COLORADO
Department of Health Care Policy & Financing
Department of Health Care Policy and Financing
1570 Grant Street
Denver, Co 80203

October 6, 2017

The Honorable Jim Smallwood, Chair
Health and Human Services Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Senator Smallwood:

Enclosed please find the Department of Health Care Policy and Financing's (the Department's) fiscal year 2016-17 Cost Analysis for the Cross-System Crisis Response Pilot (CSCR Pilot) for Persons with Intellectual and Developmental Disabilities to the Senate Health and Human Services Committee. This is a supplemental submission to the CSCR Pilot legislative report submitted on July 1, 2017; here is a link to the report for your reference. The cost analysis was not included in the original report due to the timing of the end of the fiscal year.

Section 25.5-6-412, C.R.S. requires the Department to conduct a cost analysis of the services that would need to be added to eliminate gaps and ensure that individuals with intellectual and developmental disabilities are fully included in the Colorado behavioral health system and are supported in the Colorado behavioral health crisis response system. The Department shall provide the results of the cost analyses in an annual written report on the pilot program, as well as recommendations related to closing service gaps, on or before July 1, 2017 and each July 1 thereafter.

If you require further information or have additional questions, please contact the Department's Legislative Liaison, Zach Lynkiewicz, at Zach.Lynkiewicz@state.co.us or 720-854-9882.

Sincerely,

Susan E. Birch, MBA, BSN, RN
Executive Director
Enclosure(s): 2017 Cross-System Crisis Response Pilot Program Cost Analysis Report

COLORADO
Department of Health Care Policy & Financing
Department of Health Care Policy and Financing
1570 Grant Street
Denver, Co 80203

October 6, 2017

The Honorable Jonathan Singer, Chair
Public Health Care and Human Services Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Representative Singer:

Enclosed please find the Department of Health Care Policy and Financing's (the Department's) fiscal year 2016-17 Cost Analysis for the Cross-System Crisis Response Pilot (CSCR Pilot) for Persons with Intellectual and Developmental Disabilities to the House Public Health Care and Human Services Committee. This is a supplemental submission to the CSCR Pilot legislative report submitted on July 1, 2017; here is a link to the report for your reference. The cost analysis was not included in the original report due to the timing of the end of the fiscal year.

Section 25.5-6-412, C.R.S. requires the Department to conduct a cost analysis of the services that would need to be added to eliminate gaps and ensure that individuals with intellectual and developmental disabilities are fully included in the Colorado behavioral health system and are supported in the Colorado behavioral health crisis response system. The Department shall provide the results of the cost analyses in an annual written report on the pilot program, as well as recommendations related to closing service gaps, on or before July 1, 2017 and each July 1 thereafter.

If you require further information or have additional questions, please contact the Department's Legislative Liaison, Zach Lynkiewicz, at Zach.Lynkiewicz@state.co.us or 720-854-9882.

Sincerely,

Susan E. Birch, MBA, BSN, RN
Executive Director
Enclosure(s): 2017 Cross-System Crisis Response Pilot Program Cost Analysis Report

COLORADO
Department of Health Care Policy & Financing
Department of Health Care Policy and Financing
1570 Grant Street
Denver, Co 80203

October 6, 2017

The Honorable Joann Ginal, Chair
Health, Insurance, and Environment Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Representative Ginal:

Enclosed please find the Department of Health Care Policy and Financing's (the Department's) fiscal year 2016-17 Cost Analysis for the Cross-System Crisis Response Pilot (CSCR Pilot) for Persons with Intellectual and Developmental Disabilities to the House Health, Insurance and Environment Committee. This is a supplemental submission to the CSCR Pilot legislative report submitted on July 1, 2017; here is a link to the report for your reference. The cost analysis was not included in the original report due to the timing of the end of the fiscal year.

Section 25.5-6-412, C.R.S. requires the Department to conduct a cost analysis of the services that would need to be added to eliminate gaps and ensure that individuals with intellectual and developmental disabilities are fully included in the Colorado behavioral health system and are supported in the Colorado behavioral health crisis response system. The Department shall provide the results of the cost analyses in an annual written report on the pilot program, as well as recommendations related to closing service gaps, on or before July 1, 2017 and each July 1 thereafter.

If you require further information or have additional questions, please contact the Department's Legislative Liaison, Zach Lynkiewicz, at Zach.Lynkiewicz@state.co.us or 720-854-9882.

Sincerely,

Susan E. Birch, MBA, BSN, RN
Executive Director
Enclosure(s): 2017 Cross-System Crisis Response Pilot Program Cost Analysis Report

COLORADO
Department of Health Care Policy & Financing

Community Living Office
1570 Grant Street
Denver, CO 80203

October 6, 2017

Fiscal Year 2016-17 House Bill 15-1368 Cost Study Executive Summary

In conjunction with establishing a Crisis Response to Behavioral Health Crisis Pilot, House Bill 15-1368 also directs the Department of Health Care Policy and Financing (the Department) to conduct a series of cost studies.

These studies will be used to determine the following:

- Identify the costs of services needed to eliminate service gaps for individuals with an intellectual or developmental disability who also has a mental health condition. Hereafter referred to in this report as individuals with co-occurring conditions.
- Identify best practices utilized by Community Mental Health Centers for individuals with an intellectual or developmental disability and a behavioral health diagnosis, known in these reports as individuals with co-occurring conditions, in the state.
- Identify national best practices used to support individuals with co-occurring conditions and how they could be implemented in Colorado's capitated behavioral health system.
- Inform service delivery system improvements to ensure that individuals with an intellectual or developmental disabilities are fully included in the Colorado behavioral health system.

To complete the cost studies, the Department contracted with Optumas to complete an actuarial study. In Fiscal Year (FY) 2015-16, Optumas identified potential gaps in behavioral health services and analyzed the total cost of care for behavioral health services for individuals enrolled in the Home and Community-Based Supported Living Services (HCBS-SLS) waiver and the Home and Community-Based Developmental Disability (HCBS-DD) waiver. Optumas found that one percent (1%) of total cost of care HCBS-DD and HCBS-SLS waivers could be contributed to behavioral health services.

Optumas completed the following cost study for FY 2016-17:

- The effect of moving Behavioral Services, currently covered in the HCBS-SLS and HCBS-DD waivers, to the Per Member Per Month capitated rate used for services provided by the Behavioral Health Organizations (BHOs).
    - For individuals with co-occurring conditions on the two waivers, moving behavioral services would increase cost by $89.44 Per Member Per Month.
- Additional costs to BHOs for other behavioral services currently not covered by the BHOs or waiver services.

  - A benchmark was developed using the median cost to provide services to individuals with co-occurring conditions to help the Department better track increased capacity needs to support these individuals.
  - The report shows that on average there is an 8.5% increase to treatment cost for an individual with co-occurring conditions as compared to the population with a mental health diagnosis alone.
- Barriers in providing services for individuals with co-occurring conditions currently in the system, including:
  - Geographic location;
  - Lack of specialization by the providers and training for providers;
  - Lack of inpatient facilities that can support individuals with co-occurring conditions;
  - Lack of clarity of which payer or entity is responsible to provide behavioral health supports and services for individuals with co-occurring conditions;
  - Services not being covered and/or inadequate reimbursement; and
  - Inconsistent identification of behavioral health determination due to the diagnostic overshadowing of an intellectual or developmental disability.

In FY 2017-18, the Department will:

- Use previously identified best practices to develop and conduct a survey to determine which Community Mental Health Centers (CMHCs) have implemented successful supports and services for individuals with co-occurring conditions.
- Identify assessments that have been shown to successfully work in the diagnosis and treatment of individuals with co-occurring conditions and minimize diagnostic overshadowing.
- Identify other states that have fully incorporated individuals with co-occurring conditions into their mental health system and create a cross-walk comparing Colorado's mental health system to determine where systemic improvements can be made.

Colorado Department of Health Care Policy and Financing
Division for Intellectual and Developmental Disabilities

2017 Dually Diagnosed I/DD Actuarial Analysis on Gaps in Service
June 30, 2017

www.Optumas.com

Schramm Health Partners, LLC
7400 E. McDonald Drive, Ste 101
Scottsdale AZ 85250
480.588.2499 main

Table of Contents

1. Background

In 2014, the University of Colorado School of Medicine, JFK Partners[1] initiated an analysis meant to "Identify gaps in services and recommend public policy changes to support cross-system collaboration to provide crisis prevention and, when necessary, intervention services for individuals with dual diagnosis." The analysis was performed by Cordelia Robinson Rosenberg, Ph.D. RN, a professor of Pediatrics and Psychiatry at the University of Colorado School of Medicine. The results of the JFK analysis identified gaps in services for individuals with an Intellectual and/or Developmental Disability (I/DD) who are dually diagnosed. For consistency, we used the dually diagnosed definition used in the JFK Partners report, "…the term "dual diagnoses" refers to people with I/DD with co-occurring mental health or substance abuse conditions and/or the need for functional behavioral analysis and treatments"[2].

Proposed HB15-1638 Actuarial Study Activities directs the Colorado Department of Health Care Policy and Financing (HCPF) to conduct a series of cost studies to determine the cost impact of identifying and implementing an alternative service delivery approach to address the gaps identified in the JFK analysis. In April of 2017, HCPF's Division for Intellectual and Developmental Disabilities Office of Community Living (DIDD) engaged **Optumas**, the State of Colorado's actuarial consultant, to conduct a cost study entitled '2017 Dually Diagnosed I/DD Actuarial Analysis on Gaps in Service'. The following report is the outcome of that study and outlines the data used to quantify these gaps, any assumptions/caveats underlying the data, the methodology used in identifying individuals who are dually diagnosed, and the estimated financial impact of "filling" these gaps based on historical spending. Note that the financial estimates represent our best estimates of the financial impact of Colorado addressing the service gaps for individuals with I/DD who are dually diagnosed based on the historical service expenditures and have not been developed in accordance with an actuarially sound capitation rate development process. As such, a comprehensive capitation rate setting process has not been completed and so the financial estimates provided are not appropriate to use in determining current or future capitation rates. Finally, to place this analysis in perspective for the Community Mental Health Services Program's which is provided through Behavioral Health Organizations (BHOs), **Optumas** has provided the BHO expenditure information for all BHO covered services for Fiscal Year 2015 (FY15) in Table 1.

Table 1. Baseline BHO Expenditures: FY15 BHO ALL SERVICES PMPM

Age Group	BHO MMS	BHO BH Dollars	FY15 BHO PMPM
Total	**13,666,958**	**$379,525,601**	**$27.77**

[1] Cordelia Robinson Rosenberg, Ph.D., RN, "Analysis of Access to Mental Health Services for Individuals who have Dual Diagnoses of Intellectual and/or Developmental Disabilities (I/DD) and Mental and/or Behavioral Health Disorders"

[2] Rosenberg 2

2. Scope of Work

The Task Order for the 2017 Dually Diagnosed I/DD Actuarial Analysis on Gaps in Service covers three main tasks[3]:

Task 1. Compare current Colorado BHO Behavioral Health (BH) costs and Fee For Service (FFS) BH Waiver costs to determine the impact of moving FFS BH Waiver Services into the BHO:

a. **Identify additional costs to Behavioral Health Organizations (BHO) for FFS Behavioral Health (BH) Waiver Services for people with I/DD in the following waivers: Developmental Disabilities (DD) and Supported Living Services (SLS);**
b. **Identify additional costs to Behavioral Health Organizations (BHO) for FFS Behavioral Health (BH) Waiver Services for people in the Brain Injury (BI) waiver.**

Task 2. Identify additional costs to BHO for other BH Services currently not covered:

a. **Identify additional costs if Colorado adopted national service standards for the provision of services to members with I/DD who are dually diagnosed (e.g., National Association of the Dually Diagnosed (NADD) and Center for Systemic, Therapeutic, Assessment, Resources, and Treatment Services (START));**
b. **Identify potential costs savings for having the BHO manage the additional BH Waiver Services;**
c. **Identify additional costs if all non-waiver populations used the additional BH Waiver Services, elimination of unit/dollar caps for BH Waiver Services for people with I/DD, and impact of moving BH Waiver Services for anyone under 21 to Early and Periodic, Screening, Diagnosis, and Treatment (EPSDT) Services;**
d. **Establish benchmarks for best practices for current BHO BH Services for people with I/DD who are dually diagnosed;**

Task 3. Identify barriers in providing services to people with I/DD who are dually diagnosed:

a. **Identify barriers in providing services to people with I/DD that have co-occurring BH conditions and estimate prevalence of barriers**

[3] Note: For consistency and to aid in the flow of the report presentation the analyses, **Optumas** re-ordered some of the sub-tasks from the original signed Task Order with HCPF.

3. Base Data

Overview

The base data for Tasks 1 and 2 included recent data from the current Colorado waiver programs providing services to waiver members with dual diagnoses. The population underlying this analysis are individuals with an Intellectual and/or Developmental Disability (I/DD), as well as the members enrolled in the Brain Injury (BI) waiver, who could also benefit from additional services. Task 3, which focuses on barriers to care, will be completed via discussions with the HCPF DIDD staff, **Optumas'** Medical Director, and the **Optumas** team to identify potential barriers to care. To avoid confusion, **Optumas** has defined the services in this study using the following definitions:

- Fee-For-Service (FFS) Behavioral Health Waiver Services = BH Waiver Services
- Behavioral Health Organization (BHO) Services = BH Services

To identify the populations enrolled in the I/DD and BI waivers and their service costs for BH Waiver Services and BH Services for Task 1 and 2, HCPF provided **Optumas** with statewide Medicaid FFS and eligibility data for the FY14-FY16 time periods. In addition to FFS data, each BHO in Colorado provided HCPF with their encounter data sets for the FY15-FY16 time periods which HCPF then provided to **Optumas**. The combination of the FFS and BHO data constitute the total base data for this Gap Analysis. The FFS and BHO data used in this analysis are consistent with the data used in the rate setting process for both the Health Maintenance Organization (HMO) and BHO Colorado Medicaid programs. As this is not intended to be a rate setting exercise, **Optumas'** full internal data validation process was not completed for this project. Only a partial data validation process, described below, was completed for this project.

Data Validation

To ensure that the data was sufficiently robust for this project, **Optumas** conducted several basic internal data validation analyses such as Referential Integrity Checks (RICs) and Longitudinal Checks (LCs). RICs ensured that all encounters included in the base data were incurred by a member with valid Medicaid eligibility that coincided with the incurred date associated with the specific encounter. LCs allowed **Optumas** to review the data over time and identified data anomalies within any given month.

As part of our internal validation process, **Optumas** felt that it was most appropriate to only use the FY15 time period for both FFS and BHO data due to some significant data issues found in the FY16 BHO encounter data. The FY15 BHO encounter data still contains some anomalies[4], primarily due to how the Community Mental Health Centers (CMHC's) report their units on certain services. As this analysis focused mainly on expenditures, we did not adjust for the FY15

[4] **Optumas** most recently documented BHO encounter data anomalies during the FY19 rate development process.

anomalies for this project. For this study, **Optumas** used the actual FY15 BHO encounter experience reported to provide the financial estimates for addressing gaps in providing services to members with I/DD who are dually diagnosed.

I/DD Waiver Population and Service Logic

Logic was developed with HCPF to properly identify members enrolled in the I/DD waivers in total, as well as those that have a BH comorbidity. The two I/DD waivers included in this analysis are: HCBS-DD and HCBS-SLS (see Table 2 for descriptions of the I/DD waivers). The logic in Table 2 consists of waiver identification flags inherent in the eligibility data. BH comorbidity was determined based on BH diagnosis codes and use of BH Waiver Services shown in Table 3. Due to the length of the table, the logic used to identify the BH Waiver Services has been included in Appendix I.

Table 2. Current HCPF Waiver/Eligibility Codes for I/DD Determination

I/DD Eligibility Identification Codes	
Eligibility Program Code	**Code Description**
M6	**HCBS DD** – Home and Community Based Services - Persons with Developmental Disabilities
MC	**HCBS SLS** – Supported Living Services

Table 3. Current HCPF BH Diagnosis Codes

Behavioral Health Diagnosis Codes[5]	
ICD 10 Diagnosis Coverage Range	
F10.10	F10.26
F10.28	F10.96
F10.98	F13.26
F13.28	F13.96
F13.98	F18.159
F18.18	F18.259
F18.28	F18.959
F18.980	F19.16
F19.18	F19.26
F19.28	F19.99
F20.0	F48.1
F48.9	F51.03
F51.09	F51.12
F51.19	F51.9
F60.0	F63.9
F68.10	F69
F90.0	F99
R45.1	R45.2
R45.5	R45.82

[5] Both ICD 9 and ICD 10 codes were used. Only the ICD 10 codes are provided here for brevity.

BI Waiver Population and Service Logic

Logic was developed with HCPF to properly identify the population enrolled in the BI waiver in total, as well as those that have a BH comorbidity. This logic in Table 4 consists of waiver identification flags inherent in the eligibility data. BH comorbidity was determined based on BH diagnosis codes and use of BH Waiver Services shown in Table 5. Due to the length of the table, the logic used to identify the BH Waiver Services has been included in Appendix II. Please note, in this section we have used the term dually diagnosed to refer to people enrolled in the BI waiver with a BH comorbidity.

Table 4. Current HCPF Waiver/Eligibility Codes for BI Determination

BI Eligibility Identification Codes	
Eligibility Program Code	**Code Description**
M1	**HCBS BI** –Brain Injury

Table 5. Current HCPF BH Diagnosis Codes:

Behavioral Health Diagnosis Codes[6]	
ICD 10 Diagnosis Coverage Range	
F10.10	F10.26
F10.28	F10.96
F10.98	F13.26
F13.28	F13.96
F13.98	F18.159
F18.18	F18.259
F18.28	F18.959
F18.980	F19.16
F19.18	F19.26
F19.28	F19.99
F20.0	F48.1
F48.9	F51.03
F51.09	F51.12
F51.19	F51.9
F60.0	F63.9
F68.10	F69
F90.0	F99
R45.1	R45.2
R45.5	R45.82

[6] Both ICD 9 and ICD 10 codes were used. Only the ICD 10 codes are provided for brevity.

4. Methodology and Findings by Task

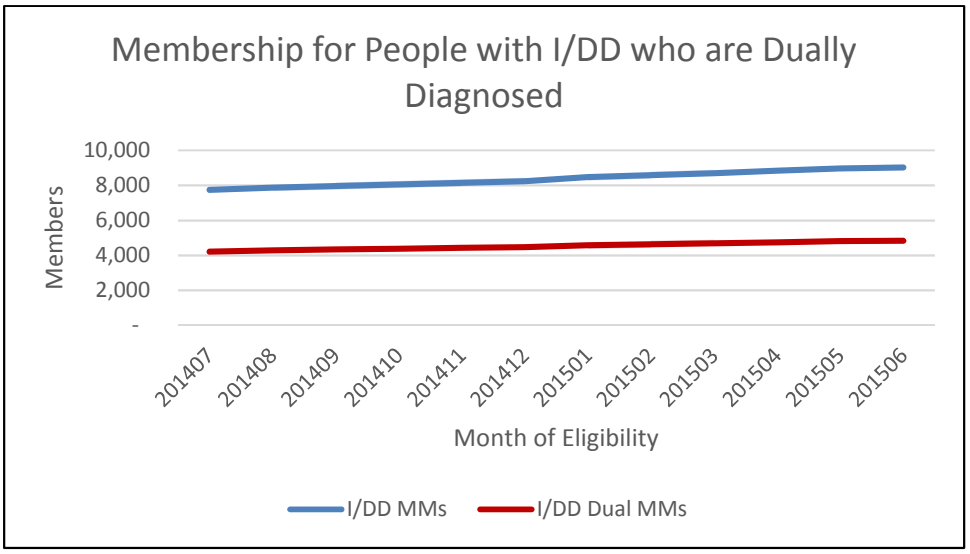
Task 1. Compare current Colorado BHO BH costs and FFS BH Waiver costs to determine the impact of moving FFS BH Waiver Services into the BHO:

a. Identify additional costs to BHO for FFS BH Waiver Services for people with I/DD in the following waivers: DD and SLS

To determine the additional costs to the BHO program for individuals with an I/DD receiving FFS BH Waiver Services, it is necessary to first appropriately identify the members enrolled in the I/DD waivers within the two datasets, BHO and FFS. Table 6 provides the member months identified using the waiver eligibility codes and BH comorbidity identification listed in Table 2, Table 3, and Appendix I. The graph below Table 6 shows the change in member months over FY15 for all members with I/DD and members with I/DD who are dually diagnosed.

Table 6. CO HCPF FY15 MMS for People with I/DD and People with I/DD who are Dually Diagnosed

FY	MMS	MMS Dually Diag	% MMS Dually Diag[7]
FY15	100,636	54,454	54.1%



[7] Note: the percentage of I/DD members that are dually diagnosed included in the JFK report (approx. 33%) may vary from the figure shown in Table 6 for multiple reasons: the JFK percentage is consumer survey data from a sample of states, excluding Colorado, for SFY12. Additionally, the figure is based on I/DD members with a mental illness or psychiatric disorder, and may not include substance use diagnoses in the definition.

Optumas, based on discussions with the HCPF DIDD staff, utilized the CO FFS BH Waiver Services expenditures for people with I/DD who are dually diagnosed as a proxy for all additional BH services that could be provided by the BHOs for these members. Table 7 illustrates the baseline FY15 BH expenditures for individuals with I/DD and a dual diagnosis that are provided by the BHOs and their contracted networks on a total dollar and per member per month (PMPM) basis. Table 8 illustrates the FY15 BH Waiver Services expenditures for individuals with I/DD and a dual diagnosis that are provided FFS.

Table 7. CO HCPF FY15 Baseline PMPM for BHO BH Services for People with I/DD who are Dually Diagnosed

Age Group	MMS	BHO BH Dollars	FY15 BHO BH PMPM
ADULT	50,803	$3,884,516	$76.46
CHILD	2,225	$355,390	$159.73
Total	53,028	$4,239,906	$79.96

Table 8. CO HCPF FY15 Potential Additional $'s for FFS BH Waiver Services for People with I/DD who are Dually Diagnosed

Age Group	MMS[8]	FFS BH Waiver Dollars	FY15 FFS BH Wvr PMPM = Pot'l Addt'l BHO $'s
ADULT	52,225	$4,671,035	$89.44
CHILD	2,229	$342,431	$153.63
Total	54,454	$5,013,466	$92.07

Table 9 illustrates the percentage change in the FY15 BHO PMPM if the FY15 FFS BH Waiver Services expenditures were incurred by the BHO. Note that **Optumas** has not changed the assumed underlying reimbursement between the FFS BH waiver environment and the BHO program. Recent data shows that the BHO program reimbursement for similar services to be materially higher than FFS BH Waiver Services.

[8] Total MMS for people with I/DD who are Dually Diagnosed differ from BHO MMS for people with I/DD who are Dually Diagnosed due to timing of enrollment.

Table 9. CO HCPF FY15 BHO BH + FFS BH PMPM Percentage Change for People with I/DD who are Dually Diagnosed

Age Group	FY15 BHO BH PMPM	FY15 BHO BH + FFS BH Waiver PMPM[9]	Percentage Change
ADULT	$76.46	$165.90	117.0%
CHILD	$159.73	$313.35	96.2%
Total	$79.96	$172.02	115.1%

Additional detail on the individual I/DD waivers is included as Appendix III of this study.

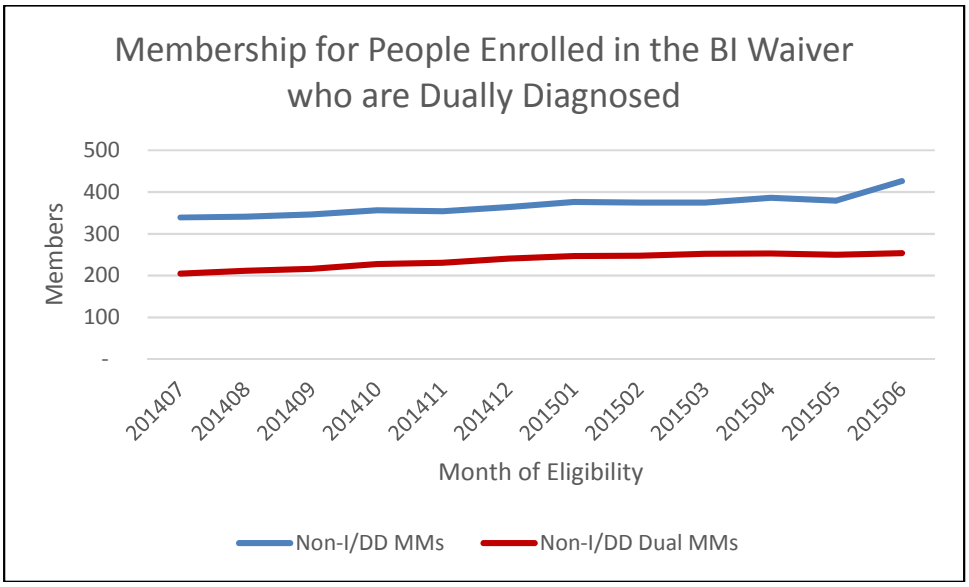
b. Identify additional costs to BHO for FFS BH Waiver Services for people in the BI waiver

To determine the additional costs to the BHO program for people enrolled in the BI waiver receiving FFS BH Waiver Services, it is necessary to first appropriately identify the members enrolled in the BI waiver within the two datasets, BHO and FFS. Table 10 provides the member months identified using the waiver eligibility codes and BH comorbidity identification listed in Table 4, Table 5, and Appendix II. The graph below Table 10 shows the change in member months over FY15 for all members enrolled in the BI waiver and members enrolled in the BI waiver who are dually diagnosed.

Table 10. CO HCPF FY15 MMS for People Enrolled in the BI Waiver and People enrolled in the BI Waiver who are Dually Diagnosed

FY	MMS	MMS Dually Diag	% MMS Dually Diag
FY15	4,417	2,837	64.2%

[9] To simplify the analysis, **Optumas** added the PMPMs together due to immaterial member month differences.



Optumas, based on discussions with the HCPF DIDD staff, utilized the CO FFS BH Waiver Services expenditures for people enrolled in the BI waiver who are dually diagnosed as a proxy for all additional BH services that could be provided by the BHOs for these members. Table 11 illustrates the baseline FY15 BH expenditures for individuals enrolled in the BI waiver with a dual diagnosis that are provided by the BHOs and their contracted networks on a total dollar and per member per month (PMPM) basis. Table 12 illustrates the FY15 BH Waiver Services expenditures for individuals enrolled in the BI waiver with a dual diagnosis that are provided FFS.

Table 11. CO HCPF FY15 Baseline PMPM for BHO BH Services for People Enrolled in the BI Waiver who are Dually Diagnosed

Age Group	BHO MMS Dually Diag	BHO BH Dollars	FY15 BHO BH PMPM
ADULT	2,769	$194,204	$70.13
CHILD	49	$7,804	$159.27
Total	2,818	$202,008	$71.68

Table 12. CO HCPF FY15 Potential Additional $'s for FFS BH Waiver Services for People Enrolled in the BI Waiver who are Dually Diagnosed

Age Group	MMS[10] Dually Diag	FFS BH Waiver Dollars	FY15 FFS BH Wvr PMPM = Pot'l Addt'l BHO $'s
ADULT	2,788	$59,146	$21.21
CHILD	49	$0	$0.00
Total	2,837	$59,146	$20.85

Table 13 illustrates the percentage change in the FY15 BHO PMPM if the FY15 FFS BH Wavier Services expenditures were incurred by the BHO.

Table 13. CO HCPF FY15 BHO BH + FFS BH PMPM Percentage Change for People Enrolled in the BI Waiver who are Dually Diagnosed

Age Group	FY15 BHO BH PMPM	FY15 BHO BH + FFS BH Waiver PMPM[11]	Percentage Change
ADULT	$70.13	$91.35	30.2%
CHILD	$159.27	$159.27	0.0%
Total	$71.68	$92.53	29.1%

Additional detail on the BI waiver is included as Appendix IV.

[10] Total MMS for people enrolled in the BI waiver who are Dually Diagnosed differ from BHO MMS for people enrolled in the BI waiver who are Dually Diagnosed due to timing of enrollment.
[11] To simplify the analysis, **Optumas** added the PMPMs together due to immaterial member month differences.

Task 2. Identify additional costs to BHO for other BH Services currently not covered

a. Identify additional costs if Colorado adopted National Service Standards (NADD and START Services)

Using the NADD and START services descriptions, **Optumas** identified a comprehensive service list for comparison purposes to the current BHO + FFS service list. We then worked with HCPF DIDD staff to identify those services not covered by the BHO and/or FFS or where variations in access may exist across the state. Table 14 shows the list of services identified as having a potential gap for individuals with I/DD who are dually diagnosed. Given the time constraints surrounding this analysis, it is not possible to estimate the percentage increase in BHO+FFS BH Waiver Service costs if the national service standards were adopted in Colorado, as a robust crosswalk to other states that have adopted these national service standards for each of the Service Gap categories would need to first be created. We recommend that HCPF perform a detailed analysis, at the procedure code level, to estimate the financial impact of closing the gaps identified in Table 14 as part of the 2018 Actuarial Study.

Table 14. Gap Analysis: CO BHO BH + FFS MH vs. NADD/START

Service Gap Description	Gap Issue
Psychopharmacology	BHO coverage but paid FFS with potential rural access issues as GAP
Behavior Management (Therapies)	FFS coverage with wait-times > 21-30 days considered a GAP
Family/support outreach	FFS coverage but not comprehensive considered a GAP
Inpatient/Outpatient (IP/OP) behavioral treatment options	BHO coverage but potential access issues urban and rural considered a GAP
Short term, in-home assessment and stabilization services	Not covered by BHO or FFS. Currently under review in Pilot

b. Identify potential costs savings for having the BHO manage the additional BH Waiver Services

At this time, the **Optumas** team does not recommend that HCPF incorporate savings estimates into the financial impact of Tasks 1 and 2:

1. The BHO program uses a Relative Value Unit (RVU) approach to setting pricing and there may not be savings due to Base Unit Cost (BUC) approach. BUC is effectively a clinic-specific cost-based reimbursement methodology and therefore no savings would be anticipated (changing to cost-based would increase the implied reimbursement) if these services were moved to the BHO.
2. There will be increased administrative expenditures for the BHOs to manage the additional services.

We recommend that HCPF analyze the impact of this potential shift to cost-based reimbursement as a result of moving additional BH Waiver Services to the BHOs as part of the 2018 Actuarial Study.

c. Identify additional costs if all non-waiver populations used the additional BH Waiver Services, elimination of unit/dollar caps for BH Waiver Services, and impact of moving BH Waiver Services for anyone under 21 to EPSDT

- All non-waiver populations using additional BH waiver services

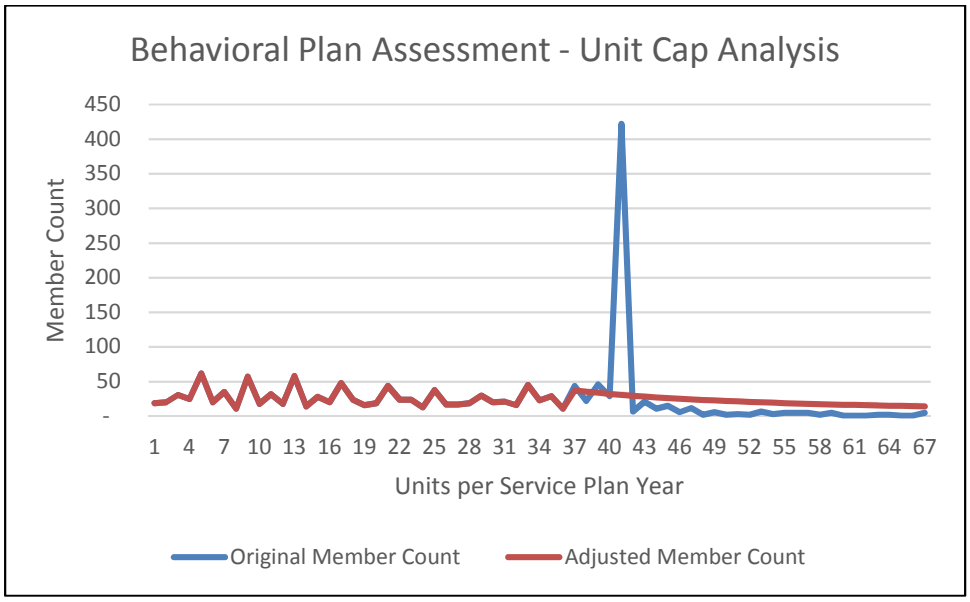
  To determine the financial impact of all non-waiver populations using the additional BH Waiver services, **Optumas** examined the BH Waiver services to determine if there already existed a complementary (either similar or identical service description) service in the current non-waiver population's service package. For each BH Waiver service, a complementary service was identified as already available to these non-waiver populations. Therefore, strictly speaking from a past utilization perspective, the availability of these additional BH waiver services would not result in additional costs. There is the potential that additional costs could be incurred if the access to these additional BH services was improved as a result of the change, but that potential is beyond the scope of this year's actuarial study.

- Unit/Dollar cap elimination for individuals on the I/DD waivers

To estimate the impact of eliminating the waiver unit caps for FFS BH Waiver Services for members with I/DD, **Optumas** completed a frequency analysis on the claims reaching the unit cap by examining the number of individuals subject to the unit caps and projected the distribution out to develop a full distribution of service utilizers by Service Plan Year. More specifically, **Optumas** arrayed members by the number of units used for each FFS BH Waiver Service in a Service Plan Year. As expected, these frequencies illustrated a large spike in member count at the unit cap threshold. **Optumas** distributed the members who hit, or approached, the unit cap beyond the unit limit by using projections off of the member distribution prior to the unit cap. As an example, the graph below Table 15 illustrates the original member distribution and the revised member distribution for the Behavioral Plan Assessment FFS BH Waiver Service. Table 15 shows the current unit cap for each FFS BH Waiver Service, as well as the estimated utilization increase per Service Plan Year if the unit caps were removed.

Table 15. Projected Additional Utilization: Unit Cap Elimination Projections for People with I/DD who are Dually Diagnosed

Unit Cap Elimination - Utilization Increases per Service Plan Year			
FFS BH Waiver Service	**Unit Value**	**Current Unit Cap**	**Util Increase Dually Diag**
Behavioral Line Staff	15 Minutes	960 Units per Service Plan Year	0.0%
Behavioral Consultation	15 Minutes	80 Units per Service Plan Year	6.5%
Behavioral Counseling & Behavioral Counseling, Group	15 Minutes	208 Combined Units per Service Plan Year	1.0%
Behavioral Plan Assessment	15 Minutes	40 Units per Service Plan Year	12.3%



- 21 and under BH Waiver Services to EPSDT

  Movement of BH Waiver Services for individuals 21 and under to the EPSDT program should have no financial impact to the state as all services provided to individuals under 21 are subject to medical necessity criteria. **Optumas**, working with our Medical Director and considering our experience in other states, did identify opportunities for additional services to be provided when moved under EPSDT in the form of bundled/combination services. Other states have inadvertently subjected EPSDT services bundled within waiver services for the under 21 population to waiver service limits. **Optumas** recommends that the 2018 Actuarial Study examine this potential for waiver service limits being applied to bundled/combination EPSDT services for individuals under 21.

d. Establish benchmarks for best practices for current BHO BH Services for people with I/DD who are dually diagnosed

In our research as part of this Actuarial Study as well as our work in other State Medicaid programs for individuals with I/DD, **Optumas** has not identified any readily-available service utilization or PMPM benchmarks for individuals with I/DD who are dually diagnosed. In our experience, I/DD and BH service networks as well as practice patterns vary significantly between states and within states, making the calculation of service benchmarks that could be applicable in multiple states challenging. In lieu of agreed upon best practice benchmarks in

BH services for people with I/DD, **Optumas** has reviewed the reported cost per utilizer by CMHC for the population with I/DD that is dually diagnosed. Through this review, **Optumas** was able to identify the median cost per utilizer, which can be used as an approximation for a reasonable benchmark. This benchmark assumes that all CMHCs are able to increase their member or service access to that which allows the cost per utilizer to rise to the state median. In order to address potential bias within this calculation, only members with at least 9 months of duration were used when estimating the benchmark. Table 16 shows the percentage change in expenditures if all CMHCs with cost per utilizer expenditures below the median had their access and service utilization raised to the median cost per utilizer expenditures.

Table 16. Median Cost/Utilizer Benchmark Adjustment for People with I/DD who are Dually Diagnosed

BHO BH Dollars	Adjusted BH BHO Dollars	% Increase to BHO BH Dollars
$4,239,906	$4,598,528	8.5%

Task 3. Identify barriers in providing services to people with I/DD who are dually diagnosed

a. Identify barriers in providing services to people with I/DD that have co-occurring BH conditions and estimate prevalence of barriers

Optumas, in addition to barriers identified by our Medical Director, conducted a literature search to identify barriers in providing services to people with I/DD who are dually diagnosed (I/DD with co-occurring BH conditions). As a starting point, **Optumas** examined the barriers identified by JFK Partners[12]:

1. Limited access to appropriate behavior treatment for individuals with duals diagnoses,
2. Conflicts within existing requirements create barriers to services,
3. Inadequate reimbursement and inflexible funding systems create barriers to service, and
4. Professional expertise and workforce capacity to serve the population is lacking.

In Table 17, **Optumas** grouped the most common barriers the **Optumas** team identified based on our experience and our literature search into five major categories, which have significant overlap with the categories above identified by the JFK Partners report.

Table 17. Barriers in Providing Services to People with I/DD who are Dually Diagnosed

Optumas Barrier Category and JFK Barrier Category	Description
Optumas: Data[13] [14]	• Identification of individual, • Availability of records (e.g., assessments, Individualized Service Plans (ISP), Individualized Educational Plans (IEP) for individuals under 21, etc.), and

[12] Rosenberg 8-12

[13] "Considerations for Integrating Behavioral Health Services within Medicaid Accountable Care Organizations." *CHCS*, July 2014, https://www.chcs.org/media/ACO-LC-BH-Integration-Paper-0709141.pdf

[14] "A Standard Framework for Levels of Integrated Healthcare." *SAMHSA,* March 2013, http://www.integration.samhsa.gov/integrated-care-models/A_Standard_Framework_for_Levels_of_Integrated_Healthcare.pdf

Optumas Barrier Category and JFK Barrier Category	Description
	• Timing of enrollment in BHO and timely transfer of data
Optumas: Integration and Access[15] **JFK: #4 Professional Expertise**	• Geographic location (e.g., urban vs. rural), • Lack of coordination and integration in care management capabilities, • Lack of specialties (e.g., number, level of qualifications), • Lack of I/DD settings (e.g., crisis intervention and/or deceleration), • State rules on professional services (e.g., which professionals can diagnose/prescribe services), and • Inability to execute timely referrals (e.g., hot/warm/cold transfers. Presentation rates, as shown from a sample state, can drop dramatically as the referral timeline lengthens: 7 days = 70%, 7-14 = 40%, > 14 = 20%)
Optumas: DD Services **JFK: #2 Conflicts and #3 Reimbursement**	• Lack of clarity of coverage responsibility among payers • Definition/availability of service providers, • Services not covered, and • Inadequate reimbursement when compared to provider costs
Optumas: Cultural	• Stigma associated with BH (e.g., varies significantly with race)
Optumas: Professional Barriers[16] [17]	• PCP/specialists reluctance to refer to BH, and • Lack of provider training to separate I/DD from BH

[15] "Considerations for Integrating Behavioral Health Services within Medicaid Accountable Care Organizations." *CHCS*, July 2014, https://www.chcs.org/media/ACO-LC-BH-Integration-Paper-0709141.pdf

[16] **"**A Blind Spot in the System: Health Care for People with Developmental Disabilities." *UCSF*, September 2008, http://odpc.ucsf.edu/sites/odpc.ucsf.edu/files/pdf_docs/A%20Blind%20Spot%20in%20the%20System.pdf

[17] "Would People with Intellectual and Developmental Disabilities Benefit from Being Designated "Underserved"?." *AMA,* April 2016, http://journalofethics.ama-assn.org/2016/04/pfor1-1604.html

Optumas Barrier Category and JFK Barrier Category	Description
JFK: #1 Access and #4 Professional Expertise	• Lack of professional training to family members on BH resources available for I/DD population

At this time, it is not possible to estimate the prevalence of these barriers specific to the Colorado dually diagnosed I/DD service delivery system as robust reporting/data sources do not exist for each of the barrier categories. **Optumas** recommends examining the barriers in more detail for the 2018 Actuarial Study and identifying potential data sources to measures the barriers indirectly until such time the direct reporting/data sources are available.

5. Appendices

Appendix I: I/DD FFS BH Waiver Services Logic

BH Waiver Services Logic					
Waiver	**Service Description**	**Proc Code**	**Mod #1**	**Mod #2**	**Mod #3**
DD	Behavioral Line Staff	H2019	U3		
DD	Behavioral Consultation	H2019	U3	22	TG
DD	Behavioral Counseling	H2019	U3	TF	TG
DD	Behavioral Counseling, Group	H2019	U3	TF	HQ
DD	Behavioral Plan Assessment	T2024	U3	22	
SLS	Behavioral Line Staff	H2019	U8		
SLS	Behavioral Consultation	H2019	U8	22	TG
SLS	Behavioral Counseling	H2019	U8	TF	TG
SLS	Behavioral Counseling, Group	H2019	U8	TF	HQ
SLS	Behavioral Plan Assessment	T2024	U8	22	

Appendix II: BI FFS BH Waiver Services Logic

BH Waiver Services Logic					
Waiver	**Service Description**	**Proc Code**	**Mod #1**	**Mod #2**	**Mod #3**
BI	Behavioral Services	H0025	U6		
BI	MH Counseling - Individual	H0004	U6		
BI	MH Counseling - Family	H0004	U6	HR	
BI	MH Counseling - Group	H0004	U6	HQ	
BI	SUD Counseling - Individual	H0047	U6	HF	
BI	SUD Counseling - Family	T1006	U6	HR	HF
BI	SUD Counseling - Group	H0047	U6	HQ	HF

Appendix III: FFS BH Waiver Expenditures by Waiver, Category of Service, and Age for People with I/DD who are Dually Diagnosed

		I/DD FFS BH Waiver Expenditures	
Waiver	**BH Waiver Service**	**ADULT $**	**CHILD $**
DD	Behavioral Line Staff	$189,786	$11,887
DD	Behavioral Consultation	$1,020,191	$41,769
DD	Behavioral Counseling	$2,412,947	$96,890
DD	Behavioral Counseling, Group	$108,201	$1,289
DD	Behavioral Plan Assessment	$432,816	$25,560
SLS	Behavioral Line Staff	$10,407	$49,604
SLS	Behavioral Consultation	$75,870	$35,270
SLS	Behavioral Counseling	$376,701	$65,794
SLS	Behavioral Counseling, Group	$2,618	$1,570
SLS	Behavioral Plan Assessment	$41,497	$12,797

Appendix IV: FFS BH Waiver Expenditures by Waiver, Category of Service, and Age for People enrolled in the BI Waiver who are Dually Diagnosed

		BI FFS BH Waiver Expenditures	
Waiver	**BH Waiver Service**	**ADULT $**	**CHILD $**
BI	Behavioral Services	$0	$0
BI	MH Counseling - Individual	$32,466	$0
BI	MH Counseling - Family	$3,513	$0
BI	MH Counseling - Group	$12,785	$0
BI	SUD Counseling - Individual	$0	$0
BI	SUD Counseling - Family	$0	$0
BI	SUD Counseling - Group	$5,927	$0
BI	Behavioral Consultation	$932	$0
BI	Behavioral Counseling	$2,542	$0
BI	Behavioral Plan Assessment	$981	$0