



COLORADO

Department of Health Care
Policy & Financing

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Behavioral Health Key Reform Initiatives

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Colorado's behavioral health system is undergoing major reforms. Many of these reforms are in progress, and may impact Health First Colorado's (Colorado's Medicaid program) behavioral health providers. Below is a summary of reforms under current consideration by policymakers; other reforms are in the implementation stage after approvals by policymakers. The Department of Health Care Policy and Financing (the Department) will update providers as these initiatives move forward.

Safety Net Accountability Projects

There are four accountability projects in progress focused on strengthening the behavioral health safety net. These include changing our cost-reporting structure, universal contracts, value-based payments, and reducing administrative burden.

Modernized Cost Reports and Rate Establishment

Community Mental Health Centers (CMHCs) currently benefit from the "cost plus" model. The formula that the Colorado Departments of Health Care Policy & Financing (the Department) and of Human Services (CDHS) use to set CMHC rates comes from cost reports submitted by the CMHCs. The Department is working to not only improve accountability in this model, but to also extend it to smaller and medium sized providers who provide essential and specialized safety net services. The Department agrees that we need to further update the formula and reporting standards for these submissions. Project work is in progress including a new cost reporting template and an anticipated completion date of this spring.



The Department is setting new reporting requirements so we can determine costs by program type and appropriately deny “unreasonable” reimbursements on a cost basis. The Department is also setting a policy for what is “reasonable” under existing authority (e.g., salaries above a certain amount, or facility improvements that do not improve patient care) as a part of the cost reporting reform project. The Department will provide technical assistance to the CMHCs on the new cost reporting template. CMHCs will be required to submit cost reports using the new template to the Department by November 2022. These new cost reports will be used to establish new CMHC rates effective July 2023.

New Universal Contract

The universal contract is a new payer-provider contracting tool that will establish expectations across all providers that accept state funds, including CMHCs. These expectations will include: driving accountability for key deliverables, such as treating the most complex patients; meeting community needs; payment methodologies; and other essential patient-centered standards. The universal contract for safety net providers will be essential to ensuring that the Behavioral Health Administration (BHA), the Department and other state agencies are holding providers accountable to the same standards and expectations while also providing more consistency from a payer perspective. Work teams to create and negotiate these universal contracts are already established.

Value-Based Payments

Aligning value-based payments will advance our shared goals of rewarding quality, community responsiveness and health equity, while driving a greater emphasis on member health and outcomes. The rates and managed care teams inside the Department have been working on this evolution for more than a year.

Reducing Administrative Burden

To improve operational quality and efficiency, the Department and the BHA are committed to identifying and alleviating administrative burdens and operational challenges facing CMHCs, clinics and substance use disorder providers.



Expanding the Safety Net

The state is committed to the implementation of our plan to expand and strengthen the behavioral health safety net, in alignment with [Colorado State Senate Bill 19-222](#), which includes expanding the behavioral health provider network, and creating new standards for providers. Although CMHCs are an essential partner in behavioral health care in Colorado, they cannot be our only partners. We are working to strategically expand the network with a focus on connecting small and medium-sized behavioral health safety net providers with access to sustainable funds. We are also asking existing providers to expand high-intensity outpatient services, medication-assisted treatment, youth residential and services for individuals with co-occurring and complex needs. The newly passed BHA bill (HB 22-1278) also provides new definitions for behavioral health provider types, which will help the state make these changes.

Mobile Crisis and Secure Transport

In 2021, Colorado passed [House Bill 21-1085](#), Secure Transportation Behavioral Health Crisis. In collaboration with the CDHS Office of Behavioral Health, this requires the Department to create a benefit for secure transportation services, which may include a set of mobile crisis services. Through ARPA, the state applied for and received a mobile crisis planning grant to create this comprehensive new benefit. The state will be submitting a state plan amendment for the secure transport benefit and mobile crisis benefit that will work directly with secure transport. These benefits will allow screening on scene and appropriate responses without transport to an emergency department or an automatic referral to law enforcement. These benefits are on track to go live on July 1, 2023.

