COLORADO
Department of Health Care Policy & Financing

Meeting Minutes
Behavioral Health and Integration Strategies (BHIS) Program Improvement Advisory Committee (PIAC) Subcommittee

Virtual Meeting

October 1, 2025, 9:00 AM – 10:30 AM

1. **Introductions**

Facilitators:

- Lexis Mitchell — Health Care Policy & Financing (HCPF Liaison)
- **Daniel Darting (Chair)** — Signal Behavioral Health

Voting Members:

- Monique McCollum (Co-Chair) — Medicaid Member
- Monica Lintz — Denver Health
- Elizabeth Freudenthal — Children's Hospital Colorado
- Charles Davis — Crossroads' Turning Points, Inc.
- Nina Marinello — Intermountain Health
- Amanda Jones — Community Reach Center

2. **Housekeeping**

Lexis Mitchell introduced the subcommittee and the agenda items. A quorum was not reached at the start of the meeting, and the meeting minutes were voted on for approval at the end of the meeting. Daniel Darting called for the minutes to be motioned for approval, Elizabeth Freudenthal motioned to approve with Monique McCollum seconding – there were no objections.

3. **Special Session Budget Update - Cristen Bates and Lauren Revely (HCPF)**

Cristen provided historical context: Since 2019, HCPF expanded the BH network (6,391 → 13,700 providers), increased member access (+41%), and more than doubled the spend with independent providers (+113%). She underscored that the goal is not to roll back benefits, but to preserve access with tighter monitoring and audits.

She then walked through the special-session package (HR1) and how two changes will be felt most: (1) eligibility redeterminations every six months instead of annually, and (2) work

requirements set at 80 hours per month that can be met through work, education, or volunteering. Because these are federally driven, the state's goal is to comply while avoiding red tape—using an attestation-first process and spot audits rather than asking members to upload pay stubs every time. At initial application, attestation would look back a short period; at six-month re-application, it would cover the prior month. Members must keep documentation in case of audit, but HCPF intends to lean on state data systems to minimize paperwork.

On exemptions, Cristen underscored that people with qualifying disabilities—including those whose disability is due to serious mental illness—are not subject to work requirements. She also described the state's intent to define "medically frail" and SUD-treatment-based exemptions as broadly and clearly as allowed, so people in care aren't pushed out. Caregiver provisions (e.g., for children under 13) and other exceptions are being clarified. She added a caution that substance use disorder (SUD) alone does not count as a disability, which may place some people with SUD at higher risk unless protected by treatment-related exemptions the state can set in rule.

Cristen noted HCPF is still modeling potential caseload reductions from HR1 and is intentionally avoiding premature public estimates after seeing how early numbers during the PHE unwind led to confusion. Because implementing work verification requires building new administrative systems, some funding must shift from services to administration to get compliant tooling in place. She also pointed to broader fiscal constraints—especially TABOR—and flagged that reduced revenue from the hospital provider fee (the CHASE enterprise) will further limit the state's ability to offset enrollment-driven losses.

She also previewed program-integrity and payment actions that either started last year or will continue this year: enforcing National Correct Coding Initiative (NCCI) "medically unlikely" edits; pulling back some directed payments (ENIP); a targeted review of certain "B3" codes; planning for ASAM 4.0; scrutiny of very high per-diem/daily rates in some settings; and adding guardrails to the Prospective Payment System (PPS) so it's used as intended. These are meant to right-size use of services and ensure dollars purchase appropriate care—without eliminating needed services.

Cristen reiterated the intent to keep the process as light-touch as possible for members and providers—automating 70–80% of eligibility tasks where feasible and reserving human review for exceptions and audits.

She closed by reminding the group that these shifts are largely federally driven and will likely be felt more in Medicaid-expansion states, including Colorado. Even so, BH providers are well positioned to help members meet work-requirement hours through existing vocational and supported employment services—and HCPF will continue shaping exemptions and processes to keep people connected to care while meeting the law's requirements.

4. **SMI Demonstration - Jennifer Holcomb, Meg Morrissey and Austin Leffel (HCPF)**

Jennifer Holcomb (HCPF) announced day-one implementation of Colorado's 1115 SMI/SED Demonstration, following CMS approval of the demonstration in January 2025 and the

implementation plan approval on September 2, 2025. The demonstration's goals are to ensure quality, improve care transitions from inpatient to community settings, expand access across the full continuum, and identify and engage individuals earlier in treatment.

Colorado will phase in the demonstration. Phase 1 focuses on freestanding psychiatric hospitals (O2), with subsequent phases considering hospital alternatives such as crisis stabilization units and potential exploration of residential settings. The adult SMI population is in scope initially; youth with SED will be addressed in later phases.

Jennifer explained that, beginning October 1, inpatient psychiatric stays for adults who meet SMI criteria may be covered up to 60 days when medically necessary. Facilities will coordinate closely with RAEs, and discharge planning is expected to start early to support timely transitions to community care.

Implementation work will emphasize common assessment and consistent review. October–December 2025 will focus on training and certification in the ANSA (Adult Needs & Strengths Assessment) for facilities, RAEs, and partner agencies. January–July 2026 will be used to design how ANSA informs level-of-care and length-of-stay determinations, with additional locations and populations planned for later phases. In response to a question about federal financing, she reiterated that 1115 demonstrations must demonstrate budget neutrality to the federal government (i.e., flexibility in one area is balanced by savings elsewhere rather than increased total federal spending).

5. **Wrap up and next steps:**
    a. Next meeting November 5, 2025

Reasonable accommodations will be provided upon request. Auxiliary aids and services for individuals with disabilities and language services for individuals whose first language is not English may be provided upon request. Please notify Lexis Mitchell at 303-866-6116 or Lexis.Mitchell@state.co.us, or the 504/ADA Coordinator at hcpf504ada@state.co.us at least one week prior to the meeting to make arrangements.