

Colorado's Medicaid Program and Behavioral Health

Health First, Colorado's Medicaid program, is a public health insurance program for eligible Coloradans funded jointly by a federal-state partnership. In 2018, Health First Colorado launched the development of the Regional Accountable Entities (RAEs) to help administer Medicaid. The RAE contracts were awarded through a competitive bidding process by the Department of Health Care Policy and Financing (HCPF) to five private organizations who deliver services in seven designated regions across the state. RAEs replaced and expanded the administrative functions of Regional Care Collaborative Organizations (RCCOs) and Behavioral Health Organizations (BHOs). Accessing behavioral health services in Medicaid is significantly different from private insurance because the program is governed by a unique structure of federal and state regulations.

Behavioral health benefits in Medicaid

Every Health First Colorado Member is assigned to a RAE that manages their physical and behavioral health care. Members have access to comprehensive mental health and substance use disorder services through their RAE. There are no-copays for Health First Colorado behavioral health services. The services available to Health First Colorado Members include:

- Outpatient substance use treatment
- Intensive outpatient and partial hospitalization
- Withdrawal management services
- Medication assisted treatment (MAT)
- Outpatient mental health counseling and services for individuals, groups, and families
- Inpatient treatment for mental health symptoms
- Pharmacologic management
- Emergency and crisis services (outpatient and inpatient crisis stabilization)
- School based counseling
- B3 services (i.e. special services provided by Medicaid via federal waiver), including:
 - Respite
 - Community based support services
 - Supported employment
 - Clubhouse and drop-in center services
 - Case management



The flow of money for behavioral health services

Most behavioral health services are delivered under a contract in which the RAE assumes risk for both financial and quality performance. There are some exceptions related to intellectual or developmental disabilities which are paid for through Medical fee for service. However, the majority of behavioral health benefits are provided through a managed care program because it is only under the federal managed care authority that HCPF is able to provide reimbursement for short-term inpatient stays in Institutions for Mental Diseases, peer recovery services, clubhouse and drop-in centers, vocational services, intensive case management, and other alternative services.² The system provides Health First members with much more robust behavioral benefits.

Here's how it works:

- The federal government and the Colorado Legislature jointly provide the funding for Medicaid on an annual basis.
- Unlike commercial plans, RAEs do not set their own rates. HCPF sets actuarially sound per member/per month rates for the RAEs for behavioral health services at least annually. These capitated rates are based on actual historical claims/cost data and the populations of each RAE region.
- RAEs are required to contract with a statewide network of providers to deliver mental health and substance use disorder services and maintain network adequacy standards set by the federal government and HCPF. Each RAE negotiates what they will pay their contracted network of behavioral health providers.
- Each RAE is responsible for developing utilization management criteria, reflecting the composition of their provider networks and needs of their members.
- As in commercial insurance and the Colorado Medicaid fee-for-service program, providers must submit claims in a timely fashion and RAEs are expected to process them for payment promptly.
- If RAEs achieve key performance indicators set by HCPF, they may qualify for payment incentives and share them with network providers.
- RAEs must spend a minimum of **85 cents** of every health care dollar they receive from HCPF on covered behavioral health benefits. The benefit cost ratio is reviewed annually by HCPF. RAEs must rebate any payments below the minimum benefit cost ratio.



Behavioral health providers and Medicaid

The RAEs develop and maintain networks by contracting directly with behavioral health providers. Providers must first be validated with HCPF and credentialed by the RAE in accordance with national standards before they can be reimbursed for covered behavioral health services. Reimbursement for services is governed by the contract executed between the RAE and the provider. RAEs contract with independent providers as well as community mental health centers, federally qualified health centers, hospitals, substance use disorder providers, rural health centers, non-physician provider groups and providers employed by a primary care medical provider. To receive reimbursement from a RAE for covered behavioral health services, a provider must:³

- Be validated with Health First Colorado Medicaid through HCPF
- Contract with a RAE (or multiple RAEs)
- Credential with each RAE for which they contract

1. Colorado Department of Health Care Policy and Financing: Behavioral Health Services Fact Sheet. <https://www.colorado.gov/pacific/sites/default/files/BH%20Fact%20Sheet%20%26%20FAQs%2007.2018.pdf>

2. Colorado Department of Health Care Policy and Financing, Behavioral, Mental Health, and Substance Use Disorder Parity Comparative Analysis Report. <https://www.colorado.gov/pacific/sites/default/files/HB19-1269%20MHPAEA%20Report.pdf>

3. Colorado Department of Health Care Policy and Financing: Provider Enrollment. <https://www.colorado.gov/pacific/hcpf/provider-enrollment>

Credentialing process for providers

Each RAE must follow the National Committee for Quality Assurance (NCQA) standards for credentialing, which are consistent for both medical and behavioral health providers.⁴ RAEs must also use a standardized credentialing application form specified in Colorado statutes.

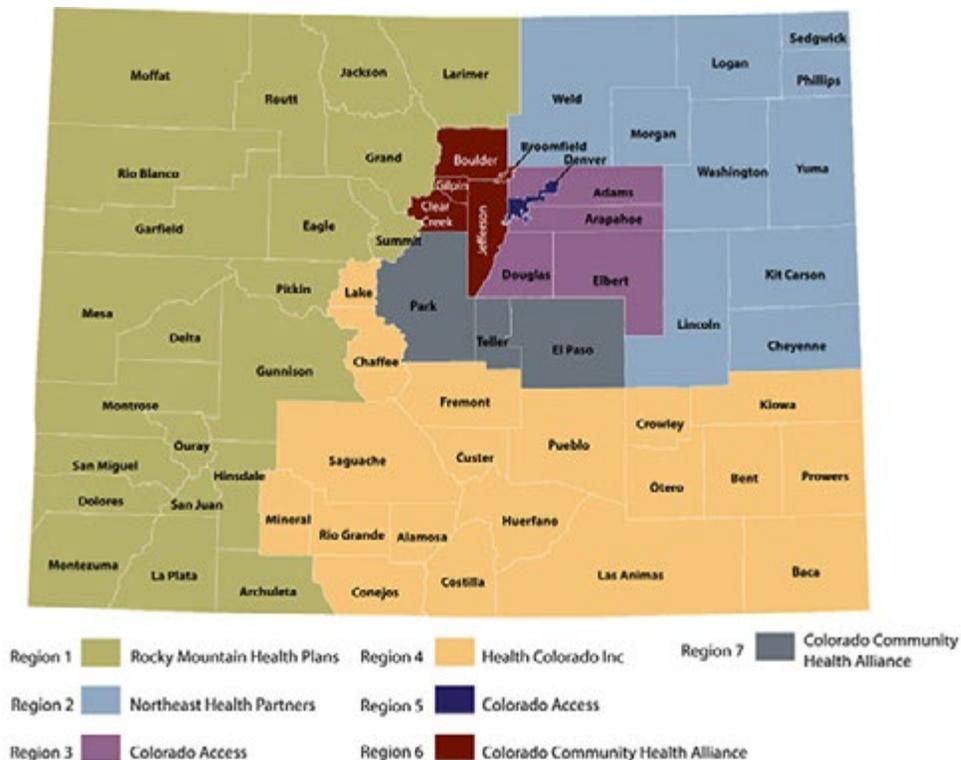
Reporting on behavioral health in Medicaid

HCPF publicly reports on a number of behavioral health issues for the Legislature and the public to review. Reporting includes:

- Performance on clinical and utilization measures such as follow up after behavioral health inpatient admissions, positive depression screen follow-up, foster care children screened for behavioral health needs within 30 days of placement, SUD emergency room follow, SUD engagement in care, etc.
- Annual behavioral, mental health and substance use disorder parity report.
- HCPF receives quarterly behavioral health network adequacy reports from each RAE and they are working on a mechanism to display this data publicly.

Contact each RAE for more information

Regional Accountable Entity Regions



4. NCQA: Credentialing Accreditation Requirements. <https://www.ncqa.org/programs/health-plans/credentialing/benefits-support/standards/>