

## SB22-156: Medicaid Prior Authorization And Recovery Of Payment

Sponsors: Sen. Kolker, Sen. Fenberg, Rep. Amabile, Rep. Young

Concerning placing limitations on prepaid inpatient health plans, and, in connection therewith, removing prior authorization for outpatient psychotherapy and limiting when a prepaid inpatient health plan can retroactively recover provider payments.

### The Problem:

- Independent Medicaid Mental Health Providers serving Colorado's most vulnerable populations experience repeated difficulty in continuing outpatient psychotherapy services for their clients due to prior authorization approval processes by Medicaid managed care entities.
- Individual providers are also being burdened with recoupments from their managed care entity for services already provided and paid for by the entity due to no fault of the provider, but rather the fault of the entity. Recoupments can sometimes amount to thousands of dollars and occur months or years after the services were provided.

### The Solution:

- Eliminating the prior authorization process will reduce barriers to necessary outpatient psychotherapy treatment and enable clients to receive regular, uninterrupted care.
- Clarifying circumstances under which a managed care entity can recoup payment services previously rendered will create clearer processes and a shared understanding for both parties. The bill establishes that managed care entities shall not retroactively recoup provider payments if a recipient was initially determined to be eligible for behavioral health benefits.
- Requiring the managed care entity to offer a re-payment plan when recoupment is warranted is very helpful for the independent provider.

Medicaid Mental Health and Substance Use Providers are in urgent need of state support. Colorado is in the middle of a workforce shortage and a mental health crisis, both worsened by the lingering effects of the pandemic. As the need for mental health services increases and supply of mental health providers decreases, it's time for the state to step in to support providers and clients alike.

SB22-156 will reduce the administrative burden on the providers, thus helping recruit and retain Colorado's mental health provider workforce, while ensuring clients in need of help receive care without undue interruption.