



**COLORADO**  
Department of Health Care  
Policy & Financing

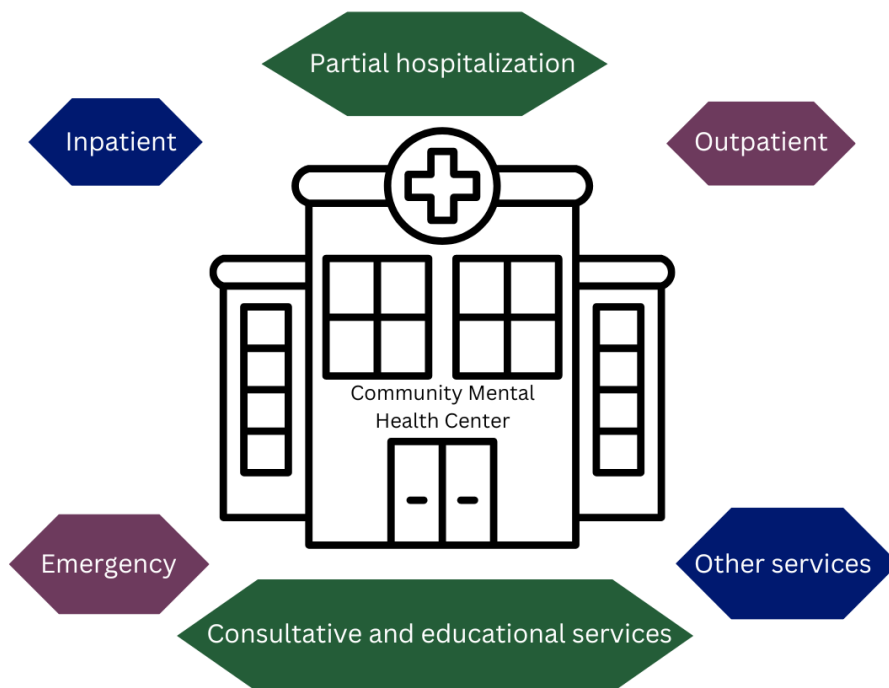
1570 Grant Street  
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# A Quick Guide to Community Mental Health Centers

*Fact Sheet March 2023*

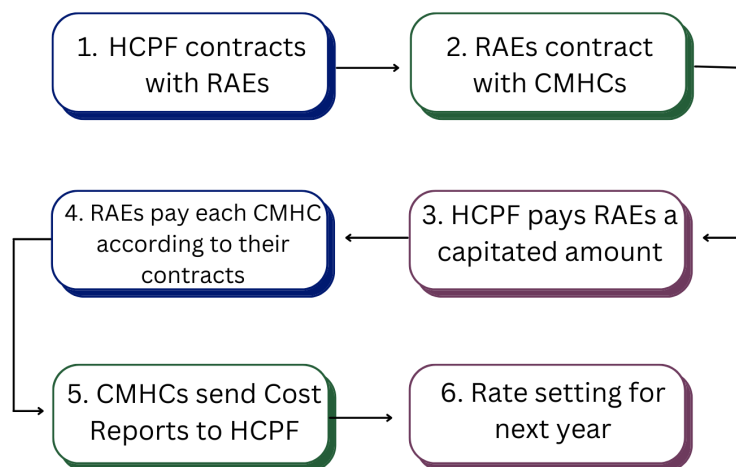
What is a Community Mental Health Center (CMHC)?

This document provides basic information about CMHCs - what they are, how they are paid, and what is contained in CMHC cost reports. Additional information is in the [2022 Behavioral Health Accounting and Auditing Guidelines](#) and the [Behavior Health Provider Rate Comparison Report](#).



CMHCs provide mental health treatment services to all Coloradans, including Health First Colorado (Colorado's Medicaid program) members and uninsured Coloradans. There are currently 18 CMHCs in Colorado.

## How does Health First Colorado pay CMHCs?

**Terms:**

RAE - Regional Accountable Entity  
CMHC- Community Mental Health Center  
HCPF- Colorado Dept. of Health Care Policy & Financing  
Capitated amount- Per member, per month payment over the course of a year



## Description of Cost Report Schedules

The table below details information required in each schedule, or sub-list, of the CMHC cost report. Additional detail is available in the CMHC Cost Report Explanation and CMHC Cost Report Walkthrough fact sheets. Cost report data informs future rate setting for CMHC providers.

Schedule	Description
1: Expenses	Details expenses.
1A: Non-Clinical Direct Salary Limit	Identifies the five largest non-clinical direct salaries paid during the cost reporting period. Direct salary includes wages and bonus amounts.
1B: Indirect Cost Allocation Methodology	Details the methods used to allocate indirect costs amongst all functional cost centers on Schedule 1.
1C: Related Party Transactions	Identifies all transactions with related party entities.
2: Service Groups	Accumulates amounts from the subsequent series of schedules, in order to summarize costs by applicable service group.
2A: Emergency Services	Identifies costs associated with emergency services provided. These services are those that are necessary to stabilize individuals experiencing a behavioral health emergency.
2B: Consultative and Educational Services	Identifies costs associated with consultative and educational services provided. These services include all non-clinical services that enhance care coordination and the health and well-being of individuals.
2C: Outpatient Services	Identifies costs associated with outpatient services provided. These types of services focus on maintaining and improving functional abilities for a patient at risk of, or with a history of, psychiatric hospitalization.
2D: Partial Hospitalization	Identifies costs associated with partial hospitalization services.
3: Inpatient and Residential Services	Identifies costs associated with residential and inpatient facilities reported in Schedule 1 Column 4, All Inpatient Hospital Services and Residential Services without RVU Weights.
4: Base Unit Cost Calculation	Calculates the provider-specific base unit cost.



## For more information contact

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