



COLORADO

Department of Health Care
Policy & Financing

Accountable Care Collaborative Phase II: Framework for Behavioral Health Reimbursement

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The Department of Health Care Policy and Financing (Department) is committed to creating a high-performing, cost-effective Medicaid system that delivers quality services and improves the health of Coloradans. Phase II of the Accountable Care Collaborative (ACC) seeks to leverage the program's proven successesⁱ to enhance the Medicaid client and provider experience.

A key innovation of ACC Phase II is to integrate physical and behavioral health care by contracting with one regional entity (the Regional Accountable Entity or RAE) that focuses on whole person care. The Department is making changes to the reimbursement and delivery of behavioral health services within Medicaid in order to address a number of challenges presented by the current system and support the delivery of whole-person care.

Capitation for Behavioral Health Services: In February 2016, the Department announced it will retain a capitation payment methodology for core behavioral health services. The capitation will be paid to the RAEs who will be responsible for managing the health needs of Medicaid enrollees in their region.

The capitation is designed to support the full continuum of behavioral health services from outpatient therapy to alternative community services to crisis response and hospitalization. This continuum will feature the current list of covered 1915(b)(3) alternative services for the treatment of mental health, substance use disorders, and co-occurring conditions.

One significant change from the current behavioral health capitation will be **limiting the use of the covered diagnosis requirements, where possible**, in order to improve access to care. Clients seeking treatment will continue to need to meet standards of medical necessity. Covered diagnoses will still be required for RAE reimbursement of emergency department visits, inpatient hospitalizations, and laboratory tests.

Reimbursement for Primary Care-based Behavioral Health Services: In addition to the capitation, the Department will be reimbursing more behavioral health services delivered within primary care settings for low acuity and brief episodic conditions.

- **New Integrated Care:** The Department is defining a new set of services to reimburse behavioral health providers who work as members of primary care teams. Services will not be limited by a covered diagnosis.
- **Traditional Behavioral Health Treatment:** Behavioral health providers working within primary care practices who deliver treatment for mental health, substance use, and co-occurring disorders can receive fee-for-service reimbursement for up to X sessions per client. Additional sessions will require authorization from the RAE or a referral to specialty behavioral health. The initial number of sessions will not be limited by a covered diagnosis.

Conclusion: These changes are an important step to address many of the significant barriers clients and providers have shared with the Department over the past few years. The Department will continue to monitor and evolve the reimbursement methodologies to address other issues within its authority. Additional details on these reimbursement strategies will be made available as they are finalized through the draft Request for Proposal for ACC Phase II.

For more information

View the Department's ACC Phase II website and sign up for regular updates at [Colorado.gov/HCPF/ACCPhase2](https://colorado.gov/HCPF/ACCPhase2).

ⁱ Accountable Care Collaborative Annual Reports, [Colorado.gov/hcpf/department-reports](https://colorado.gov/hcpf/department-reports)