Department of Health Care Policy and Financing

Funding Request for the FY 2024-25 Budget Cycle

Request Title

R-07 Behavioral Health Continuum

Dept. Approval By:	[signature]		**Supplemental FY 2023-24**
OSPB Approval By:	Adrian Leiter [signature]		**Budget Amendment FY 2024-25**
		X	**Change Request FY 2024-25**

Summary Information	Fund	FY 2023-24 Initial Appropriation	FY 2023-24 Supplemental Request	FY 2024-25 Base Request	FY 2024-25 Change Request	FY 2025-26 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$1,363,603,295**	**$0**	**$1,333,058,058**	**$4,409,298**	**$4,456,171**
	FTE	741.0	0.0	732.1	1.4	2.0
	GF	$330,957,572	$0	$330,555,823	$945,354	$964,102
	CF	$116,215,798	$0	$100,745,133	$318,817	$323,505
	RF	$3,184,377	$0	$3,372,784	$0	$0
	FF	$913,245,548	$0	$898,384,318	$3,145,127	$3,168,564

Line Item Information	Fund	FY 2023-24 Initial Appropriation	FY 2023-24 Supplemental Request	FY 2024-25 Base Request	FY 2024-25 Change Request	FY 2025-26 Continuation
01. Executive Director's Office, (A) General Administration, (1) General Administration - Personal Services	**Total**	**$68,472,030**	**$0**	**$68,122,067**	**$123,668**	**$170,942**
	FTE	741.0	0.0	732.1	1.4	2.0
	GF	$25,204,598	$0	$26,276,162	$49,467	$68,377
	CF	$7,546,836	$0	$6,115,966	$12,367	$17,094
	RF	$2,674,462	$0	$2,881,078	$0	$0
	FF	$33,046,134	$0	$32,848,861	$61,834	$85,471
01. Executive Director's Office, (A) General Administration, (1) General Administration - Health, Life, and Dental	**Total**	**$10,436,584**	**$0**	**$10,167,437**	**$15,621**	**$22,066**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$4,144,398	$0	$4,144,398	$6,248	$8,826
	CF	$753,615	$0	$619,042	$1,562	$2,207
	RF	$221,797	$0	$221,797	$0	$0
	FF	$5,316,774	$0	$5,182,200	$7,811	$11,033
01. Executive Director's Office, (A) General Administration, (1) General Administration - Short-term Disability	**Total**	**$98,551**	**$0**	**$95,751**	**$176**	**$242**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$38,706	$0	$38,706	$70	$97
	CF	$7,097	$0	$5,698	$18	$24
	RF	$1,911	$0	$1,911	$0	$0
	FF	$50,837	$0	$49,436	$88	$121
01. Executive Director's Office, (A) General Administration, (1) General Administration - Paid Family and Medical Leave Insurance	**Total**	**$0**	**$0**	**$0**	**$493**	**$681**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$198	$273
	CF	$0	$0	$0	$49	$68
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$246	$340
01. Executive Director's Office, (A) General Administration, (1) General Administration - Amortization Equalization Disbursement	**Total**	**$3,290,125**	**$0**	**$3,202,526**	**$5,474**	**$7,567**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,292,773	$0	$1,292,773	$2,190	$3,026
	CF	$237,090	$0	$193,292	$547	$757
	RF	$62,817	$0	$62,817	$0	$0
	FF	$1,697,445	$0	$1,653,644	$2,737	$3,784

Line Item Information	Fund	FY 2023-24 Initial Appropriation	FY 2023-24 Supplemental Request	FY 2024-25 Base Request	FY 2024-25 Change Request	FY 2025-26 Continuation
01. Executive Director's Office, (A) General Administration, (1) General Administration - Supplemental Amortization Equalization Disbursement	**Total**	**$3,290,125**	**$0**	**$3,202,525**	**$5,474**	**$7,567**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,292,773	$0	$1,292,773	$2,190	$3,026
	CF	$237,090	$0	$193,292	$547	$757
	RF	$62,817	$0	$62,817	$0	$0
	FF	$1,697,445	$0	$1,653,643	$2,737	$3,784
01. Executive Director's Office, (A) General Administration, (1) General Administration - Operating Expenses	**Total**	**$3,703,098**	**$0**	**$2,931,345**	**$15,100**	**$1,470**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,424,388	$0	$1,239,975	$6,040	$588
	CF	$461,677	$0	$234,818	$1,510	$147
	RF	$40,724	$0	$22,515	$0	$0
	FF	$1,776,309	$0	$1,434,037	$7,550	$735
01. Executive Director's Office, (A) General Administration, (1) General Administration - Leased Space	**Total**	**$3,925,908**	**$0**	**$3,703,002**	**$6,956**	**$9,300**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,477,587	$0	$1,462,006	$2,782	$3,720
	CF	$448,474	$0	$348,876	$696	$930
	RF	$38,849	$0	$38,849	$0	$0
	FF	$1,960,998	$0	$1,853,271	$3,478	$4,650
01. Executive Director's Office, (A) General Administration, (1) General Administration - General Professional Services and Special Projects	**Total**	**$62,877,160**	**$0**	**$34,123,691**	**$99,000**	**$99,000**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$13,811,567	$0	$12,477,539	$49,500	$49,500
	CF	$16,155,462	$0	$2,665,692	$0	$0
	RF	$81,000	$0	$81,000	$0	$0
	FF	$32,829,131	$0	$18,899,460	$49,500	$49,500
03. Behavioral Health Community Programs, (A) Behavioral Health Community Programs, (1) Behavioral Health Community Programs - Behavioral Health Capitation Payments	**Total**	**$1,207,509,714**	**$0**	**$1,207,509,714**	**$4,137,336**	**$4,137,336**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$282,270,782	$0	$282,331,491	$826,669	$826,669
	CF	$90,368,457	$0	$90,368,457	$301,521	$301,521
	RF	$0	$0	$0	$0	$0
	FF	$834,870,475	$0	$834,809,766	$3,009,146	$3,009,146

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Health Care Policy and Financing Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Governor Jared Polis
FY 2024-25 Funding Request

Kim Bimestefer, Executive Director
Department of Health Care Policy & Financing
November 1, 2023

Department Priority: R-7
Behavioral Health Continuum

Summary of Funding Change for FY 2024-25			
		Incremental Change	
	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2025-26 Request
Total Funds	$1,363,603,295	$4,409,298	$4,456,171
FTE	741.0	1.4	2.0
General Fund	$330,957,572	$945,354	$964,102
Cash Funds	$116,215,798	$318,817	$323,505
Reappropriated Funds	$3,184,377	$0	$0
Federal Funds	$913,245,548	$3,145,127	$3,168,564

Summary of Request

The purpose of this request is to ensure behavioral health coverage across a full continuum of care. The request includes $4,409,298 total funds, including $945,354 General Fund and 1.4 FTE in FY 2024-25 and $4,456,171 total funds, including $964,102 General Fund and 2.0 FTE in FY 2025-26 ongoing. The request includes contractor funding and 1.0 FTE to support the oversight of alternative payment methodology implementation as required by HB22-1278; ongoing funding to include partial hospitalization programs as a level of care for members with substance use disorders; ongoing funding to allow up to 15 days of reimbursement for Institutes of Mental Disease providers; and continuation of funding for certain housing support services. This request would support the Department's Pillars of Care Access, Member Health and Health First Colorado Value by improving access to behavioral health services, improving the quality of care, and pursuing value-based care in the behavioral health setting. This request represents an increase of less than 0.5% from the Department's FY 2023-24 Long Bill total funds appropriation.

Requires Legislation	Equity Impacts	Impacts Another Department?	Statutory Authority
No	Positive	No	25.5-5-202 1(x), C.R.S. 27-50-301, C.R.S

Current Program

Since 1995, the Department has overseen a community-based behavioral health benefit, aiming to cover the full continuum of mental health treatment. This includes inpatient psychiatric hospitalization, intensive outpatient treatment, crisis services, traditional therapy, peer support services, and drop-in centers. Behavioral health services are mainly administered by Regional Accountable Entities (RAEs). RAEs receive a monthly capitation payment from the Department for each enrolled member; however, the Department provides coverage for additional behavioral health services on a fee-for-service basis.

Behavioral Health Pricing Methodologies for Safety Net Providers

SB 19-222, "Individuals at Risk of Institution," required the Department to improve access to behavioral health services for individuals at risk of institutionalization. The bill additionally required the Department to work with the Department of Human Services (DHS) to implement a comprehensive behavioral health safety net system by January 1, 2024.

HB 22-1278, "Behavioral Health Administration," established the Behavioral Health Authority (BHA) duties within DHS and charged the BHA to take the lead on implementing the comprehensive behavioral health safety net system. The bill further requires the Department to align all community-based behavioral health programs and networks with the behavioral health continuum of care, safety net services, and care coordination provider standards. The Department has been working with the BHA and Managed Care Entities (MCEs) to develop a plan for the behavioral health safety net system and alternative payment model, drawing from Value-Based Payment theory, as defined in How to Pay for Health Care, to identify viable payment reform options that provide financial flexibility through embedded quality-based metrics and reporting. [1]

In the ongoing effort to establish a behavioral health safety net system and provide a full continuum of care, the Department has worked with the BHA to identify existing gaps of care in the following behavioral health service areas. The Department has identified the changes needed to align with HB 22-1278 and SB 19-222 and has determined that additional resources beyond

[1] Porter ME, Kaplan RS. How to Pay for Health Care. Available from: https://hbr.org/2016/07/how-to-pay-for-health-care

what was previously provided are needed to set and maintain fee schedules in order to align with the BHA.

Partial Hospitalization Program

In January 2021, the Department expanded its substance use disorder (SUD) benefit to provide services across the full continuum of SUD care. This includes coverage for all levels of care as defined by the American Society of Addiction Medicine (ASAM) Appendix B.[2] The expansion was authorized and funded by HB 18-1136, "Substance Use Disorder Treatment." The benefit expansion also required the Department to secure an 1115 SUD Demonstration Waiver to cover services rendered in Institutions for Mental Disease (IMDs) and a State Plan Amendment to cover residential services in other settings.

Currently, the Department provides care for members with a Substance Use Disorder (SUD) under the state's 1115 SUD waiver, "Ensuring the Full Continuum of Care." As part of the federal requirements for the 1115 SUD waiver, the Department must follow ASAM placement criteria. SB 20-007, "Treatment Opioid and Other Substance Use Disorders," further requires the Department to provide coordination of care for the full continuum of SUD levels of care in accordance with ASAM criteria. The ASAM levels of care (0.5-4) range from early intervention services to intensive inpatient care and are depicted in the ASAM diagram below.

The Department presently covers all ASAM levels of care except Level 2.5 Partial Hospitalization Programs, a service that is offered to other Coloradans by 98 licensed providers across the state. Many of these providers are also currently enrolled as Medicaid providers, but do not offer this level of care to Medicaid members as it is not a covered benefit.

Institutes of Mental Disease (IMD) Stays

As part of psychiatric inpatient coverage under the behavioral health capitation, the Department covers eligible members for up to 15 days in an IMD – a facility with 16 or more beds that is

[2] https://www.asam.org/asam-criteria/about-the-asam-criteria

primarily engaged in providing diagnosis, treatment, or care for individuals with mental health or substance use diagnoses.

Current federal restrictions[3] allow a federal match for IMD stays up to 15 days per calendar month only if a state has a Medicaid managed care plan and can offer IMD stays as an in-lieu-of-service. Since the establishment of this 2016 Final Rule by CMS, the Department only reimburses IMD stays that do not exceed 15 days in a calendar month. A 16th day in an IMD results in no payment for the stay at all.

Permanent Supportive Housing

In the Department's FY 2021-22 S-10, BA-10 budget request, "HCBS ARPA Spending Authority," the Department was granted authority to use funding provided through Section 9817 of the American Rescue Plan Act (ARPA) for Home and Community Based Services (HCBS) towards the Statewide Supportive Housing Expansion (SWSHE) Pilot Project. In conjunction with the pilot program, the Department is researching long-term strategies for wrap-around services, including housing support services and community-based peer support for members with serious mental illness and a history of homelessness. Currently, participating members receive housing vouchers from the Colorado Department of Local Affairs (DOLA). The Department has 700 maximum fillable slots for eligible members to receive pre-tenancy and tenancy support services through the ARPA grant funding. Pre-tenancy support services provide outreach, housing navigation, leasing navigation, and move in and orientation assistance to members attaining new housing. Tenancy Support services assist members with renewing leases and renewing vouchers for tenants maintaining their current residency.

Problem or Opportunity

At present, behavioral health services are funded through complex and fragmented funding streams. As stated in the Behavioral Health Quality Framework Report conducted by the National Committee for Quality Assurance, "Individuals with behavioral health conditions experience higher morbidity, poorer health outcomes, and lower life expectancy than the general population…[and] the average cost of treatment is 2.8-6.2 times higher for individuals with behavioral health conditions"[4]. The need for payment reform is at a critical stage; the State of Colorado has an opportunity to drive system-wide improvements through regulations and financial incentives. In addition, the Department has identified gaps in behavioral health-related care in which the Department does not have existing authority or resources to address. Without resources and authority, the Department risks offering less than a full continuum of behavioral health care and stalling progress towards quality, comprehensive behavioral health care as outlined in HB 22-1278 Behavioral Health Administration.

[3] 42 CFR 438.6(e)

[4] https://www.ncqa.org/wp-content/uploads/2021/07/20210701_Behavioral_Health_Quality_Framework_NCQA_White_Paper.pdf

Behavioral Health Pricing Methodologies for Safety Net Providers

To comply with SB 19-222 and HB 22-1278, the Department worked with a contractor to model rate methodology scenarios and gain insight into the viability of various value-based payment (VBP) models for the establishment of new safety net providers, specifically Comprehensive Safety Net Providers and Essential Safety Net Providers. The VBP models bring value-based care to the behavioral health safety net as specified in SB 19-222. The establishment of new safety net provider types and new cost-based payment methodologies are required to comply with HB 22-1278. In order to implement these changes, the Department will need to create new rates for services conducted by the Essential Safety Net Providers that will be established on July 1, 2024 under HB 22-1278. The Department needs additional resources to continue setting, maintaining, and evaluating fee schedule rates for Essential safety net providers.

The modeling conducted by the contractor resulted in identifying and selecting a single Prospective Payment System (PPS) rate for Comprehensive Safety Providers, with carveouts for select services and utilization management strategies outside of the encounter rate structure. PPS rates are payments for all services rendered in a specific time period (day, month) which is set prospectively based on historical utilization and trending.[5] The payment model utilizes robust stakeholder engagement necessary for long-term traction and sustainability. This PPS model allows for greater workforce flexibility, accommodating sustainability options, less restrictive service delivery, and decreased administrative burden for providers. VBP methodologies seek to strategically shift from volume of services to value of services by incentivizing long-term health outcomes of populations. Overall, the PPS rate methodology offers the best balance of financial flexibility in order to sustainably improve long-term outcomes for Behavioral Health populations.

Moreover, this proposed VBP model improves on the Behavioral Health Framework of the National Committee for Quality Assurance (NCQA) by introducing more efficient care delivery across provider regions. Supported by evidence-based metrics and reporting, the proposed VBP model seeks to mitigate risks through tiered pricing and rates, regulatory oversight, quality and utilization incentives, and transparent public reporting.

Due to the complex nature of setting PPS rates, the Department requires an actuarial contractor to audit utilization and costs, which cannot be completed within existing resources. The actuarial contractor will be needed in FY 2024-25 ongoing following the implementation of the new rate methodology. Additionally, the Department requires 1.0 FTE to develop rates for the Essential Safety Net Providers and the Comprehensive Safety Net Providers, maintain the fee schedule, and work with contractors to audit utilization and cost data.

Partial Hospitalization Program

Under the state's 1115 SUD waiver, "Ensuring the full Continuum of Care", Health First Colorado provides members coverage for services at all 4 ASAM levels. However, within level 2, High

[5] Ex: The Department currently utilizes Prospective Payment Systems rates to reimburse Federally Qualified Health Centers.

Intensity Outpatient, there is a gap in services to Medicaid members that is available to other Coloradans. Currently, Medicaid does not cover Partial Hospitalization Programs (PHP), which provides clinical outpatient support for 20 hours a week, 5 days per week. Establishing ASAM Level 2.5 coverage would close an existing service gap for Medicaid members and ensure a full continuum of care for all Coloradans.

By establishing coverage for PHP (ASAM level 2.5), the state can reduce reliance on inpatient coverage (residential and hospital) for those who can be better served in the community. At present, the broadest support in the outpatient setting provides coverage for 9 hours a week, 3 days per week. (ASAM level 2.1 Intensive Outpatient). Including PHP as an established service in the ASAM level 2 setting would provide a more intensive step-down option for clinically ready members in the ASAM level 3 setting, reducing lengths of stay in ASAM level 3 residential level of care.

Residential withdrawal management services, which are used as a point of entry for care, are the most highly utilized service option within the SUD treatment benefit. They consistently account for roughly 75% of SUD services delivered every quarter. This utilization includes many members who use the withdrawal management residential level of care more than one time per year due to relapses. PHP would offer more supportive and robust programming for members who are initially treated through a residential level of care by more than doubling the hours offered in the next step-down option. The Department anticipates that this will lead to a reduction in members needing to continue to use the residential level of care, as well as a reduction in members experiencing a relapse and needing residential services again.

Institutes of Mental Disease (IMD) Stays

From calendar year (CY) 2020 through CY 2022, there was an average of 180 stays per year for members that have needed care longer than 15 days of care in an IMD. For members exceeding the 15-day maximum allowable stay for reimbursement, the average length of stay in an IMD was 34 days per episode. Providers are not paid at all for services they provide to these members, leading to an average of over 8,500 total IMD days per year for which providers are not currently being reimbursed.

Additionally, the current coverage reality creates a perverse incentive for providers to prematurely prior to the 15-day deadline. This ensures IMDs that the care provided up to 15 days is reimbursed, since a 16th day results in no payment for the stay at all. Providing care at the most appropriate level and for the clinically necessary amount of time ensures stable transitions to lower levels of care and reflects ethical care.

Under an 1115 IMD waiver, the Department could receive a federal match for services provided in an IMD for up to 60 days per member, so long as the average length of stay of all members does not exceed 30 days.[6] Between 2019 and 2022 the average length of stay varied between 28 days and 34 days.

[6] https://www.medicaid.gov/federal-policy-guidance/downloads/faq101921.pdf

Permanent Supportive Housing

HCBS ARPA funding for the SWSHE pilot project will expire December 2024. The Department will continue to collect and analyze data from the SWSHE pilot project through September 2024 through existing funding. This research will be used to determine whether the Department will pursue additional authority in a future budget cycle to expand access to supportive services through a 1115 demonstration waiver. In the interim, the Department can cover and receive a federal match for limited 'supportive services' delivered by permanent supportive housing providers for members with a behavioral health diagnosis through an existing 1915b(3) waiver.

Proposed Solution and Anticipated Outcomes

The Departments requests a total of $4,409,298, including $945,354 General Fund and 1.4 FTE in FY 2024-25 and a total of $4,456,171, including $964,102 General Fund and 2.0 FTE in FY 2025-26 and ongoing to implement new pricing methodologies for safety net providers, extend payments for IMD Stays, expand SUD coverage to Partial Hospitalizations, and to continue the Permanent Supportive Housing pilot started under ARPA.

Behavioral Health Pricing Methodologies for Safety Net Providers

The Department requests actuarial contractor funding and 1.0 ongoing staff to help develop the implementation of the rates for the Behavioral Health Safety Net system, including setting up PPS rates and setting and maintaining the fee schedule for the Essential Safety Net providers. The Department requests contractor funding to conduct actuarial analysis, rate reviews, and auditing for the Comprehensive Safety Net provider PPS rates and the Essential Safety Net provider fee schedule rates to ensure compliance with the cost-based nature required by statute[7]. The Department requests 1.0 ongoing Rate Financial Analyst V FTE, which will be responsible for setting fee schedule rates for the Behavioral Health Safety Net system. This includes setting rates for new or expanded services, setting and maintaining an enhanced fee schedule for the Essential Safety Net providers, and working with contractors to audit costs associated with safety net services. The rate setting requires cross-state research, development of payment modalities, working with clinical staff to understand requirements, and analytical work to develop rates from a ground up approach. Additional job duties are outlined in Table 1.1 "Full Time Position Job Descriptions".

This funding will allow the Department to comply with statutory requirements by improving access to care for safety net services and improve quality of services provided by safety net providers by moving providers from a fee for service model to a value based model for

[7] HB 22-1278 and HB 23-1236 detail the services and requirement for cost-based reimbursement. If the costs vary significantly, based on actual costs of services, quality and accessibility, health equity, access by priority populations, etc., an adjustment will be required. Services reimbursed under cost-based reimbursement must be updated annually to account for these factors to ensure that reimbursement is adequate.

Comprehensive Safety Net Providers. This request will ensure robust funding and flexibility for providers to appropriately provide services by applying quality metrics to the payment methodology. Contractor resources will also ensure the providers are more accountable for providing behavioral health services to clients – especially those with Serious Mental Illness, co-occurring diagnoses for mental health and SUD, and those involved in the criminal justice system. The Department anticipates that better access to care for those with high acuity needs including Severe Mental Illness will lead to better outcomes for Medicaid clients and a reduction in wait times.

This request directly relates to the BHA's Strategic Priority #4: Develop a highly accountable behavioral health system that prioritizes transparent performance standards, quality improvement, and data integration. A part of this performance standard is to work with the Department to build Value-Based Payment and Universal Contracting Provisions. The Department and BHA have collaborated to develop a payment model with the vision of a comprehensive and expanded safety net that builds accountability for performance and outcomes.

Partial Hospitalization Programs (PHP)

The Department requests funding to implement the ASAM 2.5 PHP level of care. PHP provides access to daily clinical support and programming, including withdrawal management (WM) and Medication Assisted Treatment (MAT) services, to treat a member's SUD while preserving a Medicaid member's ability to remain in their community. The Department requests to move $250,000 funding that has already been appropriated for contractor resources from the Department's FY 2020-21 R-11 Patient Placement and Benefit Implementation budget request to the behavioral health capitation line to cover increases in costs to the behavioral health capitation as a result of implementing PHP.

This intensive outpatient level of care allows individuals who would be better served outside of the residential setting due to other life obligations to receive comparable services to low-level residential services while remaining housed in the community. The Department expects the addition of this level to reduce strain on an overburdened system where average residential stays reside above the preauthorization standard of 14 days. Establishing PHP coverage would provide more comprehensive care in the ASAM Level 2 setting, creating a step-down option for members in residential care.

This initiative directly ties to the Health Cabinet WIG of 'Increased Access to Behavioral Health'. The goal involves building capacity in Colorado's behavioral health system to increase access to care and further the health and well-being of Coloradans. There are currently 98 license providers of ASAM 2.5 level of care, 36 of which are currently enrolled as Medicaid providers and could offer PHP services to members once it is a covered benefit.

Institutes of Mental Disease (IMD) Stays

The Department requests funding to cover up to 15 days of member IMD stays, regardless of total length of stay. This would support our providers in maintaining operations and capacity to care for these members. Additionally, this would ensure members get appropriate care driven by

clinical need. Providing care to the most acute members at the most appropriate level and for the clinically necessary amount of time to ensure they are stable and able to transition to lower levels of care is best practice and reflects ethical care. To remove the barriers that prevent this is critical to improving outcomes for members and strengthening our provider community.

Funding for this request will promote public safety by removing the perverse incentive to discharge members prematurely before a 15-day deadline for those who may need to stay beyond this timeframe but whose care is not currently reimbursable if they do so. If this request is not approved, providers who care for members longer than 15 days in an IMD will either continue to absorb the cost of care at a loss or will increase discharging members prematurely to the detriment of member health.

The solution outlined above links directly to both the Department's and the BHA's FY 2022-23 Pillars of Care Access and Affordability. The initiative would improve quality of care by discouraging premature discharge of members in an IMD and ensure at least partial provider payment for IMD stays longer than 15 days.

Permanent Supportive Housing (PSH)

Service Costs

The Department requests funding to continue funding housing support services for the current providers and approximately 700 members being served under the ARPA Initiative SWSHE Pilot project. Funding will allow the continuation of pre-tenancy / tenancy services for these members in the interim while the Department evaluates an 1115 waiver to include a Permanent Supportive Housing benefit that would serve approximately 2,600 members per year. A potential 1115 waiver would eventually aim to expand the provider population from SWSHE providers to all PSH providers. According to the Colorado Division of Housing, there are currently around 3,000 PSH units in the state, and the anticipated growth of supported housing is projected at 300 units per year.[8]

The Department has worked with the National Academy for State Health Policy (NASHP) and the Corporation for Supportive Housing (CSH) to collect and evaluate broad surveys of supportive housing services, including outcomes and costs for providing comprehensive case management support to individuals who qualify for permanent supportive housing. According to research conducted by CSH, sustainable Permanent Supportive Housing has historically shown long term positive outcomes for those served including: 24%-34% decrease in emergency room visits, 27%-29% decrease in days spent in the hospital, 82%-87% decrease in psychiatric admissions, 41%-67% decrease in Medicaid costs, 42%-45% decrease in justice involvement, 79%-93% increase in stable housing achievement.[9] Based on this information, the Department anticipates positive health outcomes from its housing support services and is working with a contractor to gather and analyze data from the SWSHE Pilot project that will be used to support an 1115 waiver amendment.

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[8] https://drive.google.com/file/d/126Y4FV4MSCdHuLqVpyQrgGoBWAXYq1O4/view

[9] https://www.csh.org/wp-content/uploads/2020/08/CSH-Lit-Review-All-Papers.pdf

If this request is not approved, the Department will face public safety concerns caused by not providing the services necessary to house persons with disabling conditions experiencing homelessness. There is a risk to members with health-related social needs who struggle with both getting connected to BH services and remaining connected with both BH and physical health services without having an address and reliable contact information to be able to maintain ongoing and routine care. In addition, Department progress made under the SWSHE pilot project would be eroded with no way to reimburse providers for the housing support services they deliver.

FTE

To continue to support current SWSHE providers after ARPA FTE funding expires, the Department requests 1.0 ongoing Administrator IV FTE. This position serves as the staff authority for Permanent Supportive Housing (PSH) and is responsible for overseeing implementation of all Department activities related to PSH statewide including contract amendments, policy and regulatory revisions, and coordination of needed system changes. As a subject matter expert, this position makes recommendations to management about services to be added to coverage and provides project coordination and administrative support regarding the Department's role in PSH services. This position is responsible for the ongoing federal and state administration of regulatory and contractual requirements. This position ensures coordination and collaboration with contractors, managed care entities, housing providers, and other statewide systems. Additional job duties are outlined in Table 1.1 “Full Time Position Job Descriptions”.

This permanent supportive housing proposal directly pertains to the Governor's WIG of 'Increase Outflow to Shelter & Housing'. It will aid unhoused Medicaid members with behavioral health needs in receiving the supportive services, including limited tenancy and pre-tenancy services, that will contribute to obtaining and maintaining housing.

Supporting Evidence and Evidence Continuum

The different initiatives included in this budget request have different levels of evidential support.

The Department believes the “Behavioral Health Pricing Methodologies for Safety Net Providers” initiative falls under Step 2 of the Evidence Continuum. Under the S.B. 21-284 definitions, this program would be characterized as “Theory Informed.” The Department believes that by establishing new rates for Safety Net Providers based on Value Based Payment methodologies, providers will be incentivized to move away from volume based care and begin providing care that is more optimal for patients.

The Department believes the “Partial Hospitalization Programs (PHP)” initiative falls under Step 2 of the Evidence Continuum. Under the S.B. 21-284 definitions, this program would be characterized as “Theory Informed.” The Department believes that by providing additional care

at this ASAM level would reduce utilization in inpatient and residential settings by providing a step-down level of care for shorter stays in these two settings.

The Department believes the "Institutes of Mental Disease (IMD) Stays" initiative falls under Step 2 of the Evidence Continuum. Under the S.B. 21-284 definitions, this program would be characterized as "Theory Informed." Covering IMD stays up to 15 days is anticipated to increase accessibility of the appropriate level of care by removing incentives to decrease the length of stay based on current Medicaid coverage.

The Department believes the "Permanent Supportive Housing (PSH)" initiative falls under Step 4 of the Evidence Continuum. Under the S.B. 21-284 definitions, this program would be characterized as "Evidence Informed." CMS includes housing instability in its list of Health-Related Social Needs (HRSN), supported by evidence that "HRSN can account for as much as 50% of health outcomes."[10] CMS champions Permanent Supportive Housing (PSH) for individuals with chronic health conditions (including behavioral health conditions) and cites evidence-based outcomes including "improved health outcomes and, in some cases, reduced health care costs" in their evidence review "Addressing Social Determinants of Health: Examples of Successful Evidence-Based Strategies and Current Federal Efforts."[11]

Program Objective	To support behavioral care practice transformation to value based care, to increase access to a full continuum of SUD Care, to increase coverage of IMD stays for Medicaid patients, and to provide supportive housing to Medicaid members.
Outputs being measured	Quality of care and total cost of care through Departmental claims, utilization of ASAM levels of care, utilization of IMD stays, and the quantity of people receiving supportive housing services.
Outcomes being measured	Improved health of members and less money spent on behavioral health conditions, utilization of residential and emergency department services, utilization of IMD services, and frequency of relapse in IMD episodes.
Type and Result of Evaluation	Data collection on behavioral health services, data collection on the utilization of ASAM care, data analysis on IMD stays for Medicaid patients, white paper on the efficacy of supportive housing addressing social determinants of health. CMS champions Permanent Supportive Housing as an evidence based strategy for addressing social determinants of Health. [11]

[10] This Evidence for efficacy can be found in "Addressing Health-Related Social Needs in Section 1115 Demonstrations." Medicaid, 6 December 2022, https://www.medicaid.gov/medicaid/downloads/addrss-hlth-soc-needs-1115-demo-all-st-call-12062022.pdf

[11] ASPE, 1 April 2022, https://aspe.hhs.gov/sites/default/files/documents/e2b650cd64cf84aae8ff0fae7474af82/SDOH-Evidence-Review.pdf. Accessed 20 June 2023.

S.B. 21-284 Evidence Category and Evidence Continuum Level	Behavioral Pricing Methodologies for Safety Net Providers, Step 2, “Theory Informed” Partial Hospitalizations, Step 2, “Theory Informed” Institutes of Mental Disease Stays, Step 2, “Theory Informed” Permanent Supportive Housing, Step 3, “Evidence Informed”

Promoting Equitable Outcomes

If this request is approved, the initiatives outlined in the request will have a positive equity impact and will promote equitable outcomes by addressing disparities based on socioeconomic status, ability, and other factors.

Individuals with behavioral health conditions experience fragmented care and lower health outcomes than the general population. By providing resources for a quality alternative payment methodology, relieving the gap in ASAM levels of care by establishing coverage for PHP, and allowing coverage for up to 15 days in an IMD regardless of total length of stay, the Department can directly improve quality and access to care for members with behavioral health conditions.

In addition, the Department’s Permanent Supportive Housing initiative specifically targets individuals experiencing homelessness paired with extreme mental health conditions. Individuals experiencing homelessness are disproportionately those with behavioral health conditions. Social Determinants of Health have established that the cycles of poverty and disrupted access to education, food insecurity and homelessness lead to negative health outcomes. In addition, in Colorado Black, Indigenous, People of Color (BIPOC) populations are disproportionately represented in the homeless space as compared to the portion of the population they represent[12].

Assumptions and Calculations

Behavioral Health Pricing Methodologies for Safety Net Providers

The Department estimates that $349,000 in ongoing contractor funding will be needed in FY 2024-25 for analysis surrounding the Comprehensive Safety Net provider PPS rate and auditing for the Essential Safety Net Provider fee schedule. The contract amount is based on comparable contracts the Department has procured in the past. The Department estimates 240 hours of actuarial work at a rate of $375 per hour and 600 hours of analytical work at a rate of $150 per hour to set and project PPS rates for providers. The Department estimates 800 hours for accountant analyst review at $105 per hour, 50 hours for a principal review at $320 per hour, 150 hours of Management Review at $150 per hour, and 240 hours or senior accountant and analyst

[12] https://www.coloradocoalition.org/sites/default/files/2023-01/StateOfHomelessness%20%28SOH%29%202023%20%281%29.pdf

review at a rate of $175 per hour for auditing services related to supporting the setting of the PPS rates, and to provide audit support for the essential safety net provider fee schedule.

The Department estimated that it will need a rate financial analyst IV starting July 1, 2024 to set fee schedule rates for the Behavioral Health program. The Department assumes one rate financial analyst IV will be sufficient based on similar work done by staff conducting rate analysis for the HCBS waiver programs. Additional job duties are outlined in Table 1.1 "Full Time Position Job Descriptions".

The Department did not estimate a change in the capitation rates for adding new Essential Safety Net Providers or for changing the rate methodologies for Comprehensive Safety Net Providers. Once the rate methodologies are set, the Department will incorporate the fee schedule rates into the RAEs capitation rates through the normal budget process, as statutorily required by 25.5-4-403, C.R.S. The Department is not expanding services for safety net providers but rather increasing the provider network that is able to provide key safety net services and implementing a payment structure that better incentivizes quality of care. By increasing access to lower cost services by opening the network to the Essential Safety Net providers, the Department anticipates that members will shift utilization away from higher cost alternatives like IMD facilities, psychotherapy services or emergency room visits. The Department anticipates that by setting up a PPS rate for Comprehensive Safety Net Providers, providers will be disincentivized to provide volume-based care and will instead provide care based on value. The Department anticipates that this will result in an overall reduction in cost of care long term. The Department did not assume any adjustment in the capitation rates and would adjust rates based on actual utilization through the normal budget process.

Partial Hospitalization Programs (PHP)

The Department estimates $6.4M in additional PHP costs, which would be partially offset by $5.4M in savings from the substitution of ASAM 2.5 PHP level of care for ASAM 3.1 and 3.5 levels of care. The Department also requests to reallocate $250,000 in funds from the contractor funding in the current base budget that is intended to support 1115 waiver requirements, including providing education and training for providers and RAEs in the ASAM criteria, to cover the increase in anticipated service costs for PHPs for both adolescents and adults. This would result in a reduction in the Department's General Professional Services line item approved in the Department's FY 2020-21 R-11 budget request. The Department worked with providers to understand how the addition of ASAM Level 2.5 coverage would impact utilization for other ASAM levels. Currently without ASAM Level 2.5 Partial Hospitalization coverage, member lengths of stay for residential ASAM levels 3.1, 3.5 and 3.7 are exceeding the preauthorization standard.

In FY 2021-22, 177 members had multiple residential admissions. It is anticipated that long term savings will be realized once PHP have launched due to savings in residential level of care services and non-Medicaid state savings from room and board costs current paid by the MSOs. Detailed calculations can be seen on Table 4.1 through Table 4.3.

Similarly, by providing a comprehensive set of ASAM levels of care, the Department expects additional potential savings from a decrease in utilization of residential withdrawal management (WM) services. By establishing ASAM Level 2.5 Partial Hospitalization coverage, the Department will be providing a more comprehensive set of ASAM levels of care, which may contribute to lower WM utilization stemming from a reduction in relapses. WM can be even more costly as many times these services are initiated through ED utilization.

The Department anticipates that offering PHP as a covered level of care will provide a pathway to reducing the number of individuals returning to the same or higher level of care. However, these savings are theoretical, and the Department did not include them in the request.

The Department assumes contractor funding approved in the Department's FY 2020-21 R-11 budget request would be reduced by this request but not eliminated. Contractor funding is still required to support 1115 waiver requirements, including providing education and training for providers and RAEs in the ASAM criteria. The Department is also requesting to reallocate a portion of the funding to convert contractor resources to FTE to support ASAM criteria compliance and training and to develop recovery supports including Peer Support Professionals and health-related social needs services for individuals with Substance Use Disorder as requested in the Department's FY 2024-25 R-13 "Convert Contractor Resource to FTE" budget request.

Institutes of Mental Disease (IMD) Stays

The Department estimates that it will cost $2.5 Million to cover the first 15 days of IMD stays that currently exceed 15 days, regardless of the total length of IMD stay for Medicaid members. The Department estimated costs based on the number of stays exceeding 15 days, the average cost of an IMD stay, and the expected increase in days covered under Medicaid under this proposal. The Department estimated an additional 180 stays would be covered based on Calendar Year 2022 of members who had stays exceeding 15 days. The department estimated the average cost per day of an IMD stay under Medicaid based on the current cost of an IMD stay per day. The Department assumed an increase of 15 days for the stays that are currently not being covered for members who have stays longer than 15 days. The Department assumes that it would need to amend the existing 1115 waiver to cover the first 15 days of stays regardless of the total length of stays.

Permanent Supportive Housing (PSH)

The Department estimated costs for supportive housing based on the increased costs for pre-tenancy and tenancy support services, and the cost of hiring one administrator IV starting January 1, 2025 to continue the supportive housing work started under ARPA. Job duties are outlined in Table 1.1 "Full Time Position Job Descriptions".

The Department estimated increase in pre-tenancy support services to help fill vacant units based on the number of allowable slots, an estimated turnover rate provided by DOLA, and the estimated workload for each supportive service provided. The Department estimates a total of 80 hours of service needed per member based on the experience for members enrolled in the pilot program under ARPA. The Department assumes that 20 hours of outreach, 40 hours of

housing navigation, 10 hours of lease assistance, and 10 hours of move in and orientation would be provided to the average member receiving pre-tenancy support services. The Department assumed a rate of $32.16 per hour based on similar case management services that the Department provides.

The Department estimates that it will provide ongoing tenancy support services for annual lease renewals and voucher support to existing members. The Department anticipates that approximately 441 members will need ongoing support based on the current utilization under the ARPA pilot program. The Department assumes 10 hours of service based on Departmental experience under ARPA and a rate of $32.16 per hour based on similar case management services that the Department provides. The department assumes that the Department can receive a federal match based on the members eligibility for limited 'supportive services' delivered by SWSHE pilot PSH providers for members with a behavioral health diagnosis through an existing 1915b(3) waiver. The Department anticipates based on historical experience that the members under the SWSHE pilot are eligible for a 90.00% federal match under the Affordable Care Act.

Table 1: Full Time Position Job Descriptions

Position Name	Position Classification	Number of FTE	Description
Behavioral Health Value Based Payments Rates Analysts	Rate Financial Analyst IV	1.0	This position will be responsible for setting, launching, and maintaining fee schedule rates for the Behavioral Health safety net providers and will be the statewide expert on the fee schedule. This includes setting rates for new or expanded services, setting and maintaining an enhanced fee schedule for the Essential Safety Net providers, and working with contractors to audit costs associated with safety net services. The rate setting requires cross-state research, development of payment modalities, working with clinical staff to understand requirements, and analytical work to develop rates from a ground up approach. As new program changes occur, the position will research, develop, and maintain the fee schedule rates and work internally and with BHA staff to ensure appropriate funding and aligned incentives.
Permanent Supportive Housing Specialist	Administrator IV	1.0	This position serves as the staff authority for Permanent Supportive Housing (PSH) and is responsible for overseeing implementation of Department activities related to PSH pilot work including provider selection, scope of work and services delivered, data collection, agency

			collaboration statewide, including contract amendments, policy and regulatory alignment, and identification of needed system changes necessary for sustainability. This position would continue work started under ARPA including service set development and associated policy development for pre-tenancy and tenancy services. As a subject matter expert, this position makes recommendations to management about services to be added to coverage and provides project coordination and administrative support regarding the Department's role in operationalizing PSH services provided under the behavioral health capitation program. This position is responsible for the ongoing federal and state administration of regulatory and contractual requirements. This position ensures coordination and collaboration with contractors, managed care entities, housing providers, and other statewide systems. This position will be responsible for continuing the permanent supportive housing pilot work that began under the American Rescue Plan Act and leading the effort to explore building out a permanent benefit as part of HSRN (Health Related Social Needs) services.

Table 1.1
Summary by Line Item
FY 2024-25

Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration; Personal Services	$123,668	1.4	$49,467	$12,367	$0	$61,834	50.00%	Table 7.1 FTE Calculations
B	(1) Executive Director's Office; (A) General Administration; Health, Life, and Dental	$15,621	0.0	$6,248	$1,562	$0	$7,811	50.00%	Table 7.1 FTE Calculations
C	(1) Executive Director's Office; (A) General Administration; Short-term Disability	$176	0.0	$70	$18	$0	$88	50.00%	Table 7.1 FTE Calculations
D	(1) Executive Director's Office; (A) General Administration; S.B. 04-257 Amortization Equalization Disbursement	$5,474	0.0	$2,190	$547	$0	$2,737	50.00%	Table 7.1 FTE Calculations
E	(1) Executive Director's Office; (A) General Administration; S.B. 06-235 Supplemental Amortization Equalization Disbursement	$5,474	0.0	$2,190	$547	$0	$2,737	50.00%	Table 7.1 FTE Calculations
F	(1) Executive Director's Office; (A) General Administration; Paid Family and Medical Leave Insurance	$493	0.0	$198	$49	$0	$246	50.00%	Table 7.1 FTE Calculations
G	(1) Executive Director's Office; (A) General Administration; Operating Expenses	$15,100	0.0	$6,040	$1,510	$0	$7,550	50.00%	Table 7.1 FTE Calculations
H	(1) Executive Director's Office; (A) General Administration; Leased Space	$6,956	0.0	$2,782	$696	$0	$3,478	50.00%	Table 7.1 FTE Calculations
I	(1) Executive Director's Office; (A) General Administration; General Professional Services & Special Projects	$99,000	0.0	$49,500	$0	$0	$49,500	50.00%	Table 2.1 Row D + Table 2.1 Row G
J	(3) Behavioral Health Community Programs, Behavioral Health Capitation Payments	$4,137,336	0.0	$826,669	$301,521	$0	$3,009,146	N/A	Table 2.1 Row A + Table 2.1 Row C + Table 2.1 Row F
K	**Total Request**	**$4,409,298**	**1.4**	**$945,354**	**$318,817**	**$0**	**$3,145,127**		Sum of Rows A thru I

Table 1.2 Summary by Line Item FY 2025-26									
Row	**Line Item**	**Total Funds**	**FTE**	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FFP Rate**	**Notes/Calculations**
A	(1) Executive Director's Office; (A) General Administration; Personal Services	$170,942	2.0	$68,377	$17,094	$0	$85,471	50.00%	Table 7.1 FTE Calculations
B	(1) Executive Director's Office; (A) General Administration; Health, Life, and Dental	$22,066	0.0	$8,826	$2,207	$0	$11,033	50.00%	Table 7.1 FTE Calculations
C	(1) Executive Director's Office; (A) General Administration; Short-term Disability	$242	0.0	$97	$24	$0	$121	50.00%	Table 7.1 FTE Calculations
D	(1) Executive Director's Office; (A) General Administration; S.B. 04-257 Amortization Equalization Disbursement	$7,567	0.0	$3,026	$757	$0	$3,784	50.00%	Table 7.1 FTE Calculations
E	(1) Executive Director's Office; (A) General Administration; S.B. 06-235 Supplemental Amortization Equalization Disbursement	$7,567	0.0	$3,026	$757	$0	$3,784	50.00%	Table 7.1 FTE Calculations
F	(1) Executive Director's Office; (A) General Administration; Paid Family and Medical Leave Insurance	$681	0.0	$273	$68	$0	$340	50.00%	Table 7.1 FTE Calculations
G	(1) Executive Director's Office; (A) General Administration; Operating Expenses	$1,470	0.0	$588	$147	$0	$735	50.00%	Table 7.1 FTE Calculations
H	(1) Executive Director's Office; (A) General Administration; Leased Space	$9,300	0.0	$3,720	$930	$0	$4,650	50.00%	Table 7.1 FTE Calculations
I	(1) Executive Director's Office; (A) General Administration; General Professional Services & Special Projects	$99,000	0.0	$49,500	$0	$0	$49,500	50.00%	Table 2.2 Row D + Table 2.2 Row G
J	(3) Behavioral Health Community Programs, Behavioral Health Capitation Payments	$4,137,336	0.0	$826,669	$301,521	$0	$3,009,146	N/A	Table 2.2 Row A + Table 2.2 Row C + Table 2.2 Row F
K	**Total Request**	**$4,456,171**	**2.0**	**$964,102**	**$323,505**	**$0**	**$3,168,564**		Sum of Rows A thru I

Table 1.3 Summary by Line Item FY 2026-27 and Ongoing									
Row	**Line Item**	**Total Funds**	**FTE**	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FFP Rate**	**Notes/Calculations**
A	(1) Executive Director's Office; (A) General Administration; Personal Services	$170,942	2.0	$68,377	$17,094	$0	$85,471	50.00%	Table 7.1 FTE Calculations
B	(1) Executive Director's Office; (A) General Administration; Health, Life, and Dental	$22,066	0.0	$8,826	$2,207	$0	$11,033	50.00%	Table 7.1 FTE Calculations
C	(1) Executive Director's Office; (A) General Administration; Short-term Disability	$242	0.0	$97	$24	$0	$121	50.00%	Table 7.1 FTE Calculations
D	(1) Executive Director's Office; (A) General Administration; S.B. 04-257 Amortization Equalization Disbursement	$7,567	0.0	$3,026	$757	$0	$3,784	50.00%	Table 7.1 FTE Calculations
E	(1) Executive Director's Office; (A) General Administration; S.B. 06-235 Supplemental Amortization Equalization Disbursement	$7,567	0.0	$3,026	$757	$0	$3,784	50.00%	Table 7.1 FTE Calculations
F	(1) Executive Director's Office; (A) General Administration; Paid Family and Medical Leave Insurance	$681	0.0	$273	$68	$0	$340	50.00%	Table 7.1 FTE Calculations
G	(1) Executive Director's Office; (A) General Administration; Operating Expenses	$1,470	0.0	$588	$147	$0	$735	50.00%	Table 7.1 FTE Calculations
H	(1) Executive Director's Office; (A) General Administration; Leased Space	$9,300	0.0	$3,720	$930	$0	$4,650	50.00%	Table 7.1 FTE Calculations
I	(1) Executive Director's Office; (A) General Administration; General Professional Services & Special Projects	$99,000	0.0	$49,500	$0	$0	$49,500	50.00%	Table 2.3 Row D + Table 2.3 Row G
J	(3) Behavioral Health Community Programs, Behavioral Health Capitation Payments	$4,137,336	0.0	$826,669	$301,521	$0	$3,009,146	N/A	Table 2.3 Row A + Table 2.3 Row C + Table 2.3 Row F
K	**Total Request**	**$4,456,171**	**2.0**	**$964,102**	**$323,505**	**$0**	**$3,168,564**	**0.00%**	Sum of Rows A thru I

Table 2.1
Summary by Initiative
FY 2024-25

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Health-Related Social Needs - Housing Supports	$661,532	0.0	$0	$71,697	$0	$589,835	89.16%	Table 6.1 Row C
B	Housing Specialist FTE	$56,304	0.5	$22,522	$5,630	$0	$28,152	50.00%	Admin IV FTE
C	Improving IMD Stay Coverage	$2,450,304	0.0	$582,769	$162,017	$0	$1,705,518	69.60%	Table 5.1 Row D
D	Behavioral Health Value-Based Payments	$349,000	0.0	$174,500	$0	$0	$174,500	50.00%	Table 3.1 Row J
E	Behavioral Health Analyst FTE	$116,658	0.9	$46,663	$11,666	$0	$58,329	50.00%	Rate/Financial Analyst FTE
F	Partial Hospitalization Programs for SUD ASAM Level II	$1,025,500	0.0	$243,900	$67,807	$0	$713,793	69.60%	Table 4.1 Row C
G	Adjustment to SUD Admin Budget	($250,000)	0.0	($125,000)	$0	$0	($125,000)	50.00%	Table 4.1 Row D
H	**Total Request**	**$4,409,298**	**1.4**	**$945,354**	**$318,817**	**$0**	**$3,145,127**		**Sum Rows A through G**

Table 2.2
Summary by Initiative
FY 2025-26

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Health-Related Social Needs - Housing Supports	$661,532	0.0	$0	$71,697	$0	$589,835	89.16%	Table 6.1 Row C
B	Housing Specialist FTE	$103,669	1.0	$41,467	$10,367	$0	$51,835	50.00%	Admin IV FTE
C	Improving IMD Stay Coverage	$2,450,304	0.0	$582,769	$162,017	$0	$1,705,518	69.60%	Table 5.1 Row D
D	Behavioral Health Value-Based Payments	$349,000	0.0	$174,500	$0	$0	$174,500	50.00%	Table 3.1 Row J
E	Behavioral Health Analyst FTE	$116,166	1.0	$46,466	$11,617	$0	$58,083	50.00%	Rate/Financial Analyst FTE
F	Partial Hospitalization Programs for SUD ASAM Level II	$1,025,500	0.0	$243,900	$67,807	$0	$713,793	69.60%	Table 4.1 Row C
G	Adjustment to SUD Admin Budget	($250,000)	0.0	($125,000)	$0	$0	($125,000)	50.00%	Table 4.1 Row D
H	**Total Request**	**$4,456,171**	**2.0**	**$964,102**	**$323,505**	**$0**	**$3,168,564**		**Sum Rows A through G**

Table 2.3
Summary by Initiative
FY 2026-27 and Ongoing

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Health-Related Social Needs - Housing Supports	$661,532	0.0	$0	$71,697	$0	$589,835	89.16%	Notes/Calculations
B	Housing Specialist FTE	$103,669	1.0	$41,467	$10,367	$0	$51,835	50.00%	Table 6.1 Row C
C	Improving IMD Stay Coverage	$2,450,304	0.0	$582,769	$162,017	$0	$1,705,518	69.60%	Admin IV FTE
D	Behavioral Health Value-Based Payments	$349,000	0.0	$174,500	$0	$0	$174,500	50.00%	Table 5.1 Row D
E	Behavioral Health Analyst FTE	$116,166	1.0	$46,466	$11,617	$0	$58,083	50.00%	Table 3.1 Row J
F	Partial Hospitalization Programs for SUD ASAM Level II	$1,025,500	0.0	$243,900	$67,807	$0	$713,793	69.60%	Rate/Financial Analyst FTE
G	Adjustment to SUD Admin Budget	($250,000)	0.0	($125,000)	$0	$0	($125,000)	50.00%	Table 4.1 Row C
H	**Total Request**	**$4,456,171**	**2.0**	**$964,102**	**$323,505**	**$0**	**$3,168,564**		**Sum Rows A through G**

Table 3.1
Contractor Resources for Behavioral Health Value-Based Payments

Row	Item	FY 2024-25	FY 2025-26	FY 2026-27	Source/Calculations
A	Actuary Hours of Work	240	240	240	Based on comparable contracts
B	Actuary Hourly Rate	$375.00	$375.00	$375.00	Based on comparable contracts
C	Actuary Costs	$90,000	$90,000	$90,000	Row A * Row B
D	Analyst Hours of Work	600	600	600	Based on comparable contracts
E	Analyst Hourly Rate	$150.00	$150.00	$150.00	Based on comparable contracts
F	Analyst Costs	$90,000	$90,000	$90,000	Row D * Row E
G	Auditing Hours of Work	1,240	1,240	1,240	Based on comparable contracts
H	Auditing Hourly Rate	$136.29	$136.29	$136.29	Based on comparable contracts
I	Auditing Costs	$169,000	$169,000	$169,000	Row G* Row H
J	**Total Contract Costs**	**$349,000**	**$349,000**	**$349,000**	**Row C + Row F + Row I**

Table 4.1
Cover Partial Hospitalization Programs (PHP) for ASAM Level 2 - High Intensity Outpatient Medicaid Members

Row	Item	FY 2024-25	FY 2025-26	FY 2026-27	Notes/Calculations
A	Subtotal PHP Costs	$6,400,000	$6,400,000	$6,400,000	Table 4.2 Row D
B	Estimated Savings	$5,374,500	$5,374,500	$5,374,500	Table 4.3 Row G
C	**Net PHP Costs**	**$1,025,500**	**$1,025,500**	**$1,025,500**	**Row A - Row B**
D	Adjustments to SUD Admin	($250,000)	($250,000)	($250,000)	BHIC identified $250k of $1.5M SUD Admin budget could be moved to managed care line to cover PHP
E	Total Impact of Request	$775,500	$775,500	$775,500	Row C + Row D

Table 4.2
Cover Partial Hospitalization Programs (PHP) for ASAM Level 2 - High Intensity Outpatient Medicaid Members

Row	Item	FY 2024-25	FY 2025-26	FY 2026-27	Notes/Calculations
A	Estimated Utilizers	2,000	2,000	2,000	Based on Department utilizer data for ASAM 2.1 IOP level of care
B	Estimated Utilization (days)	10	10	10	2 weeks of care, provided at 5 days/week, 4-5 hours per day
C	Estimated Per Diem	$320	$320	$320	Based on MCE impact assessments
D	**Subtotal PHP Costs**	**$6,400,000**	**$6,400,000**	**$6,400,000**	**Row A * Row B * Row C**

Table 4.3
Estimated Savings from Reduction of Services in Other Levels of Care

Row	Item	FY 2024-25	FY 2025-26	FY 2026-27	Notes/Calculations
Estimated Reduction in ASAM Level 3.1 Utilization					
A	ASAM Level 3.1 Yearly Episodes	800	800	800	Based on January 2021 through September 2022 Department data
B	Estimated Cost per Episode	$1,140	$1,140	$1,140	6 day reduction * $190/day.
C	Estimated ASAM Level 3.1 Savings	$912,000	$912,000	$912,000	Row A * Row B
Estimated Reduction in ASAM Level 3.5 Utilization					
D	ASAM Level 3.5 Yearly Episodes	3,500	3,500	3500	Based on January 2021 through September 2022 Department data
E	Estimated Cost per Episode	$1,275	$1,275	$1,275	3.5 day reduction * $425/day
F	Estimated ASAM Level 3.5 Savings	$4,462,500	$4,462,500	$4,462,500	Row D * Row E
G	**Total Estimated Savings**	**$5,374,500**	**$5,374,500**	**$5,374,500**	**Row C + Row F**

Table 5.1
Rule Change to Allow Partial Coverage for Stays Longer Than 15 Days (Currently Only Stays Under 15 Days Are Covered)

Row	Item	FY 2024-25	FY 2025-26	FY 2026-27	Notes/Calculations
A	Estimated Stays Exceeding 15 Days	180	180	180	CY 2022 Department Data
B	Proposed Number of Days Covered in an IMD setting	15	15	15	Increase in number of days covered in IMD setting
C	IMD Stay Cost Per Day	$907.52	$907.52	$907.52	Utilization-Based weighted average of IMD provider rates
D	Total Estimated Cost of Extended IMD Allowable Stays	$2,450,304	$2,450,304	$2,450,304	Row A* Row B * Row C

Table 6.1
Summary Housing Support Services

Row	Item	FY 2024-25	FY 2025-26	FY 2026-27	Notes/Calculations
A	Pre-Tenancy Support Services Cost	$519,706	$519,706	$519,706	Table 6.2 Row I
B	Tenancy Support Services Cost	$141,826	$141,826	$141,826	Table 6.3 Row D
C	Total Department Costs Housing Support Services	$661,532	$661,532	$661,532	Row A + Row B

Table 6.2
Pre-Tenancy Housing Service Supports to Fill Vacated Units

Row	Item	FY 2023-24	FY 2024-25	FY 2025-26	Notes/Calculations
A	Estimated Enrollments	700	700	700	Maximum Allowable Slots Under Current Pilot Program
B	Estimated Turnover Rate	30%	30%	30%	Estimate provided by DOLA
C	Estimated Pre-Tenancy Supports Needed	210	210	210	Row A * Row B
D	Estimated % Requiring Pre-Tenancy Services	96%	96%	96%	Permanent Supportive Housing - currently 4% of occupants are already HCBS members receiving residential services
E	Estimated Members Needing Supports	202	202	202	Row C * Row D
F	Annual Hours of Service Per Member	80	80	80	Outreach (20 hours), Housing Navigation (40 hours), Lease Up (10 hours), Move In & Orientation (10 hours)
G	Estimated Cost per Hour	$32.16	$32.16	$32.16	Based on comparable service rate (Case Management - H0006)
I	Total Pre-Tenancy Costs	$519,706	$519,706	$519,706	Row E * Row F * Row G

Table 6.3
Tenancy Supports for Existing Members

Row	Item	FY 2023-24	FY 2024-25	FY 2025-26	Notes/Calculations
A	Current ARPA Pilot-Program Members	441	441	441	Based on Utilization Under Current Pilot Program
B	Annual Hours	10	10	10	Annual Lease & Voucher Renewal (10 hours)
C	Per Capita Cost of Tenancy Support Services	$32.16	$32.16	$32.16	Table 6.2 Row G
D	**Total Tenancy Costs**	**$141,826**	**$141,826**	**$141,826**	**Row A * Row B * Row C**

Table 7.1
FTE Calculations

Personal Services

Position Classification	FTE	Start Month	End Month (if Applicable)	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
RATE/FINANCIAL ANLYST IV	1.0	Jul 2024	N/A	$0	$84,382	$91,719	$91,719	$91,719	$91,719	Ongoing Behavioral Health Rates Analyst for newly required payment methodology
ADMINISTRATOR IV	1.0	Jan 2025	N/A	$0	$39,286	$79,223	$79,223	$79,223	$79,223	Currently term-limited and ARPA-funded through FY 2023-24, extending to be permanent
Total Personal Services (Salary, PERA, Medicare)	**2.0**			**$0**	**$123,668**	**$170,942**	**$170,942**	**$170,942**	**$170,942**	

Centrally Appropriated Costs

Cost Center	FTE Year 1	FTE Year 2+	Cost or Percentage	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
Health, Life, Dental	1.4	2.0	$11,033	$0	$15,621	$22,066	$22,066	$22,066	$22,066	
Short-Term Disability	-	-	0.16%	$0	$176	$242	$242	$242	$242	
Amortization Equalization Disbursement	-	-	5.00%	$0	$5,474	$7,567	$7,567	$7,567	$7,567	
Supplemental Amortization Equalization Disbursement	-	-	5.00%	$0	$5,474	$7,567	$7,567	$7,567	$7,567	
Paid Family and Medical Leave Insurance	-	-	0.45%	$0	$493	$681	$681	$681	$681	
Centrally Appropriated Costs Total				**$0**	**$27,238**	**$38,123**	**$38,123**	**$38,123**	**$38,123**	

Operating Expenses

Ongoing Costs	FTE Year 1	FTE Year 2+	Cost	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
Supplies	1.5	2.0	$500	$0	$748	$1,000	$1,000	$1,000	$1,000	
Telephone	1.5	2.0	$235	$0	$352	$470	$470	$470	$470	
Other	1.5	2.0	$0	$0	$0	$0	$0	$0	$0	
Subtotal				*$0*	*$1,100*	*$1,470*	*$1,470*	*$1,470*	*$1,470*	
One-Time Costs (Capital Outlay)	**FTE**		**Cost**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**Notes**
Furniture	2.0		$5,000	$0	$10,000	$0	$0	$0	$0	
Computer	2.0		$2,000	$0	$4,000	$0	$0	$0	$0	
Other	2.0		$0	$0	$0	$0	$0	$0	$0	
Subtotal				*$0*	*$14,000*	*$0*	*$0*	*$0*	*$0*	
Total Operating				**$0**	**$15,100**	**$1,470**	**$1,470**	**$1,470**	**$1,470**	

Leased Space

	FTE Year 1	FTE Year 2+	Cost	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
Leased Space	1.5	2.0	$4,650	**$0**	**$6,956**	**$9,300**	**$9,300**	**$9,300**	**$9,300**	