic Therapy (MST)
- Intensive Outpatient Treatment (IOP) services
- Partial Hospitalization Program (PHP) services
- Medication for Addiction Treatment (MAT) services

Between 2023 and 2025, HCPF distributed \$3.7 million dollars to each of the seven RAEs, totaling \$26 million dollars. Each RAE then awarded grant funds to Health First Colorado providers within their network to support projects designed to expand network capacity to deliver HIOP programs across each region. HCPF updated each RAE contract¹, defining the project scope of work and reporting requirements. Significant flexibility was allowed to ensure that each RAE could address localized needs and priorities. Each RAE conducted a regional needs assessment and developed a grant application process for providers. The goals of the project included:

- Expanding HIOP services among providers already offering this level of care
- Supporting providers in adding HIOP services to the levels of care they offer
- Adding new providers into the Health First Colorado network who had not previously offered services to Medicaid members

Below is a summary of the each RAE's project plan:

1. Rocky Mountain Health Partners (RMHP) planned two key areas of support. The first was a focus on hiring and retention activities for clinical and case management staff to address waitlists and other obstacles to providing timely treatment and care coordination to members. The second focus was on intensive care coordination to help identify outstanding needs for high-acuity members.
2. Northeast Health Partners (NHP) identified two areas of need in the region. The first area identified as a barrier to care was transportation. NHP planned to support providers in purchasing vehicles and helping identify other creative opportunities for overcoming this obstacle to member access. The second area of focus was expanding the availability of HIOP-level individual and group therapy with a specific emphasis on

¹ HCPF, [Health First Colorado Managed Care Contracts](#)

the sustainability of these services by improving their capacity for billable services.

3. Colorado Access (COA) identified two specific gaps in services. The first gap was for eating disorder treatment and the second gap in services was for in-home services for children and their families. COA developed plans to measure success through quality and compliance checks.
4. Health Colorado, Incorporated (HCI) planned to focus on services assisting those transitioning from incarcerated settings and evaluate success through biopsychosocial evaluations, utilization management, and clinical quality strategies.
5. Colorado Community Healthcare Alliance (CCHA) planned to engage existing and new providers to improve network adequacy.

Project Activities and Outcomes

Throughout the project period, RAEs submitted quarterly reports to document grant activities and funding distribution. Grant funding was primarily used for infrastructure building and workforce development efforts. In total, 122 grant awards were distributed to 92 unique providers across RAE regions².

Service Expansion

Seventeen new HIOP providers were added statewide across the seven RAE regions. RAEs reported that providers added or expanded the following HIOP services:

- High Fidelity Wraparound Services
- Functional Family Therapy (FFT)
- Multisystemic Therapy (MST)
- Intensive Outpatient Treatment (IOP) services
- Partial Hospitalization Program (PHP) services
- Medication for Addiction Treatment (MAT) services

Additionally, providers worked to expand and address specific behavioral health needs including eating disorders, gender dysphoria, post-traumatic stress disorder, and culturally specific services.

² [Map of all providers that received grant funds](#)

Populations Served

Providers reported the successful expansion of HIOP services to various populations including many historically underserved and under-resourced communities. Examples of expanded services for priority populations include:

- A provider serving at-risk LGBTQ+ youth in the Denver metropolitan area received a grant to support time-limited construction for a new walk-in and treatment center for their clientele. This enabled the provider to offer additional resources and services for this population of youth who have statistically higher rates of behavioral health needs.
- Providers in rural and frontier areas of the state (specifically the Northeastern region and South-central/Southwest regions of Colorado) utilized grant funding to address trauma among school-aged children. Grant funding was used to expand school-based mental health services to help mitigate ongoing behavioral health access disparities in rural and frontier areas of the state.

RAEs reported on the populations served by grantees within their region as follows:

- RMHP: Providers used grant funds to expand HIOP services for members with Intellectual and/or Developmental Disabilities (ID/DD), Traumatic Brain Injury (TBI), and members who identify as Deaf/Hard of Hearing (Deaf/HH).
- NHP: Providers used grant funding to expand HIOP services for children and youth, and to support gender-specific services.
- COA: Providers in these two regions supported people with justice involvement and LGBTQ+ youth, as well as a focus on children, youth, and families within the general population.
- HCI: Providers used grant funding to expand services for justice-involved members. Grant funding was also used for training and other consultation services to support providers in the expansion of HIOP services more broadly.
- CCHA: Within this region, 14 providers received funds to support children, youth, and family-oriented services. Additionally, this region saw the greatest percentage of providers receiving grant funds to support services for members identifying as Black, Indigenous, and People of Color (BIPOC) and Spanish-speaking communities.

Infrastructure Building

The ARPA 3.06 grant project, ‘Expand the Behavioral Health Safety Net’, provided a unique opportunity for providers to invest in the development of physical and technological infrastructure to expand delivery of HIOP services. Grantees were able to expand telehealth services, purchase electronic health record software and other types of technological infrastructure to support efficient billing and reporting operations. Providers were allowed capital expenses, such as vehicles, for delivery of in-home and community-based services and member transportation. Funds were also used to procure additional office space and pay for construction costs to expand and/or renovate spaces to deliver HIOP services.

Grant-Funded Infrastructure Building Activities

- Construction costs to build or renovate space for treatment services
- Vehicle purchases to aid in transporting members to and between service locations
- Equipment and supplies for new and existing clinical staff

Outcomes of Infrastructure Building

Many providers invested in technological infrastructure, including telehealth opportunities, to allow them to provide services for people whose transportation challenges impact their ability to travel to receive services.

Many RAEs supported providers whose clientele faced challenges living in rural and frontier communities such as transportation, brick-and-mortar service facility availability, and access to a diverse network of providers. Funding for capital investments in vehicles, construction, and telehealth helped address this significant disparity found in the most remote areas of Colorado.

Workforce Development

Grantees also used funding for workforce development to support the expansion of HIOP services. For example, many providers throughout the different RAE regions supported staff training and certification in evidence-based HIOP models including Multisystemic Therapy, Family-Systems Trauma Model, Trauma-Systems Therapy, and High-Fidelity Wraparound. NHP utilized grant funds to support Colorado Provider Association (COPA) approved training for individuals to acquire their Peer Specialist certification to expand the workforce in Region 2 for HIOP providers. One provider

used the grant funds to provide stipends for interns to participate in their Workforce Development Pipeline program for future clinicians. This program included recruiting, training, supervision, licensing support, and the possibility of long-term employment post internship. This program enhanced educational and professional pathways for individuals while also strengthening clinical capacity for future service delivery.

Grant-Funded Workforce Development Activities

- Hiring and staff retention efforts to address workforce shortages
- Staff training and certification in evidence-based HIOP services
- Staff time spent on non-billable activities
- Region-wide training for providers
- Community outreach efforts

Outcomes of Workforce Development Efforts

The grant-funded workforce development efforts enabled providers to mitigate care deserts. Grant funding enabled providers to offer hiring incentives, tuition reimbursement, and clinical training to recruit greater workforce. By hiring additional staff with greater service capabilities, providers increased their potential for billing revenue in order to sustain the increased services and staffing costs.

HIOP Service Utilization Outcomes

The overall goal of the ARPA 3.06 project was to expand access to HIOP behavioral health services, and data from HIOP service claims shows that this goal was achieved. As shown in the table below, the grant funding contributed to a 72% increase in the number of Medicaid providers delivering HIOP services, as well as a 16% increase in the number of unique members receiving services and a 33% increase in the total number of HIOP services delivered to members.

Table 1. HIOP Service Utilization Data

	FY 2021-2022 (Prior to the grant)	FY 2022-2023	FY 2023-2024
Total number of providers delivering HIOP services	134	186	230
Unique members who received HIOP services	8,699	9,179	10,094
Total number of HIOP services delivered	107,260	126,967	140,853

Through enabling significant investments into infrastructure building and workforce development, behavioral health providers across the state were able to expand the availability of HIOP services and serve more members with severe mental health and/or substance use conditions through intensive community-based services.

Lessons Learned & Opportunities Moving Forward

Through this grant, HCPF learned valuable lessons on how to effectively execute a grant. Lessons learned highlight the importance of offering clear and comprehensive directives and guidance, as well as the value of providing training and technical assistance to providers on grant administration.

The initial Statement of Work between HCPF and the RAEs did not include enough specificity which meant that the RAEs' quarterly reports did not contain sufficient supporting documentation. This resulted in administrative confusion and lack of clarity for subgrantees. When these issues were identified, corrective actions were carried out including a contract transmittal to provide RAEs with additional clarity and guidance on quarterly report requirements, parameters regarding supplanting vs. supplementing requirements, and appropriate use of funds. RAEs were also provided with updated reporting templates, guidance on tracking subgrantee information and activities and asked to complete grant attestations with their subgrantees to ensure appropriate use of ARPA funds.

Another lesson learned was recognizing the missed opportunity to provide formal training and technical assistance on grant administration for providers. For many providers, this was the first time they had received a federal grant. In hindsight, it would have been beneficial to offer training to assist providers with understanding federal grant regulations and compliance. Although RAEs were available to assist providers, providers could have benefited from a more formal process to help mitigate risks of noncompliance with grant regulations.

Conclusion

HIOP services play a key role in treatment for adults and youth with severe mental health and/or substance use conditions. For members transitioning out of inpatient or residential levels of care, HIOP services offer an opportunity to continue intensive treatment while integrating back into the community. For others, HIOP services allow members to receive intensive treatment within their community, rather than in an inpatient or residential setting. Through the ARPA 3.06 grant, investments in infrastructure building and workforce development contributed to the successful expansion of HIOP services throughout the state.

Overall, each RAE region reported the full expenditure of all grant dollars awarded to them. Providers who received the grant funding implemented sustainability plans for maintaining their expanded services, and all HIOP services continue to be billable to Medicaid. Monitoring HIOP service utilization and network adequacy remains a priority to help address gaps in treatment availability and issues related to under- and overutilization of care.