COLORADO
Department of Health Care Policy & Financing

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SB23-174 Coverage Policy

Fact Sheet November 2023 Access to Behavioral Health Services for Individuals under 21 y.o.

Legislative Background

On or before July 1, 2024, the Department of Health Care Policy & Financing (HCPF) shall provide members under twenty-one years of age with access to limited behavioral health services without a covered diagnosis. The limited services must be provided as part of the statewide managed care system pursuant to part 4 of article 5 of this title 25.5, and the school health services detailed in section 25.5-5-318. Details of the proposed coverage and policy details can be found at https://hcpf.colorado.gov/sb23-174-coverage-policy

Statewide Managed Care System Overview

The "statewide managed care system" is responsible for the Capitated Behavioral Health Benefit. HCPF contracts with 8 Managed Care Entities (MCEs): 7 Regional Accountable Entities (RAEs) and Denver Health Medicaid Choice to administer, manage and operate the Medicaid Capitated Behavioral Health Benefit by providing medically necessary covered behavioral health services. Covered services are defined according to the Colorado Medicaid State Plan (required services) and Behavioral Health Program 1915(b)(3) Waiver (B3 or alternative) services. Services covered under the Capitated Behavioral Health Benefit are listed in the State Behavioral Health Services (SBHS) Billing Manual.

School Health Services (SHS) Program Overview

The School Health Services (SHS) Program was established in 1997 via SB 97-101 and allows SHS Program 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 Oct. 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. (Note: health services required in a child's IEP or IFSP are not covered by the SBHC 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.

The SHS Program Providers incur the original expenditures using local tax dollars or appropriated General Funds which draw federal matching Medicaid funds through the certification of public expenditures (CPE) mechanism. To draw federal Medicaid funds through CPEs, SHS Program Providers must participate in a federally-approved quarterly time study and submit quarterly and annual cost reports.
Under Colorado statute, SHS Program Providers are required to use the Medicaid funds received for health services for all students. Each participating SHS Program Provider must

develop a Local Service Plan (LSP) with community input to identify the types of health services needed by its students and must submit an annual report that describes exactly how the Medicaid revenue was spent in accordance with its LSP.

The SHS Program is administered jointly by HCPF and Colorado Department of Education. HCPF draws and disburses the federal Medicaid funds, conducts the federally-approved time study, administers the quarterly and annual cost report and certification processes, and conducts comprehensive reviews to ensure compliance with federal requirements. The Department of Education provides technical assistance related to the development of LSPs and annual reports and reviews and approves LSPs.

Frequently Asked Questions

Q1: How will eligibility for services be determined?

A1: This policy coverage will apply to any Medicaid member under age 21 assigned to a Managed Care Entity (MCE). Services must be medically necessary.

SHS A1: The SHS programs serve students enrolled in participating school districts/BOCES up to the age of 21. Direct medical services must be listed in an Individualized Education Program (IEP) or other plan of care including scope, duration, and frequency or where medical necessity has been established.

Q2: How can providers demonstrate medical necessity without using a diagnosis?

A2: A service is considered medically necessary when it:

a) Will, or is reasonably expected to prevent, diagnose, cure, correct, reduce, or ameliorate the pain and suffering, or the physical, mental, cognitive, or developmental effects of an illness, condition, injury, or disability. This may include a course of treatment that includes mere observation or no treatment at all. For members under age 21, per section 8.280.4E, this includes a reasonable expectation that the service will assist the member to achieve or maintain maximum functional capacity in performing one or more Activities of Daily Living.
b) Is provided in accordance with generally accepted professional standards for health care in the United States;
c) Is clinically appropriate in terms of type, frequency, extent, site, and duration;
d) Is not primarily for the economic benefit of the provider or primarily for the convenience of the member, caretaker, or provider;
e) Is delivered in the most appropriate setting(s) required by the member's condition;
f) Is not experimental or investigational; and
g) Is not more costly than other equally effective treatment options.

Q3: How many services are allowed under this policy?

A3: There is no limit to services provided to members under this policy as long as services are medically necessary.

SHS A3: Services must be provided in accordance with an IEP or other plan of care or where medical necessity has been established. As long as that and other program requirements are met there is no limit to what can be reimbursed to districts/BOCES through the SHS program.

Q4: How will this benefit be added to the School Health Services code set?

SHS A4: Procedure codes appropriate in the school setting will be added to the list of allowable codes. Because Behavioral Health Services, when meeting SHS program criteria, are allowable activities in the time study they will continue to be counted as such and contribute to reimbursement to participating districts/BOCES.

Q5: A key purpose behind this policy was to address Social Determinants of Health (SDOH) (i.e., food insecurity, houselessness, having a parent who is incarcerated, etc.). How does this policy ensure these factors are being addressed?

A5: HCPF will create a list of codes that providers should use in place of a diagnosis on a claim. These are established ICD-10 codes and referred to as "Z" codes. These codes account for environmental factors that impact members such as SDOH, as well as other factors. An appendix of Z Codes will be added to the SBHS Billing Manual. Using these codes will also allow HCPF to report utilization of these services to the Legislature as required by SB23-174.

SHS A5: SHS will add these codes as well.

Q6: Is there any special guidance for using the services included in this benefit?

A6: Each of the services included in this benefit are established services with existing coding pages in the SBHS Billing Manual. Providers should follow the guidelines detailed in the SBHS Billing Manual when providing, documenting, and claiming these services. Directions for using Z Codes will be detailed in a new appendix in the SBHS Billing Manual.

SHS A6: The SHS Program will follow the same SHS program guidelines, adding these procedure codes for qualified SHS providers to bill as appropriate.

Q7: How will this benefit interact with the Short-Term Behavioral Health Services (i.e. the 6 visits)?

A7: The Short-Term Behavioral Health Services do not require a covered diagnosis and are billed by a primary care provider. A 7th visit is required to be billed by a Behavioral Health Provider to the MCE. Under this new policy, that 7th visit, for members under 21, can be billed to the MCE without a covered diagnosis when billed by a Behavioral Health Provider.

SHS A7: Benefits received through the SHS program do not interfere with benefits students receive outside of school.

For more information contact

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