A BILL FOR AN ACT

CONCERNING THE IMPROVEMENT OF ACCESS TO BEHAVIORAL HEALTH SERVICES FOR INDIVIDUALS AT RISK OF INSTITUTIONALIZATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill requires the department of health care policy and financing (state department) to develop measurable outcomes to monitor efforts to prevent medicaid recipients from becoming involved in the criminal justice system.

The bill requires the state department to work collaboratively with managed care entities to create incentives for behavioral health providers
to accept medicaid recipients with severe behavioral health disorders. The
bill requires the state department to determine if seeking a 1115
demonstration waiver is the necessary response to the requirements of 42 CFR 438.6 (e) to ensure inpatient services are available to individuals
with a serious mental illness. If the state department determines it is not appropriate, the state department is required to submit a report to the
general assembly with the state department's reasoning and an alternative plan and proposed timeline for the implementation of the alternative plan.

The bill requires access to inpatient civil beds at the mental health institutes at Pueblo and Fort Logan to be based on the need of the
individual and the inability of the individual to be stabilized in the community.

The bill creates a community behavioral health safety net system (safety net system) and requires the department of human services (department), in collaboration with the state department, to conduct the following activities:

- Define what constitutes a high-intensity behavioral health treatment program (treatment program), determine what an adequate network of high-intensity behavioral health treatment services includes, and identify existing treatment programs;
- Develop an implementation plan to increase the number of treatment programs in the state;
- Identify an advisory body to assist the department in creating a comprehensive proposal for a safety net system;
- Develop a comprehensive proposal to develop a safety net system that provides behavioral health services for individuals with severe behavioral health disorders;
- Implement the safety net system no later than January 1, 2024; and
- Provide an annual report from January 1, 2022, until July 1, 2024, on the progress made by the department in implementing and ensuring a safety net system to the public through the annual SMART Act hearing.

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 establishing the desired outcomes for a safety net system that will effectively serve individuals with severe behavioral health disorders; and

(d) Individuals with behavioral health disorders should not have to enter the criminal justice system to access mental health services and treatment options, because it is both costly for taxpayers and results in poor outcomes.

(2) The general assembly further finds and declares that the state shall ensure a 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 25.5-1-129 as
follows:

**25.5-1-129. Improving access to behavioral health services for individuals at risk of entering the criminal 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 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 expanded 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 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. ACCESS TO
INPATIENT CIVIL BEDS MUST BE BASED ON THE NEED OF THE INDIVIDUAL
AND THE INABILITY OF THAT INDIVIDUAL TO BE STABILIZED IN THE
COMMUNITY. GEOGRAPHIC LOCATION, CURRENT HEALTH CARE PROVIDER,
AND PAYER TYPE MUST NOT DETERMINE 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. ACCESS TO
INPATIENT CIVIL BEDS MUST BE BASED ON THE NEED OF THE INDIVIDUAL
AND THE INABILITY OF THAT INDIVIDUAL TO BE STABILIZED IN THE
COMMUNITY. GEOGRAPHIC LOCATION, CURRENT HEALTH CARE PROVIDER,
AND PAYER TYPE MUST NOT DETERMINE 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

CONTEXT OTHERWISE REQUIRES:
(1) "Behavioral health" refers to an individual's mental and emotional well-being 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 with severe behavioral health disorders; and

(II) A program that conducts extensive 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 engaging county stakeholders, law enforcement stakeholders, and judicial districts to understand what programs 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 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 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 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 CREATING A HIGH-INTENSITY BEHAVIORAL HEALTH TREATMENT PROGRAM;

(c) POTENTIAL COST-SHARING OPPORTUNITIES WITH LOCAL
Municipalities and counties;

(d) Other recommendations on issues, such as local 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 for a 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, and advocates. 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 develop a 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 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 an adequate 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 recommendations, including legislative recommendations, to address barriers to behavioral health
PROVIDERS AROUND LICENSING, HOUSING, TRANSPORTATION, WORKFORCE, AND ANY OTHER BARRIER THAT CURBS ACCESS TO CARE; AND

(IV) SET FORTH CRITERIA, WITH FEEDBACK FROM BEHAVIORAL HEALTH PROVIDERS, FOR WHEN THE NEEDS OF AN INDIVIDUAL REFERRED TO A SAFETY NET PROVIDER EXCEED THE RESPONSIBILITY OF THE BEHAVIORAL HEALTH 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 SAFETY NET SYSTEM 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 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;

(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 robust 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 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 in implementing and ensuring a 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
SECTION 7. 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.