

# Access to Behavioral Health Services for Individuals under Age 21

*Annual Report in compliance with section 25.5-1-133 (5)(a),  
C.R.S.*

**December 1, 2025**

**Submitted to: Joint Budget Committee, Health and Human  
Services House Committee, and the Health and Human  
Services Committee of the Senate**



**COLORADO**

**Department of Health Care  
Policy & Financing**

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## Executive Summary

In 2023, the Colorado Legislature passed [Senate Bill 23-174](#) that required the Department of Health Care Policy and Financing (HCPF) to provide access to a limited set of behavioral health services to members under the age of 21 without a covered diagnosis. The legislation detailed service categories that must be included under this coverage, and HCPF engaged stakeholders to identify the specific service codes that are included. This report provides information on the utilization of services covered under HCPF's "[174 Coverage Policy](#)" effective July 1, 2024. There are 20 services covered under the 174 Coverage Policy, as seen in [Appendix A](#); including an array of outpatient psychotherapy codes.

This report provides an analysis of the utilization of these behavioral health services under the capitated behavioral health (BH) benefit administered by the Regional Accountable Entities (RAEs) and services delivered through the School Health Services (SHS) Program. Based on available data at the time of this report, HCPF compared the first three quarters of data from SFY 2024-25. Overall, there was a large increase in the utilization of services covered under the 174 coverage policy, including a 54.6% increase within the capitated BH benefit. The majority of services delivered (69% of claims) occurred under the capitated BH benefit. A total of 1,572 unique members utilized capitated BH services in SFY 2023-24 and 3,136 unique members in SFY 2024-25. The SHS Program provided 31% of services. Within the SHS Program for SFY 2024-25, 90 unique students received one or more of the 20 services included. This report also presents data comparisons through a variety of demographic groupings, identifying areas where utilization trends differ between groups.

In comparing utilization between the capitated BH benefit and the SHS program, not all services available under SB 23-174 outlined criteria were utilized by students in the SHS Program. Of the 20 services included, utilization of specific services varied between programs, with some notable overlaps in utilization growth occurring in both programs. The top three services utilized under the capitated BH benefit were:

- **Skill Building (H2014)** utilized 8,209 times for 110 unique members;
- **Behavioral Health Counseling and Therapy (H0004)** utilized 6,918 times for 310 unique members; and
- **Psychotherapy 60 min (90837)** utilized 5,648 times for 1,051 unique members.

Under the SHS program, the top three services utilized were:

- **Behavioral Health Counseling and Therapy (H0004)** utilized 90,319 times for 6,892 students;
- **Psychoeducational Service (H2027)** utilized 3,939 times for 407 unique students; and
- **Skill Building (H2014)** utilized 1,152 times for 111 unique students

HCPF, along with all state agencies, is currently evaluating multiple programs to analyze cost trends, legislative intent and impact, and the sustainability of all programs. As outlined in the [Medicaid Sustainability: Behavioral Health and Managed Care Actions memo](#), published in June 2025, the 174 Coverage Policy was included as a program that needed to be reviewed. While this program did lead to an increase in access to care, the increase was minimal by total volume and cost, and the nature of children and youth access to behavioral health supports early in life as a part of an upstream early intervention strategy. Therefore, HCPF is not making recommendations to make any changes to the coverage policy allowing for access without a diagnosis as authorized by SB 23-174 at the time of publication. As access to the 174 Coverage Policy for children and youth remains unchanged, broader changes were made to Behavioral Health Counseling and Therapy (H0004) and Skill Building (H2014); the two services with notable increases in utilization among all populations. These findings are consistent with increased utilization across other programs and behavioral health benefits in general, not limited to youth without a covered diagnosis. The following changes were made:

- Effective July 1, 2025, HCPF implemented National Correct Coding Initiative (NCCI) edits
- Effective October 1, 2025, HCPF implemented Colorado specific Medically Unlikely Edits (CO MUEs) and Procedure-to-Procedure (CO PTP) for services that do not have NCCI edits, to reduce improper payments stemming from incorrect coding and billing practices
- August 2025, Governor Polis and the Colorado General Assembly included an additional change as part of the executive order to address significant state budget limitations removing the prohibition on prior authorization for psychotherapy services of more than 24 encounters in a twelve month period.

## Introduction

The Department of Health Care Policy & Financing (HCPF) prepared this report to provide information on the services covered under the “174 Coverage Policy”. In 2023, the Colorado Legislature passed Senate Bill (SB) 23-174<sup>1</sup> requiring HCPF to provide access to a limited set of behavioral health services to members under the age of 21 without a covered diagnosis. The legislation detailed service categories that must be included under this coverage. HCPF engaged stakeholders to identify the specific service codes to make available for members under 21 without a diagnosis. This coverage policy went into effect July 1, 2024. There are 20 services covered under the 174 Coverage Policy, detailed in [Appendix A](#). The report provides an analysis of the utilization of these behavioral health services for members under 21 and the impacts of access to these services without a diagnosis on the School Health Services (SHS) Program. While data for the full State Fiscal Year (SFY) 2024-25 is available for the SHS Program, only the first three quarters of data is available for the capitated behavioral health (BH) benefit due to the timelines of RAE data files submissions each quarter to HCPF. Therefore, for the purposes of providing a comparison between programs, this report focuses on the first three quarters of data from SFY 2024-25.

### School Health Services Program

The School Health Services (SHS) Program was established in 1997 via SB 97-101<sup>2</sup> and allows Colorado public school districts, Boards of Cooperative Education Services (BOCES), and the Colorado School for the Deaf and the Blind (hereinafter collectively referred to as SHS Program Providers, or providers) to receive federal Medicaid funds for amounts spent providing health services to students who are Medicaid enrolled and have an Individual Education Program (IEP) or Individualized Family Service Plan (IFSP). Starting October 1, 2020, the SHS Program expanded and allows providers to also receive federal Medicaid funds for providing services to Medicaid-enrolled students who have other medical plans of care where medical necessity has been established. Health services required in a child’s IEP or IFSP are not covered by the School-Based Health Center Program, which provides primary health care and mental health services. In addition, SHS Program Providers may receive reimbursement for Medicaid administrative activities that directly support efforts to identify and enroll potentially eligible children and their families into Medicaid. More information on the SHS program can be found on the program [webpage](#).

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<sup>1</sup> <https://leg.colorado.gov/bills/sb23-174>

<sup>2</sup> [C.R.S. 25.5-5-318](#)

## Stakeholder Engagement

HCPF engaged providers and stakeholders in an effort to obtain input on the implementation of this coverage policy. Two forums were held to discuss SB 23-174 implementation and additional presentations on this policy change were made to a variety of standing provider meetings. HCPF also solicited written feedback through a four-question survey to inform the scope of coverage and identify content to be included in this annual report.

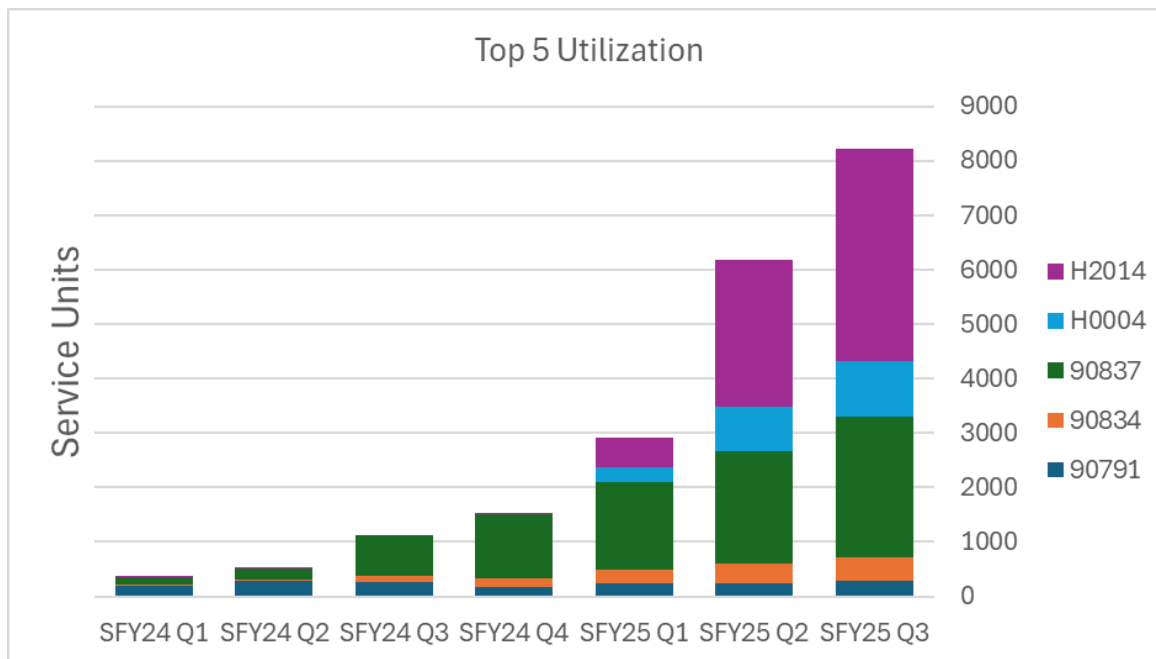
## Analysis for Capitated Behavioral Health Utilization Data

For members under 21, twenty codes were selected from services covered under the capitated BH benefit. The utilization of these codes was analyzed for SFY 2024-25, quarters 1 through 3. Through stakeholder engagement, population breakouts were identified for HCPF's analysis which include race/ethnicity, language, age and community kids in comparison to kids in the custody of the Department of Human Services (DHS).

## Procedure and Diagnosis Codes

A 54.6% increase in service utilization under the capitated BH benefit is best understood by looking at two possible drivers of this utilization change: procedure code use and diagnostic code criteria. HCPF evaluated the increase in utilization of the 20 procedure codes included under the SB 23-174 criteria. The top five codes included an evaluation code (90791), Psychotherapy 45 min (90834), Psychotherapy 60 min (90837), Behavioral Health Counseling and Therapy (H0004) and Skill Building (H2014). Among these top five utilized codes, there was a quarterly growth rate of 56.8% throughout the first three quarters of SFY 2024-25. Additionally, three codes in particular accounted for 85.4% of the increased utilization: Psychotherapy 60 min (90837), Skill Building (H2014), and Behavioral Health Counseling and Therapy (H0004). Figure 1 below shows the growth across the quarters for these top five utilized codes.

**Figure 1. Utilization of top five most utilized codes under SB 23-174 services within the SFY 2023-24 and SFY 2024-25 time periods**

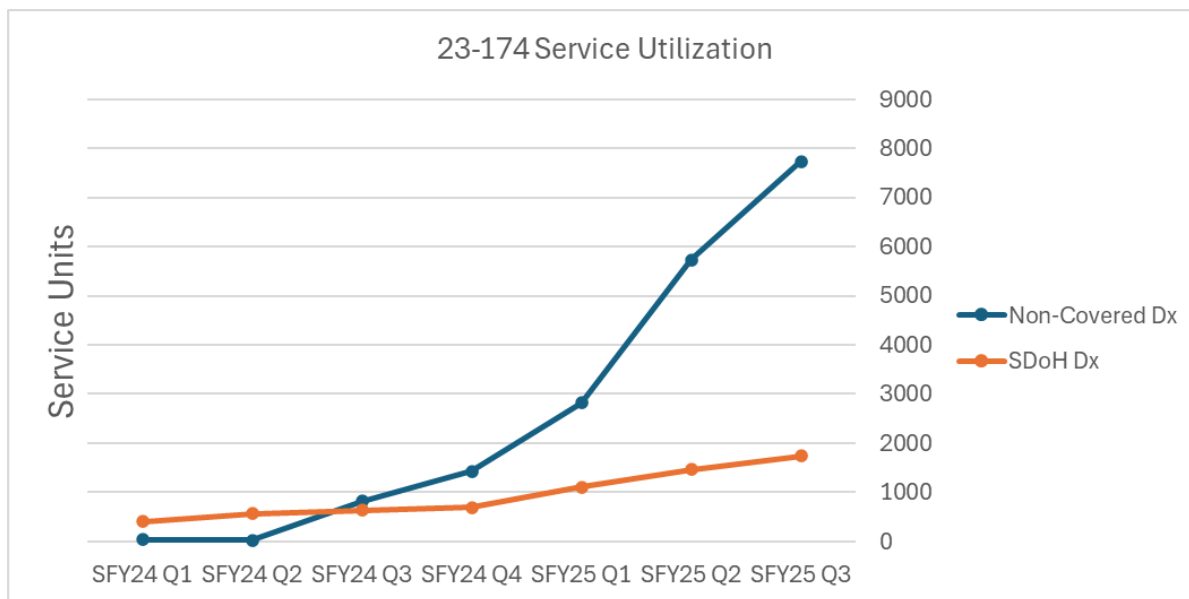


The second driver of utilization change is the diagnosis code criteria. The legislation described the services as “without a covered diagnosis”. HCPF differentiates this single category into two components. Those codes that correspond to Social Determinants of Health (SDoH)<sup>3</sup> and those codes that are BH codes delivered to members where a BH Diagnosis has not yet been made. The codes that correspond to SDOH account for environmental factors that impact members, but are not specific to a behavioral health condition.

Figure 2 breaks out the distinction between the services provided without a covered diagnosis code or with a SDOH diagnosis code and demonstrates the large increases seen across the utilization.

**Figure 2. Utilization of services covered by SB 23-174 for members under 21 years of age for SFY 2023-24 and SFY 2024-25 by quarter**

<sup>3</sup> Definition of Social Determinants of Health <https://odphp.health.gov/healthypeople/priority-areas/social-determinants-health>



## Utilization Trends by Population

HCPF engaged stakeholders to identify population breakouts for this report. These breakouts include race/ethnicity, language, age and community kids in comparison to kids in the custody of the DHS. In total, 4,708 unique members utilized these services within SFY 2023-24 and SFY 2024-25. The following figures represent the differing splits amongst demographics. Since this is counting utilization by quarter, the sum across the quarters does not align with the total unique population, as members could have used services across multiple quarters.

Figure 3 below breaks out the population of utilizers by race. White/Caucasian and Hispanic/Latino are the two largest groups making up 68.9% of utilizers.

**Figure 3. Graph of unique utilizers by race for each quarter in SFY 2023-24 and SFY 2024-25**



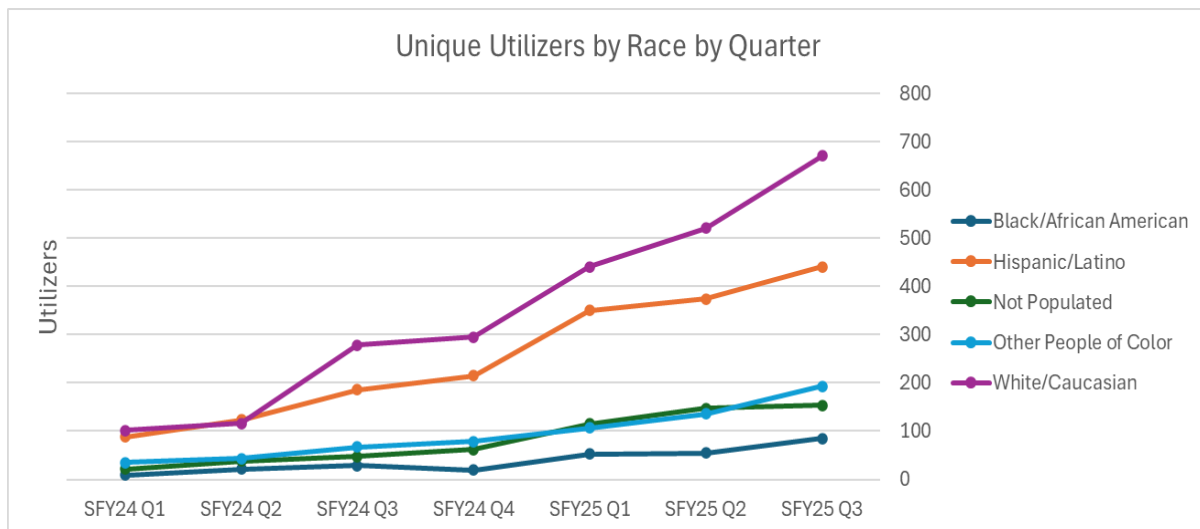
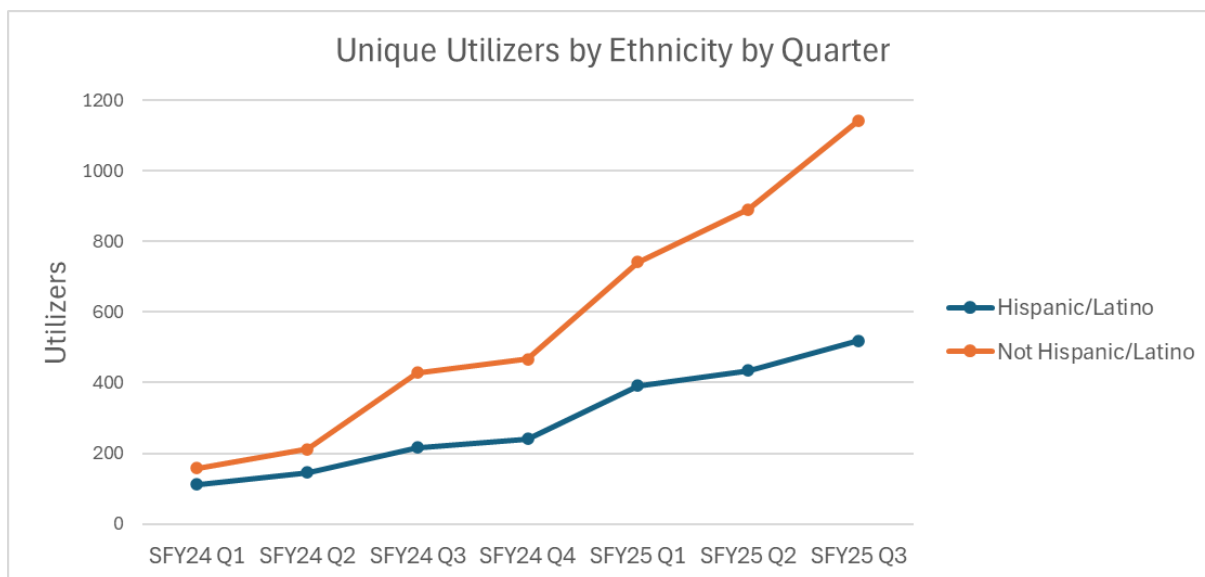


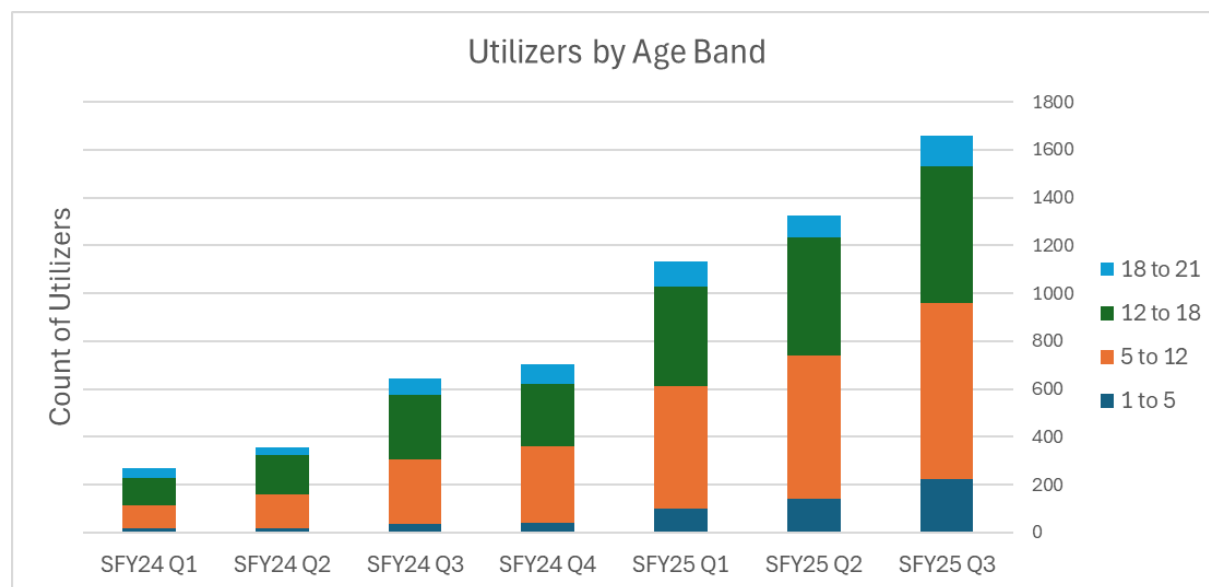
Figure 4 below breaks out the unique utilizers by ethnicity. The population of Not Hispanic/Latino accounts for 66.3% of utilizers.

**Figure 4. Graph of unique utilizers by ethnicity for each quarter in SFY 2023-24 and SFY 2024-25.**



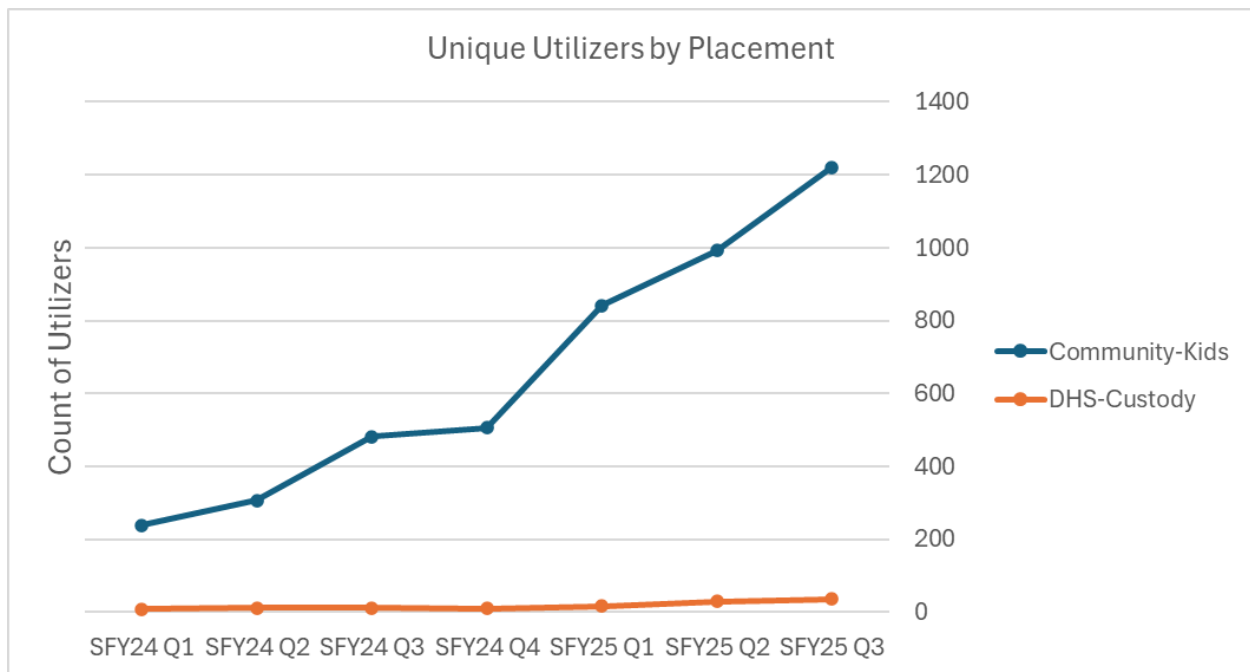
For Figure 5 below, the utilizers were broken into different age bands. The age bands are 1-5 years old, 5-12 years old, 12-18 years old, and those older than 18 but under 21 years of age. Within this grouping, the largest increases in utilizers were in the 5-12 and 12-18 age bands.

**Figure 5. Graph of the distribution of utilizers by age band across SFY 2023-24 and SFY 2024-25.**



The final demographic area is the utilizers under 21 that are either in the community or are in the custody of the DHS. Those in the community make up the largest proportion of utilizers at 97.5%. However, the growth rate in these two populations was similar across the measured time period. Both cohorts saw growth of utilizers at nearly 200%. This is not obvious from the graph in Figure 6 below, as those utilizers within the community make up such a large portion of the population. The number of utilizers within DHS custody in SFY 2023-24 averaged approximately 10 per quarter. By contrast, within SFY 2024-25, the average was 27 utilizers per quarter.

**Figure 6. Graph of unique utilizers per quarter either in the community or in the custody of DHS for SFY 2023-24 and SFY 2024-25.**



The utilization data may also be categorized by code by RAE and by County. However, due to privacy concerns, this level of detail is not available. To provide insights without raising privacy concerns, HCPF has parsed the data using utilization per thousand (util/k). This is the rate of utilization of a particular service per one thousand members for a given time period.

For SFY 2023-24, the codes with the highest rate of utilization per thousand members were psychotherapy and behavioral health counseling. From SFY 2023-24 Q1 to Q4, Psychotherapy 60 min (90837) went from a util/k of 0.06 to 0.42. By contrast, in the first three quarters of SFY 2024-25 util/k went from 0.52 to 1.18.

The procedure code for Behavioral Health Counseling and Therapy (H0004) was not a top three code for util/k within the first three quarters of SFY 2023-24. However, in SFY 2024-25, this code topped out at a util/k of 1.15 in quarter 3.

Skill Building (H2014) had a very low util/k rate in SFY 2023-24. In SFY 2024-25, this code jumped to a util/k rate of 2.62 in quarter 2 and 6.18 in quarter 3. This last trend was most pronounced in RAE region 7, where the util/k jumped from 0.41 in quarter 1 to 13.36 in quarter 3.

## Analysis for School Health Services Program Utilization Data

For the SHS Program, 7,397 unique students received a health service for codes required by SB 23-174 for SFY 2024-25 Q1-Q3. The expansion of procedure codes in SB 23-174 allowed 90 new students to access services in the School Health Services Program. Not all procedure

codes under SB 23-174 were utilized by students in the SHS Program. The top five utilized codes were Behavioral Health Counseling and Therapy (H0004), Psychoeducational service (H2027), Group Psychotherapy (90853), Individual Psychophysiological Therapy 30 min (90875), and Skill Building (H2014).

SHS Program providers are required to submit claims but receive reimbursement through the annual and quarterly cost reporting process, including participation in a quarterly time study. Table 1 lists the number of students who only had claims submissions for procedure codes added as a result of SB 23-174. Only procedure codes claimed for the SHS Program are listed in Table 1. The Behavioral Health Counseling and Therapy (H0004) code was included in the SHS Program before the implementation of SB23-174 so no unique students were added as a result of that procedure code. Total utilization for Behavioral Health Counseling and Therapy (H0004) can be found in Table 2.

**Table 1. Unique Student Count for SB 23-174 codes in SFY 2024-25 (Q1-Q3)**

Procedure Code	Unique student count
Psychotherapy 30 min (90832)	57
Psychotherapy 45 min (90834)	9
Psychotherapy 60 min (90837)	3
Family psychotherapy with member present (90847)	4
Group psychotherapy (90853)	130
Individual psychophysiological therapy 30 min (90875)	58
Individual psychophysiological therapy 45 min (90876)	2
Behavioral Health Counseling and Therapy (H0004)	6892
Skill building (H2014)	111
Psychoeducational service 15 mins (H2027)	407
<b>Total</b>	<b>7,397</b>

Table 2 includes the total number of claims for all students in the SHS Program for procedure codes added as a result of SB 23-174 compared to the total utilization. All services are required in IEPs or other medical plans of care where medical necessity has been established. Not all procedure codes added as a result of SB 23-174 were utilized by students in the SHS Program. For example, procedure codes for Family Psychotherapy Without Member Present (90846) and for Multiple-family Group Psychotherapy (90849) were not identified in claims submissions. Only procedure codes claimed for the SHS Program are listed in Table 2.

**Table 2. Behavioral Health Utilization Comparison for SB 23-174 codes**

Procedure Code	Total SHS Utilization for SB 23-174 codes (July 2024 - March 2025)	Total Capitated BH Utilization for SB 23-174 codes (July 2024 - March 2025)
Psychotherapy 30 min (90832)	257	710
Psychotherapy 45 min (90834)	24	888
Psychotherapy 60 min (90837)	6	5,648
Family psychotherapy with member present (90847)	4	327
Group psychotherapy (90853)	978	1,081
Individual psychophysiological therapy 30 min (90875)	471	471
Individual psychophysiological therapy 45 min (90876)	17	23
Behavioral Health Counseling and Therapy (H0004)	90,319	6,918
Skill building (H2014)	1,152	8,209
Psychoeducational service 15 mins (H2027)	3,939	141
<b>Total</b>	<b>97,167</b>	<b>24,275</b>

## Conclusion and Impacts on Medicaid Sustainability

The majority of services delivered (69% of claims) occurred under the capitated BH benefit. A total of 1,572 unique members utilized capitated BH services in SFY 2023-24 and a total of 3,136 unique members in SFY 2024-25. The SHS Program provided 31% of services. Within the SHS Program for SFY 2024-25, 90 unique students received one or more of the 20 services defined.

Of the 20 services included, utilization of specific services varied between programs with some notable overlaps in utilization growth occurring in both programs. The top three services utilized under the capitated BH benefit were: **Skill Building (H2014)** utilized 8,209 times, **Behavioral Health Counseling and Therapy (H0004)** utilized 6,918 times and **Psychotherapy 60 min (90837)** utilized 5,648 times. While under the SHS program services the top three services utilized were: **Behavioral Health Counseling and Therapy (H0004)** utilized 4,786 times, **Skill Building (H2014)** utilized 1,152 times and **Group Psychotherapy (90853)** utilized 978 times.

HCPF has received stakeholder feedback that in year two this annual report should include additional analysis on the populations and trends related to other involvement with care (i.e., well visit, vaccines, hospitalizations, etc.)

HCPF, along with all state agencies, is currently evaluating multiple programs to analyze cost trends, legislative intent and impact, and the sustainability of all programs. As outlined in the [Medicaid Sustainability: Behavioral Health and Managed Care Actions memo](#), published in June 2025, the 174 Coverage Policy was included as a program that needed to be reviewed. Across both the capitated BH benefit and the SHS program, Behavioral Health Counseling and Therapy (H0004) and Skill Building (H2014), were two services with notable increases in utilization among all populations. These findings are consistent with increased utilization across other programs and behavioral health benefits in general, not limited to youth without a covered diagnosis. In response to this unsustainable growth, effective July 1, 2025 HCPF implemented National Correct Coding Initiative (NCCI) edits and effective October 1, 2025 Colorado specific Medically Unlikely Edits (CO MUEs) and Procedure-to-Procedure (CO PTP) for services that do not have NCCI edits, to reduce improper payments stemming from incorrect coding and billing practices. In August 2025, Governor Polis and the Colorado General Assembly included an additional change as part of the executive order to address significant state budget limitations removing the prohibition on prior authorization for psychotherapy services of more than 24 encounters in a twelve month period. These limits apply to services and therefore may impact any member, including youth, who receive services under the specified and detailed codes identified in the policy changes.

Access for youth and in schools is an important part of the state's strategy for early intervention and prevention of the escalation of more serious mental health and substance use symptoms, both in the short term and throughout a person's lifespan. The total amount of the increase in care to individuals was low compared to the total behavioral health benefit. In SFY 2023-24, 303,542 unique members were served while 3,226 individuals were served under the 174 Coverage Benefit, or 1% of total individuals served. While this program did lead to an increase in access to care, the increase was minimal by total volume and cost, and the nature of children and youth access to behavioral health supports early in life as a part of an upstream early intervention strategy. The increases in access are within manageable levels and do not suggest any changes or restrictions for the program are needed beyond the addition of medically unlikely edits to claims and billing requirements. Therefore, HCPF is not making recommendations to make any changes to the coverage policy allowing for access without a diagnosis as authorized by SB 23-174.

## Appendices

### Appendix A. Services/Codes Included in the SB23-174 Coverage Policy

Code	Description
90785	Interactive complexity add-on
90791	Psychiatric diagnostic evaluation
90832	Psychotherapy with member, 30 mins
90834	Psychotherapy with member, 45 mins
90837	Psychotherapy with member, 60 mins
90846	Family psychotherapy without member present
90847	Family psychotherapy with member present
90849	Multiple-family Group psychotherapy
90853	Group psychotherapy
90875	Individual psychophysiological therapy incorporating biofeedback with psychotherapy, 30 mins
90876	Individual psychophysiological therapy incorporating biofeedback with psychotherapy, 45 mins
H0004	Behavioral Health counseling and therapy
H0005	Alcohol and/or drug services, group counseling
H0038	Self-help/peer services, per 15 mins
H2014	Skills training and development, per 15 mins
H2017	Psychosocial rehabilitation services, per 15 mins
H2023	Supported employment, per 15 mins
H2027	Psychoeducational service
S9445	Member education, not otherwise classified, non-physician provider, individual
T1017	Targeted Case management, each 15 mins