**CHAPTER 226** 

## HEALTH CARE POLICY AND FINANCING

SENATE BILL 19-222

BY SENATOR(S) Lee and Story, Bridges, Gonzales, Hisey, Rankin, Winter, Court, Crowder, Danielson, Fenberg, Fields, Ginal, Moreno, Pettersen, Tate, Todd, Woodward, Garcia:

also REPRESENTATIVE(S) Esgar and Landgraf, Herod, Larson, Liston, Pelton, Rich, Roberts, Sandridge, Soper, Will, sasaWilson, Arndt, Bird, Buckner, Carver, Cutter, Duran, Exum, Galindo, Gonzales-Gutierrez, Hansen, Kipp, Michaelson Jenet, Sirota, Valdez A., Valdez D., Weissman,

## AN ACT

CONCERNING THE IMPROVEMENT OF ACCESS TO BEHAVIORAL HEALTH SERVICES FOR INDIVIDUALS AT RISK OF INSTITUTIONALIZATION, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

**SECTION 1. Legislative declaration.** (1) The general assembly finds and declares that:

- (a) Colorado has experienced a dramatic increase in the number of individuals with severe behavioral health disorders who are arrested and incarcerated, often for low-level crimes, and whose competency to assist in their own defense is questioned, as the process is defined in article 8.5 of title 16, Colorado Revised Statutes. To date, Colorado has not consistently evaluated or treated such individuals in a timely and clinically appropriate manner, resulting in lawsuits and millions of state taxpayers' dollars unnecessarily spent.
- (b) All Coloradans should have access to a high-quality behavioral health system that serves individuals regardless of payer type or acuity level and that has a full continuum of behavioral health treatment services;
- (c) Colorado has a significant interest in strengthening outcomes for the behavioral health safety net system that will effectively serve individuals with severe behavioral health disorders:
  - (d) Individuals with behavioral health disorders should not have to enter the

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

criminal justice system to access mental health services and treatment options, because it is both costly for taxpayers and results in poor outcomes; and

- (e) Children and youth with behavioral health needs, including those who are involved in, or at risk of becoming involved in, the juvenile justice system or the child welfare system, should have access to the full continuum of behavioral health services and supports and not be allowed to fall through the cracks of multiple systems.
- (2) The general assembly further finds and declares that the state shall strengthen and expand the safety net system that will not allow individuals with behavioral health disorders to be turned away from treatment or discharged without help and coordination unless or until the individual no longer requires behavioral health services. The state shall assess the current treatment system and ensure that adequate services exist in every region of the state, including intensive community-based treatment and supportive services that ensure individuals with the most difficult-to-treat disorders are receiving services.

## **SECTION 2.** In Colorado Revised Statutes, add 25.5-1-130 as follows:

- 25.5-1-130. Improving access to behavioral health services for individuals at risk of entering the criminal or juvenile justice system duties of the state department. (1) On or before March 1, 2020, the state department shall develop measurable outcomes to monitor efforts to prevent medicaid recipients from becoming involved in the criminal or juvenile justice system.
- (2) On or before July 1, 2021, the state department shall work collaboratively with managed care entities to create incentives for behavioral health providers to accept medicaid recipients with severe behavioral health disorders. The incentives may include, but need not be limited to, higher reimbursement rates, quality payments to regional accountable entities for adequate networks, establishing performance measures and performance improvement plans related to network expansion, transportation solutions to incentivize medicaid recipients to attend health care appointments, and incentivizing providers to conduct outreach to medicaid recipients to ensure that they are engaged in needed behavioral health services, including technical assistance with billing procedures. The state department may seek any federal authorization necessary to create the incentives described in this subsection (2).

## **SECTION 3.** In Colorado Revised Statutes, **add** 25.5-4-504 as follows:

**25.5-4-504.** Federal authorization - repeal. (1) The state department shall determine if the state should apply for a section 1115 demonstration waiver to improve care for adults with serious mental illness in response to  $42\,\text{CFR}\,438.6$  (e). If the state department determines that a section 1115 demonstration waiver would be the most appropriate way to ensure inpatient services are available to individuals with serious mental illness, the state department is authorized to apply for a section 1115

DEMONSTRATION WAIVER AFTER NOTIFYING THE GENERAL ASSEMBLY, INCLUDING THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY.

- (2) If the state department determines that pursuing a section 1115 demonstration waiver would be inappropriate, the state department shall submit a report to the joint budget committee of the general assembly on or before March 1, 2020, with the following information:
- (a) An explanation of why the state department believes applying for a section 1115 demonstration waiver is not an appropriate way to respond to the implications of 42 CFR 438.6 (e);
- (b) The state department's alternative plan, in lieu of a section 1115 demonstration waiver, to ensure services will be available to medicaid recipients who need long-term inpatient services. The alternative plan must detail how the state department will ensure adequate reimbursement to medicaid providers that treat medicaid recipients who require an inpatient stay longer than fifteen days.
- (c) A PROPOSED TIMELINE FOR IMPLEMENTATION OF THE STATE DEPARTMENT'S ALTERNATIVE PLAN DESCRIBED IN SUBSECTION (2)(b) OF THIS SECTION; AND
- (d) Any necessary fiscal or legislative proposals for the implementation of the state department's alternative plan described in subsection (2)(b) of this section.
  - (3) This section is repealed, effective July 1, 2020.

**SECTION 4.** In Colorado Revised Statutes, **add** 27-93-106 as follows:

**27-93-106.** Access to inpatient civil beds at institute. The department shall develop and implement admission criteria that ensures individuals, prior to being admitted, have been evaluated for the least restrictive level of care and that geographic location, current health care provider, and payer type are not the primary determining factor in whether an individual has access to a civil inpatient bed.

**SECTION 5.** In Colorado Revised Statutes, add 27-94-106 as follows:

**27-94-106.** Access to inpatient civil beds at center. The department shall develop and implement admission criteria that ensures individuals, prior to being admitted, have been evaluated for the least restrictive level of care and that geographic location, current health care provider, and payer type are not the primary determining factor in whether an individual has access to a civil inpatient bed.

**SECTION 6.** In Colorado Revised Statutes, **add** article 63 to title 27 as follows:

ARTICLE 63
Community Behavioral Health Safety Net System

- **27-63-101. Definitions.** As used in the article 63, unless the context otherwise requires:
- (1) "Behavioral health" refers to an individual's mental and emotional well-being development and actions that affect an individual's overall wellness. Behavioral health problems and disorders include substance use disorders, serious psychological distress, suicidal ideation, and other mental health disorders. Problems ranging from unhealthy stress or subclinical conditions to diagnosable and treatable diseases are included in the term "behavioral health". An intellectual or developmental disability is insufficient to either justify or exclude a finding of a behavioral health disorder.
  - (2) "DEPARTMENT" MEANS THE DEPARTMENT OF HUMAN SERVICES.
- **27-63-102.** High-intensity behavioral health treatment programs identification departments' duties. (1) On or before July 1, 2020, the department, in collaboration with the department of health care policy and financing, shall:
- (a) Define what constitutes a high-intensity behavioral health treatment program, which at a minimum must include:
- (I) A program that has evidence of effectiveness in engaging and treating individuals, including youth, with severe behavioral health disorders; and
- (II) A PROGRAM THAT CONDUCTS ASSERTIVE OUTREACH TO AND ENGAGEMENT WITH HIGH-RISK POPULATIONS THAT ARE KNOWN AND UNKNOWN TO CURRENT HEALTH SYSTEMS;
- (b) Determine what an adequate network of high-intensity behavioral health treatment services includes by collaborating with stakeholders, which include but are not limited to, counties; law enforcement; community mental health centers; substance use providers; and other behavioral health providers, hospitals, physical health providers, and judicial districts to understand what services and supports are needed to assist in the diversion and release of individuals with behavioral health disorders from the criminal justice and juvenile justice systems; and
- (c) Identify existing high-intensity behavioral health treatment programs, based on the definition developed by the departments pursuant to subsection (1)(a) of this section, that are available throughout the state and where those programs require additional resources to meet the identified needs or where additional high-intensity behavioral health treatment programs are needed.
- **27-63-103. Implementation plan departments' duties report.** (1) On or before November 1, 2020, the department, in collaboration with the department of health care policy and financing, shall develop an

IMPLEMENTATION PLAN TO INCREASE THE NUMBER OF HIGH-INTENSITY BEHAVIORAL HEALTH TREATMENT PROGRAMS, INCLUDING PROGRAMS THAT SERVE YOUTH, STATEWIDE.

- (2) HIGH-INTENSITY BEHAVIORAL HEALTH TREATMENT PROGRAMS MUST BE AVAILABLE FOR BOTH INDIVIDUALS UNDER CIVIL COMMITMENT AND THOSE INVOLVED WITH OR AT RISK OF INVOLVEMENT WITH THE CRIMINAL OR JUVENILE JUSTICE SYSTEM, INCLUDING INDIVIDUALS WITH CO-OCCURRING MENTAL HEALTH AND SUBSTANCE USE DISORDERS.
  - (3) THE IMPLEMENTATION PLAN MUST INCLUDE THE FOLLOWING INFORMATION:
- (a) Funding or legislative recommendations that are needed to appropriately implement the plan;
- (b) POTENTIAL COSTS ASSOCIATED WITH INCREASING THE NUMBER OR AVAILABILITY OF HIGH-INTENSITY BEHAVIORAL HEALTH TREATMENT PROGRAMS AND EXPANDING STATEWIDE CAPACITY;
- (c) POTENTIAL COST-SHARING OPPORTUNITIES WITH LOCAL MUNICIPALITIES AND COUNTIES;
- (d) Other recommendations on issues, such as local variables, zoning barriers, transportation, housing, and workforce; and
- (e) How the departments' plan ensures high-intensity behavioral health outpatient treatment programs are available statewide.
- (4) The department shall submit a report outlining the progress made toward ensuring that high-intensity behavioral health treatment programs are available statewide, based on the implementation plan. The report must be submitted to the joint budget committee of the general assembly no later than January 1, 2022.
- 27-63-104. Community behavioral health safety net system advisory body - creation - membership - repeal. (1) THE DEPARTMENT SHALL IDENTIFY AN ADVISORY BODY, REFERRED TO IN THIS ARTICLE 63 AS THE "ADVISORY BODY", TO ASSIST THE DEPARTMENT IN CREATING A COMPREHENSIVE PROPOSAL TO STRENGTHEN AND EXPAND THE BEHAVIORAL HEALTH SAFETY NET SYSTEM. THE ADVISORY BODY SHALL INCLUDE BUT NOT BE LIMITED TO REPRESENTATIVES FROM OTHER RELEVANT STATE DEPARTMENTS, REPRESENTATIVES FROM COUNTIES REPRESENTING VARIOUS REGIONS OF THE STATE AFFECTED BY COMMUNITY BEHAVIORAL HEALTH SERVICE AVAILABILITY, REPRESENTATIVES FROM LAW ENFORCEMENT, CONSUMERS, FAMILY MEMBERS OF CONSUMERS, BEHAVIORAL HEALTH PROVIDERS, BEHAVIORAL HEALTH ADMINISTRATIVE ORGANIZATIONS, AND ADVOCATES. MEMBERS OF THE ADVISORY BODY SHALL DISCLOSE POTENTIAL CONFLICTS OF INTEREST AND SHALL RECUSE THEMSELVES FROM VOTING WHEN THE MEMBER HAS A FINANCIAL INTEREST RELATED TO THE PROVISION OF DELIVERING CLINICAL SERVICES IN THE BEHAVIORAL HEALTH SAFETY NET SYSTEM. VOTING MEMBERS OF THE ADVISORY BODY SHALL NOT INCLUDE BEHAVIORAL HEALTH PROVIDERS THAT HAVE A POTENTIAL FINANCIAL INTEREST RELATED TO THE

PROVISION OF DELIVERING CLINICAL SERVICES IN THE BEHAVIORAL HEALTH SAFETY NET SYSTEM.

- (2) Safety net system comprehensive proposal. (a) No later than July 1, 2021, the department, in collaboration with the advisory body, shall develop a comprehensive proposal to strengthen and expand the safety net system that provides behavioral health services for individuals with severe behavioral health disorders, referred to in this article 63 as a "safety net system", including individuals with co-occurring mental health and substance use disorders.
- (b) The department and advisory body shall solicit feedback from community stakeholders and engage community stakeholders when developing the proposal described in subsection (2)(a) of this section, including direct engagement of consumers and consumers' families, managed service organizations, health care providers, regional accountable entities, community mental health centers, and substance use disorder services providers.
  - (c) THE SAFETY NET SYSTEM COMPREHENSIVE PROPOSAL MUST, AT A MINIMUM:
- (I) IDENTIFY WHAT BEHAVIORAL HEALTH SERVICES EACH COMMUNITY MUST HAVE ACCESS TO IN EACH REGION OF THE STATE;
- (II) DEVELOP A FUNDING MODEL TO ENSURE THE VIABILITY OF THE SAFETY NET SYSTEM. THE FUNDING MODEL MUST SUPPLEMENT AND NOT SUPPLANT ANY STATE FUNDING TO COMPLEMENT MEDICAID, FEDERAL SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANTS, FEDERAL MENTAL HEALTH SERVICES BLOCK GRANTS, AND PRIVATE PAY FUNDING.
- (III) PROVIDE LOCALLY RESPONSIVE RECOMMENDATIONS, INCLUDING LEGISLATIVE RECOMMENDATIONS, TO ADDRESS BEHAVIORAL HEALTH PROVIDER LICENSING AND REGULATIONS, HOUSING, TRANSPORTATION, WORKFORCE, AND ANY OTHER BARRIER THAT CURBS ACCESS TO CARE; AND
- (IV) Set forth criteria and processes, in collaboration with behavioral health providers, for when the needs of an individual referred to a safety net provider exceed the treatment capacity or clinical expertise of that provider.
  - (3) This section is repealed, effective July 1, 2024.
- **27-63-105.** Safety net system implementation safety net system criteria. (1) No later than January 1, 2024, the department shall implement the comprehensive proposal and the funding model developed pursuant to section 27-63-104 (2), which shall meet the following criteria:
- (a) The safety net system must not refuse to treat an individual, including youth, based on the following:
  - (I) The individual's insurance coverage, lack of insurance coverage, or

ABILITY OR INABILITY TO PAY FOR BEHAVIORAL HEALTH SERVICES;

- (II) The individual's clinical acuity level related to the individual's behavioral health disorder, including whether the individual has been certified pursuant to article 65 of this title 27;
- (III) THE INDIVIDUAL'S READINESS TO TRANSITION OUT OF THE COLORADO MENTAL HEALTH INSTITUTE AT PUEBLO, THE COLORADO MENTAL HEALTH INSTITUTE AT FORT LOGAN, OR ANY OTHER MENTAL HEALTH INSTITUTE BECAUSE THE INDIVIDUAL NO LONGER REQUIRES INPATIENT CARE AND TREATMENT;
- (IV) THE INDIVIDUAL'S INVOLVEMENT IN THE CRIMINAL OR JUVENILE JUSTICE SYSTEM;
  - (V) THE INDIVIDUAL'S CURRENT INVOLVEMENT IN THE CHILD WELFARE SYSTEM;
- (VI) The individual's co-occurring mental health and substance use disorders, physical disability, or intellectual or developmental disability; or
- (VII) THE INDIVIDUAL'S DISPLAYS OF AGGRESSIVE BEHAVIOR, OR HISTORY OF AGGRESSIVE BEHAVIOR, AS A RESULT OF A SYMPTOM OF A DIAGNOSED MENTAL HEALTH DISORDER OR SUBSTANCE INTOXICATION;
  - (b) The safety net system must:
- (I) PROACTIVELY ENGAGE HARD-TO-SERVE INDIVIDUALS WITH ADEQUATE CASE MANAGEMENT AND CARE COORDINATION THROUGHOUT THE CARE CONTINUUM;
  - (II) PROMOTE COMPETENCY IN DE-ESCALATION TECHNIQUES;
- (III) UTILIZE ADEQUATE NETWORKS FOR TIMELY ACCESS TO TREATMENT, INCLUDING HIGH-INTENSITY BEHAVIORAL HEALTH TREATMENT AND COMMUNITY TREATMENT FOR CHILDREN, YOUTH, ADULTS, AND OTHER INDIVIDUALS;
- (IV) REQUIRE COLLABORATION WITH ALL LOCAL LAW ENFORCEMENT JURISDICTIONS AND COUNTIES IN THE SERVICE AREA, INCLUDING COUNTY DEPARTMENTS OF HUMAN OR SOCIAL SERVICES;
- (V) TRIAGE INDIVIDUALS WHO NEED ALTERNATIVE SERVICES OUTSIDE THE SCOPE OF THE SAFETY NET SYSTEM;
  - (VI) PROMOTE PATIENT-CENTERED CARE AND CULTURAL AWARENESS;
- (VII) UPDATE INFORMATION AS REQUESTED BY THE DEPARTMENT ABOUT AVAILABLE TREATMENT OPTIONS AND OUTCOMES IN EACH REGION OF THE STATE;
- (VIII) Utilize evidence-based or evidence-informed programming to promote quality services; and
  - (IX) Meet any other criteria established by the department.

- (2) The safety net system must have a network of behavioral health care providers that collectively offer a full continuum of services to ensure individuals with severe behavioral health disorders are triaged in a timely manner to the appropriate care setting if an individual behavioral health care provider is unable to provide ongoing care and treatment for the individual. The department shall consider community mental health centers, managed service organizations, contractors for the statewide behavioral health crisis response system, and other behavioral health community providers as key elements in the behavioral health safety net system.
- **27-63-106. Safety net system effectiveness report.** (1) From January 1, 2022, until July 1, 2024, the department shall provide an annual report on the progress made by the department on the behavioral health safety net system to the public through the annual hearing, pursuant to the "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act", part 2 of article 7 of title 2.
- (2) Notwithstanding section 24-1-136 (11)(a)(I), no later than January 1, 2025, the department shall provide an annual report to the joint budget committee of the general assembly related to the expenditures, outcomes, and effectiveness of the safety net system by service area region, including any recommendations to improve the system and the transparency of the system.
- **SECTION 7. Appropriation.** (1) For the 2019-20 state fiscal year, \$75,000 is appropriated to the department of health care policy and financing. This appropriation consists of \$51,000 from the general fund and \$24,000 from the healthcare affordability and sustainability fee cash fund created in section 25.5-4-402.4 (5)(a), C.R.S. To implement this act, the department may use this appropriation for general professional services and special projects.
- (2) For the 2019-20 state fiscal year, the general assembly anticipates that the department of health care policy and financing will receive \$75,000 in federal funds for general professional services and special projects to implement this act. The appropriation in subsection (1) of this section is based on the assumption that the department will receive this amount of federal funds, which is included for informational purposes only.
- (3) For the 2019-20 state fiscal year, the general assembly anticipates that the department of human services will receive \$220,707 in federal funds to implement this act, which amount is included for informational purposes only. This amount of federal funds will be used by the office of behavioral health as follows:
- (a) \$215,054 for personal services, which amount is based on an assumption that the office will require an additional 1.0 FTE; and
  - (b) \$5,653 for operating expenses.

**SECTION 8. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 20, 2019