



# Behavioral Health Workforce Capitated Payment Increase

*Accountable Care Collaborative August 5th, 2019*

## Background

During the 2019 legislative session, the Colorado General Assembly appropriated to the Department a 2% increase in funds for the capitated behavioral health benefit. The stated legislative purpose for the additional funds is to increase salary reimbursement for community-based behavioral health providers. The funding is to be incorporated into the managed care rates and is intended to be passed through in its entirety to behavioral health providers to address workforce issues. The appropriation excludes increased reimbursement for behavioral health providers employed by hospitals and Federally Qualified Health Centers.

The state fiscal year 2019-2020 Long Bill (Senate Bill 19-207) Footnote 16 states:

“...It is the General Assembly's intent that a 2.0 percent increase in community-based provider workforce salaries be passed through in its entirety to Community Mental Health Centers and other mental health and substance use disorder providers, excluding hospitals and Federally Qualified Health Centers. The Department of Health Care Policy and Financing is expected to increase rates for Community Mental Health Centers and other mental health and substance use disorder providers impacted by the policy to reflect the entire 2.0 percent workforce salary increase.”<sup>1</sup>

## Managed Care Rate Setting

To incorporate the funding into the Regional Accountable Entity (RAE) contracts so that the RAEs can pass the funds on to providers as stated in the Long Bill, the Department included a “public policy adjustment” in the RAEs’ behavioral health managed care rates for FY 2019-20. This adjustment added sufficient funding to increase all eligible provider rates by 2% above and beyond the underlying historical pricing and trend.

<sup>1</sup> [https://leg.colorado.gov/sites/default/files/documents/2019A/bills/2019a\\_hcp\\_act.pdf](https://leg.colorado.gov/sites/default/files/documents/2019A/bills/2019a_hcp_act.pdf)



## Guiding Principles

1. The funding must be passed through to eligible providers in its entirety.
2. The funding must be used in a manner that is consistent with the legislative intent as stated in the FY 2019-20 Long Bill.
3. The RAEs must be able to demonstrate that the funding has been passed on to eligible providers and provide documentation of its distribution strategy to the Department upon request.
4. The RAEs have autonomy to determine how best to disseminate the funds; however, the Department expects the RAEs to consider the context and stated intent of the statute when determining how to distribute the increase to providers.

## Frequently Asked Questions

### **Can we implement a quality program to disperse the funds?**

While the RAEs have some flexibility in distributing the funds, it is important to honor the legislative intent of the funding increase. The intent of the increased funding is to bolster the behavioral health workforce. A quality program may not do this directly. In addition, the funding was intended to be available 7/1/19; whereas under a quality program there could likely be delays in funding flowing to providers. To the extent the RAE wishes to implement a quality program with the funds, please discuss doing so with your contract manager to ensure the proposal is consistent with the legislative intent.

### **Can the funds be distributed as a lump sum payment instead of increasing rates on individual services?**

Yes. This could be an effective way to support workforce development. If you pursue this strategy, note that it may result in more or less than a 2% increase depending on actual utilization patterns.

### **Can the fee schedule just be adjusted by 2% for eligible providers?**

Yes, that would satisfy the legislative intent.

### **Some Community Mental Health Centers (CMHCs) are providing direction on how the funding must be spent. Is it accurate?**

Any guidance regarding how the funding must be spent should come from the Department. That said, the Department does expect the RAEs to collaborate with the Community Mental



Health Centers to develop a disbursement strategy that most effectively supports increases in workforce salaries.

**Do different provider types get different increases? I've heard CMHCs should get a 3% increase and other providers less.**

The funding was incorporated as a 2% increase on all eligible utilization. See the response to other questions for guidance on distribution.

**Does every eligible provider need to receive a 2% increase?**

It may not be necessary for every eligible provider to receive a 2% increase. For example, some providers may have a very low volume such that updating contracts or fee schedules might not make sense. Nevertheless, the Department expects the RAEs to consider the political sensitivity regarding excluding any provider from the rate increase policy. Actual workforce needs in your network should also be considered when developing and implementing a strategy.

Note that the increase was assumed in the rates for all eligible utilization. If you exclude any utilization/providers, you will need to consider increasing reimbursement to providers that are included in the policy by an amount greater than 2%.

Excluding otherwise eligible providers that have a sufficient amount of utilization with your RAE will require a reasonable justification.

