

STATE OF COLORADO

Colorado Department Health Care Policy and Financing
Susan E. Birch, MBA, BSN, RN, Executive Director



Colorado Department of Human Services
Reggie Bicha, Executive Director

John W. Hickenlooper
Governor

November 1, 2012

The Honorable Cheri Gerou
Chair, Joint Budget Committee
Legislative Services Building, 3rd Floor
200 East 14th Avenue
Denver, Colorado 80203

Dear Representative Gerou:

The Colorado Department of Human Services and the Department of Health Care Policy and Financing, in response to the Long Bill FY 2012-13 Request for Information #1 (RFI #1), respectfully submit the attached report and corresponding appendices. RFI #1 requests the Departments "submit a report by November 1, 2012, that examines how to provide an effective system of care for youth who are involved in the child welfare, youth corrections, and behavioral health systems. The services provided within such a system of care may include, but need not be limited to, multi-systemic therapy; functional family therapy, targeted case management, and similar intensive, evidence-based therapies that support family preservation and reunification. The report is specifically requested to examine whether related General Fund expenditures could be refinanced with Medicaid funds for Medicaid-eligible youth and families and whether this could be done in a manner that would promote more coordinated service delivery and would not drive an overall increase in state General Fund costs."

If you have any questions, please contact Julie Krow, Director, Office of Children, Youth and Families at 303-866-5414.

Sincerely,

Handwritten signature of Susan E. Birch in black ink.

Susan E. Birch, MBA, BSN, RN
Executive Director

Handwritten signature of Reggie Bicha in black ink.

Reggie Bicha
Executive Director

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cc:

Senator Mary Hodge, Vice-Chair, Joint Budget Committee
Representative Jon Becker, Joint Budget Committee
Representative Claire Levy, Joint Budget Committee
Senator Pat Steadman, Joint Budget Committee
Senator Kent Lambert, Joint Budget Committee
Mr. John Ziegler, Staff Director, Joint Budget Committee
Ms. Megan Davisson, Joint Budget Committee Staff
Mr. Henry Sobanet, Director, Office of State Planning & Budgeting
Ms. Melodie Beck, Office of State Planning & Budgeting
Ms. Ann Renaud, Office of State Planning & Budgeting
Ms. Bettina Schneider, Office of State Planning & Budgeting
Ms. Nikki Hatch, Deputy Executive Director of Operations
Ms. Dee Martinez, Deputy Executive Director of Enterprise Partnerships
Mr. Jay Morein, Director, Office of Performance and Strategic Outcomes
Mr. Will Kugel, Budget Director, Colorado Department of Human Services
Ms. Julie Krow, Director, Office of Children, Youth and Families
Ms. Lisa Clements, Director, Office of Behavioral Health
Ms. Sarah Sills, CDHS Legislative Liaison
Ms. Suzanne Brennan, Deputy Executive Director, Health Programs Office
Mr. John Bartholomew, Deputy Executive Director, Finance Office
Ms. MaryKathryn Hurd, HCPF Legislative Liaison

Legislative Request for Information #1

This report is presented to the Joint Budget Committee of the Colorado General Assembly in response to Legislative Request for Information number 1 (LRFI) which states:

Department of Health Care Policy and Financing, Executive Director's Office; and Department of Human Services, Division of Child Welfare, Mental Health and Alcohol and Drug Abuse Services, and Division of Youth Corrections -- The Departments are requested to submit a report by November 1, 2012, that examines how to provide an effective system of care for youth who are involved in the child welfare, youth corrections, and behavioral health systems. The services provided within such a system of care may include, but need not be limited to, multi-systemic therapy; functional family therapy, targeted case management, and similar intensive, evidence-based therapies that support family preservation and reunification. The report is specifically requested to examine whether related General Fund expenditures could be refinanced with Medicaid funds for Medicaid-eligible youth and families and whether this could be done in a manner that would promote more coordinated service delivery and would not drive an overall increase in state General Fund costs.

Representatives from both the Department of Health Care Policy and Financing (HCPF) and the Department of Human Services (DHS) have met many times, and continue to explore the issues associated with providing an effective system of care for youth involved in the child welfare, youth corrections and behavioral health systems including refinancing General Fund expenditures. As illustrated in the Departments' response to FY 2010-11 LRFI #2 the first essential area to be addressed was to enhance cross department collaboration. Secondly, the Departments were to evaluate the current system of care to determine service criteria and appropriate funding streams. This report provides a review of those areas where the departments are working to identify the benefits and costs associated with refinancing multi-systemic therapy, functional family therapy, and similar intensive, evidence-based therapies that support family preservation and reunification for youth that are involved in the behavioral health, child welfare and youth corrections systems.

Enhanced Cross Department Collaboration

An important piece of providing an effective system of care is assuring that Medicaid is accessed to the extent possible for the current service array provided by county departments. To accomplish this, the departments identified staff contacts for inter-departmental communication and for communication with the counties, in an effort to promote cross-system collaboration. The departments have also established a problem-solving process with Behavioral Health Organizations (BHOs) that includes materials to help counties identify who to contact, in what order, how to reach them, and other related information to focus on how to access mental health services statewide for Medicaid eligible clients. A HCPF tool-kit was created and disseminated to county departments to facilitate the provision of appropriate and necessary mental health resources in their community using Medicaid funding. The two agencies are committed to continuing to work together in the following areas:

- HCPF participates in and attends the quarterly core services coordinator meetings, and presents on current issues, as well as problem solves with county staff. Core services are DHS' county family preservation and reunification services.
- Division of Child Welfare and HCPF staff continues to work together on the subcommittee to examine the use of psychotropic medications in the foster care system for the Children's Advisory Committee.
- Division of Child Welfare, Division of Youth Corrections and HCPF staff meet quarterly to address current issues and cross-systems issues.
- Division of Child Welfare and HCPF collaborated to develop the Health Care Oversight and Collaboration Plan.

The Division of Child Welfare is working to ensure that Medicaid-eligible children in the care of county child welfare departments receive quality services funded by Medicaid. These services cannot be paid for by Core Services funding. With the assistance of HCPF, the DHS is exploring issues county departments have accessing appropriate Medicaid covered services for children who are Core Services eligible.

The departments plan to evaluate the current system of care by piloting a joint oversight process of two local areas' provision of Core Services, BHO capitated mental health services and Community Mental Health Centers (CMHC) Services. As a part of the oversight the following will be examined:

- Determination of whether provided Core Services met criteria to be funded through BHO capitated mental health services.
- Determination of whether provided BHO services met BHO criteria for service.
- Determination of whether services provided by CMHC could have been funded by either BHO or Core Services.
- Evaluation of contracting between the agencies.
- Evaluation of accounting for the services provided to child welfare clients by each of the entities.

The review team will include staff from both departments: DHS staff from the Audit Division, Division of Behavioral Health (DBH), and Child Welfare; and HCPF staff from Medicaid and BHO areas. The review is anticipated to occur in the next few months and the departments will share information with local departments of human and social services about areas of excellence and areas of concern. The departments will continue to engage JBC staff on this issue.

Improving the System of Care

The departments are also undertaking additional measures in an effort to improve the system of care for youth and maximize budget neutral use of Medicaid resources. These steps include expansion of Trauma Informed System of Care, and adding a Director of Child, Adolescent and Family Services within the Department of Human Services.

Trauma Informed System of Care

Colorado was one of 24 sites around the country to be awarded a System of Care Expansion Planning Grant by the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration in 2011. System of Care is an approach to organizing

services and supports (across systems) needed by children and adolescents with behavioral health issues to help them function well in school and the community. The award recipient, DBH, has worked closely with the Division of Child Welfare plus other agencies and organizations throughout the planning process. This process included work with eight communities of excellence to design a better approach to serving children and adolescents with behavioral health issues.

This September, Colorado was awarded a four year implementation grant from the Substance Abuse and Mental Health Services Administration to implement the plan that was developed in FY 2011-12. A major strategy in the plan is to develop care management entities. Care Management Entities (CMEs) are an organizational entity that serves as the “locus of accountability” for defined populations of youth with complex emotional, behavioral and mental health challenges and their families who are served in multiple systems. The CME is accountable for improving the quality, outcomes and cost of care for populations historically experiencing high costs and poor outcomes. Across the nation, this type of approach has improved outcomes for children and adolescents with severe behavioral health needs and reduced or at least kept steady the overall costs of systems providing services to children. At least one care management entity demonstration site will be identified by 6/30/13 in Colorado. The System of Care Plan also contains strategies to increase the use of family advocates and to improve services by increasing knowledge about trauma and culture.

In addition to the grant activity, HCPF is evaluating the inclusion of Trauma Informed Screening, Assessment and Treatment in the upcoming BHO contracts. Identification of the evidenced based tools and treatments to be used is occurring in work that includes staff from state departments, counties, Behavioral Health Organizations, and Community Mental Health Centers. Evaluation of the models implementation will occur within the context of DHS’ recently secured Federal IV-E Waiver Demonstration Project.

Director of Child, Adolescent and Family Services

In September of 2012, the Office of Behavioral Health and Office of Children, Youth and Families established a jointly funded and shared position; the Director of Child Adolescent and Family Services. This position will ensure that the System of Care Plan is implemented and will work across systems to better align services and supports to serve children and adolescents with behavioral health needs.

Refinancing General Fund Expenditures

The Departments have not yet been able to identify services that could be refinanced with Medicaid without increasing the General Fund impact. While Multi-System and Function Family Therapies could qualify for Medicaid reimbursement, adding these services to the Medicaid State Plan would result in a General Fund increase for Medicaid eligible clients outside of the youth corrections and child welfare systems. It was determined that sex offender treatment for youthful sex offenders would also not qualify for Medicaid reimbursement since the treatment does not contain a medical component.

The Departments are working to determine if other states have additional state plan benefits or waivers that Colorado is not currently accessing that would support an effective system of care. DHS is preparing an RFP to secure a contractor with the capacity to:

- 1) Assist county departments with successful determinations and redeterminations of SSI eligible children and youth, and
- 2) Provide the Departments with information at a macro level of how Colorado compares to other states in using Medicaid funding for child welfare services.