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Memorandum

September 13, 2021

TO: Members of the Behavioral Health Transformation Task Force
FROM: Sonia Hatfield, Fiscal Analyst, 303-866-5851
SUBJECT: Summary of Senate Bill 21-137

Summary

[Senate Bill 21-137](#), the Behavioral Health Recovery Act, set aside \$550 million in federal American Rescue Plan Act (ARPA) funds for behavioral health services in Colorado. Specifically, the bill appropriated \$114.1 million to various behavioral health programs and initiatives, including \$99.3 million in federal ARPA funds and \$14.8 million in other state and federal funds. After these appropriations, \$450.7 million in federal ARPA funds remain unspent and available for General Assembly to appropriate.

This memorandum provides an overview of the appropriations included in SB 21-137, outlines the duties of the Behavioral Health Transformation Task force, and describes other policy changes in the bill.

Behavioral and Mental Health Cash Fund

Senate Bill 21-137 transferred \$550 million in federal ARPA funds to the Behavioral and Mental Health Cash Fund (BMH Fund). Money in this fund can be spent on behavioral and mental health care services, including:

- mental health treatment, substance misuse treatment, and other behavioral health services;
- hotlines or warmlines, crisis intervention, overdose prevention, and infectious disease prevention; and

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- services or outreach to promote access to care, such as physical or behavioral health primary care and preventative medicine.

Funding may also be used to provide services for individuals experiencing trauma exacerbated by the pandemic, such as:

- community-based mental health and substance use disorder programs that deliver evidence-based psychotherapy, crisis support services, medications for opioid use disorder, and/or recovery support;
- school-based social-emotional support and other mental health services; and
- referrals to trauma recovery services for crime victims.

Requirements. Funds must be expended or obligated by December 31, 2024. Any money obligated by December 1, 2024, must be expended by December 31, 2026. Unexpended money will revert back to the ARPA Cash Fund. Any department receiving an appropriation from the BMH Cash Fund must adhere to various compliance, record keeping, and reporting requirements that will be established by the Governor’s Office of State Planning and Budgeting (OSPB). OSPB will also issue guidance on program implementation and evaluation.

Funding recommendations. After accounting for the appropriations including in SB 21-137, \$450.7 million remains in the BMH Cash Fund. The Behavioral Health Transformation Task Force, created pursuant to SB 21-137, must meet during the 2021 legislative interim and make recommendations on future spending from the fund in a report by January, 2022.

Appropriations in Senate Bill 21-137

SB 21-137 included numerous appropriations to behavioral and mental health programs and substance use disorder (SUD) programs throughout state government. These appropriations totaled \$114.1 million in FY 2021-22, of which;

- \$99.3 million was federal ARPA money from the BMH Cash Fund;
- \$8.1 million was from the General Fund,
- \$5.7 million was from the Marijuana Tax Cash Fund (MTCF); and
- \$1.0 million was from other federal funds.

SB 21-137 is estimated to require spending of \$14.3 million in FY 2022-23, primarily from the General Fund and MTCF.

The following sections of this memorandum group spending in SB 21-137 into several categories, listed in Table 1. Each section lists the programs receiving funding under the bill, and includes a table noting the recipient agency, fund source, and the estimated appropriations/expenditures for FY 2021-22 and FY 2022-23. Note that some programs may provide services that span multiple categories; this memorandum lists these programs only once and attempts to place the program in the most appropriate grouping. Table 1 provides the total spending under SB 21-137 based on these categories.

Table 1
Spending in SB 21-137 by Program Category

Program Category	FY 2021-22	FY 2022-23
Prevention Services	\$750,000	\$750,000
Treatment Services	\$7,916,624	\$4,443,255
Recovery Support Services	\$5,800,000	\$5,800,000
Behavioral Health System Support	\$65,212,165	\$164,148
Youth, Family, and Maternal Support Services	\$7,121,438	\$1,160,455
Harm Reduction	\$2,500,000	-
Behavioral Health Workforce Support	\$23,830,000	\$1,000,000
Rural Support Services	\$950,000	\$950,000
Total	\$114,080,227	\$14,267,858

Source: Legislative Council Staff.

Prevention Services

Public Awareness Campaign. Extended statewide public awareness campaigns related to safe medication practices administered by the Center for Research into Substance Use Disorder Prevention, Treatment, and Recovery Support Strategies (Center).

Center for Research into SUD. Extended funding for the Center beyond its current expiration in statute, and specified that the General Assembly must make an annual appropriation of \$250,000 from the MCTF starting in FY 2024-25.

Table 2
Prevention Services Spending in SB 21-137

Program	Agency	Fund Source	FY 2021-22	FY 2022-23
Public Awareness Campaigns	DHE	MTCF	\$750,000	\$750,000
Center for Research into SUD	DHE	MCTF	-	-
		Total	\$750,000	\$750,000

Source: Legislative Council Staff.

SUD Treatment Services

Treatment and Detoxification Programs. Appropriated \$200,000 General Fund in FY 2021-22 for treatment and detoxification programs in the Office of Behavioral Health (OBH) in the Department of Human Services (DHS).

Treatment Funding. Appropriated \$2.0 million from the BMH fund to the OBH for behavioral health and substance use disorder treatment for children and their families.

Medication-Assisted Treatment Expansion Pilot Program. Continued the Medication-Assisted Treatment Expansion Pilot Program for three years through FY 2023-24, and increased the annual appropriation for the pilot program to \$3.0 million per year from the MTCF.

Opiate Antagonist Bulk Purchase Fund. Appropriated \$1.0 million from the BMH Fund for bulk purchase of opiate antagonist medication.

Utilization Management for Inpatient SUD Treatment. The Department of Health Care Policy and Financing (HCPF) is required to develop standardized processes to determine medical necessity for residential or inpatient SUD treatment.

Audits for Denials for Inpatient SUD Treatment. HCPF will hire a contractor to audit one-third of denials for authorization.

Table 2
SUD Treatment Services Spending in SB 21-137

Program	Agency	Fund Source	FY 2021-22	FY 2022-23
Treatment and Detoxification Programs	DHS	General Fund	\$200,000	-
Treatment Funding	DHS	BMH Fund	\$2,000,000	-
Medication-Assisted Treatment Expansion Pilot Program	DHE	MTCF	\$3,000,000	\$3,000,000
Opiate Antagonist Bulk Purchase Fund	CDPHE	BMH Fund	\$1,000,000	-
Utilization Management for Inpatient SUD Treatment	HCPF	General Fund and Federal Funds	\$1,253,501 1.4 FTE	\$979,142 1.5 FTE
Audits for Denials for Inpatient SUD Treatment	HCPF	General Fund and Federal Funds	\$463,123 0.5 FTE	\$464,113 0.5 FTE
		Total	\$7,916,624 1.9 FTE	\$4,443,255 2.0 FTE

Source: Legislative Council Staff.

Recovery Support Services

Housing Assistance Program. The DHS must establish a program providing temporary housing assistance to certain individuals with an SUD.

Recovery Support Services Grant Program. The DHS must provide recovery-oriented services to individuals with a substance use and co-occurring mental health disorder.

Recovery Residence Certification. The DHS must hire a contractor for certification and training on industry best practices for recovery residences.

Table 3
Recovery Support Services Spending in SB 21-137

Program	Agency	Fund Source	FY 2021-22	FY 2022-23
Housing Assistance Program	DHS	General Fund	\$4,000,000 1.0 FTE	\$4,000,000 1.0 FTE
Recovery Support Services Grant Program	DHS	General Fund	\$1,600,000 1.0 FTE	\$1,600,000 1.0 FTE
Recovery Residence Certification	DHS	General Fund	\$200,000	\$200,000
Total			\$5,800,000 2.0 FTE	\$5,800,000 2.0 FTE

Source: Legislative Council Staff.

Behavioral Health System Supports

Manages Service Organizations. Appropriated \$10.0 million from the BMH Fund for SUD treatment and recovery providers.

Community Mental Health Centers. Appropriated \$3.3 million General Fund for unanticipated expenses related to COVID-19 incurred by community mental health centers.

Colorado Crisis System. Appropriated \$5.0 million from the BMH Fund for the Colorado Crisis Services in response to the impact of COVID-19 on the behavioral health of residents, including youth crisis system access.

Community Transition Services. Appropriated \$500,000 from the BMH Fund for guardianship services for individuals transitioning out of mental health institutes.

Jail-Based Behavioral Health Services. Appropriated \$5.0 million from the BMH Fund for jail-based behavioral health services.

Mental Health Awareness Campaign. Appropriated \$1.0 million from the BMH Fund for a mental health awareness campaign.

Statewide Care Coordination Infrastructure. Appropriated \$30.0 million from the BMH Fund for OBH to develop coordination infrastructure for serving clients who are uninsured and receiving publicly funded behavioral health services

County-Based Behavioral Health Grant Program. Appropriated \$9.0 million to fund a grant program that provides funding to county departments of human and social services to improve local and regional behavioral health programs. The grant program will operate through June 2023.

Care Coordination. Requires that HCPF work with DHS to develop statewide care coordination infrastructure.

MCO Service Modifications. Sets various requirements on managed care organizations, which will increase costs in HCPF for outreach in FY 2021-22 and FY 2022-23 only, split evenly between General Fund and federal funds.

Ombudsman. Appropriated \$0.3 million from the BMH Fund for an ombudsman to help solve behavioral health access and coverage concerns or complaints from consumers and providers.

Mental Health Public Awareness. Appropriated \$1.0 million from the BMH Fund to the DHS to conduct a mental health public awareness campaign.

**Table 4
Behavioral Health System Support Spending in SB 21-137**

Program	Agency	Fund Source	FY 2021-22	FY 2022-23
Managed Service Organizations	DHS	BMH Fund	\$10,000,000	-
Community Mental Health Centers	DHS	BMH Fund	\$3,250,000	-
Colorado Crisis System	DHS	BMH Fund	\$5,000,000	-
Community Transition Services	DHS	BMH Fund	\$500,000	-
Jail Based Behavioral Health Services	DHS	BMH Fund	\$5,000,000	-
Mental Health Awareness Campaign	DHS	BMH Fund	\$1,000,000	-
Statewide Care Coordination Infrastructure	DHS	BMH Fund	\$30,000,000	-
County-Based Behavioral Health Grant Program	DHS	BMH Fund	\$9,000,000	-
Care Coordination	HCPF	General Fund and Federal Funds	\$94,245 0.9 FTE	\$96,228 1.0 FTE
MCO Service Modifications	HCPF	General Fund and Federal Funds	\$67,920	\$67,920
Ombudsman	DHS	BMH Fund	\$300,000	-
Mental Health Awareness	DHS	BMH Fund	\$1,000,000	-
Total			\$65,212,165 0.9 FTE	\$164,148 1.0 FTE

Source: Legislative Council Staff.

Youth, Families, and Maternal Health Services

Maternal and Child Health Pilot Program. Continued this pilot program and required that the General Assembly appropriate funding for the program from the MTCF.

Community Mental Health Centers. Appropriated \$2.0 million from the BMH Fund for services provided to children and parents by school-based providers.

High-Risk Families. Appropriated \$3.0 million from the BMH Fund to the High-Risk Families Cash Fund, which is used by the OBH to provide services to high-risk parents, including pregnant and parenting women, and to high-risk children and youth with behavioral health disorders.

Childhood Mental Health. Appropriated \$500,000 from the BMH Fund for the Early Childhood Mental Health Consultation Program.

School-based Health Centers. Appropriated \$1.2 million from the BMH Fund for school-based health centers.

Screening for Perinatal Mood and Anxiety Disorder. Increased the number of covered screenings under Medicaid from three to four. Costs for these services are split evenly between General Fund and federal funds.

Perinatal Substance Use Data Linkage Project. Requires the Perinatal Substance Use Data Linkage Project to use additional data sources from state-administered programs when examining issues related to pregnant and postpartum women with SUDs and their infants. This project works to connect state and non-state data sources to improve population-level estimates of perinatal substance exposure.

Early Childhood Mental Health Consultation Program. The DHS is required to hire contractors for evaluation, gap analysis, and development of a financing strategy for the program.

**Table 5
Youth, Family, and Maternal Health Services Spending in SB 21-137**

Program	Agency	Fund Source	FY 2021-22	FY 2022-23
Maternal and Child Health Pilot Program	DHS	MTCF	-	\$652,376
Community Mental Health Centers	DHS	BMH Fund	\$2,000,000	-
High-Risk Families	DHS	BMH Fund	\$3,000,000	-
Childhood Mental Health	DHS	BMH Fund	\$500,000	-
School-based Health Centers	CDPHE	BMH Fund	\$1,200,000	-
Screening for Perinatal Mood and Anxiety Disorder	HCPF	General Fund and Federal Funds	\$156,438	\$132,079
Perinatal Substance Use Data Linkage Project	DHE	MTCF	\$75,000	-
Early Childhood Mental Health Consultation Program	DHS	General Fund	\$190,000	\$376,000
Total			\$7,121,438	\$1,160,455

Source: Legislative Council Staff.

Harm Reduction

Colorado HIV and AIDS Prevention Grant Program. Appropriated \$2.0 million from the BMH Fund to increase grant funding for HIV and AIDS prevention.

STI, HIV, and AIDS program. Appropriated \$0.5 million General Fund for operating expenses in the Colorado Department of Public Health and Environment (CDPHE) for the Sexually Transmitted Infection, HIV, and AIDS Prevention Program.

**Table 6
Harm Reduction Spending in SB 21-137**

Program	Agency	Fund Source	FY 2021-22	FY 2022-23
Colorado HIV and AIDS Prevention Grant Program	CDPHE	BMH Fund	\$2,000,000	-
STI, HIV, and AIDS Prevention Program	CDPHE	General Fund	\$500,000	-
Total			\$2,500,000	-

Source: Legislative Council Staff.

Behavioral Health Workforce Support

Regional Health Connector Workforce Program. Appropriated \$1.0 million from the BMH Fund to finance this newly created program. The purpose of the program is to educate healthcare providers, provide support to providers, and connect providers and patients with behavioral and mental health resources.

Training on Opioid Use Disorder Medication. Appropriated \$630,000 from the BMH Fund for training and support for health care providers concerning the use of medication for opioid use disorder.

Workforce Development Program. Appropriated \$18.0 million from the BMH Fund for a workforce development program in the OBH to recruit, retain, and train providers for the behavioral health workforce.

Mental Health First-Aid. Appropriated \$250,000 General Fund for in-person and virtual trainings on mental health first-aid by the Colorado Behavioral Health Care Council.

Colorado Health Service Corps. Appropriated \$2.7 million to the Colorado Health Service Corps loan repayment program, including a \$1.0 million increase in the annual MTCF appropriation to the program and a one-time appropriation of \$1.7 million from the BMH Fund.

Training. Appropriated \$250,000 from the BMH Fund for training health care professionals in substance use screening, brief intervention, and referral to treatment.

Center for Research into SUD. Appropriated \$1.0 million from the BMH Fund for training health care professionals to promote use of evidence-based models, grant-writing assistance, and recovery programs.

**Table 7
Behavioral Health Workforce Support Spending in SB 21-137**

Program	Agency	Fund Source	FY 2021-22	FY 2022-23
Regional Health Connector Workforce Program	DHE	BMH Fund	\$1,000,000	-
Training on Opioid Use Disorder Medication	DHE	BMH Fund	\$630,000	-
Workforce Development Program	DHS	BMH Fund	\$18,000,000	
Mental Health First-Aid	CDPHE	General Fund	\$250,000	-
Colorado Health Service Corps	CDPHE	MTCF, BMH Fund	\$2,700,000 1.0 FTE	\$1,000,000
Training	HCPF	BMH Fund	\$250,000	-
Center for Research into SUD	DHE	BMH Fund	\$1,000,000	-
		Total	\$23,830,000 1.0 FTE	\$1,000,000

Source: Legislative Council Staff.

Rural Support Services

Rural Behavioral Health Vouchers. The DHS is required to hire a nonprofit contractor offering behavioral health services. The program provides vouchers to individuals living in rural communities in need of services.

CSU AgrAbility Project. Expanded this program to provide rural mental health support to farmers and their families.

**Table 8
Rural Support Services Spending in SB 21-137**

Program	Agency	Fund Source	FY 2021-22	FY 2022-23
Rural Behavioral Health Vouchers	DHS	General Fund	\$50,000	\$50,000
CSU AgrAbility Project	DHE	MTCF	\$900,000	\$900,000
		Total	\$950,000	\$950,000

Source: Legislative Council Staff.

Other Policy Changes

In addition to the appropriations and spending described above, SB 21-137 made several policy changes, including:

- continuing the requirement for opioid prescribing limitations;
- making the Harm Reduction Grant Program continuously appropriated to the CDPHE;
- continuing the Building Substance Use Disorder Treatment Capacity in Underserved Communities Grant Program indefinitely;
- continuing the public awareness campaign about safe storage of opioid medication beyond the program's repeal date;
- requiring state and private prisons to provide at least two doses of an opioid reversal medication upon release to individuals that were treated for opioid use disorder while in custody;
- removing fire stations from the list of safe stations at which an individual can turn in controlled substances without the legal liability for possession; and
- repealing the authority of the Opioid and Other Substance Use Disorders Interim Study Committee to meet during the 2021 interim.

Formation of the Task Force

The Behavioral Health Task Force is made up of sixteen members, of which ten are legislators and six are executive directors of relevant state agencies. A subpanel appointed by General Assembly leadership is comprised of 25 members with expertise in behavioral health, with the purpose of developing recommendations for the Task Force. The Task Force will be facilitated by Wellstone Strategies and provide support and guide the Task Force and subpanels. More information on the Task Force and subpanel is available here: <https://leg.colorado.gov/committees/behavioral-health-transformational-task-force/2021-regular-session>.