

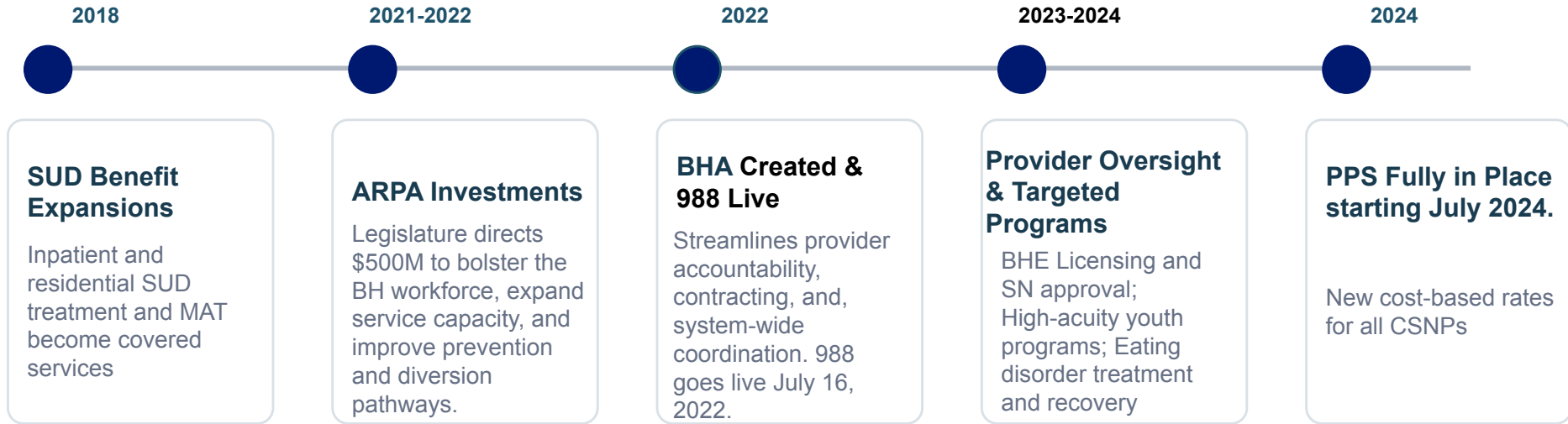
# Behavioral Health

Gretchen Hammer, HCPF Executive Director

Stephanie Beasley, BHA Commissioner

Cristen Bates, HCPF Director of Behavioral Health Innovation & Coverage Office

# Investment and Expansion



**The policy direction has been consistent: expand access, strengthen the continuum, and make accountability more explicit.**

# BHA by the Numbers

2025 Colorado Health Access Survey

## 20.5%

of people in Colorado age 5+ reported poor mental health in 2025

↓ Down from 26.1% in 2023

## 50.6%

**Improvement in Mental Health Care Access for Youth**

Mental health care access problems dropped by half for youth, ages 5-17 (16% → 8%), meaning access improved.

## 78% IMPROVEMENT

Average days from a crisis event to therapeutic follow up service fell from 13.25 to 2.75 days.

## 71% IMPROVEMENT

Wait time for an initial appointment after a service request fell from 30 to 8.5 days.

## 95%

**988 calls answered within 59s**

In August, Colorado's average answer speed was ~11.6s, compared with a national 988 average of 36s.

## 82.5%

**Crisis and 988 interactions stabilized with specialist**

75% stabilized without the need for additional services.

## 1,000+ ENTITIES ACTIVELY REGULATED

Single-Agency Oversight Established Jan 1, 2024



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



**COLORADO**  
Behavioral Health  
Administration

# Who We Serve

About 1 in 4 Colorado adults (24.6%) identified as having a mental illness in the past year. 7.0% had a serious mental illness (2023-2024 NSDUH estimates).

**Behavioral health need is broad—but intensity of need varies significantly.**

## HCPF

**241,345** (23.8%) Members Served

Health First Colorado members used behavioral health services (15,743 providers) in 2024-25.

**36,023** members had SMI

**88%** primary mental health diagnosis

**23%** primary substance use diagnosis

- **B3 Services:** Used by 60.65% (146,375) members.
- **Supportive Services:** Used by 107,458 members.

## BHA

**276** Provider Organizations

Targeted safety-net services for people in Colorado who do not have services paid for by Medicaid or private insurance.

**Top Safety-Net Services by Dollars Spent:**

1. Emergency and Crisis Services
2. Outpatient Services
3. Residential Treatment
4. Recovery Support Services



# Who Controls What

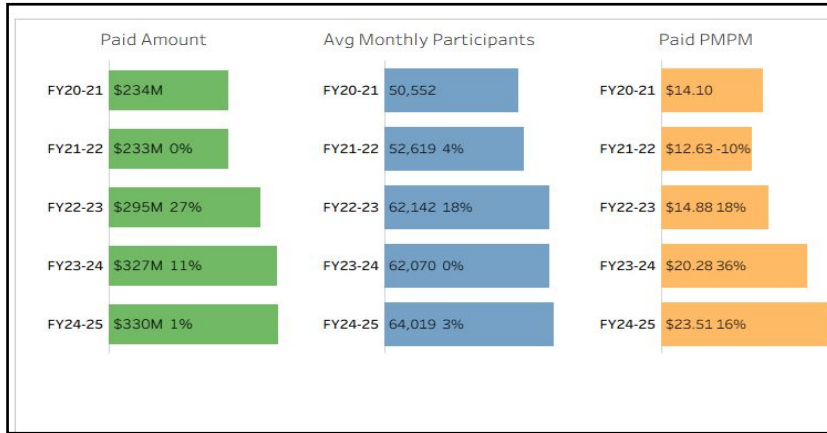
|                                             | HCPF                                                                                                                                                                                                                                       | BHA                                                                                                                                                                                                                                           |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Role</b>                                 | Designs and administers Colorado Medicaid's behavioral health benefits.                                                                                                                                                                    | Leads and develops the state's vision and strategy for behavioral health. Every state agency that administers a behavioral health program must collaborate with BHA to achieve its goals.                                                     |
| <b>How it pays for services</b>             | Pays for behavioral health services for members through capitation payments to the RAEs, Managed Care Plans and some fee for service payments directly to providers. HCPF is the largest payer of behavioral health services in the state. | Provides capacity and limited fee for service funding to the BHASOs to pay providers for uninsured individuals or services Medicaid does not cover (e.g., recovery residence costs).                                                          |
| <b>Behavioral Health Provider oversight</b> | Enrolls providers in Medicaid and CHP+ based on BHA licensing and approval.                                                                                                                                                                | Licenses providers for community-based behavioral health services. Designates facilities to provide court-ordered involuntary mental health services. Defines and approves safety-net providers for eligibility to receive enhanced payments. |



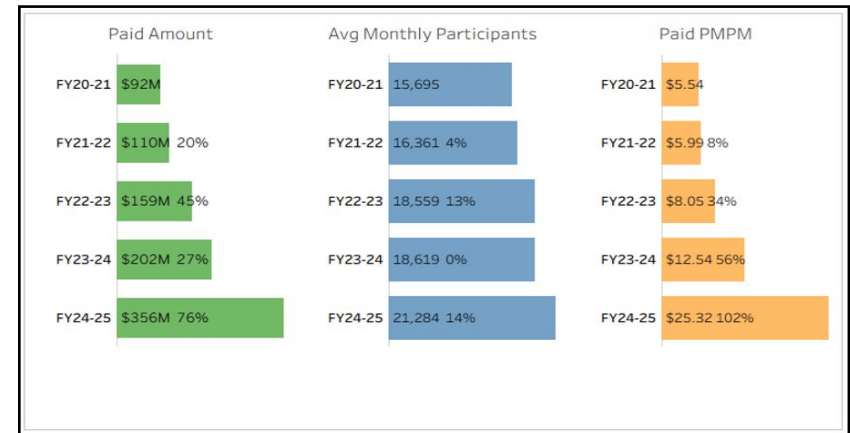
# Where the Growth Is

- At the previous Medicaid Commission, The figure to the right was mislabeled as “Residential SUD” rather than “Behavioral Health Services - Substance Use Disorder”. The Figure shows the total cost of all substance use treatment services including outpatient services and bedded facilities and withdrawal management.

## Individual and Group Psychotherapy (Capitation, all diagnoses)

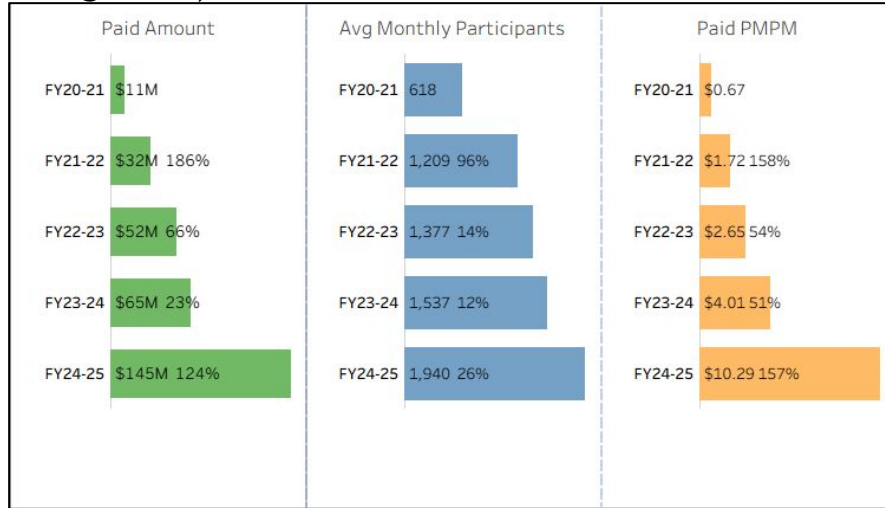


## Behavioral Health Services - Substance Use Disorder

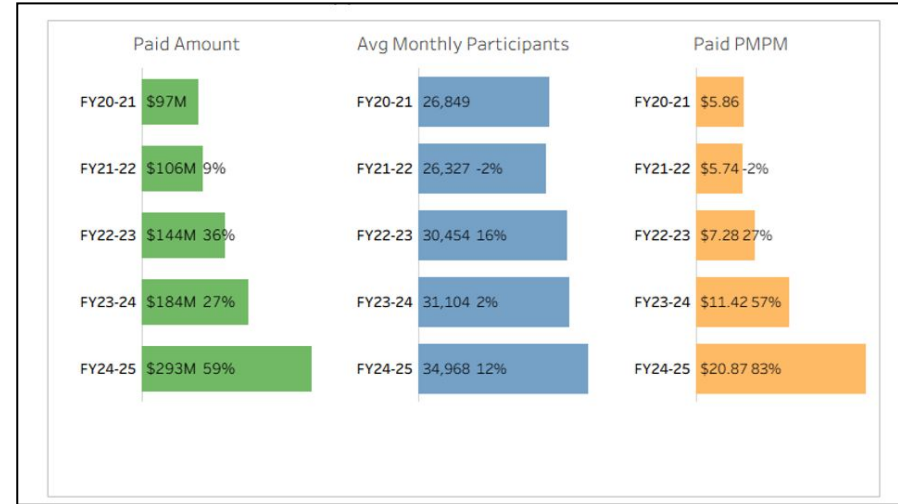


# Where the Growth Is

## Substance Use ASAM Residential (Capitation, all diagnoses)



## Peer & Supportive Services



# Administration and Delivery

|                             | RAEs                                                                                                                                            | BHASOs                                                                                                                                           |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Accountable to</b>       | HC PF, by contract                                                                                                                              | BHA, by contract                                                                                                                                 |
| <b>Serves</b>               | Medicaid members                                                                                                                                | Provider capacity and targeted safety-net services for people in Colorado who do not have the service paid for by Medicaid or private insurance. |
| <b>Entities</b>             | Region 1 Rocky Mountain Health Plans; Region 2 Northeast Health Partners; Region 3 Colorado Community Health Alliance; Region 4 Colorado Access | Region 1 Rocky Mountain Health Plans; Regions 2-4 Signal Behavioral Health Network                                                               |
| <b>Paid by</b>              | Capitation                                                                                                                                      | Capacity funding and fee-for-service                                                                                                             |
| <b>Regions</b>              | Aligned regional map for RAEs and BHASOs                                                                                                        | Same                                                                                                                                             |
| <b>Provider requirement</b> | Providers must be Medicaid enrolled. RAEs credential and contract with all behavioral health providers and pay claims under the capitation.     | BHASO providers must also be enrolled in Medicaid                                                                                                |

# Collaborating on Priority Populations: High-Acuity Youth & CO-SOC

- Identification Tool
- Standardized Assessment
- Intensive Care Coordination
- Stabilization Services
- Intensive Home-Based Treatment
- Support Services
- Behavioral Services

BHA  
leads

HCPF  
leads



# Colorado System of Care Progress

## Planning Colorado System of Care

- *G.A. et al. v. Bimestefer* Settlement Agreement in February 2024
- HCPF required to develop and implement a systematic model for delivering Intensive Behavioral Health Services to Medicaid members under age 21
- Services required to include intensive care coordination, intensive in-home and community services, and mobile crisis intervention and stabilization services

## Implementing Colorado System of Care

- Initiated statewide implementation of CO-SOC November 1, 2025
- Initial population of eligible youth identified and enrolled, expanded in 2026
- Operationalized key services, including standard assessment, high-fidelity wraparound, intensive home-based treatment
- Established Workforce Capacity Center, 72 certified CO-SOC providers
- Collaborated with RAEs, providers, state partners and key stakeholders



# HCPF Actions to Address Growth

- Ending any willing provider contracting for RAEs, focusing on quality, unmet need, and terminating contracts with outlier billing
- Limiting peer and supportive services
  - Scope of who can provide services and where; require certification
  - Set limits on daily use and multiple codes in one day
  - Next: limit services not connected to clinical care
- Limiting directed payments for outpatient ESNP services
- Updating prospective payment system (PPS) state directed payment policy
- Strengthen monitoring and retroactive review of outpatient psychotherapy
- Secure Certified Community Behavioral Health Clinics (CCBHC) Demonstration
- Stabilizing inpatient behavioral health payment across settings, stopping directing cost-based payments for CSU/ATUs
- Implementation of ASAM 4th Edition Requirements, ending free-standing Withdrawal Management (July 1, 2027)

# RAE-led Actions FY 2026-27

As a part of FY 2026-27 rate negotiations, RAEs have identified a number of actions to address unmanageable trend, resulting in a 6-10% reduction in rates

- Renegotiate provider rates and contract terms, restructure fee schedules, and terminate or modify contracts
- Strengthen reviews of service utilization, duration, medical necessity, and appropriate level of care
- Reduce/modify reimbursement for selected services, restrict certain services to designated providers, create alternative payment approaches, capitated CSNP arrangements
- Strengthen billing controls through procedure-code changes, encounter limits, audits, coding reviews, and targeted monitoring of inappropriate or excessive billing
- Track implementation, utilization, provider behavior, and actual financial results to confirm that the initiatives are producing the expected savings and identify areas requiring further action.



# BHA Targeted Focus



**Data-Driven System Reform**



**Targeted Regional Contracting**



**Quality-Focused Licensing**



**Integrated Learning Ecosystem**