

CBHC BOARD POSITION STATEMENT 22A.0

Actual and Reasonable Cost Reimbursement

Position Statement

Colorado's reimbursement schedule for community mental health centers and clinics and related essential community services must continue to reimburse actual or reasonable costs.

Background

Colorado statute ([C.R.S. 25.5-5-403](#)) defines "Essential Community Provider" as
"a health care provider that:

- a. Has historically served medically needy or medically indigent patients and that demonstrates a commitment to serve low-income and medically indigent populations who comprise a significant portion of its patient population or, in the case of a sole community provider, serves the medically indigent patients within its medical capability; and
- b. Waives charges or charges for services on a sliding scale based on income and does not restrict access or services because of a client's financial limitations."

Throughout their existence, Community Mental Health Centers (CMHC) and clinics have held the values and commitments outlined in the definition above. Overtime, funding stream composition has evolved to account for the demographic's current resources and ensure that services remain available to those that need it most. As CMHCs expanded the percentage of reimbursement associated with Colorado's Medical Assistance Program (Medicaid/Medicare), Colorado's legislature took clear steps to codify that Colorado's Medicaid, regardless of its management, must maintain a schedule of reimbursement that allows CMHCs to keep essential services available.

Current statute, ([C.R.S. 25.5-4-403](#)) states the following:

"For the purpose of reimbursing **community mental health center** and clinic providers, the state department shall establish a price schedule annually with the department of human services in order to reimburse each provider for its actual or reasonable cost of services."

As Colorado's Medical Assistance Program evolves, and considering program re-design and management decisions outlined in the Accountable Care Collaborative Phase II, it is critical that essential services offered by CMHC remain available to vulnerable populations. Statutory language and intent must be preserved and enhanced to protect the viability and resilience of essential providers within Colorado's Medicaid Program.

Policy Priorities

22A.1 Protection of essential services and CMHC viability.

In the current any future version of Colorado's Medical Assistance Program, protections for essential community services must remain intact and enhanced when appropriate.

- ❖ CBHC supports the preservation and enhancement of statutory language that protects community providers' viability and the availability of essential services.
 - Protections of historical decisions that have allowed CMHCs to remain viable and expand the availability of essential services within Colorado's Medical Assistance Program.
 - Enhancement of provider reimbursement language, cost-analysis, and schedule formation that accounts for a comprehensive reimbursement structure.
 - Transparency and accountability structures that promote regular review of funding decisions (e.g., rate setting) to align with statutory intent.
- ❖ CBHC opposes any attempt to dismantle, erase, or erode statutory language and implementation that requires actual or reasonable cost reimbursement to CMHCs within Colorado's Medical Assistance Program.
 - Statute interpretation or implementation activity that allows payors to unduly erode CMHC reimbursement for Medicaid covered services.
 - Bill introduction that would alter this language to favor more flexibility to payors that would put CMHC viability at unnecessary risk.

22A.2 System Integrity for Effective Care Management

Successful care management within comprehensive healthcare systems require integrity within systems to allow for effective management and transitions between services, programs, and levels of care. It is critical that reasonable and actual costs represent a comprehensive set of services that account for complex patient needs.

- ❖ CBHC supports policies that reform billing, reporting, and oversight practices to allow for providers to capture and receive reimbursement for comprehensive costs.
 - Cost reports and audits that examine complete costs and services
 - Comprehensive reimbursement through rate setting and adjustments that account for all services provided within a community healthcare provider system.
- ❖ CBHC supports legislation and policies that require the state Medicaid authority (Department of Healthcare Policy and Financing) to hold all payors accountable to statutory reimbursement requirements that impact the viability of safety net providers.

Effective Period

The Colorado Behavioral Healthcare Council (CBHC) Board of Directors approved this policy on xx/xx/xxxx. It is reviewed as required by the Public Policy Advisory Committee.

Policy Updated

Updates to this policy position were approved by the CBHC Board of Directors on xx/xx/xxxx.

Expiration: 09/20/2018